

109TH CONGRESS
2^D SESSION

H. R. 5122

AN ACT

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, 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 “G. V. ‘Sonny’ Mont-

5 gomery National Defense Authorization Act for Fiscal

6 Year 2007”.

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

9 (a) DIVISIONS.—This Act is organized into three divi-

10 sions as follows:

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12 thorizations.

13 (2) Division B—Military Construction Author-

14 izations.

15 (3) Division C—Department of Energy Na-

16 tional Security Authorizations and Other Authoriza-

17 tions.

18 (b) TABLE OF CONTENTS.—The table of contents for

19 this Act is as follows:

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- Sec. 2824. Consolidation of laws relating to transfer of Department of Defense real property within the department and to other Federal agencies.
- Sec. 2825. Congressional notice requirements in advance of acquisition of land by condemnation for military purposes.
- Sec. 2826. Defense access road program.

Subtitle C—Base Closure and Realignment

- Sec. 2831. Treatment of lease proceeds from military installations approved for closure or realignment after January 1, 2005.

Subtitle D—Land Conveyances

- Sec. 2841. Land conveyance, Naval Air Station, Barbers Point, Hawaii.
- Sec. 2842. Modification of land acquisition authority, Perquimans County, North Carolina.
- Sec. 2843. Land conveyance, Radford Army Ammunition Plant, Pulaski County, Virginia.
- Sec. 2844. Land conveyance, North Hills Army Reserve Center, Allison Park, Pennsylvania.
- Sec. 2845. Modifications to land conveyance authority, Engineering Proving Ground, Fort Belvoir, Virginia.
- Sec. 2846. Sense of Congress regarding land conveyance involving Army Reserve Center, Marshall, Texas.

Subtitle E—Other Matters

- Sec. 2851. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.
- Sec. 2852. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY
PROGRAMS

Subtitle A—National Security Programs Authorizations

- Sec. 3101. National Nuclear Security Administration.
- Sec. 3102. Defense environmental cleanup.
- Sec. 3103. Other defense activities.
- Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
- Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
- Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
- Sec. 3114. Utilization of contributions to Second Line of Defense program.
- Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
- Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
- Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

- Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

- Sec. 3301. Authorized uses of National Defense Stockpile funds.
- Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

- Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

- Sec. 3501. Authorization of appropriations for fiscal year 2007.
- Sec. 3502. Limitation on transfer of Maritime Security Fleet operating agreements.
- Sec. 3503. Applicability to certain Maritime Administration vessels of limitations on overhaul, repair, and maintenance of vessels in foreign shipyards.
- Sec. 3504. Vessel transfer authority.
- Sec. 3505. United States Merchant Marine Academy graduates: alternate service requirements.
- Sec. 3506. United States Merchant Marine Academy graduates: service obligation performance reporting requirement.
- Sec. 3507. Temporary authority to transfer obsolete combatant vessels to Navy for disposal.
- Sec. 3508. Temporary requirement to maintain Ready Reserve Force.

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

- 2 For purposes of this Act, the term “congressional de-
- 3 fense committees” has the meaning given that term in sec-
- 4 tion 101(a)(16) of title 10, United States Code.

1 **DIVISION A—DEPARTMENT OF**
 2 **DEFENSE AUTHORIZATIONS**
 3 **TITLE I—PROCUREMENT**

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
- Sec. 102. Navy and Marine Corps.
- Sec. 103. Air Force.
- Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

- Sec. 111. Multiyear procurement authority for Family of Medium Tactical Vehicles.
- Sec. 112. Multiyear procurement authority for MH-60R helicopters and mission equipment.
- Sec. 113. Funding profile for Modular Force Initiative of the Army.
- Sec. 114. Bridge to Future Networks program.
- Sec. 115. Funding for call for fire trainer/joint fires and effects trainer system.

Subtitle C—Navy Programs

- Sec. 121. Attack submarine force structure.
- Sec. 122. Adherence to Navy cost estimates for CVN-21 class of aircraft carriers.
- Sec. 123. Adherence to Navy cost estimates for LHA Replacement amphibious assault ship program.
- Sec. 124. Adherence to Navy cost estimates for San Antonio (LPD-17) class amphibious ship program.
- Sec. 125. Multiyear procurement authority for V-22 tiltrotor aircraft program.
- Sec. 126. Quality control in procurement of ship critical safety items and related services.
- Sec. 127. DD(X) Next-Generation Destroyer program.
- Sec. 128. Sense of Congress that the Navy make greater use of nuclear-powered propulsion systems in its future fleet of surface combatants.

Subtitle D—Air Force Programs

- Sec. 131. Requirement for B-52 force structure.
- Sec. 132. Strategic airlift force structure.
- Sec. 133. Limitation on retirement of U-2 aircraft.
- Sec. 134. Multiyear procurement authority for F-22A Raptor fighter aircraft.
- Sec. 135. Limitation on retirement of KC-135E aircraft during fiscal year 2007.
- Sec. 136. Limitation on retirement of F-117A aircraft during fiscal year 2007.
- Sec. 137. Air Force program.

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

3 **SEC. 101. ARMY.**

4 Funds are hereby authorized to be appropriated for
5 fiscal year 2007 for procurement for the Army as follows:

6 (1) For aircraft, \$3,714,783,000.

7 (2) For missiles, \$1,490,898,000.

8 (3) For weapons and tracked combat vehicles,
9 \$2,335,004,000.

10 (4) For ammunition, \$1,691,475,000.

11 (5) For other procurement, \$6,970,079,000.

12 (6) For National Guard Equipment,
13 \$318,000,000.

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

15 (a) NAVY.—Funds are hereby authorized to be appro-
16 priated for fiscal year 2007 for procurement for the Navy
17 as follows:

18 (1) For aircraft, \$10,760,671,000.

19 (2) For weapons, including missiles and tor-
20 pedoes, \$2,517,020,000.

21 (3) For shipbuilding and conversion,
22 \$11,183,153,000.

23 (4) For other procurement, \$5,042,766,000.

1 (b) MARINE CORPS.—Funds are hereby authorized to
2 be appropriated for fiscal year 2007 for procurement for
3 the Marine Corps in the amount of \$1,223,813,000.

4 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
5 are hereby authorized to be appropriated for fiscal year
6 2007 for procurement of ammunition for the Navy and
7 the Marine Corps in the amount of \$758,793,000.

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

9 Funds are hereby authorized to be appropriated for
10 fiscal year 2007 for procurement for the Air Force as fol-
11 lows:

12 (1) For aircraft, \$13,042,630,000.

13 (2) For ammunition, \$1,076,749,000.

14 (3) For missiles, \$4,171,495,000.

15 (4) For other procurement, \$15,428,636,000.

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

17 Funds are hereby authorized to be appropriated for
18 fiscal year 2007 for Defense-wide procurement in the
19 amount of \$2,856,461,000.

20 **Subtitle B—Army Programs**

21 **SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR**
22 **FAMILY OF MEDIUM TACTICAL VEHICLES.**

23 (a) AUTHORITY.—The Secretary of the Army may,
24 in accordance with section 2306b of title 10, United States
25 Code, enter into a multiyear contract for the Family of

1 Medium Tactical Vehicles (FMTV) program beginning
2 with the fiscal year 2008 program year.

3 (b) CONTRACT REQUIREMENT.—Any multiyear con-
4 tract or extension entered into under this section for pro-
5 curement under the Family of Medium Tactical Vehicles
6 program shall provide for incorporation of improvements
7 in the areas of performance capability and survivability
8 from lessons learned from operations involving the Global
9 War on Terrorism (as well as from product improvement
10 programs carried out for the Family of Medium Tactical
11 Vehicles program)..

12 (c) LIMITATION ON TERM OF CONTRACT.—Notwith-
13 standing subsection (k) of section 2306b of title 10,
14 United States Code, a contract or extension under this
15 section may not be for a period in excess of three program
16 years.

17 **SEC. 112. MULTIYEAR PROCUREMENT AUTHORITY FOR MH-**
18 **60R HELICOPTERS AND MISSION EQUIPMENT.**

19 (a) MH-60R HELICOPTER.—Subject to subsection
20 (c), the Secretary of the Army, acting as executive agent
21 for the Department of the Navy, may enter into a
22 multiyear contract for the procurement of 144 MH-60R
23 helicopters.

24 (b) MH-60R HELICOPTER MISSION EQUIPMENT.—
25 Subject to subsection (c), the Secretary of the Army, act-

1 ing as executive agent for the Department of the Navy,
2 may enter into a multiyear contract for the procurement
3 of MH-60R helicopter mission equipment for the heli-
4 copters covered by a multiyear contract under subsection
5 (a).

6 (c) CONTRACT REQUIREMENTS.—Any multiyear con-
7 tract under this section—

8 (1) shall be entered into in accordance with sec-
9 tion 2306b of title 10, United States Code, and shall
10 commence with the fiscal year 2007 program year;
11 and

12 (2) shall provide that any obligation of the
13 United States to make a payment under the contract
14 is subject to the availability of appropriations for
15 that purpose.

16 (d) COST LIMITATION.—The combined value for the
17 contracts authorized by subsections (a) and (b) may not
18 exceed \$2,600,000,000, and the average unit cost per heli-
19 copter under those contracts may not exceed \$37,790,000.

20 **SEC. 113. FUNDING PROFILE FOR MODULAR FORCE INITIA-**
21 **TIVE OF THE ARMY.**

22 The Secretary of the Army shall set forth in the
23 budget presentation materials of the Army submitted to
24 Congress in support of the President's budget for any fis-
25 cal year after fiscal year 2007, and in other relevant mate-

1 rials submitted to Congress with respect to the budget of
2 the Army for any such fiscal year, all amounts for procure-
3 ment for the M1A2 Abrams tank System Enhancement
4 Program (SEP) and for the Bradley A3 fighting vehicle
5 as elements within the amounts requested for the Modular
6 Force Initiative of the Army, in accordance with the report
7 of the Army titled “The Army Modular Force Initiative”,
8 submitted to Congress in March 2006.

9 **SEC. 114. BRIDGE TO FUTURE NETWORKS PROGRAM.**

10 (a) LIMITATION ON FISCAL YEAR 2007 AMOUNT.—
11 Of the amount authorized to be appropriated for the Army
12 for fiscal year 2007 for Other Procurement, Army, that
13 is available for the program of the Army designated as
14 the Bridge to Future Networks, not more than 70 percent
15 shall be made available for obligation until the Secretary
16 of the Army submits to the congressional defense commit-
17 tees a report on that program that includes the matters
18 specified in subsection (b).

19 (b) MATTERS TO BE INCLUDED.—The report under
20 subsection (a) shall include the following:

21 (1) An analysis of how the Joint Network Node
22 (JNN) element of the Bridge to Future Networks
23 program and the Warfighter Information Network-
24 Tactical (WIN-T) program will fit together, includ-
25 ing an analysis of whether there are opportunities to

1 leverage technologies and equipment from the Joint
2 Network Node program as part of the development
3 of the Warfighter Information Network-Tactical pro-
4 gram.

5 (2) A description of the extent to which compo-
6 nents of the Joint Network Node and the Warfighter
7 Information Network-Tactical programs could be
8 used together as elements of a single tactical net-
9 work.

10 (3) A description of the strategy of the Army
11 for completing the systems engineering necessary to
12 ensure the end-to-end interoperability of a single
13 tactical network referred to in paragraph (2).

14 **SEC. 115. FUNDING FOR CALL FOR FIRE TRAINER/JOINT**
15 **FIRES AND EFFECTS TRAINER SYSTEM.**

16 (a) IN GENERAL.—The amount provided in section
17 101(5) for Other Procurement, Army, is hereby increased
18 by \$4,000,000, to be available for a Call for Fire Trainer
19 II/Joint Fires and Effects Trainer System (JFETS)
20 under Line 161 Training Devices, Nonsystem (NA0100).

21 (b) OFFSET.—The amount provided in section
22 201(1) for Research, Development, Test, and Evaluation,
23 Army, is hereby reduced by \$4,000,000, to be derived
24 from the Joint Tactical Radio System account (Program
25 Element 0604280A).

1 **Subtitle C—Navy Programs**

2 **SEC. 121. ATTACK SUBMARINE FORCE STRUCTURE.**

3 Section 5062 of title 10, United States Code, is
4 amended—

5 (1) by redesignating subsections (c) and (d) as
6 subsections (d) and (e), respectively; and

7 (2) by inserting after subsection (b) the fol-
8 lowing new subsection (c):

9 “(c) The naval combat forces of the Navy shall in-
10 clude not less than 48 operational attack submarines. For
11 purposes of this subsection, an operational attack sub-
12 marine includes an attack submarine that is temporarily
13 unavailable for worldwide deployment due to routine or
14 scheduled maintenance or repair.”.

15 **SEC. 122. ADHERENCE TO NAVY COST ESTIMATES FOR**
16 **CVN-21 CLASS OF AIRCRAFT CARRIERS.**

17 (a) LIMITATION.—

18 (1) LEAD SHIP.—The total amount obligated or
19 expended from funds appropriated or otherwise
20 made available for Shipbuilding and Conversion,
21 Navy, or for any other procurement account, for the
22 aircraft carrier designated as CVN-21 may not ex-
23 ceed \$10,500,000,000 (as adjusted pursuant to sub-
24 section (b)).

1 (2) FOLLOW-ON SHIPS.—The total amount obli-
2 gated or expended from funds appropriated or other-
3 wise made available for Shipbuilding and Conver-
4 sion, Navy, or for any other procurement account,
5 for the construction of any ship that is constructed
6 in the CVN-21 class of aircraft carriers after the
7 lead ship of that class may not exceed
8 \$8,100,000,000 (as adjusted pursuant to subsection
9 (b)).

10 (b) ADJUSTMENT OF LIMITATION AMOUNT.—The
11 Secretary of the Navy may adjust the amount set forth
12 in subsection (a) for any ship constructed in the CVN-
13 21 class of aircraft carriers by the following:

14 (1) The amounts of increases or decreases in
15 costs attributable to economic inflation after Sep-
16 tember 30, 2006.

17 (2) The amounts of increases or decreases in
18 costs attributable to compliance with changes in
19 Federal, State, or local laws enacted after Sep-
20 tember 30, 2006.

21 (3) The amounts of outfitting costs and post-
22 delivery costs incurred for that ship.

23 (4) The amounts of increases or decreases in
24 costs of that ship that are attributable to insertion
25 of new technology into that ship, as compared to the

1 technology baseline as it was defined in the approved
2 acquisition program baseline estimate of December
3 2005.

4 (c) LIMITATION ON TECHNOLOGY INSERTION COST
5 ADJUSTMENT.—The Secretary of the Navy may use the
6 authority under paragraph (4) of subsection (b) to adjust
7 the amount set forth in subsection (a) for a ship referred
8 to in that subsection with respect to insertion of new tech-
9 nology into that ship only if—

10 (1) the Secretary determines, and certifies to
11 the congressional defense committees, that insertion
12 of the new technology would lower the life-cycle cost
13 of the ship; or

14 (2) the Secretary determines, and certifies to
15 the congressional defense committees, that insertion
16 of the new technology is required to meet an emerg-
17 ing threat and the Secretary of Defense certifies to
18 those committees that such threat poses grave harm
19 to national security.

20 (d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

21 (1) REQUIREMENT.—The Secretary of the Navy
22 shall submit to the congressional defense committees
23 each year, at the same time that the budget is sub-
24 mitted under section 1105(a) of title 31, United
25 States Code, for the next fiscal year, written notice

1 of any change in the amount set forth in subsection
2 (a) during the preceding fiscal year that the Sec-
3 retary has determined to be associated with a cost
4 referred to in subsection (b).

5 (2) EFFECTIVE DATE.—The requirement in
6 paragraph (1) shall become effective with the budget
7 request for the year of procurement of the first ship
8 referred to in subsection (a).

9 **SEC. 123. ADHERENCE TO NAVY COST ESTIMATES FOR LHA**
10 **REPLACEMENT AMPHIBIOUS ASSAULT SHIP**
11 **PROGRAM.**

12 (a) LIMITATION.—The total amount obligated or ex-
13 pended from funds appropriated or otherwise made avail-
14 able for Shipbuilding and Conversion, Navy, or for any
15 other procurement account, for procurement of any ship
16 that is constructed under the LHA Replacement
17 (LHA(R)) amphibious assault ship program may not ex-
18 ceed \$2,813,600,000 (as adjusted pursuant to subsection
19 (b)).

20 (b) ADJUSTMENT OF LIMITATION AMOUNT.—The
21 Secretary of the Navy may adjust the amount set forth
22 in subsection (a) for any ship constructed under the LHA
23 Replacement amphibious assault ship program by the fol-
24 lowing:

1 (1) The amounts of increases or decreases in
2 costs attributable to economic inflation after Sep-
3 tember 30, 2006.

4 (2) The amounts of increases or decreases in
5 costs attributable to compliance with changes in
6 Federal, State, or local laws enacted after Sep-
7 tember 30, 2006.

8 (3) The amounts of outfitting costs and post-
9 delivery costs incurred for that ship.

10 (4) The amounts of increases or decreases in
11 costs of that ship that are attributable to insertion
12 of new technology into that ship, as compared to the
13 technology baseline as it was defined at the develop-
14 ment stage referred to as Milestone B.

15 (c) LIMITATION ON TECHNOLOGY INSERTION COST
16 ADJUSTMENT.—The Secretary of the Navy may use the
17 authority under paragraph (4) of subsection (b) to adjust
18 the amount set forth in subsection (a) for a ship referred
19 to in that subsection with respect to insertion of new tech-
20 nology into that ship only if—

21 (1) the Secretary determines, and certifies to
22 the congressional defense committees, that insertion
23 of the new technology would lower the life-cycle cost
24 of the ship; or

1 (2) the Secretary determines, and certifies to
2 the congressional defense committees, that insertion
3 of the new technology is required to meet an emerg-
4 ing threat and the Secretary of Defense certifies to
5 those committees that such threat poses grave harm
6 to national security.

7 (d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

8 (1) REQUIREMENT.—The Secretary of the Navy
9 shall submit to the congressional defense committees
10 each year, at the same time that the budget is sub-
11 mitted under section 1105(a) of title 31, United
12 States Code, for the next fiscal year, written notice
13 of any change in the amount set forth in subsection
14 (a) during the preceding fiscal year that the Sec-
15 retary has determined to be associated with a cost
16 referred to in subsection (b).

17 (2) EFFECTIVE DATE.—The requirement in
18 paragraph (1) shall become effective with the budget
19 request for the year of procurement of the first ship
20 referred to in subsection (a).

21 **SEC. 124. ADHERENCE TO NAVY COST ESTIMATES FOR SAN**
22 **ANTONIO (LPD-17) CLASS AMPHIBIOUS SHIP**
23 **PROGRAM.**

24 (a) LIMITATION.—

1 (1) PROCUREMENT COST.—The total amount
2 obligated or expended from funds appropriated or
3 otherwise made available for Shipbuilding and Con-
4 version, Navy, or for any other procurement ac-
5 count, for the San Antonio-class amphibious ships
6 designated as LPD–18, LPD–19, LPD–20, LPD–
7 21, LPD–22, LPD–23, LPD–24, and LPD–25 may
8 not exceed the amount for each such vessel specified
9 in paragraph (2) (those specified amounts being the
10 estimated total procurement end cost of those ves-
11 sels, respectively, in the fiscal year 2007 budget):

12 (2) SPECIFIED COST LIMIT BY VESSEL.—The
13 limitation under this subsection for each vessel spec-
14 ified in paragraph (1) is the following:

15 (A) For the LPD–18 ship, \$1,111,310,000
16 (as adjusted pursuant to subsection (b)).

17 (B) For the LPD–19 ship, \$1,137,400,000
18 (as adjusted pursuant to subsection (b)).

19 (C) For the LPD–20 ship, \$1,004,600,000
20 (as adjusted pursuant to subsection (b)).

21 (D) For the LPD–21 ship, \$1,126,966,000
22 (as adjusted pursuant to subsection (b)).

23 (E) For the LPD–22 ship, \$1,246,736,000
24 (as adjusted pursuant to subsection (b)).

1 (F) For the LPD–23 ship, \$1,191,230,000
2 (as adjusted pursuant to subsection (b)).

3 (G) For the LPD–24 ship, \$1,333,001,000
4 (as adjusted pursuant to subsection (b)).

5 (H) For the LPD–25 ship, \$1,671,800,000
6 (as adjusted pursuant to subsection (b)).

7 (b) ADJUSTMENT OF LIMITATION AMOUNTS.—The
8 Secretary of the Navy may adjust the amount set forth
9 in subsection (a) for any ship specified in that subsection
10 by the following:

11 (1) The amounts of increases or decreases in
12 costs attributable to economic inflation after Sep-
13 tember 30, 2006.

14 (2) The amounts of increases or decreases in
15 costs attributable to compliance with changes in
16 Federal, State, or local laws enacted after Sep-
17 tember 30, 2006.

18 (3) The amounts of outfitting costs and post-
19 delivery costs incurred for that ship.

20 (4) The amounts of increases or decreases in
21 costs of that ship that are attributable to insertion
22 of new technology into that ship, as compared to the
23 technology built into the U.S.S. San Antonio (LPD–
24 17), the lead ship of the LPD–17 class.

1 (c) LIMITATION ON TECHNOLOGY INSERTION COST
2 ADJUSTMENT.—The Secretary of the Navy may use the
3 authority under paragraph (4) of subsection (b) to adjust
4 the amount set forth in subsection (a) for any LPD–17
5 class ship with respect to insertion of new technology into
6 that ship only if—

7 (1) the Secretary determines, and certifies to
8 the congressional defense committees, that insertion
9 of the new technology would lower the life-cycle cost
10 of the ship; or

11 (2) the Secretary determines, and certifies to
12 the congressional defense committees, that insertion
13 of the new technology is required to meet an emerg-
14 ing threat and the Secretary of Defense certifies to
15 those committees that such threat poses grave harm
16 to national security.

17 (d) WRITTEN NOTICE OF CHANGE IN AMOUNT.—

18 (1) REQUIREMENT.—The Secretary of the Navy
19 shall submit to the congressional defense committees
20 each year, at the same time that the budget is sub-
21 mitted under section 1105(a) of title 31, United
22 States Code, for the next fiscal year, written notice
23 of any change in the amount set forth in subsection
24 (a) during the preceding fiscal year that the Sec-

1 retary has determined to be associated with a cost
2 referred to in subsection (b).

3 (2) **EFFECTIVE DATE.**—The requirement in
4 paragraph (1) shall become effective with the budget
5 request for the year of procurement of the first ship
6 referred to in subsection (a).

7 **SEC. 125. MULTIYEAR PROCUREMENT AUTHORITY FOR V-22**
8 **TILTROTOR AIRCRAFT PROGRAM.**

9 The Secretary of the Navy, in accordance with section
10 2306b of title 10, United States Code, and acting as execu-
11 tive agent for the Secretary of the Air Force and the
12 commander of the United States Special Operations Com-
13 mand, may enter into a multiyear contract, beginning with
14 the fiscal year 2008 program year, for procurement of V-
15 22 tiltrotor aircraft. The total number of aircraft procured
16 through a multiyear contract under this section may not
17 exceed 211, of which not more than 185 may be in the
18 MV-22 configuration and not more than 26 may be in
19 the CV-22 configuration.

20 **SEC. 126. QUALITY CONTROL IN PROCUREMENT OF SHIP**
21 **CRITICAL SAFETY ITEMS AND RELATED**
22 **SERVICES.**

23 (a) **IN GENERAL.**—

1 (1) QUALITY CONTROL POLICY.—Chapter 633
2 of title 10, United States Code, is amended by add-
3 ing at the end the following new section:

4 **“§ 7317. Ship critical safety items and related serv-**
5 **ices: quality control in procurement**

6 “(a) QUALITY CONTROL POLICY.—The Secretary of
7 Defense shall prescribe in regulations a quality control
8 policy for the procurement of—

9 “(1) ship critical safety items; and

10 “(2) modifications, repair, and overhaul of ship
11 critical safety items.

12 “(b) CONTENT OF REGULATIONS.—The policy set
13 forth in the regulations under subsection (a) shall include
14 the following requirements:

15 “(1) That the head of the design control activ-
16 ity for ship critical safety items establish processes
17 to identify and manage the procurement, modifica-
18 tion, repair, and overhaul of ship critical safety
19 items.

20 “(2) That the head of the contracting activity
21 for a ship critical safety item enter into a contract
22 for the procurement, modification, repair, or over-
23 haul of such item only with a source that is on a
24 qualified manufacturers list or is approved by the

1 design control activity in accordance with section
2 2319 of this title.

3 “(3) That the ship critical safety items deliv-
4 ered, and the services performed with respect to ship
5 critical safety items, meet all technical and quality
6 requirements specified by the design control activity.

7 “(c) DEFINITIONS.—In this section:

8 “(1) The term ‘ship critical safety item’ means
9 any part, assembly, or support equipment of a vessel
10 that contains a critical characteristic the failure,
11 malfunction, or absence of which may cause a cata-
12 strophic or critical failure resulting in loss or serious
13 damage to the vessel or unacceptable risk of per-
14 sonal injury or loss of life.

15 “(2) The term ‘design control activity’, with re-
16 spect to a ship critical safety item, means the sys-
17 tems command of a military department that is spe-
18 cifically responsible for ensuring the seaworthiness
19 of a ship system or equipment in which the item is
20 to be used.”.

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

“7317. Ship critical safety items and related services: quality control in pro-
curement.”.

1 (b) CONFORMING AMENDMENTS.—Section 2319 of
2 title 10, United States Code, is amended—

3 (1) in subsection (c)(3), by inserting “or ship
4 critical safety item” after “aviation critical safety
5 item”; and

6 (2) In subsection (g)—

7 (A) by redesignating paragraph (2) as
8 paragraph (3);

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

11 “(2) The term ‘ship critical safety item’ has the
12 meaning given that term in section 7317(c) of this
13 title.”; and

14 (C) in paragraph (3) (as redesignated)—

15 (i) by inserting “or a ship critical
16 safety item” after “aviation critical safety
17 item” the first place it appears; and

18 (ii) by inserting “, or the seaworthi-
19 ness of a ship system or equipment,” after
20 “equipment”.

21 **SEC. 127. DD(X) NEXT-GENERATION DESTROYER PROGRAM.**

22 (a) FUNDING AUTHORIZED.—Of the amount author-
23 ized to be appropriated by section 102(a)(3) for fiscal year
24 2007 for Shipbuilding and Conversion, Navy,

1 \$2,568,000,000 is available for the DD(X) Next-Genera-
2 tion Destroyer program.

3 (b) CONTRACT AUTHORITY.—The Secretary of the
4 Navy may enter into two contracts during fiscal year 2007
5 for the DD(X) Next-Generation Destroyer program. The
6 contracts shall be entered into with two different ship-
7 builders. One such contract shall provide for procurement
8 of a DD(X) Next-Generation destroyer, including detail
9 design and construction. The other contract shall provide
10 only for detail design of a DD(X) Next-Generation de-
11 stroyer. The two contracts shall be awarded simulta-
12 neously.

13 **SEC. 128. SENSE OF CONGRESS THAT THE NAVY MAKE**
14 **GREATER USE OF NUCLEAR-POWERED PRO-**
15 **PULSION SYSTEMS IN ITS FUTURE FLEET OF**
16 **SURFACE COMBATANTS.**

17 (a) FINDINGS.—Congress makes the following find-
18 ings:

19 (1) Securing and maintaining access to afford-
20 able and plentiful sources of energy is a vital na-
21 tional security interest for the United States.

22 (2) The Nation's dependence upon foreign oil is
23 a threat to national security due to the inherently
24 volatile nature of the global oil market and the polit-

1 ical instability of some of the world’s largest oil pro-
2 ducing states.

3 (3) Given the recent increase in the cost of
4 crude oil, which cannot realistically be expected to
5 improve over the long term, other energy sources
6 must be seriously considered.

7 (b) SENSE OF CONGRESS.—In light of the findings
8 in subsection (a), it is the sense of Congress that the Navy
9 should make greater use of alternative technologies, in-
10 cluding nuclear power, as a means of vessel propulsion for
11 its future fleet of surface combatants.

12 **Subtitle D—Air Force Programs**

13 **SEC. 131. REQUIREMENT FOR B-52 FORCE STRUCTURE.**

14 (a) REQUIREMENT.—Before the date specified in
15 subsection (b), the Secretary of the Air Force—

16 (1) may not retire any B-52 aircraft, other
17 than the aircraft with tail number 61-0025; and

18 (2) shall maintain not less than 44 such air-
19 craft as combat-coded aircraft.

20 (b) TERMINATION.—For purposes of subsection (a),
21 the date specified in this subsection is the earlier of—

22 (1) January 1, 2018; and

23 (2) the date as of which a long-range strike re-
24 placement aircraft with equal or greater capability

1 than the B-52H model aircraft has attained initial
2 operational capability status.

3 **SEC. 132. STRATEGIC AIRLIFT FORCE STRUCTURE.**

4 (a) **REQUIRED FORCE STRUCTURE.**—

5 (1) **MINIMUM NUMBER OF AIRCRAFT.**—Effective
6 October 1, 2008, the Secretary of the Air Force
7 shall maintain a total aircraft inventory of strategic
8 airlift aircraft of not less than 299 aircraft.

9 (2) **DEFINITIONS.**—For purposes of this sub-
10 section:

11 (A) The term “strategic airlift aircraft”
12 means an aircraft that has a cargo capacity of
13 at least 150,000 pounds and that is capable of
14 transporting outsized cargo an unrefueled range
15 of at least 2,400 nautical miles.

16 (B) The term “outsized cargo” means any
17 single item of equipment that exceeds 1,090
18 inches in length, 117 inches in width, or 105
19 inches in height.

20 (b) **REPEAL OF LIMITATION ON RETIREMENT OF C-**
21 **5 AIRCRAFT.**—Section 132 of the National Defense Au-
22 thorization Act for Fiscal Year 2004 (Public Law 108-
23 136; 117 Stat. 1411) is repealed.

1 **SEC. 133. LIMITATION ON RETIREMENT OF U-2 AIRCRAFT.**

2 (a) FISCAL YEAR 2007.—The Secretary of the Air
3 Force may not retire any U-2 aircraft of the Air Force
4 in fiscal year 2007.

5 (b) YEARS AFTER FISCAL YEAR 2007.—After fiscal
6 year 2007, the Secretary of the Air Force may retire a
7 U-2 aircraft only if the Secretary of Defense certifies to
8 Congress that the U-2 intelligence, surveillance, and re-
9 connaissance (ISR) capability provided by the U-2 air-
10 craft no longer contributes to mitigating any gaps in ISR
11 capabilities identified in the 2006 Quadrennial Defense
12 Review. No action may be taken by the Department of
13 Defense to retire (or to prepare to retire) any U-2 air-
14 craft—

15 (1) before such a certification is submitted to
16 Congress; or

17 (2) during the 60-day period beginning on the
18 date on which such a certification is submitted.

19 **SEC. 134. MULTIYEAR PROCUREMENT AUTHORITY FOR F-**
20 **22A RAPTOR FIGHTER AIRCRAFT.**

21 (a) MULTIYEAR AUTHORITY.—The Secretary of the
22 Air Force may enter into a multiyear contract for the pro-
23 curement of up to 60 F-22A Raptor fighter aircraft begin-
24 ning with the 2007 program year,

25 (b) COMPLIANCE WITH LAW APPLICABLE TO
26 MULTIYEAR CONTRACTS.—A contract under subsection

1 (a) for the procurement of F-22A aircraft shall be entered
2 into in accordance with section 2306b of title 10, United
3 States Code, except that, notwithstanding subsection (k)
4 of that section, such a contract may not be for a period
5 in excess of three program years.

6 (c) REQUIRED CERTIFICATIONS.—In the case of a
7 contract under subsection (a) for the procurement of F-
8 22A aircraft, a certification under subsection (i)(1)(A) of
9 section 2306b of title 10, United States Code, with respect
10 to that contract may only be submitted if the certification
11 includes an additional certification that each of the condi-
12 tions specified in subsection (a) of that section has been
13 satisfied with respect to that contract.

14 (d) NOTICE-AND-WAIT REQUIREMENT.—Upon sub-
15 mission to Congress of a certification referred to in sub-
16 section (c) with respect to a proposed contract under sub-
17 section (a) for the procurement of F-22A aircraft, the
18 contract may then be entered into only after a period of
19 30 days has elapsed after the date of the submission of
20 the certification.

21 **SEC. 135. LIMITATION ON RETIREMENT OF KC-135E AIR-**
22 **CRAFT DURING FISCAL YEAR 2007.**

23 (a) LIMITATION.—The number of KC-135E aircraft
24 retired by the Secretary of the Air Force during fiscal year
25 2007 may not exceed 29.

1 (b) TREATMENT OF RETIRED AIRCRAFT.—The Sec-
2 retary of the Air Force shall maintain each KC-135E air-
3 craft that is retired by the Secretary after September 30,
4 2006, in a condition that would allow recall of that aircraft
5 to future service in the Air Force Reserve, Air National
6 Guard, or active forces aerial refueling force structure.

7 **SEC. 136. LIMITATION ON RETIREMENT OF F-117A AIR-**
8 **CRAFT DURING FISCAL YEAR 2007.**

9 (a) LIMITATION.—The number of F-117A aircraft
10 retired by the Secretary of the Air Force during fiscal year
11 2007 may not exceed 10.

12 (b) TREATMENT OF RETIRED AIRCRAFT.—The Sec-
13 retary of the Air Force shall maintain each F-117A air-
14 craft that is retired by the Secretary after September 30,
15 2006, in a condition that would allow recall of that aircraft
16 to future service.

17 **SEC. 137. AIR FORCE PROGRAM.**

18 (a) SCIENCE ENGINEERING LAB DATA INTEGRA-
19 TION.—The amount provided in section 103 for Other
20 Procurement, Air Force, is hereby increased by
21 \$6,000,000, to be available for Science Engineering Lab
22 Data Integration (SELDI) at the Ogden Air Logistics
23 Center, Utah.

24 (b) OFFSET.—The amount provided in section
25 201(4) for Research, Development, Test, and Evaluation,

1 Defense-wide, is hereby reduced by \$6,000,000, to be de-
 2 rived from Information and Communications Technology
 3 (Program Element 0602301E).

4 **TITLE II—RESEARCH, DEVELOP-**
 5 **MENT, TEST, AND EVALUA-**
 6 **TION**

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
 Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Alternate engine for Joint Strike Fighter.
 Sec. 212. Extension of authority to award prizes for advanced technology
 achievements.
 Sec. 213. Extension of Defense Acquisition Challenge Program.
 Sec. 214. Future Combat Systems milestone review.
 Sec. 215. Independent cost analyses for Joint Strike Fighter engine program.
 Sec. 216. Dedicated amounts for implementing or evaluating DD(X) and CVN-
 21 proposals under Defense Acquisition Challenge Program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Fielding of ballistic missile defense capabilities.
 Sec. 222. Limitation on use of funds for space-based interceptor.
 Sec. 223. High altitude air ship program.

Subtitle D—Other Matters

Sec. 231. Review of test and evaluation policies and practices to address emerg-
 ing acquisition approaches.

7 **Subtitle A—Authorization of**
 8 **Appropriations**

9 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

10 Funds are hereby authorized to be appropriated for
 11 fiscal year 2007 for the use of the Department of Defense
 12 for research, development, test, and evaluation as follows:

- 13 (1) For the Army, \$10,932,209,000.
 14 (2) For the Navy, \$17,377,769,000.

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

4 **SEC. 211. ALTERNATE ENGINE FOR JOINT STRIKE FIGHTER.**
5

6 Of the funds authorized to be appropriated for the
7 Departments of the Navy and Air Force for the system
8 development and demonstration program for the Joint
9 Strike Fighter, not less than \$408,000,000 shall be obli-
10 gated for continued development of an alternate engine for
11 the Joint Strike Fighter.

12 **SEC. 212. EXTENSION OF AUTHORITY TO AWARD PRIZES**
13 **FOR ADVANCED TECHNOLOGY ACHIEVE-**
14 **MENTS.**

15 Section 2374a(f) of title 10, United States Code, is
16 amended by striking “September 30, 2007” and inserting
17 “September 30, 2010”.

18 **SEC. 213. EXTENSION OF DEFENSE ACQUISITION CHAL-**
19 **LENGE PROGRAM.**

20 (a) EXTENSION.—Section 2359b of title 10, United
21 States Code, is amended by striking subsection (j).

22 (b) CONFIDENTIALITY.—Such section is further
23 amended in subsection (g)—

1 (1) by amending the heading to read as follows:

2 “CONFLICTS OF INTEREST AND CONFIDENTIAL-
3 ITY.—”; and

4 (2) by inserting before the period at the end the
5 following: “and that the identity of any person or ac-
6 tivity submitting a challenge proposal is not dis-
7 closed outside the Federal Government without the
8 consent of the person or activity”.

9 **SEC. 214. FUTURE COMBAT SYSTEMS MILESTONE REVIEW.**

10 (a) MILESTONE REVIEW REQUIRED.—After the pre-
11 liminary design review of the Future Combat Systems pro-
12 gram, but in no event later than the end of fiscal year
13 2008, the Secretary of Defense shall carry out a Defense
14 Acquisition Board milestone review of the Future Combat
15 Systems program. The milestone review shall include an
16 assessment as to each of the following:

17 (1) Whether the warfighter’s needs are valid
18 and can be best met with the concept of the pro-
19 gram.

20 (2) Whether the concept of the program can be
21 developed and produced within existing resources.

22 (3) Whether the program should continue.

23 (b) DETERMINATIONS TO BE MADE IN ASSESSING
24 WHETHER PROGRAM SHOULD CONTINUE.—In making
25 the assessment required by subsection (a)(3), the Sec-

1 retary shall make a determination with respect to each of
2 the following:

3 (1) Whether each critical technology for the
4 program is at least Technical Readiness Level 6.

5 (2) For each system and network component of
6 the program, what the key design and technology
7 risks are, based on System Functional Reviews, Pre-
8 liminary Design Reviews, and Technical Readiness
9 Levels.

10 (3) Whether actual demonstrations, rather than
11 simulations, have shown that the concept of the pro-
12 gram will work.

13 (4) Whether actual demonstrations, rather than
14 plans, have shown that the software for the program
15 is functional.

16 (5) What the cost estimate for the program is.

17 (6) What the affordability assessment for the
18 program is, based on that cost estimate.

19 (c) REPORT.—The Secretary shall submit to the con-
20 gressional defense committees a report on the findings and
21 conclusions of the milestone review required by subsection
22 (a). The report shall include, and display, each of the as-
23 sessments required by subsection (a) and each of the de-
24 terminations required by subsection (b).

1 (d) RESTRICTION ON FUNDS EFFECTIVE FISCAL
2 2009.—For fiscal years beginning with 2009, the Sec-
3 retary may not obligate any funds for the Future Combat
4 Systems program until after the report required by sub-
5 section (c) is submitted.

6 **SEC. 215. INDEPENDENT COST ANALYSES FOR JOINT**
7 **STRIKE FIGHTER ENGINE PROGRAM.**

8 (a) INDEPENDENT COST ANALYSES.—A comprehen-
9 sive and detailed cost analysis of the Joint Strike Fighter
10 engine program shall be independently performed by the
11 Comptroller General and by the Secretary of Defense, act-
12 ing through the Cost Analysis Improvement Group of the
13 Office of the Secretary of Defense. The cost analysis shall
14 cover—

15 (1) an alternative under which the aircraft are
16 capable of using the F135 engine only;

17 (2) an alternative under which the aircraft are
18 capable of using either the F135 engine or the F136
19 engine, and is carried out on a competitive basis;
20 and

21 (3) any other alternative, whether competitive
22 or sole source, that would reduce total life-cycle cost,
23 improve program schedule, or both.

24 (b) REPORTS.—Not later than March 15, 2007, each
25 official specified in subsection (a) shall independently sub-

1 mit to the congressional defense committees a report on
2 the cost analysis carried out by that official under sub-
3 section (a). Each report shall include each of the following
4 matters:

5 (1) The key assumptions used in carrying out
6 the cost analysis.

7 (2) The methodology and techniques used in
8 carrying out the cost analysis.

9 (3) For each alternative under subsection (a)—

10 (A) a comparison of the life-cycle costs, in-
11 cluding costs in current and constant dollars
12 and a net-present-value analysis; and

13 (B) estimates of—

14 (i) supply, maintenance, and other op-
15 erations manpower required to support the
16 alternative;

17 (ii) the number of flight hours re-
18 quired to achieve engine maturity and in
19 what year that is expected to be achieved;
20 and

21 (iii) the total number of engines ex-
22 pected to be procured over the lifetime of
23 the Joint Strike Fighter program.

24 (4) The acquisition strategies that were used
25 for, and the experience with respect to cost, sched-

1 ule, and performance under past acquisition pro-
2 grams for engines for tactical fighter aircraft, in-
3 cluding the F-15, F-16, F-18, and F-22.

4 (5) A comparison of the experiences under past
5 engine acquisition programs carried out on a sole-
6 source basis, and those carried out on a competitive
7 basis, with respect to performance, savings, main-
8 tainability, reliability, and technical innovation.

9 (6) Conclusions and recommendations.

10 (c) CERTIFICATION BY COMPTROLLER GENERAL.—

11 In submitting the report required by subsection (b), the
12 Comptroller General shall also submit a certification as
13 to whether the Comptroller General had access to suffi-
14 cient information to enable the Comptroller General to
15 make informed judgments on the matters required to be
16 included in the report.

17 (d) LIFE-CYCLE COSTS DEFINED.—In this section,
18 the term “life-cycle costs” includes those elements of cost
19 that would be considered for a life-cycle cost analysis for
20 a major defense acquisition program, such as procurement
21 of engines, procurement of spare engines, and procure-
22 ment of engine components and parts, and also includes
23 good-faith estimates of routine engine costs, such as per-
24 formance upgrades and component improvement, that his-
25 torically have occurred in tactical fighter engine programs.

1 **SEC. 216. DEDICATED AMOUNTS FOR IMPLEMENTING OR**
2 **EVALUATING DD(X) AND CVN-21 PROPOSALS**
3 **UNDER DEFENSE ACQUISITION CHALLENGE**
4 **PROGRAM.**

5 (a) AMOUNTS REQUIRED.—Of the amounts appro-
6 priated pursuant to the authorization of appropriations in
7 section 201(4) for research, development, test, and evalua-
8 tion, Defense-wide, \$4,000,000 shall be available only to
9 implement or evaluate challenge proposals specified in
10 subsection (b).

11 (b) CHALLENGE PROPOSALS COVERED.—A challenge
12 proposal referred to in subsection (a) is a proposal under
13 the Defense Acquisition Challenge Program established by
14 section 2359b of title 10, United States Code, that relates
15 to—

16 (1) the DD(X) next-generation destroyer pro-
17 gram; or

18 (2) the CVN-21 next-generation aircraft carrier
19 program.

20 **Subtitle C—Ballistic Missile**
21 **Defense**

22 **SEC. 221. FIELDING OF BALLISTIC MISSILE DEFENSE CAPA-**
23 **BILITIES.**

24 Upon approval by the Secretary of Defense, funds au-
25 thorized to be appropriated for fiscal years 2007 and 2008
26 for research, development, test, and evaluation for the

1 Missile Defense Agency may be used for the development
2 and fielding of ballistic missile defense capabilities.

3 **SEC. 222. LIMITATION ON USE OF FUNDS FOR SPACE-**
4 **BASED INTERCEPTOR.**

5 (a) **LIMITATION.**—No funds appropriated or other
6 wise made available to the Department of Defense may
7 be obligated or expended for the testing or deployment of
8 a space-based interceptor until 90 days after the date on
9 which a report described in subsection (c) is submitted.

10 (b) **SPACE-BASED INTERCEPTOR DEFINED.**—For
11 purposes of this section, the term “space-based inter-
12 ceptor” means a kinetic or directed energy weapon that
13 is stationed on a satellite or orbiting platform and that
14 is intended to destroy another satellite in orbit or a bal-
15 listic missile launched from earth.

16 (c) **REPORT.**—A report described in this subsection
17 is a report prepared by the Director of the Missile Defense
18 Agency and submitted to the congressional defense com-
19 mittees containing the following:

20 (1) A description of the essential components of
21 a proposed space-based interceptor system, including
22 a description of how the system proposed would en-
23 hance or complement other missile defense systems.

24 (2) An estimate of the acquisition and life-cycle
25 cost of the system described under paragraph (1),

1 including lift cost and periodic replacement cost due
2 to depreciation and attrition.

3 (3) An analysis of the vulnerability of such a
4 system to counter-measures, including direct ascent
5 and co-orbital interceptors, and an analysis of the
6 functionality of such a system in the aftermath of a
7 nuclear detonation in space.

8 (4) A projection of the foreign policy and na-
9 tional security implications of a space-based inter-
10 ceptor program, including the probable response of
11 United States adversaries and United States allies.

12 **SEC. 223. HIGH ALTITUDE AIR SHIP PROGRAM.**

13 Within the amount provided in section 201 for Re-
14 search, Development, Test, and Evaluation, Air Force—

15 (1) \$5,000,000 is available for the High Alti-
16 tude Air Ship Program; and

17 (2) the amount provided for the Space Based
18 Space Surveillance System is reduced by
19 \$5,000,000.

20 **Subtitle D—Other Matters**

21 **SEC. 231. REVIEW OF TEST AND EVALUATION POLICIES**
22 **AND PRACTICES TO ADDRESS EMERGING AC-**
23 **QUISITION APPROACHES.**

24 (a) REVISION TO REPORT REQUIREMENT.—Section
25 2399(b)(2)(B) of title 10, United States Code, is amended

1 by striking “tested are effective and suitable for combat”
2 and inserting the following: “tested—

3 “(i) are effective and suitable for combat
4 in accordance with the users’ standards for ef-
5 fectiveness and suitability as reflected in the re-
6 quirements process; or

7 “(ii) are operationally acceptable under
8 certain restricted conditions, as delineated by
9 the Director.”.

10 (b) REVIEW OF TEST AND EVALUATION POLICIES.—

11 (1) IN GENERAL.—The Under Secretary of De-
12 fense for Acquisition, Technology, and Logistics, in
13 coordination with the Director of Operational Test
14 and Evaluation and the Director of the Defense Test
15 Resource Management Center, shall conduct a re-
16 view of test and evaluation policies and practices of
17 the Department of Defense and issue such new or
18 revised guidance as may be necessary to address
19 emerging acquisition approaches.

20 (2) ISSUES TO BE ADDRESSED.—The issues to
21 be addressed by the Under Secretary in the review
22 under paragraph (1) shall include, at a minimum,
23 appropriate polices and practices for—

1 (A) ensuring the adequacy and the expedi-
2 ency of test and evaluation activities with re-
3 gard to—

4 (i) items that are acquired pursuant
5 to the rapid acquisition authority in section
6 806 of the Bob Stump National Defense
7 Authorization Act for Fiscal Year 2003
8 (10 U.S.C. 2302 note);

9 (ii) programs that are conducted pur-
10 suant to the spiral development authority
11 in section 803 of the Bob Stump National
12 Defense Authorization Act for Fiscal Year
13 2003 (10 U.S.C. 2430 note) (or other au-
14 thority for the conduct of incremental ac-
15 quisition programs) ;

16 (iii) systems that are acquired pursu-
17 ant to other emerging acquisition ap-
18 proaches, as approved by the Under Sec-
19 retary; and

20 (iv) materiel that is not subject to the
21 operational test and evaluation require-
22 ments in sections 2366 and 2399 of title
23 10, United States Code, but which may re-
24 quire limited operational test and evalua-
25 tion for the purposes of ensuring the safety

1 and realistic survivability of the materiel
2 and the personnel using the materiel; and
3 (B) the appropriate use, if any, of oper-
4 ational test and evaluation resources to assess
5 technology readiness levels for purposes of sec-
6 tion 2366a of title 10, United States Code, and
7 other applicable technology readiness require-
8 ments.

9 (c) INCLUSION OF TESTING NEEDS IN STRATEGIC
10 PLAN.—The Director of the Defense Test Resource Man-
11 agement Center shall ensure that the strategic plan for
12 Department of Defense test and evaluation resources re-
13 quired by section 196 of title 10, United States Code—

14 (1) reflects any testing needs of the Depart-
15 ment of Defense that are identified in the review
16 under paragraph (1); and

17 (2) includes an assessment of the test and eval-
18 uation facilities, resources, and budgets that will be
19 required to meet such needs.

20 (d) REPORT.—Not later than nine months after the
21 date of the enactment of this Act, the Under Secretary
22 of Defense for Acquisition, Technology, and Logistics shall
23 submit to the congressional defense committees a report
24 on the review conducted, and any new or revised guidance
25 issued, pursuant to subsection (b).

1 **TITLE III—OPERATION AND**
 2 **MAINTENANCE**

 Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Other Department of Defense Programs.

 Subtitle B—Environmental Provisions

- Sec. 311. Revision of requirement for unexploded ordnance program manager.
- Sec. 312. Identification and monitoring of military munitions disposal sites in ocean waters extending from United States coast to outer boundary of outer Continental Shelf.
- Sec. 313. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.
- Sec. 314. Funding of cooperative agreements under environmental restoration program.
- Sec. 315. Analysis and report regarding contamination and remediation responsibility for Norwalk Defense Fuel Supply Point, Norwalk, California.
- Sec. 316. Report regarding scope of perchlorate contamination at formerly used defense sites.

 Subtitle C—Workplace and Depot Issues

- Sec. 321. Extension of exclusion of certain expenditures from percentage limitation on contracting for depot-level maintenance.
- Sec. 322. Minimum capital investment for Air Force depots.
- Sec. 323. Extension of temporary authority for contractor performance of security guard functions.
- Sec. 324. Report on CH-47 helicopter reset.

 Subtitle D—Reports

- Sec. 331. Report on Nuclear Attack Submarine Depot Maintenance.
- Sec. 332. Report on Navy Fleet Response Plan.
- Sec. 333. Report on Navy surface ship rotational crew programs.
- Sec. 334. Report on Army live-fire ranges in Hawaii.
- Sec. 335. Comptroller General report on joint standards and protocols for access control systems at Department of Defense installations.
- Sec. 336. Report on Personnel Security Investigations for Industry and National Industrial Security Program.

 Subtitle E—Other Matters

- Sec. 341. Department of Defense strategic policy on prepositioning of materiel and equipment.
- Sec. 342. Authority to make Department of Defense horses available for adoption at end of useful working life.
- Sec. 343. Sale and use of proceeds of recyclable munitions materials.
- Sec. 344. Capital security cost sharing.

Sec. 345. Prioritization of funds within Navy mission operations, ship maintenance, combat support forces, and weapons system support.

Sec. 346. Prioritization of funds within Army reconstitution and transformation.

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

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

4 Funds are hereby authorized to be appropriated for
5 fiscal year 2007 for the use of the Armed Forces and other
6 activities and agencies of the Department of Defense for
7 expenses, not otherwise provided for, for operation and
8 maintenance, in amounts as follows:

9 (1) For the Army, \$24,920,735,000.

10 (2) For the Navy, \$31,089,075,000.

11 (3) For the Marine Corps, \$3,974,081,000.

12 (4) For the Air Force, \$31,098,957,000.

13 (5) For Defense-wide activities,
14 \$19,876,763,000.

15 (6) For the Army Reserve, \$2,300,102,000.

16 (7) For the Naval Reserve, \$1,288,764,000.

17 (8) For the Marine Corps Reserve,
18 \$211,911,000.

19 (9) For the Air Force Reserve, \$2,723,800,000.

20 (10) For the Army National Guard,
21 \$5,089,565,000.

22 (11) For the Air National Guard,
23 \$5,336,017,000.

1 (12) For the United States Court of Appeals
2 for the Armed Forces, \$11,721,000.

3 (13) For Environmental Restoration, Army,
4 \$413,794,000.

5 (14) For Environmental Restoration, Navy,
6 \$304,409,000.

7 (15) For Environmental Restoration, Air Force,
8 \$423,871,000.

9 (16) For Environmental Restoration, Defense-
10 wide, \$18,431,000.

11 (17) For Environmental Restoration, Formerly
12 Used Defense Sites, \$242,790,000.

13 (18) For Overseas Humanitarian, Disaster, and
14 Civic Aid programs, \$63,204,000.

15 (19) For Cooperative Threat Reduction pro-
16 grams, \$372,128,000.

17 (20) For the Overseas Contingency Operations
18 Transfer Fund, \$10,000,000.

19 **SEC. 302. WORKING CAPITAL FUNDS.**

20 Funds are hereby authorized to be appropriated for
21 fiscal year 2007 for the use of the Armed Forces and other
22 activities and agencies of the Department of Defense for
23 providing capital for working capital and revolving funds
24 in amounts as follows:

1 (1) For the Defense Working Capital Funds,
2 \$180,498,000.

3 (2) For the National Defense Sealift Fund,
4 \$1,138,732,000.

5 (3) For the Defense Working Capital Fund,
6 Defense Commissary, \$1,184,000,000.

7 **SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.**

8 (a) DEFENSE HEALTH PROGRAM.—Funds are here-
9 by authorized to be appropriated for the Department of
10 Defense for fiscal year 2007 for expenses, not otherwise
11 provided for, for the Defense Health Program, in the
12 amount of \$21,226,521,000, of which—

13 (1) \$20,699,563,000 is for Operation and
14 Maintenance;

15 (2) \$130,603,000 is for Research, Development,
16 Test, and Evaluation; and

17 (3) \$396,355,000 is for Procurement.

18 (b) DRUG INTERDICTION AND COUNTER-DRUG AC-
19 TIVITIES, DEFENSE-WIDE.—Funds are hereby authorized
20 to be appropriated for the Department of Defense for fis-
21 cal year 2007 for expenses, not otherwise provided for, for
22 Drug Interdiction and Counter-Drug Activities, Defense-
23 wide, in the amount of \$926,890,000.

24 (c) DEFENSE INSPECTOR GENERAL.—Funds are
25 hereby authorized to be appropriated for the Department

1 of Defense for fiscal year 2007 for expenses, not otherwise
2 provided for, for the Office of the Inspector General of
3 the Department of Defense, in the amount of
4 \$216,297,000, of which—

5 (1) \$214,897,000 is for Operation and Mainte-
6 nance;

7 (2) \$1,400,000 is for Procurement; and

8 (3) \$0 is for Research, Development, Test, and
9 Evaluation.

10 **Subtitle B—Environmental** 11 **Provisions**

12 **SEC. 311. REVISION OF REQUIREMENT FOR UNEXPLODED** 13 **ORDNANCE PROGRAM MANAGER.**

14 Section 2701(k) of title 10, United States Code, is
15 amended—

16 (1) in paragraph (1)—

17 (A) by striking “establish” and inserting
18 “designate”;

19 (B) by inserting “research,” after “charac-
20 terization,”; and

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

22 “The position of program manager shall be
23 filled by—

1 “(A) in the case of an employee, an employee
2 in a position that is equivalent to pay grade O–6 or
3 above; or

4 “(B) in the case of a member of the armed
5 forces, a commissioned officer of the Army, Navy,
6 Air Force, or Marine Corps who is serving in the
7 grade of colonel, or in the case of the Navy, captain,
8 or a higher grade.”; and

9 (2) by striking paragraph (2) and inserting the
10 following:

11 “(2) The program manager shall report to the Dep-
12 uty Under Secretary of Defense for Installations and En-
13 vironment.”.

14 **SEC. 312. IDENTIFICATION AND MONITORING OF MILITARY**
15 **MUNITIONS DISPOSAL SITES IN OCEAN WA-**
16 **TERS EXTENDING FROM UNITED STATES**
17 **COAST TO OUTER BOUNDARY OF OUTER CON-**
18 **TINENTAL SHELF.**

19 (a) IDENTIFICATION OF MILITARY MUNITIONS DIS-
20 POSAL SITES.—

21 (1) REVIEW OF HISTORICAL RECORDS.—The
22 Secretary of Defense shall conduct a review of his-
23 torical records to determine—

24 (A) the number and probable locations of
25 sites where the Armed Forces disposed of mili-

1 tary munitions within covered United States
2 ocean waters;

3 (B) the size of the disposal sites; and

4 (C) the types and quantities of military
5 munitions disposed of at the sites.

6 (2) COOPERATION.—The Secretary shall re-
7 quest the assistance of the Coast Guard, the Na-
8 tional Oceanic and Atmospheric Administration, and
9 other relevant Federal agencies in conducting the re-
10 view required by this subsection.

11 (3) RELEASE OF INFORMATION.—The Sec-
12 retary shall periodically release, but no less often
13 than annually, information obtained during the re-
14 view conducted under this subsection. The Secretary
15 may withhold from public release information about
16 the exact nature and location of a disposal site if the
17 Secretary determines that the potential unauthorized
18 retrieval of military munitions at the site could pose
19 a significant threat to national defense or public
20 safety.

21 (4) REPORTING REQUIREMENTS.—The Sec-
22 retary shall include the information obtained during
23 a year through the review conducted under this sub-
24 section in the report submitted to Congress under

1 section 2706(a) of title 10, United States Code, for
2 the same year.

3 (b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY
4 HAZARDS.—

5 (1) INFORMATION FOR NAUTICAL CHARTS AND
6 OTHER NAVIGATIONAL MATERIALS.—The Secretary
7 shall share information obtained through the review
8 conducted under subsection (a) with the Secretary of
9 Commerce to assist the National Oceanic and At-
10 mospheric Administration in preparing nautical
11 charts and other navigational materials for covered
12 United States ocean waters to identify known or
13 probable hazards from disposed military munitions.

14 (2) INFORMATION FOR USERS.—The Secretary
15 shall continue activities to inform potentially af-
16 fected users of the ocean environment, and particu-
17 larly fishing operations, of the possible hazards from
18 contact with military munitions and the proper
19 methods to mitigate such hazards.

20 (c) RESEARCH.—

21 (1) IN GENERAL.—The Secretary shall conduct
22 research on the effects of military munitions dis-
23 posed of in covered United States ocean waters.

1 (2) SPECIFIED RESEARCH EFFORTS.—The re-
2 search conducted under this subsection shall include
3 the following:

4 (A) The sampling and analysis of ocean
5 waters and seabeds at or adjacent to the mili-
6 tary munitions disposal sites selected by the
7 Secretary under paragraph (4).

8 (B) The investigation into the long-term
9 effects of seawater exposure on military muni-
10 tions, particularly chemical munitions.

11 (C) The development of effective safety
12 measures when dealing with military munitions
13 disposed of in seawater.

14 (3) RESEARCH METHODS.—In conducting re-
15 search under this subsection, the Secretary may
16 make grants to, and enter into cooperative agree-
17 ments with, qualified research entities, as deter-
18 mined by the Secretary.

19 (4) RESEARCH LOCATIONS.—In conducting re-
20 search under this subsection, the Secretary shall en-
21 sure that the sampling, analysis, and investigations
22 are conducted at reasonably representative sites ap-
23 plying factors such as depth, water temperature, na-
24 ture of the military munitions present, and relative
25 proximity to shore populations. The Secretary shall

1 select at least two representative sites from each of
2 the following areas:

3 (A) Along the Atlantic coast.

4 (B) Along the Pacific coast (including the
5 coast of Alaska).

6 (C) Off the shore of the Hawaiian Islands.

7 (d) MONITORING.—If research conducted under sub-
8 section (c) at a military munitions disposal site indicates
9 that the disposed military munitions have caused or may
10 be causing contamination of ocean waters or seabeds, the
11 Secretary shall institute appropriate monitoring mecha-
12 nisms at that site to recognize and track the potential re-
13 lease of contamination into the ocean waters from military
14 munitions.

15 (e) EPIDEMIOLOGICAL STUDY ON HUMAN POPU-
16 LATIONS.—The Secretary shall conduct an epidemiological
17 study on human populations in the vicinity of military mu-
18 nitions disposal sites within covered United States ocean
19 waters for the purpose of determining whether people have
20 been affected by the presence of military munitions in
21 these waters. The Secretary shall include the results of
22 the study in the report referred to in subsection (a)(4).

23 (f) DEFINITIONS.—In this Act:

1 (1) The term “coast line” has the same mean-
2 ing given that term in section 2 of the Submerged
3 Lands Act (43 U.S.C. 1301).

4 (2) The term “covered United States ocean wa-
5 ters” means that part of the ocean extending from
6 the coast line to the outer boundary of the outer
7 Continental Shelf.

8 (3) The term “military munitions” has the
9 same meaning given that term in section 101(e) of
10 title 10, United States Code.

11 (4) The term “outer Continental Shelf” has the
12 same meaning given that term in section 2 of the
13 Outer Continental Shelf Lands Act (43 U.S.C.
14 1331).

15 (5) The term “Secretary” means the Secretary
16 of Defense.

17 **SEC. 313. REIMBURSEMENT OF ENVIRONMENTAL PROTEC-**
18 **TION AGENCY FOR CERTAIN COSTS IN CON-**
19 **NECTION WITH MOSES LAKE WELLFIELD**
20 **SUPERFUND SITE, MOSES LAKE, WASH-**
21 **INGTON.**

22 (a) **AUTHORITY TO REIMBURSE.**—Using funds de-
23 scribed in subsection (b), the Secretary of Defense may
24 transfer not more than \$111,114.03 to the Moses Lake
25 Wellfield Superfund Site 10–6J Special Account to reim-

1 burse the Environmental Protection Agency for the costs
2 incurred by the Environmental Protection Agency in over-
3 seeing a remedial investigation and feasibility study per-
4 formed by the Department of the Army under the Defense
5 Environmental Restoration Program at the former Larson
6 Air Force Base, Moses Lake Wellfield Superfund Site,
7 Moses Lake, Washington. This reimbursement is provided
8 for in the March 1999 interagency agreement entered into
9 by the Department of the Army and the Environmental
10 Protection Agency for the Moses Lake Wellfield Super-
11 fund Site.

12 (b) SOURCE OF FUNDS.—Any payment under sub-
13 section (a) shall be made using funds authorized to be ap-
14 propriated by section 301(17) for operation and mainte-
15 nance for Environmental Restoration, Formerly Used De-
16 fense Sites.

17 **SEC. 314. FUNDING OF COOPERATIVE AGREEMENTS UNDER**
18 **ENVIRONMENTAL RESTORATION PROGRAM.**

19 Section 2701(d)(2) of title 10, United States Code,
20 is amended by adding at the end the following new sen-
21 tence: “This two-year limitation does not apply to an
22 agreement funded using amounts in the Department of
23 Defense Base Closure Account 1990 or the Department
24 of Defense Base Closure Account 2005 established under
25 sections 2906 and 2906A of the Defense Base Closure and

1 (6) prepare a plan for removal or conveyance of
2 infrastructure at the Norwalk Defense Fuel Supply
3 Point, including costs and responsibility for those
4 costs of elements of that plan.

5 (b) REPORT REQUIRED.—Not later than January 30,
6 2007, the Secretary shall submit to Congress a report con-
7 taining the results of the analysis conducted under sub-
8 section (a) and addressing each of the matters specified
9 in paragraphs (1) through (6) of such subsection.

10 (c) CONVEYANCE REQUIREMENTS.—The Secretary
11 shall not convey property by public auction at the Norwalk
12 Defense Fuel Supply Point before such time as the Sec-
13 retary has—

14 (1) pursued a fair market transfer of the prop-
15 erty to the City of Norwalk, California, taking into
16 consideration all contamination of the property;

17 (2) submitted the report required by subsection
18 (b); and

19 (3) submitted an additional report to Congress
20 explaining the efforts undertaken by the Secretary to
21 reach agreement with the City on the sale of the
22 property, including the reasons that those efforts
23 were not successful, and 30-days have elapsed after
24 this report is submitted.

1 **SEC. 316. REPORT REGARDING SCOPE OF PERCHLORATE**
2 **CONTAMINATION AT FORMERLY USED DE-**
3 **FENSE SITES.**

4 Not later than 180 days after the date of the enact-
5 ment of this Act, the Secretary of Defense shall submit
6 to Congress a report containing the results of a study of
7 the scope of perchlorate contamination at Formerly Used
8 Defense Sites. As part of the report, the Secretary shall
9 identify the military installations or contractors that may
10 have stored perchlorate or products containing per-
11 chlorate.

12 **Subtitle C—Workplace and Depot**
13 **Issues**

14 **SEC. 321. EXTENSION OF EXCLUSION OF CERTAIN EXPEND-**
15 **ITURES FROM PERCENTAGE LIMITATION ON**
16 **CONTRACTING FOR DEPOT-LEVEL MAINTEN-**
17 **NANCE.**

18 Section 2474(f)(1) of title 10, United States Code,
19 is amended by striking “fiscal years 2003 through 2009”
20 and inserting “fiscal years 2003 through 2014”.

21 **SEC. 322. MINIMUM CAPITAL INVESTMENT FOR AIR FORCE**
22 **DEPOTS.**

23 (a) INVESTMENT REQUIRED.—Chapter 803 of title
24 10, United States Code, is amended by adding at the end
25 the following new section:

1 **“§ 8025. Minimum capital investment in Air Force de-**
 2 **pots**

3 “(a) MINIMUM INVESTMENT REQUIREMENT.—Each
 4 fiscal year, the Secretary of the Air Force shall invest in
 5 the capital budgets of the depots of the Air Force a total
 6 amount equal to not less than six percent of the total com-
 7 bined revenue of all the depots of the Air Force for the
 8 preceding fiscal year.

9 “(b) WAIVER.—The Secretary of the Air Force may
 10 waive the requirement under subsection (a) if the Sec-
 11 retary determines that the waiver is necessary for reasons
 12 of national security and notifies the congressional defense
 13 committees.”.

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

“8025. Minimum capital investment for Air Force depots.”.

17 (c) EFFECTIVE DATE.—Section 8025 of title 10,
 18 United States Code, shall apply with respect to fiscal years
 19 beginning after the date of the enactment of this Act.

20 **SEC. 323. EXTENSION OF TEMPORARY AUTHORITY FOR**
 21 **CONTRACTOR PERFORMANCE OF SECURITY**
 22 **GUARD FUNCTIONS.**

23 (a) ONE-YEAR EXTENSION.—Section 332(c) of the
 24 Bob Stump National Defense Authorization Act for Fiscal
 25 Year 2003 (Public Law 107–314) is amended by striking

1 “September 30, 2007” both places it appears and insert-
2 ing “September 30, 2008”.

3 (b) REPORT ON CONTRACTOR PERFORMANCE OF SE-
4 CURITY-GUARD FUNCTIONS.—Not later than February 1,
5 2007, the Secretary of Defense shall submit to the Com-
6 mittee on Armed Services of the Senate and the Com-
7 mittee on Armed Services of the House of Representatives,
8 a report on contractor performance of security guard func-
9 tions under section 332 of the Bob Stump National De-
10 fense Authorization Act for Fiscal Year 2003 (Public Law
11 107–314). The report shall include the following:

12 (1) An explanation of progress made toward im-
13 plementing each of the seven recommendations in
14 the Comptroller General report entitled “Contract
15 Security Guards: Army’s Guard Program Requires
16 Greater Oversight and Reassessment of Acquisition
17 Approach” (GAO–06–284).

18 (2) An assessment, taking into considerations
19 the observations made by the GAO on the report of
20 the Department of Defense of November 2005 that
21 is entitled “Department of Defense Installation Se-
22 curity Guard Requirement Assessment and Plan”, of
23 the following:

1 (A) The cost-effectiveness of using contrac-
2 tors rather than Department of Defense em-
3 ployees to perform security-guard functions.

4 (B) The performance of contractors em-
5 ployed as security guards compared with the
6 performance of military personnel who have
7 served as security guards.

8 (C) Specific results of on-site visits made
9 by officials designated by the Secretary of De-
10 fense to military installations using contractors
11 to perform security-guard functions.

12 (c) CONTRACT LIMITATION.—No contract may be en-
13 tered into under section 332 of the Bob Stump National
14 Defense Authorization Act for Fiscal Year 2003 (Public
15 Law 107–314) after September 30, 2007, until the report
16 required under subsection (b) is submitted.

17 **SEC. 324. REPORT ON CH-47 HELICOPTER RESET.**

18 Not later than 60 days after the date of the enact-
19 ment of this Act, the Secretary of the Army shall submit
20 to the congressional defense committees a report that out-
21 lines the plan of the Army to reset all CH-47 aircraft in
22 the active and reserve components. The Secretary shall in-
23 clude in the report a description of the plan, the timeline,
24 and the costs for the reset of those aircraft.

Subtitle D—Reports

SEC. 331. REPORT ON NUCLEAR ATTACK SUBMARINE DEPOT MAINTENANCE.

(a) REPORT REQUIRED.—Not later than February 1, 2007, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report describing the criteria used when a nuclear attack submarine is sent to a facility other than a facility located within 200 miles of the homeport of the submarine for maintenance described in subsection (d) when there is a public or private facility located within 200 miles of the homeport at which the maintenance required could be conducted.

(b) CONTENTS OF REPORT.—The report required under subsection (a) shall include the following:

(1) An assessment of the cost of housing for the crew of the submarine.

(2) The costs associated with traveling to the homeport of the submarine for official duty.

(3) The treatment of crew time while the submarine is undergoing nondeployed maintenance work away from the homeport.

(4) An assessment of the effect that maintenance conducted away from the homeport of a sub-

1 marine has on the families of the members stationed
2 on that submarine.

3 (5) An analysis of the retention of officers and
4 enlisted members stationed on the submarine.

5 (6) An analysis of the use of fixed maintenance
6 crews or semi-permanent engineering crews for
7 maintenance availabilities that exceed 13 months.

8 (c) RESTRICTION ON MAINTENANCE AWAY FROM
9 HOMEPORT.—

10 (1) RESTRICTION.—During fiscal year 2007,
11 the Secretary of the Navy may not conduct mainte-
12 nance described in subsection (d) on a nuclear at-
13 tack submarine at a facility other than a facility lo-
14 cated within 200 miles of the homeport of that sub-
15 marine if there is a public or private facility located
16 within 200 miles of the homeport at which the main-
17 tenance required could be conducted without ad-
18 versely affecting operational deployment schedules.

19 (2) NOTIFICATION REQUIRED.—Not later than
20 five days before maintenance restricted under para-
21 graph (1) is conducted due to operation deployment
22 schedules, the Secretary of the Navy shall provide to
23 the congressional defense committees written notice
24 of the maintenance that is to be conducted and the
25 justification for conducting that maintenance.

1 (d) COVERED MAINTENANCE.—Maintenance de-
2 scribed in this subsection is any of the following:

3 (1) Maintenance referred to as selected re-
4 stricted availability maintenance.

5 (2) Maintenance referred to as preinactivation
6 restricted availability maintenance.

7 (3) Maintenance referred to as extended se-
8 lected restricted availability maintenance.

9 (4) Maintenance referred to as interim dry dock
10 availabilities.

11 **SEC. 332. REPORT ON NAVY FLEET RESPONSE PLAN.**

12 (a) REPORT REQUIRED.—Not later than December
13 1, 2006, the Secretary of the Navy shall submit to the
14 Committee on Armed Services of the Senate and the Com-
15 mittee on Armed Services of the House of Representatives
16 a report on the program of the Navy referred to as the
17 Fleet Response Plan. The report shall include the fol-
18 lowing:

19 (1) A directive that provides guidance for the
20 conduct of the Plan and standardizes terms and
21 definitions.

22 (2) Performance measures for evaluation of the
23 Plan.

24 (3) Costs and resources needed to achieve ob-
25 jectives of the Plan.

1 (4) Operational tests, exercises, war games, ex-
2 periments, and deployments used to test perform-
3 ance.

4 (5) A collection and synthesis of lessons learned
5 from the implementation of the Plan as of the date
6 on which the report is submitted.

7 (6) Evaluation of each of the following with re-
8 spect to each ship participating in the Plan:

9 (A) Combat Readiness.

10 (B) Ship material condition.

11 (C) Number of maintenance deficiencies.

12 (D) Amount of maintenance accomplished
13 while underway.

14 (E) Amount of maintenance accomplished
15 at pier dockings.

16 (F) Number of voyage repairs during each
17 deployment.

18 (G) Combat skills training requirements
19 accomplished during a deployment and at the
20 home station.

21 (H) Professional development training re-
22 quirements accomplished during a deployment
23 and at home station.

24 (I) Crew retention statistics.

1 (7) Any proposed changes to the Surface Force
2 Training Manual.

3 (8) The amount of funding required to effec-
4 tively implement the operations and maintenance re-
5 quirements of the Plan and the effect of providing
6 funding in an amount less than that amount.

7 (9) Any recommendations of the Secretary of
8 the Navy with respect to expanding the Plan to in-
9 clude Expeditionary Strike Groups.

10 (b) COMPTROLLER GENERAL REPORT.—Not later
11 than March 15, 2007, the Comptroller General shall sub-
12 mit to the congressional defense committees a report con-
13 taining a review of the Navy report required under sub-
14 section (a). The report shall include the following:

15 (1) An examination of the management ap-
16 proaches of the Navy in implementing the Fleet Re-
17 sponse Plan.

18 (2) An assessment of the adequacy of Navy di-
19 rectives and guidance with respect to maintenance
20 and training requirements and procedures.

21 (3) An analysis and assessment of the adequacy
22 of the Navy's test, exercises, and evaluation criteria.

23 (4) An evaluation of Navy data on aircraft car-
24 riers, destroyers, and cruisers that participated in
25 the Fleet Response Plan with respect to readiness,

1 response time, and availability for routine or unfore-
2 seen deployments.

3 (5) An assessment of the Navy's progress in
4 identifying the amount of funding required to effec-
5 tively implement the operations and maintenance re-
6 quirements of the Fleet Response Plan and the ef-
7 fect of providing funding in an amount less than
8 that amount.

9 (6) Any recommendations of the Comptroller
10 General with respect to expanding the Fleet Re-
11 sponse Plan to include Expeditionary Strike Groups.

12 (c) POSTPONEMENT OF EXPANSION.—The Secretary
13 of the Navy may not expand the implementation of the
14 Fleet Response Plan beyond the Carrier Strike Groups
15 until October 1, 2007.

16 **SEC. 333. REPORT ON NAVY SURFACE SHIP ROTATIONAL**
17 **CREW PROGRAMS.**

18 (a) REPORT REQUIRED.—Not later than April 1,
19 2007, the Secretary of the Navy shall submit to the Com-
20 mittee on Armed Services of the Senate and the Com-
21 mittee on Armed Services of the House of Representatives
22 a report on the ship rotational crew experiment referred
23 to in subsection (c)(1). The report shall include the fol-
24 lowing:

1 (1) A comparison between the three destroyers
2 participating in that experiment and destroyers not
3 participating in the experiment that takes into con-
4 sideration each of the following:

5 (A) Cost-effectiveness, including a com-
6 parison of travel and per diem expenses, main-
7 tenance costs, and other costs.

8 (B) Maintenance procedures, impacts, and
9 deficiencies, including the number and charac-
10 terization of maintenance deficiencies, the ex-
11 tent of voyage repairs, post-deployment assess-
12 ments of the material condition of the ships,
13 and the extent to which work levels were main-
14 tained.

15 (C) Mission training requirements.

16 (D) Professional development requirements
17 and opportunities.

18 (E) Liberty port of call opportunities.

19 (F) Movement and transportation of crew.

20 (G) Inventory and property accountability.

21 (H) Policies and procedures for assigning
22 billets for rotating crews.

23 (I) Crew retention statistics.

24 (J) Readiness and mission capability data.

1 (2) Results from surveys administered or focus
2 groups held to obtain representative views from com-
3 manding officers, officers, and enlisted members on
4 the effects of rotational crew experiments on quality
5 of life, training, professional development, mainte-
6 nance, mission effectiveness, and other issues.

7 (3) The extent to which standard policies and
8 procedures were developed and used for participating
9 ships.

10 (4) Lessons learned from the destroyer experi-
11 ment.

12 (5) An assessment from the combatant com-
13 manders on the crew mission performance when de-
14 ployed.

15 (6) An assessment from the commander of the
16 Fleet Forces Command on the material condition,
17 maintenance, and crew training of each participating
18 ship.

19 (7) Any recommendations of the Secretary of
20 the Navy with respect to the extension of the ship
21 rotational crew experiment or the implementation of
22 the experiment for other surface vessels.

23 (b) POSTPONEMENT OF IMPLEMENTATION.—The
24 Secretary of the Navy may not begin implementation of
25 any new surface ship rotational crew experiment or pro-

1 gram during the period beginning on the date of the enact-
2 ment of this Act and ending on October 1, 2009.

3 (c) TREATMENT OF EXISTING EXPERIMENTS.—

4 (1) DESTROYER EXPERIMENT.—Not later than
5 January 1, 2007, the Secretary of the Navy shall
6 terminate the existing ship rotational crew experi-
7 ment involving the U.S.S. Gonzalez (DDG-66), the
8 U.S.S. Stout (DDG-55), and the U.S.S. Laboon
9 (DDG-58) that is known as the “sea swap”.

10 (2) PATROL COASTAL CLASS SHIP EXPERI-
11 MENT.—The Secretary of the Navy may continue
12 the existing ship rotational crew program that is
13 currently in use by overseas-based Patrol Coastal
14 class ships.

15 (d) COMPTROLLER GENERAL REPORT.—Not later
16 than July 15, 2007, the Comptroller General shall submit
17 to the Committee on Armed Services of the Senate and
18 the Committee on Armed Services of the House of Rep-
19 resentatives a report on the ship rotational crew experi-
20 ment referred to in subsection (c)(1). The report shall in-
21 clude the following:

22 (1) A review of the report submitted by the
23 Secretary of the Navy under subsection (a) and an
24 assessment of the extent to which the Secretary fully
25 addressed costs, quality of life, training, mainte-

1 nance, and mission effectiveness, and other relevant
2 issues in that report.

3 (2) An assessment of the extent to which the
4 Secretary established and applied a comprehensive
5 framework for assessing the use of ship rotational
6 crew experiments, including formal objectives,
7 metrics, and methodology for assessing the cost-ef-
8 fectiveness of such experiments.

9 (3) An assessment of the extent to which the
10 Secretary established effective guidance for the use
11 of ship rotational crew experiments.

12 (4) Lessons learned from recent ship rotational
13 crew experiments and an assessment of the extent to
14 which the Navy systematically collects and shares
15 lessons learned.

16 (e) CONGRESSIONAL BUDGET OFFICE REPORT.—
17 Not later than July 15, 2007, the Director of the Congres-
18 sional Budget Office shall submit a report to the Com-
19 mittee on Armed Services of the Senate and the Com-
20 mittee on Armed Services of the House of Representatives
21 on the long-term implications of the use of crew rotation
22 on Navy ships on the degree of forward presence provided
23 by Navy ships. The report shall include the following:

1 (1) An analysis of different approaches to crew
2 rotation and the degree of forward presence each ap-
3 proach would provide.

4 (2) A comparison of the degree of forward pres-
5 ence provided by the fleet under the long-term ship-
6 building plan of the Navy with and without the
7 widespread use of crew rotation.

8 (3) The long-term benefits and costs of using
9 crew rotation on Navy ships.

10 **SEC. 334. REPORT ON ARMY LIVE-FIRE RANGES IN HAWAII.**

11 Not later than March 1, 2007, the Secretary of the
12 Army shall submit to Congress a report on the adequacy
13 of the live-fire ranges of the Army in the State of Hawaii
14 with respect to current and future training requirements.
15 The report shall include the following:

16 (1) An evaluation of the capacity of the existing
17 live-fire ranges to meet the training requirements of
18 the Army, including the training requirements of
19 Stryker Brigade Combat Teams.

20 (2) A description of any existing plan to modify
21 or expand any range in Hawaii for the purpose of
22 meeting anticipated live-fire training requirements.

23 (3) A description of the current live-fire restric-
24 tions at the Makua Valley range and the effect of
25 these restrictions on unit readiness.

1 (4) Cost and schedule estimates for the con-
2 struction of new ranges or the modification of exist-
3 ing ranges that are necessary to support future
4 training requirements if existing restrictions on
5 training at the Makua Valley range remain in place.

6 **SEC. 335. COMPTROLLER GENERAL REPORT ON JOINT**
7 **STANDARDS AND PROTOCOLS FOR ACCESS**
8 **CONTROL SYSTEMS AT DEPARTMENT OF DE-**
9 **FENSE INSTALLATIONS.**

10 (a) REPORT REQUIRED.—Not later than one year
11 after the date of the enactment of this Act, the Comp-
12 troller General shall submit to the Committee on Armed
13 Services of the Senate and the Committee on Armed Serv-
14 ices of the House of Representatives a report containing
15 the assessment of the Comptroller General of—

16 (1) the extent to which consistency exists in
17 standards, protocols, and procedures for access con-
18 trol across installations of the Department of De-
19 fense; and

20 (2) whether the establishment of joint stand-
21 ards and protocols for access control at such instal-
22 lations would be likely to—

23 (A) address any need of the Department
24 identified by the Comptroller General; or

1 (B) improve access control across the in-
2 stallations by providing greater consistency and
3 improved force protection.

4 (b) ISSUES TO BE ASSESSED.—In conducting the as-
5 sessment required by subsection (a), the Comptroller Gen-
6 eral shall assess the extent to which each installation of
7 the Department of Defense has or would benefit from hav-
8 ing an access control system with the ability to—

9 (1) electronically check any identification card
10 issued by any Federal agency or any State or local
11 government within the United States, including any
12 identification card of a visitor to the installation who
13 is a citizen or legal resident of the United States;

14 (2) verify that an identification card used to ob-
15 tain access to the installation was legitimately issued
16 and has not been reported lost or stolen;

17 (3) check on a real-time basis all relevant watch
18 lists maintained by the Government, including ter-
19 rorist watch lists and lists of persons wanted by
20 State, local, or Federal law enforcement authorities;

21 (4) maintain a log of individuals seeking access
22 to the installation and of individuals who are denied
23 access to the installation; and

1 (5) exchange information with any installation
2 with a system that complies with the joint standards
3 and protocols.

4 **SEC. 336. REPORT ON PERSONNEL SECURITY INVESTIGA-**
5 **TIONS FOR INDUSTRY AND NATIONAL INDUS-**
6 **TRIAL SECURITY PROGRAM.**

7 (a) **REPORTS REQUIRED.**—Not later than 90 days
8 after the date of the enactment of this Act and every six
9 months thereafter, the Secretary of Defense shall submit
10 to the congressional defense committees, the Committee
11 on Homeland Security and Governmental Affairs of the
12 Senate, and the Committee on Government Reform of the
13 House of Representatives, a report on the future require-
14 ments of the Department of Defense with respect to the
15 Personnel Security Investigations for Industry and the
16 National Industrial Security Program of the Defense Se-
17 curity Service.

18 (b) **CONTENTS OF REPORTS.**—

19 (1) **INITIAL REPORT.**—The initial report re-
20 quired under subsection (a) shall include each of the
21 following:

22 (A) The number of personnel security
23 clearance investigations conducted during the
24 period beginning on October 1, 1999, and end-
25 ing on September 30, 2006.

1 (B) The number of each type of security
2 clearance granted during that period.

3 (C) The unit cost to the Department of
4 Defense of each security clearance granted dur-
5 ing that period.

6 (D) The amount of any fee or surcharge
7 paid to the Office of Personnel Management as
8 a result of conducting a personnel security
9 clearance investigation.

10 (E) A description of the procedures used
11 by the Secretary of Defense to estimate the
12 number of personnel security clearance inves-
13 tigation to be conducted during a fiscal year.

14 (F) A description of any effect of delays
15 and backlogs in the personnel security clearance
16 investigation process on the national security of
17 the United States.

18 (G) A description of any effect of delays
19 and backlogs in the personnel security clearance
20 investigation process on the defense industrial
21 base assets of the United States.

22 (H) A plan developed by the Secretary of
23 Defense to reduce such delays and backlogs.

1 (I) A plan developed by the Secretary of
2 Defense to adequately fund the personnel secu-
3 rity clearance investigation process.

4 (J) A plan developed by the Secretary of
5 Defense to establish a more stable and effective
6 Personnel Security Investigations Program.

7 (K) A plan developed by the Secretary of
8 Defense to involve external sources, including
9 defense contractors, in the plans of the Sec-
10 retary of Defense under subparagraphs (H),
11 (I), and (J).

12 (2) SUBSEQUENT REPORTS.—Each report re-
13 quired to be submitted under subsection (a) after
14 the submission of the initial report shall include each
15 of the following:

16 (A) The funding requirements of the per-
17 sonnel security clearance investigation program
18 and ability of the Secretary of Defense to fund
19 the program.

20 (B) The size of the personnel security
21 clearance investigation process backlog.

22 (C) The length of the average delay for an
23 individual case pending in the personnel secu-
24 rity clearance investigation process.

1 (D) Any progress made by the Secretary of
2 Defense during the six months preceding the
3 date on which the report is submitted toward
4 implementing planned changes in the personnel
5 security clearance investigation process.

6 (E) A determination certified by the Sec-
7 retary of Defense of whether the personnel se-
8 curity clearance investigation process has im-
9 proved during the six months preceding the
10 date on which the report is submitted.

11 (c) **COMPTROLLER GENERAL REPORT.**—As soon as
12 practicable after the Secretary of Defense submits the ini-
13 tial report required under subsection (a), the Comptroller
14 General shall submit a report to Congress that contains
15 a review of such initial report.

16 (d) **SENSE OF CONGRESS ON IMPROVING THE PER-**
17 **SONNEL SECURITY INVESTIGATIONS PROGRAM.**—

18 (1) **FINDINGS.**—Congress finds the following:

19 (A) Since fiscal year 2000, the General Ac-
20 countability Office has listed the Personnel Se-
21 curity Investigations Program of the Depart-
22 ment of Defense as a systemic weakness that
23 affects more than one component of the Depart-
24 ment and may jeopardize the operations of the
25 Department.

1 (B) In 2005, the Government Account-
2 ability Office designated the Personnel Security
3 Investigations Program as a high-risk area be-
4 cause delays by the Program in issuing security
5 clearances can affect national security.

6 (C) In 2005, the Government Account-
7 ability Office found that the Department of De-
8 fense continues to face sizeable security clear-
9 ance backlogs.

10 (D) The Government Accountability Office
11 also reported in 2005 that security clearance
12 delays increase national security risks, delay the
13 start of classified work, hamper employers from
14 hiring the best qualified workers, and increase
15 the cost to the Government of national security-
16 related contracts.

17 (E) These security clearance backlogs and
18 delays continue in 2006, and have brought the
19 security clearance program to a reported stand-
20 still.

21 (2) SENSE OF CONGRESS.—It is the sense of
22 Congress that—

23 (A) the delays and backlogs associated
24 with the Personnel Security Investigations Pro-
25 gram threaten the national security of the

1 United States and key defense industrial assets;
2 and

3 (B) the Secretary of Defense should take
4 such steps as are necessary to eliminate the
5 backlogs of applications for security clearance
6 and the delays associated with the security
7 clearance application process and make sys-
8 temic improvements to the Personnel Security
9 Investigations Program.

10 **Subtitle E—Other Matters**

11 **SEC. 341. DEPARTMENT OF DEFENSE STRATEGIC POLICY** 12 **ON PREPOSITIONING OF MATERIEL AND** 13 **EQUIPMENT.**

14 (a) STRATEGIC POLICY REQUIRED.—Chapter 131 of
15 title 10, United States Code, is amended by adding at the
16 end the following new section:

17 **“§ 2229. Strategic policy on prepositioning of materiel** 18 **and equipment**

19 “(a) POLICY REQUIRED.—The Secretary of Defense
20 shall maintain a strategic policy on the programs of the
21 Department of Defense for the prepositioning of materiel
22 and equipment. Such policy shall take into account na-
23 tional security threats, strategic mobility, and service re-
24 quirements.

1 “(b) LIMITATION OF DIVERSION OF PREPOSITIONED
2 MATERIEL.—The Secretary of a military department may
3 not divert materiel or equipment from prepositioned stocks
4 except—

5 “(1) in accordance with a change made by the
6 Secretary of Defense to the policy maintained under
7 subsection (a); or

8 “(2) for the purpose of supporting a contin-
9 gency operation.

10 “(c) CONGRESSIONAL NOTIFICATION.—The Sec-
11 retary of Defense may not implement or change the policy
12 required under subsection (a) until the Secretary submits
13 to the congressional defense committees a report describ-
14 ing the policy or change to the policy.”.

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

“2229. Strategic policy on prepositioning of materiel and equipment.”.

18 (c) DEADLINE FOR ESTABLISHMENT OF POLICY.—

19 (1) DEADLINE.—Not later than six months
20 after the date of the enactment of this Act, the Sec-
21 retary of Defense shall establish the strategic policy
22 on the programs of the Department of Defense for
23 the prepositioning of materiel and equipment re-
24 quired under section 2229 of title 10, United States
25 Code, as added by subsection (a).

1 (2) LIMITATION ON DIVERSION OF
2 PREPOSITIONED MATERIEL.—During the period be-
3 ginning on the date of the enactment of this Act and
4 ending on the date on which the Secretary of De-
5 fense submits the report required under section
6 2229(c) of title 10, United States Code, on the pol-
7 icy established under paragraph (1), the Secretary of
8 a military department may not divert materiel or
9 equipment from prepositioned stocks except for the
10 purpose of supporting a contingency operation.

11 **SEC. 342. AUTHORITY TO MAKE DEPARTMENT OF DEFENSE**
12 **HORSES AVAILABLE FOR ADOPTION AT END**
13 **OF USEFUL WORKING LIFE.**

14 (a) INCLUSION OF DEPARTMENT OF DEFENSE
15 HORSES IN EXISTING AUTHORITY.—Section 2583 of title
16 10, United States Code, is amended—

17 (1) in the section heading, by striking “**work-**
18 **ing dogs**” and inserting “**animals**”;

19 (2) by striking “working” each place it appears;

20 (3) by striking “dog” and “dogs” each place
21 they appear and inserting “animal” and “animals”,
22 respectively;

23 (4) by striking “dog’s” in paragraphs (1) and
24 (2) of subsection (a) and inserting “animal’s”;

1 munitions without regard to chapter 5 of title 40 and use
2 any proceeds in accordance with subsection (c).

3 “(b) METHOD OF SALE.—The Secretary shall use
4 competitive procedures to sell recyclable munitions mate-
5 rials under this section in accordance with Federal pro-
6 curement laws and regulations.

7 “(c) PROCEEDS.—(1) Proceeds from the sale of recy-
8 clable munitions materials under this section shall be cred-
9 ited to an account that is specified as being for Army am-
10 munition demilitarization from funds made available for
11 the procurement of ammunition, to be available only for
12 reclamation, recycling, and reuse of conventional military
13 munitions (including research and development and equip-
14 ment purchased for such purpose).

15 “(2) Amounts credited under this subsection shall be
16 available for obligation for the fiscal year during which
17 the funds are so credited and for three subsequent fiscal
18 years.

19 “(d) REGULATIONS.—The Secretary shall prescribe
20 regulations to carry out the program established under
21 this section. Such regulations shall be consistent and in
22 compliance with the Solid Waste Disposal Act (42 U.S.C.
23 6901 et seq.) and the regulations implementing that Act.”.

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:

“4690. Recyclable munitions materials: sale; use of proceeds.”.

4 **SEC. 344. CAPITAL SECURITY COST SHARING.**

5 (a) RECONCILIATION REQUIRED.—For each fiscal
6 year, the Secretary of Defense shall reconcile (1) the esti-
7 mate of overseas presence of the Secretary of Defense
8 under subsection (b) for that fiscal year, with (2) the de-
9 termination of the Secretary of State under section
10 604(e)(1) of the Secure Embassy Construction and
11 Counterterrorism Act of 1999 (22 U.S.C. 4865 note) of
12 the total overseas presence of the Department of Defense
13 for that fiscal year.

14 (b) ANNUAL ESTIMATE OF OVERSEAS PRESENCE.—
15 Not later than February 1 of each year, the Secretary of
16 Defense shall submit to the congressional defense commit-
17 tees an estimate of the total number of Department of
18 Defense overseas personnel subject to chief of mission au-
19 thority pursuant to section 207 of the Foreign Service Act
20 of 1980 (22 U.S.C. 3927) during the fiscal year that be-
21 gins on October 1 of that year.

1 **SEC. 345. PRIORITIZATION OF FUNDS WITHIN NAVY MIS-**
2 **SION OPERATIONS, SHIP MAINTENANCE,**
3 **COMBAT SUPPORT FORCES, AND WEAPONS**
4 **SYSTEM SUPPORT.**

5 (a) IN GENERAL.—The Secretary of the Navy shall
6 take such steps as necessary through the planning, pro-
7 gramming, budgeting, and execution systems of the De-
8 partment of the Navy to ensure that financial resources
9 are provided for each fiscal year as necessary to enable
10 the Navy to fund the following requirements of the Navy
11 for that fiscal year:

12 (1) 100 percent of the requirements for steam-
13 ing days per quarter for deployed ship operations.

14 (2) 100 percent of the requirements for steam-
15 ing days per quarter for non-deployed ship oper-
16 ations.

17 (3) 100 percent of the projected ship and air
18 depot maintenance.

19 (b) LIMITATION OF FUNDS FOR NAVY EXPEDI-
20 TIONARY COMBAT COMMAND.—Of the funds appropriated
21 for the Department of Navy for any fiscal year after fiscal
22 year 2006, no operation and maintenance funds may be
23 expended for the Navy Expeditionary Combat Command
24 until the funding priorities in subsection (a) are met for
25 that fiscal year.

1 (c) ANNUAL REPORT.—The Secretary of Navy shall
2 submit to the congressional defense committees an annual
3 report, to be submitted each year with the annual oper-
4 ation and maintenance justification of estimates material
5 for the next fiscal year, that certifies that the require-
6 ments in subsection (a) are satisfied for the fiscal year
7 for which that material is submitted.

8 **SEC. 346. PRIORITIZATION OF FUNDS WITHIN ARMY RE-**
9 **CONSTITUTION AND TRANSFORMATION.**

10 (a) IN GENERAL.—The Secretary of the Army shall
11 take such steps as necessary through the planning, pro-
12 gramming, budgeting, and execution systems of the De-
13 partment of the Army to ensure that financial resources
14 are provided for each fiscal year as necessary to enable
15 the Army to meet its requirements in that fiscal year for
16 each of the following:

17 (1) The repair, recapitalization, and replace-
18 ment of equipment used in the Global War on Ter-
19 rorism, based on implementation of requirements
20 based on a cost estimate for such purposes of at
21 least \$72,300,000,000 over the period of the five fis-
22 cal years beginning with fiscal year 2008.

23 (2) The fulfillment of equipment requirements
24 of units transforming to modularity in accordance
25 with the Modular Force Initiative report submitted

1 to Congress in March 2006, based on implementa-
2 tion of requirements based on a cost estimate for
3 such purposes of \$47,600,000,000 over the period of
4 the five fiscal years beginning with fiscal year 2008.

5 (3) The reconstitution of equipment and mate-
6 riel in prepositioned stocks by 2012 in accordance
7 with requirements under the Army Prepositioned
8 Stocks Strategy 2012 or a subsequent strategy im-
9 plemented under the guidelines in section 2229 of
10 title 10, United States Code.

11 (b) ANNUAL REPORT.—The Secretary of the Army
12 shall submit to the congressional defense committees an
13 annual report, until the requirements of subsection (a)
14 have been met, setting forth the progress toward meeting
15 those requirements. Any information required to be in-
16 cluded in the report concerning funding priorities under
17 paragraph (1) or (2) of subsection (a) shall be itemized
18 by active duty component and reserve component. The re-
19 port for any year shall be submitted at the time the budget
20 of the President for the next fiscal year is submitted to
21 Congress. Each such report shall include the following:

22 (1) A complete itemization of the requirements
23 for the funding priorities in subsection (a), including
24 an itemization for all types of modular brigades for
25 both active and reserve components.

1 (2) A list of any shortfalls that exist between
2 available funding, equipment, supplies, and indus-
3 trial capacity and required funding, equipment, sup-
4 plies, and industrial capacity in accordance with the
5 funding priorities in subsection (a).

6 (3) A list of the requirements for the funding
7 priorities in subsection (a) that the Army has in-
8 cluded in the budget for that fiscal year, including
9 a detailed listing of the type, quantity, and cost of
10 the equipment the Army plans to repair, recapitalize,
11 or procure, set forth by appropriations account and
12 Army component.

13 (4) An assessment of the progress made during
14 that fiscal year toward meeting the overall require-
15 ments of the funding priorities in subsection (a).

16 (5) A description of how the Army defines costs
17 associated with modularity versus the costs associ-
18 ated with modernizing equipment platforms and re-
19 pairing, recapitalizing, and replacing equipment used
20 during the global war on terrorism.

21 (6) The results of Army assessments of mod-
22 ular force capabilities, including lessons learned from
23 existing modular units and any modifications that
24 have been made to modularity.

1 (7) The assessment of each of the Chief of the
2 National Guard Bureau and the Chief of the Army
3 Reserve of each of the items described in paragraphs
4 (1) through (6).

5 (c) LIMITATION ON FUNDS FOR FUTURE COMBAT
6 SYSTEMS.—Of the funds appropriated for the Army for
7 any fiscal year after fiscal year 2007, not more than
8 \$2,850,000,000 may be expended for the Future Combat
9 Systems until the funding priorities in subsection (a) are
10 met for that fiscal year.

11 (d) USE OF EXCESS FUNDS FOR FUTURE COMBAT
12 SYSTEMS.—Any funds appropriated for the Future Com-
13 bat Systems for any fiscal year not expended in accord-
14 ance with subsection (c) shall be used for programs speci-
15 fied in subsection (a).

16 (e) EXCEPTION FOR NON-LINE-OF-SIGHT CANNON
17 SYSTEM.—This section does not apply with respect to the
18 obligation of funds for systems development and dem-
19 onstration of the non-line-of-sight cannon system.

20 **TITLE IV—MILITARY**
21 **PERSONNEL AUTHORIZATIONS**

 Subtitle A—Active Forces

Sec. 401. End strengths for active forces.

Sec. 402. Revision in permanent active duty end strength minimum levels.

Sec. 403. Additional authority for increases of Army and Marine Corps active
 duty end strengths for fiscal years 2008 and 2009.

 Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.

Sec. 412. End strengths for Reserves on active duty in support of the reserve components.

Sec. 413. End strengths for military technicians (dual status).

Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.

Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.

Sec. 422. Armed Forces Retirement Home.

1 **Subtitle A—Active Forces**

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

3 (a) IN GENERAL.—The Armed Forces are authorized
4 strengths for active duty personnel as of September 30,
5 2007, as follows:

6 (1) The Army, 512,400.

7 (2) The Navy, 340,700.

8 (3) The Marine Corps, 180,000.

9 (4) The Air Force, 334,200.

10 (b) LIMITATION.—

11 (1) ARMY.—The authorized strength for the
12 Army provided in paragraph (1) of subsection (a)
13 for active duty personnel for fiscal year 2007 is sub-
14 ject to the condition that costs of active duty per-
15 sonnel of the Army for that fiscal year in excess of
16 482,400 shall be paid out of funds authorized to be
17 appropriated for that fiscal year for a contingent
18 emergency reserve fund or as an emergency supple-
19 mental appropriation.

1 (2) MARINE CORPS.—The authorized strength
2 for the Marine Corps provided in paragraph (3) of
3 subsection (a) for active duty personnel for fiscal
4 year 2007 is subject to the condition that costs of
5 active duty personnel of the Marine Corps for that
6 fiscal year in excess of 175,000 shall be paid out of
7 funds authorized to be appropriated for that fiscal
8 year for a contingent emergency reserve fund or as
9 an emergency supplemental appropriation.

10 **SEC. 402. REVISION IN PERMANENT ACTIVE DUTY END**
11 **STRENGTH MINIMUM LEVELS.**

12 Section 691(b) of title 10, United States Code, is
13 amended by striking paragraphs (1) through (4) and in-
14 serting the following:

15 “(1) For the Army, 504,400.

16 “(2) For the Navy, 340,700.

17 “(3) For the Marine Corps, 180,000.

18 “(4) For the Air Force, 334,200.”.

19 **SEC. 403. ADDITIONAL AUTHORITY FOR INCREASES OF**
20 **ARMY AND MARINE CORPS ACTIVE DUTY END**
21 **STRENGTHS FOR FISCAL YEARS 2008 AND**
22 **2009.**

23 Effective October 1, 2007, the text of section 403 of
24 the Ronald W. Reagan National Defense Authorization

1 Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat.
2 1863) is amended to read as follows:

3 “(a) AUTHORITY.—

4 “(1) ARMY.—For each of fiscal years 2008 and
5 2009, the Secretary of Defense may, as the Sec-
6 retary determines necessary for the purposes speci-
7 fied in paragraph (3), establish the active-duty end
8 strength for the Army at a number greater than the
9 number otherwise authorized by law up to the num-
10 ber equal to the fiscal-year 2007 baseline plus
11 20,000.

12 “(2) MARINE CORPS.—For each of fiscal years
13 2008 and 2009, the Secretary of Defense may, as
14 the Secretary determines necessary for the purposes
15 specified in paragraph (3), establish the active-duty
16 end strength for the Marine Corps at a number
17 greater than the number otherwise authorized by law
18 up to the number equal to the fiscal-year 2007 base-
19 line plus 4,000.

20 “(3) PURPOSE OF INCREASES.—The purposes
21 for which increases may be made in Army and Ma-
22 rine Corps active duty end strengths under para-
23 graphs (1) and (2) are—

24 “(A) to support operational missions; and

1 “(B) to achieve transformational reorga-
2 nization objectives, including objectives for in-
3 creased numbers of combat brigades and battal-
4 ions, increased unit manning, force stabilization
5 and shaping, and rebalancing of the active and
6 reserve component forces.

7 “(4) FISCAL-YEAR 2007 BASELINE.—In this
8 subsection, the term ‘fiscal-year 2007 baseline’, with
9 respect to the Army and Marine Corps, means the
10 active-duty end strength authorized for those serv-
11 ices in section 401 of the National Defense Author-
12 ization Act for Fiscal Year 2007.

13 “(5) ACTIVE-DUTY END STRENGTH.—In this
14 subsection, the term ‘active-duty end strength’
15 means the strength for active-duty personnel of one
16 of the Armed Forces as of the last day of a fiscal
17 year.

18 “(b) RELATIONSHIP TO PRESIDENTIAL WAIVER AU-
19 THORITY.—Nothing in this section shall be construed to
20 limit the President’s authority under section 123a of title
21 10, United States Code, to waive any statutory end
22 strength in a time of war or national emergency.

23 “(c) RELATIONSHIP TO OTHER VARIANCE AUTHOR-
24 ITY.—The authority under subsection (a) is in addition
25 to the authority to vary authorized end strengths that is

1 provided in subsections (e) and (f) of section 115 of title
2 10, United States Code.

3 “(d) BUDGET TREATMENT.—

4 “(1) FISCAL YEAR 2008 BUDGET.—The budget
5 for the Department of Defense for fiscal year 2008
6 as submitted to Congress shall comply, with respect
7 to funding, with subsections (c) and (d) of section
8 691 of title 10, United States Code.

9 “(2) OTHER INCREASES.—If the Secretary of
10 Defense plans to increase the Army or Marine Corps
11 active duty end strength for a fiscal year under sub-
12 section (a), then the budget for the Department of
13 Defense for that fiscal year as submitted to Con-
14 gress shall include the amounts necessary for fund-
15 ing that active duty end strength in excess of the fis-
16 cal year 2007 active duty end strength authorized
17 for that service under section 401 of the National
18 Defense Authorization Act for Fiscal Year 2007.”.

19 **Subtitle B—Reserve Forces**

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

21 (a) IN GENERAL.—The Armed Forces are authorized
22 strengths for Selected Reserve personnel of the reserve
23 components as of September 30, 2007, as follows:

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

1 (2) The Army Reserve, 200,000.

2 (3) The Navy Reserve, 71,300.

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

4 (5) The Air National Guard of the United
5 States, 107,000.

6 (6) The Air Force Reserve, 74,900.

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

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

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

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

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

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

3 **SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE**
4 **DUTY IN SUPPORT OF THE RESERVE COMPO-**
5 **NENTS.**

6 Within the end strengths prescribed in section
7 411(a), the reserve components of the Armed Forces are
8 authorized, as of September 30, 2007, the following num-
9 ber of Reserves to be serving on full-time active duty or
10 full-time duty, in the case of members of the National
11 Guard, for the purpose of organizing, administering, re-
12 cruiting, instructing, or training the reserve components:

13 (1) The Army National Guard of the United
14 States, 28,165.

15 (2) The Army Reserve, 15,416.

16 (3) The Navy Reserve, 12,564.

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

18 (5) The Air National Guard of the United
19 States, 13,291.

20 (6) The Air Force Reserve, 2,707.

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

23 The minimum number of military technicians (dual
24 status) as of the last day of fiscal year 2007 for the re-
25 serve components of the Army and the Air Force (notwith-

1 standing section 129 of title 10, United States Code) shall
2 be the following:

3 (1) For the Army Reserve, 7,912.

4 (2) For the Army National Guard of the United
5 States, 27,615.

6 (3) For the Air Force Reserve, 10,124.

7 (4) For the Air National Guard of the United
8 States, 23,255.

9 **SEC. 414. FISCAL YEAR 2007 LIMITATION ON NUMBER OF**
10 **NON-DUAL STATUS TECHNICIANS.**

11 (a) LIMITATIONS.—

12 (1) NATIONAL GUARD.—Within the limitation
13 provided in section 10217(c)(2) of title 10, United
14 States Code, the number of non-dual status techni-
15 cians employed by the National Guard as of Sep-
16 tember 30, 2007, may not exceed the following:

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

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

21 (2) ARMY RESERVE.—The number of non-dual
22 status technicians employed by the Army Reserve as
23 of September 30, 2007, may not exceed 595.

24 (3) AIR FORCE RESERVE.—The number of non-
25 dual status technicians employed by the Air Force

1 Reserve as of September 30, 2007, may not exceed
2 90.

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

7 **SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AU-**
8 **THORIZED TO BE ON ACTIVE DUTY FOR**
9 **OPERATIONAL SUPPORT.**

10 During fiscal year 2007, the maximum number of
11 members of the reserve components of the Armed Forces
12 who may be serving at any time on full-time operational
13 support duty under section 115(b) of title 10, United
14 States Code, is the following:

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

17 (2) The Army Reserve, 13,000.

18 (3) The Navy Reserve, 6,200.

19 (4) The Marine Corps Reserve, 3,000.

20 (5) The Air National Guard of the United
21 States, 16,000.

22 (6) The Air Force Reserve, 14,000.

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

3 **SEC. 421. MILITARY PERSONNEL.**

4 There is hereby authorized to be appropriated to the
 5 Department of Defense for military personnel for fiscal
 6 year 2007 a total of \$109,820,468,000. The authorization
 7 in the preceding sentence supersedes any other authoriza-
 8 tion of appropriations (definite or indefinite) for such pur-
 9 pose for fiscal year 2007.

10 **SEC. 422. ARMED FORCES RETIREMENT HOME.**

11 There is hereby authorized to be appropriated for fis-
 12 cal year 2007 from the Armed Forces Retirement Home
 13 Trust Fund the sum of \$54,846,000 for the operation of
 14 the Armed Forces Retirement Home.

15 **TITLE V—MILITARY PERSONNEL**
 16 **POLICY**

 Subtitle A—Officer Personnel Policy

Sec. 501. Authorized strength of Navy Reserve flag officers.

Sec. 502. Standardization of grade of senior dental officer of the Air Force
 with that of senior dental officer of the Army.

Sec. 503. Management of chief warrant officers.

Sec. 504. Reduction in time-in-grade requirement for promotion to captain in
 the Army, Air Force, and Marine Corps and lieutenant in the
 Navy.

Sec. 505. Military status of officers serving in certain Intelligence Community
 positions.

 Subtitle B—Reserve Component Management

Sec. 511. Revisions to reserve call-up authority.

Sec. 512. Military retirement credit for certain service by National Guard mem-
 bers performed while in a State duty status immediately after
 the terrorist attacks of September 11, 2001.

- Sec. 513. Report on private-sector promotion and constructive termination of members of the reserve components called or ordered to active service.

Subtitle C—Education and Training

- Sec. 521. Authority to permit members who participate in the guaranteed reserve forces duty scholarship program to participate in the health professions scholarship program and serve on active duty.
- Sec. 522. Junior Reserve Officers' Training Corps instruction eligibility expansion.
- Sec. 523. Authority for United States Military Academy and United States Air Force Academy permanent military professors to assume command positions while on periods of sabbatical.
- Sec. 524. Expansion of service academy exchange programs with foreign military academies.
- Sec. 525. Review of legal status of Junior ROTC program.
- Sec. 526. Special operations fellowships.

Subtitle D—General Service Authorities

- Sec. 531. Test of utility of test preparation guides and education programs in enhancing recruit candidate performance on the Armed Services Vocational Aptitude Battery (ASVAB) and Armed Forces Qualification Test (AFQT).
- Sec. 532. Nondisclosure of selection board proceedings.
- Sec. 533. Report on extent of provision of timely notice of long-term deployments.
- Sec. 534. Report on using six-month deployments for Operation Enduring Freedom and Operation Iraqi Freedom.

Subtitle E—Authorities Relating to Guard and Reserve Duty

- Sec. 541. Title 10 definition of Active Guard and Reserve duty.
- Sec. 542. Authority for Active Guard and Reserve duties to include support of operational missions assigned to the reserve components and instruction and training of active-duty personnel.
- Sec. 543. Governor's authority to order members to Active Guard and Reserve duty.
- Sec. 544. National Guard officers authority to command.
- Sec. 545. Expansion of operations of civil support teams.

Subtitle F—Decorations and Awards

- Sec. 551. Authority for presentation of Medal of Honor Flag to living Medal of Honor recipients and to living primary next-of-kin of deceased Medal of Honor recipients.
- Sec. 552. Cold War Victory Medal.
- Sec. 553. Posthumous award of Purple Heart for prisoners of war who die in or due to captivity.
- Sec. 554. Advancement on the retired list of certain decorated retired Navy and Marine Corps officers.
- Sec. 555. Report on Department of Defense process for awarding decorations.

Subtitle G—Matters Relating to Casualties

- Sec. 561. Criteria for removal of member from temporary disability retired list.
- Sec. 562. Department of Defense computer/electronic accommodations program for severely wounded members.
- Sec. 563. Transportation of remains of casualties dying in a theater of combat operations.
- Sec. 564. Annual budget display of funds for POW/MIA activities of Department of Defense.

Subtitle H—Assistance to Local Educational Agencies for Defense Dependents Education

- Sec. 571. Continuation of authority to assist local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
- Sec. 572. Enrollment in defense dependents' education system of dependents of foreign military members assigned to Supreme Headquarters Allied Powers, Europe.

Subtitle I—Postal Benefits

- Sec. 575. Postal benefits program for members of the Armed Forces.
- Sec. 576. Funding.
- Sec. 577. Duration.

Subtitle J—Other Matters

- Sec. 581. Reduction in Department of Defense accrual contributions to Department of Defense Military Retirement Fund.
- Sec. 582. Dental Corps of the Bureau of Medicine and Surgery.
- Sec. 583. Permanent authority for presentation of recognition items for recruitment and retention purposes.
- Sec. 584. Report on feasibility of establishment of Military Entrance Processing Command station on Guam.
- Sec. 585. Persons authorized to administer enlistment and appointment oaths.
- Sec. 586. Repeal of requirement for periodic Department of Defense Inspector General assessments of voting assistance compliance at military installations.
- Sec. 587. Physical evaluation boards.
- Sec. 588. Department of Labor transitional assistance program.
- Sec. 589. Revision in Government contributions to Medicare-Eligible Retiree Health Care Fund.
- Sec. 590. Military chaplains.
- Sec. 591. Report on personnel requirements for airborne assets identified as Low-Density, High-Demand Airborne Assets.
- Sec. 592. Entrepreneurial Service Members Empowerment Task Force.
- Sec. 593. Comptroller General report on military conscientious objectors.
- Sec. 594. Commission on the National Guard and Reserves.
- Sec. 595. Inclusion in annual Department of Defense report on sexual assaults of information on results of disciplinary actions.

1 **Subtitle A—Officer Personnel**
2 **Policy**

3 **SEC. 501. AUTHORIZED STRENGTH OF NAVY RESERVE FLAG**
4 **OFFICERS.**

5 (a) SIMPLIFICATION OF COUNTING OF NAVY RE-
6 SERVE FLAG OFFICERS.—Subsection (c) of section 12004
7 of title 10, United States Code, is amended to read as
8 follows:

9 “(c) The authorized strength of the Navy under sub-
10 section (a) is exclusive of officers counted under section
11 526 of this title.”.

12 (b) CONFORMING AMENDMENT.—Subsection (d) of
13 such section is amended by striking “of those” and insert-
14 ing “of officers”.

15 **SEC. 502. STANDARDIZATION OF GRADE OF SENIOR DEN-**
16 **TAL OFFICER OF THE AIR FORCE WITH THAT**
17 **OF SENIOR DENTAL OFFICER OF THE ARMY.**

18 (a) AIR FORCE ASSISTANT SURGEON GENERAL FOR
19 DENTAL SERVICES.—Section 8081 of title 10, United
20 States Code, is amended by striking “brigadier general”
21 in the second sentence and inserting “major general”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 subsection (a) shall take effect on the date of the occur-
24 rence of the next vacancy in the position of Assistant Sur-
25 geon General for Dental Services in the Air Force that

1 occurs after the date of the enactment of this Act or, if
2 earlier, on the date of the appointment to the grade of
3 major general of the officer who is the incumbent in that
4 position on the date of the enactment of the Act.

5 **SEC. 503. MANAGEMENT OF CHIEF WARRANT OFFICERS.**

6 (a) **RETENTION OF CHIEF WARRANT OFFICERS, W-**
7 **4, WHO HAVE TWICE FAILED OF SELECTION FOR PRO-**
8 **MOTION.**—Section 580(e)(1) of title 10, United States
9 Code, is amended by striking “continued on active duty
10 if” and all that follows and inserting “continued on active
11 duty if—

12 “(A) in the case of a warrant officer in the
13 grade of chief warrant officer, W-2, or chief warrant
14 officer, W-3, the warrant officer is selected for con-
15 tinuation on active duty by a selection board con-
16 vened under section 573(c) of this title; and

17 “(B) in the case of a warrant officer in the
18 grade of chief warrant officer, W-4, the warrant of-
19 ficer is selected for continuation on active duty by
20 the Secretary concerned under such procedures as
21 the Secretary may prescribe.”.

22 (b) **MANDATORY RETIREMENT FOR LENGTH OF**
23 **SERVICE.**—Section 1305(a) of such title is amended—

1 (1) by striking “(1) Except as” and all the fol-
2 lows through “W-5)” and inserting “A regular war-
3 rant officer”;

4 (2) by inserting “as a warrant officer” after
5 “years of active service”;

6 (3) by inserting “the date on which” after “60
7 days after”; and

8 (4) by striking paragraph (2).

9 **SEC. 504. REDUCTION IN TIME-IN-GRADE REQUIREMENT**
10 **FOR PROMOTION TO CAPTAIN IN THE ARMY,**
11 **AIR FORCE, AND MARINE CORPS AND LIEU-**
12 **TENANT IN THE NAVY.**

13 Section 619(a)(1) of title 10, United States Code, is
14 amended by striking “he has completed” in the matter
15 preceding subparagraph (A) and all that follows through
16 the period at the end of subparagraph (B) and inserting
17 “the officer has completed 18 months of service in the
18 grade in which the officer holds a permanent appoint-
19 ment”.

20 **SEC. 505. MILITARY STATUS OF OFFICERS SERVING IN CER-**
21 **TAIN INTELLIGENCE COMMUNITY POSITIONS.**

22 (a) CLARIFICATION OF MILITARY STATUS.—Section
23 528 of title 10, United States Code, is amended—

24 (1) by striking subsections (a) and (b) and in-
25 serting the following:

1 “(a) MILITARY STATUS.—An officer of the armed
2 forces, while serving in a position covered by this section—

3 “(1) shall not be subject to supervision or con-
4 trol by the Secretary of Defense or any other officer
5 or employee of the Department of Defense, except as
6 directed by the Secretary of Defense concerning re-
7 assignment from such position; and

8 “(2) may not exercise, by reason of the officer’s
9 status as an officer, any supervision or control with
10 respect to any of the military or civilian personnel
11 of the Department of Defense except as otherwise
12 authorized by law.

13 “(b) DIRECTOR AND DEPUTY DIRECTOR OF CIA.—
14 When the position of Director or Deputy Director of the
15 Central Intelligence Agency is held by an officer of the
16 armed forces, the officer serving in that position, while so
17 serving, shall be excluded from the limitations in sections
18 525 and 526 of this title. However, if both such positions
19 are held by an officer of the armed forces, only one such
20 officer may be excluded from those limitation while so
21 serving.”; and

22 (2) by adding at the end the following new sub-
23 sections:

24 “(e) EFFECT OF APPOINTMENT.—Except as provided
25 in subsection (a), the appointment or assignment of an

1 officer of the armed forces to a position covered by this
2 section shall not affect—

3 “(1) the status, position, rank, or grade of such
4 officer in the armed forces; or

5 “(2) any emolument, perquisite, right, privilege,
6 or benefit incident to or arising out of such status,
7 position, rank, or grade.

8 “(f) MILITARY PAY AND ALLOWANCES.—An officer
9 of the armed forces on active duty who is appointed or
10 assigned to a position covered by this section shall, while
11 serving in such position and while remaining on active
12 duty, continue to receive military pay and allowances and
13 shall not receive the pay prescribed for such position.
14 Funds from which such military pay and allowances are
15 paid to such officer while so serving shall be reimbursed
16 from funds available to the Director of the Central Intel-
17 ligence Agency (for an officer serving in a position within
18 the Central Intelligence Agency) or from funds available
19 to the Director of National Intelligence (for an officer
20 serving in a position within the Office of the Director of
21 National Intelligence).

22 “(g) COVERED POSITIONS.—The positions covered by
23 this section are the positions specified in subsections (b)
24 and (c) and the positions designated under subsection
25 (d).”.

1 (b) CLERICAL AMENDMENTS.—

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

4 **“§ 528. Officers serving in certain intelligence posi-**
5 **tions: military status; exclusion from dis-**
6 **tribution and strength limitations; pay**
7 **and allowances”.**

8 (2) The table of sections at the beginning of
9 chapter 32 of such title is amended to read as fol-
10 lows:

“528. Officers serving in certain intelligence positions: military status; exclusion
from distribution and strength limitations; pay and allow-
ances.”.

11 **Subtitle B—Reserve Component** 12 **Management**

13 **SEC. 511. REVISIONS TO RESERVE CALL-UP AUTHORITY.**

14 (a) MAXIMUM NUMBER OF DAYS.—Subsection (a) of
15 section 12304 of title 10, United States Code, is amended
16 by striking “270 days” and inserting “365.”

17 (b) SUPPORT FOR DISASTERS.—Such section is fur-
18 ther amended—

19 (1) in subsection (b)—

20 (A) by striking “or” at the end of para-
21 graph (1);

22 (B) by striking the period at the end of
23 paragraph (2) and inserting “; or”; and

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

3 “(3) a serious natural or manmade disaster, ac-
4 cident, or catastrophe that occurs in the United
5 States, its territories and possessions, or Puerto
6 Rico.”; and

7 (2) in subsection (c)(1)—

8 (A) by striking “title or,” and inserting
9 “title,”; and

10 (B) by striking “, to provide” and all that
11 follows through the end and inserting a period.

12 (c) FAIR TREATMENT.—Such section is further
13 amended—

14 (1) by redesignating subsection (i) as subsection
15 (j); and

16 (2) by inserting after subsection (h) the fol-
17 lowing new subsection (i):

18 “(i) CONSIDERATIONS FOR INVOLUNTARY ORDER TO
19 ACTIVE DUTY.—(1) In determining which members of the
20 Selected Reserve and Individual Ready Reserve will be or-
21 dered to duty without their consent under this section, ap-
22 propriate consideration shall be given to—

23 “(A) the length and nature of previous service,
24 to assure such sharing of exposure to hazards as the

1 national security and military requirements will rea-
2 sonably allow;

3 “(B) the frequency of assignments during serv-
4 ice career;

5 “(C) family responsibilities; and

6 “(D) employment necessary to maintain the na-
7 tional health, safety, or interest.

8 “(2) The Secretary of Defense shall prescribe such
9 policies and procedures as the Secretary considers nec-
10 essary to carry out this subsection.”.

11 **SEC. 512. MILITARY RETIREMENT CREDIT FOR CERTAIN**
12 **SERVICE BY NATIONAL GUARD MEMBERS**
13 **PERFORMED WHILE IN A STATE DUTY STA-**
14 **TUS IMMEDIATELY AFTER THE TERRORIST**
15 **ATTACKS OF SEPTEMBER 11, 2001.**

16 Subsection (c) of section 514 of the National Defense
17 Authorization Act for Fiscal Year 2006 (Public Law 109–
18 163; 119 Stat. 3232) is amended by adding at the end
19 the following new paragraph:

20 “(3) In the State of New Jersey: Bergen, Hud-
21 son, Union, and Middlesex.”.

1 **SEC. 513. REPORT ON PRIVATE-SECTOR PROMOTION AND**
2 **CONSTRUCTIVE TERMINATION OF MEMBERS**
3 **OF THE RESERVE COMPONENTS CALLED OR**
4 **ORDERED TO ACTIVE SERVICE.**

5 (a) **REPORT REQUIRED.**—Not later than March 1,
6 2007, the Secretary of Defense shall submit to the Com-
7 mittee on Armed Services of the Senate and the Com-
8 mittee on Armed Services of the House of Representatives
9 a report on the promotion and constructive termination
10 by private-sector employers of members of the reserve
11 components called or ordered to active service.

12 (b) **COLLECTION OF INFORMATION.**—The Secretary
13 of Defense shall base the report required under subsection
14 (a) on information submitted voluntarily by members of
15 the reserve components.

16 (c) **CONSTRUCTIVE TERMINATION.**—In this section,
17 the term “constructive termination” means the voluntary
18 resignation of an employee because of working conditions
19 the employee finds unbearable.

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

3 **SEC. 521. AUTHORITY TO PERMIT MEMBERS WHO PARTICI-**
4 **PATE IN THE GUARANTEED RESERVE**
5 **FORCES DUTY SCHOLARSHIP PROGRAM TO**
6 **PARTICIPATE IN THE HEALTH PROFESSIONS**
7 **SCHOLARSHIP PROGRAM AND SERVE ON AC-**
8 **TIVE DUTY.**

9 Paragraph (3) of section 2107a(b) of title 10, United
10 States Code, is amended—

11 (1) by inserting “or a cadet or former cadet
12 under this section who signs an agreement under
13 section 2122 of this title,” after “military junior col-
14 lege,”; and

15 (2) by inserting “, or former cadet,” after “con-
16 sent of the cadet” and after “submitted by the
17 cadet”.

18 **SEC. 522. JUNIOR RESERVE OFFICERS’ TRAINING CORPS**
19 **INSTRUCTION ELIGIBILITY EXPANSION.**

20 Section 2031 of title 10, United States Code, is
21 amended—

22 (1) in subsection (d)(1), by inserting “who are
23 receiving retired or retainer pay,” after “Fleet Ma-
24 rine Corps Reserve,”; and

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

3 “(e) Instead of, or in addition to, the detailing of ac-
4 tive-duty officers and noncommissioned officers under sub-
5 section (c)(1), and the employment of retired officers and
6 noncommissioned officers and members of the Fleet Re-
7 serve or Fleet Marine Corps Reserve under subsection (d),
8 the Secretary of the military department concerned may
9 authorize qualified institutions to employ as administra-
10 tors and instructors in the program, retired officers and
11 noncommissioned officers who qualify for retired pay for
12 nonregular service under the provisions of chapter 1223
13 of this title but for being under the age specified in section
14 12731(a)(1) of this title for eligibility for such retired pay,
15 whose qualifications are approved by the Secretary and the
16 institution concerned, and who request such employment,
17 subject to the following:

18 “(1) The compensation package for officers and
19 noncommissioned officers employed under this sub-
20 section shall not be coupled with either active duty
21 pay or retired pay, but instead shall be at a rate
22 contracted individually and determined by the Sec-
23 retary of the military department concerned. The
24 Secretary may pay the institution an amount the
25 Secretary determined to be appropriate, but the

1 amount may not be more than the amount that
 2 would be paid on behalf of an equivalent retiree or
 3 member of the Fleet Reserve or Fleet Marine Corps
 4 Reserve under the provisions of subsection (d)(1).
 5 The Secretary may continue to pay individuals em-
 6 ployed under this subsection pre-determined com-
 7 pensation packages, even after they reach the age of
 8 60. Payments by the Secretary concerned under this
 9 paragraph shall be made from funds appropriated
 10 for that purpose.

11 “(2) Such a retired member is not, while so em-
 12 ployed, considered to be on active duty or inactive
 13 duty training for any purpose.”.

14 **SEC. 523. AUTHORITY FOR UNITED STATES MILITARY**
 15 **ACADEMY AND UNITED STATES AIR FORCE**
 16 **ACADEMY PERMANENT MILITARY PROFES-**
 17 **SORS TO ASSUME COMMAND POSITIONS**
 18 **WHILE ON PERIODS OF SABBATICAL.**

19 (a) UNITED STATES MILITARY ACADEMY.—Section
 20 4334(d) of title 10, United States Code, is amended—

21 (1) by striking “permanent professors and the”;

22 (2) by striking “exercise” and inserting “exer-
 23 cises”; and

24 (3) by adding at the end the following new sen-
 25 tence: “The permanent professors exercise command

1 only in the academic department of the Academy
 2 and, at the discretion of the Secretary of the Army,
 3 within Army units to which they are assigned.”.

4 (b) UNITED STATES AIR FORCE ACADEMY.—Section
 5 9334(b) of such title is amended—

6 (1) by striking “permanent professors and the”;
 7 and

8 (2) by striking “exercise” and inserting “exer-
 9 cises”; and

10 (3) by adding at the end the following new sen-
 11 tence: “The permanent professors exercise command
 12 only in the academic department of the Academy
 13 and, at the discretion of the Secretary of the Air
 14 Force, within Air Force units to which they are as-
 15 signed.”.

16 **SEC. 524. EXPANSION OF SERVICE ACADEMY EXCHANGE**
 17 **PROGRAMS WITH FOREIGN MILITARY ACAD-**
 18 **EMIES.**

19 (a) UNITED STATES MILITARY ACADEMY.—

20 (1) NUMBER OF PARTICIPANTS IN EXCHANGE
 21 PROGRAM.—Subsection (b) of section 4345 of title
 22 10, United States Code, is amended by striking
 23 “24” and inserting “100”.

24 (2) COSTS AND EXPENSES.—Subsection (c) of
 25 such section is amended—

1 (A) by striking “for the Academy” in para-
2 graph (3) and all that follows in that paragraph
3 and inserting “for the Academy and such addi-
4 tional funds as may be available to the Acad-
5 emy from a source other than appropriated
6 funds to support cultural immersion, regional
7 awareness, or foreign language training activi-
8 ties in connection with the exchange program.”;
9 and

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

12 “(4) Expenditures in support of the exchange pro-
13 gram from funds appropriated for the Academy may not
14 exceed \$1,000,000 during any fiscal year.”.

15 (b) UNITED STATES NAVAL ACADEMY.—

16 (1) NUMBER OF PARTICIPANTS IN EXCHANGE
17 PROGRAM.—Subsection (b) of section 6957a of title
18 10, United States Code, is amended by striking
19 “24” and inserting “100”.

20 (2) COSTS AND EXPENSES.—Subsection (c) of
21 such section is amended—

22 (A) by striking “for the Academy” in para-
23 graph (3) and all that follows in that paragraph
24 and inserting “for the Academy and such addi-
25 tional funds as may be available to the Acad-

1 emy from a source other than appropriated
2 funds to support cultural immersion, regional
3 awareness, or foreign language training activi-
4 ties in connection with the exchange program.”;
5 and

6 (B) by adding at the end the following new
7 paragraph:

8 “(4) Expenditures in support of the exchange pro-
9 gram from funds appropriated for the Naval Academy
10 may not exceed \$1,000,000 during any fiscal year.”.

11 (c) UNITED STATES AIR FORCE ACADEMY.—

12 (1) NUMBER OF PARTICIPANTS IN EXCHANGE
13 PROGRAM.—Subsection (b) of section 9345 of title
14 10, United States Code, is amended by striking
15 “24” and inserting “100”.

16 (2) COSTS AND EXPENSES.—Subsection (c) of
17 such section is amended—

18 (A) by striking “for the Academy” in para-
19 graph (3) and all that follows in that paragraph
20 and inserting “for the Academy and such addi-
21 tional funds as may be available to the Acad-
22 emy from a source other than appropriated
23 funds to support cultural immersion, regional
24 awareness, or foreign language training activi-

1 ties in connection with the exchange program.”;
2 and

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

5 “(4) Expenditures in support of the exchange pro-
6 gram from funds appropriated for the Academy may not
7 exceed \$1,000,000 during any fiscal year.”.

8 (d) EFFECTIVE DATES.—The amendments made by
9 subsection (a) shall take effect on the date of the enact-
10 ment of this Act. The amendments made by subsections
11 (b) and (c) shall take effect on October 1, 2008.

12 **SEC. 525. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PRO-**
13 **GRAM.**

14 (a) REVIEW.—The Secretary of Defense shall con-
15 duct a review of the 1976 legal opinion issued by the Gen-
16 eral Counsel of the Department of Defense regarding in-
17 struction of non-host unit students participating in Junior
18 Reserve Officers’ Training Corps programs. The review
19 shall consider whether changes to law after the issuance
20 of that opinion allow in certain circumstances for the ar-
21 rangement for assignment of instructors that provides for
22 the travel of an instructor from one educational institution
23 to another once during the regular school day for the pur-
24 poses of the Junior Reserve Officers’ Training Corps pro-
25 gram as an authorized arrangement that enhances admin-

1 istrative efficiency in the management of the program. If
2 the Secretary, as a result of the review, determines that
3 such authority is not available, the Secretary should also
4 consider whether such authority should be available and
5 whether there should be authority to waive the restrictions
6 under certain circumstances.

7 (b) REPORT.—The Secretary shall submit to the
8 Committee on Armed Services of the Senate and the Com-
9 mittee on Armed Services of the House of Representatives
10 a report containing the results of the review not later than
11 180 days after the date of the enactment of this Act.

12 (c) INTERIM AUTHORITY.—A current institution that
13 has more than 70 students and is providing support to
14 another educational institutional with more than 70 stu-
15 dents and has been providing for the assignment of in-
16 structors from one school to the other may continue to
17 provide such support until 180 days following receipt of
18 the report under subsection (b).

19 **SEC. 526. SPECIAL OPERATIONS FELLOWSHIPS.**

20 (a) FELLOWSHIPS.—The Secretary of Defense shall
21 prescribe regulations under which the Assistant Secretary
22 of Defense for Special Operations and Low Intensity Con-
23 flict may award a fellowship to an eligible person, as de-
24 scribed in subsection (b), in a discipline determined by the
25 Assistant Secretary. The authority to award any amount

1 of funds to any person as a fellowship under this section
2 is subject to the availability of funds for that purpose.

3 (b) ELIGIBLE PERSON.—A person eligible for a fel-
4 lowship under this section is a citizen or national of the
5 United States who is enrolled in or is eligible to enroll
6 in a program of education leading toward the completion
7 of a masters degree or a doctoral degree.

8 (c) FELLOWSHIP REQUIREMENTS.—

9 (1) DOCTORAL DEGREE STUDENTS.—The re-
10 cipient of a fellowship who is a student enrolled in
11 a program of education leading toward the comple-
12 tion of a doctoral degree shall agree to prepare a
13 doctoral dissertation in a subject area with military
14 relevance that is approved by the Assistant Sec-
15 retary.

16 (2) MASTERS DEGREE STUDENTS.—The recipi-
17 ent of a fellowship who is a student enrolled in a
18 program of education leading toward the completion
19 of a masters degree shall agree to concentrate the
20 masters degree on a subject area with military rel-
21 evance that is approved by the Assistant Secretary.

22 (d) REGULATIONS.—The regulations required to be
23 prescribed under this section shall include each of the fol-
24 lowing:

1 (1) The criteria for the award of fellowships
2 under this section.

3 (2) The procedure for selecting recipients of
4 such fellowships.

5 (3) The basis for determining the amount a fel-
6 lowship recipient will receive.

7 (4) The total amount that may be used to
8 award fellowships during an academic year.

9 **Subtitle D—General Service**
10 **Authorities**

11 **SEC. 531. TEST OF UTILITY OF TEST PREPARATION GUIDES**
12 **AND EDUCATION PROGRAMS IN ENHANCING**
13 **RECRUIT CANDIDATE PERFORMANCE ON**
14 **THE ARMED SERVICES VOCATIONAL APTI-**
15 **TUDE BATTERY (ASVAB) AND ARMED FORCES**
16 **QUALIFICATION TEST (AFQT).**

17 (a) REQUIREMENT FOR TEST.—The Secretary of De-
18 fense shall conduct a test of the utility of commercially
19 available test preparation guides and education programs
20 designed to assist recruit candidates achieve scores on
21 military recruit qualification testing that better reflect the
22 full potential of those recruit candidates in terms of apti-
23 tude and mental category. The test shall be conducted
24 through the Secretaries of the Army, Navy and Air Force.

1 (b) ASSESSMENT OF COMMERCIALY AVAILABLE
2 GUIDES AND PROGRAMS.—The test shall assess commer-
3 cially available test preparation guides and education pro-
4 grams designed to enhance test performance. The test
5 preparation guides assessed shall test both written formats
6 and self-paced computer-assisted programs. Education
7 programs assessed may test both self-study textbook and
8 computer-assisted courses and instructor-led courses.

9 (c) OBJECTIVES.—The objectives of the test are to
10 determine the following:

11 (1) The degree to which test preparation assist-
12 ance degrades test reliability and accuracy.

13 (2) The degree to which test preparation assist-
14 ance allows more accurate testing of skill aptitudes
15 and mental capability.

16 (3) The degree to which test preparation assist-
17 ance allows individuals to achieve higher scores with-
18 out sacrificing reliability and accuracy.

19 (4) What role is recommended for test prepara-
20 tion assistance in military recruiting.

21 (d) CONTROL GROUP.—As part of the test, the Sec-
22 retary shall identify a population of recruit candidates who
23 will not receive test preparation assistance and will serve
24 as a control group for the test. Data from recruit can-
25 didates participating in the test and data from recruit can-

1 didates in the control group shall be compared in terms
2 of both (1) test performance, and (2) subsequent duty per-
3 formance in training and unit settings following entry on
4 active duty.

5 (e) NUMBER OF PARTICIPANTS.—The Secretary shall
6 provide test preparation assistance to a minimum of 2,000
7 recruit candidates and shall identify an equal number to
8 be established as the control group population.

9 (f) DURATION OF TEST.—The Secretary shall begin
10 the test not later than nine months after the date of the
11 enactment of this Act. The test shall identify participants
12 over a one-year period from the start of the test and shall
13 assess duty performance for each participant for 18
14 months following entry on active duty. The last partici-
15 pant shall be identified, but other participants may not
16 be identified.

17 (g) REPORT ON FINDINGS.—Not later than six
18 months after completion of the duty performance assess-
19 ment of the last identified participant in the test, the Sec-
20 retary of Defense shall submit to the Committee on Armed
21 Services in the Senate and the Committee on Armed Serv-
22 ices of the House of Representatives a report providing
23 the findings of the Secretary with respect to each of the
24 objectives specified in subsection (c) and the Secretary's
25 recommendations.

1 **SEC. 532. NONDISCLOSURE OF SELECTION BOARD PRO-**
2 **CEEDINGS.**

3 (a) ACTIVE-DUTY SELECTION BOARD PRO-
4 CEEDINGS.—

5 (1) EXTENSION TO ALL ACTIVE-DUTY
6 BOARDS.—Chapter 36 of title 10, United States
7 Code, is amended by inserting after section 613 the
8 following new section:

9 **“§ 613a. Nondisclosure of board proceedings**

10 “(a) NONDISCLOSURE.—The proceedings of a selec-
11 tion board convened under section 611 this title may not
12 be disclosed to any person not a member of the board.

13 “(b) PROHIBITED USES OF BOARD RECORDS.—The
14 discussions and deliberations of such a selection board and
15 any written or documentary record of such discussions and
16 deliberations—

17 “(1) are immune from legal process;

18 “(2) may not be admitted as evidence; and

19 “(3) may not be used for any purpose in any
20 action, suit, or judicial or administrative proceeding
21 without the consent of the Secretary of the military
22 department concerned.

23 “(c) APPLICABILITY.—The section shall apply with
24 respect to the proceedings of all selection boards convened
25 under section 611 of this title, including selection boards

1 convened before the date of the enactment of this sec-
2 tion.”.

3 (2) CONFORMING AMENDMENT.—Section 618
4 of such title is amended by striking subsection (f).

5 (b) RESERVE SELECTION BOARD PROCEEDINGS.—
6 Section 14104 of such title is amended to read as follows:

7 **“§ 14104. Nondisclosure of board proceedings**

8 “(a) NONDISCLOSURE.—The proceedings of a selec-
9 tion board convened under section 14101 of this title may
10 not be disclosed to any person not a member of the board.

11 “(b) PROHIBITED USES OF BOARD RECORDS.—The
12 discussions and deliberations of such a selection board and
13 any written or documentary record of such discussions and
14 deliberations—

15 “(1) are immune from legal process;

16 “(2) may not be admitted as evidence; and

17 “(3) may not be used for any purpose in any
18 action, suit, or judicial or administrative proceeding
19 without the consent of the Secretary of the military
20 department concerned.

21 “(c) APPLICABILITY.—The section shall apply with
22 respect to the proceedings of all selection boards convened
23 under section 14101 of this title, including selection
24 boards convened before the date of the enactment of this
25 section.”.

1 (c) CLERICAL AMENDMENTS.—

2 (1) The table of sections at the beginning of
3 subchapter I of chapter 36 of such title is amended
4 by inserting after the item relating to section 613
5 the following new item:

“14104. Nondisclosure of board proceedings.”.

6 (2) The item relating to section 14104 in the
7 table of sections at the beginning of chapter 1403 of
8 such title is amended to read as follows:

“14104. Nondisclosure of board proceedings.”.

9 **SEC. 533. REPORT ON EXTENT OF PROVISION OF TIMELY**
10 **NOTICE OF LONG-TERM DEPLOYMENTS.**

11 Not later than March 1, 2007, the Secretary of De-
12 fense shall submit to the Committee on Armed Services
13 of the Senate and the Committee on Armed Services of
14 the House of Representatives a report on the number of
15 members of the Armed Forces (shown by service and with-
16 in each service by reserve component and active compo-
17 nent) who, since September 11, 2001, have not received
18 at least 30 days notice (in the form of an official order)
19 before a deployment that will last 180 days or more. With
20 respect to members of the reserve components, the report
21 shall describe the degree of compliance (or noncompliance)
22 with Department of Defense policy concerning the amount
23 of notice to be provided before long-term mobilizations or
24 deployments.

1 **SEC. 534. REPORT ON USING SIX-MONTH DEPLOYMENTS**
2 **FOR OPERATION ENDURING FREEDOM AND**
3 **OPERATION IRAQI FREEDOM.**

4 (a) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that the Secretary of the Army should continue to
6 further evaluate and consider—

7 (1) the potential benefits of converting to six-
8 month overseas deployments for members of the
9 Army, including members of the Army National
10 Guard and the Army Reserve, in connection with
11 Operation Enduring Freedom and Operation Iraqi
12 Freedom; and

13 (2) the potential impacts of such reduced de-
14 ployment periods on morale, recruiting, retention,
15 readiness, and the conduct of military operations.

16 (b) REPORT REQUIRED.—Not later than 90 days
17 after the date of the enactment of this Act, the Secretary
18 of the Army shall submit to Congress a report con-
19 taining—

20 (1) the results of any surveys conducted with
21 soldiers and their dependents by the Department of
22 the Army regarding the proposal to reduce deploy-
23 ment times for members of the Army in connection
24 with Operation Enduring Freedom and Operation
25 Iraqi Freedom to a maximum of six months;

1 (2) potential plans for the Department to im-
2 plement such reduced deployment times;

3 (3) a discussion of potential benefits associated
4 with implementation of such reduced deployment
5 times, such as improved members and family morale
6 and increased recruiting and retention; and

7 (4) a discussion of potential drawbacks associ-
8 ated with implementation of such reduced deploy-
9 ment times, such as impacts on readiness, the con-
10 duct of operations, and forecasted additional costs.

11 **Subtitle E—Authorities Relating to** 12 **Guard and Reserve Duty**

13 **SEC. 541. TITLE 10 DEFINITION OF ACTIVE GUARD AND RE-** 14 **SERVE DUTY.**

15 Section 101 of title 10, United States Code, is
16 amended—

17 (1) by adding at the end of subsection (b) the
18 following new paragraph:

19 “(16) The term ‘Active Guard and Reserve’
20 means a member of a reserve component who is on
21 active duty pursuant to section 12301(d) of this title
22 or, if a member of the Army National Guard or Air
23 National Guard, is on full-time National Guard duty
24 pursuant to section 502(f) of title 32, and who is
25 performing Active Guard and Reserve duty.”; and

1 (2) in paragraph (6)(A) of subsection (d)—

2 (A) by striking “or full-time National
3 Guard duty” after “means active duty”; and

4 (B) by striking “, pursuant to an order to
5 active duty or full-time National Guard duty”
6 and inserting “pursuant to an order to full-time
7 National Guard duty,”.

8 **SEC. 542. AUTHORITY FOR ACTIVE GUARD AND RESERVE**
9 **DUTIES TO INCLUDE SUPPORT OF OPER-**
10 **ATIONAL MISSIONS ASSIGNED TO THE RE-**
11 **SERVE COMPONENTS AND INSTRUCTION AND**
12 **TRAINING OF ACTIVE-DUTY PERSONNEL.**

13 (a) AGR DUTY UNDER TITLE 10.—Subsections (a)
14 and (b) of section 12310 of title 10, United States Code,
15 are amended to read as follows:

16 “(a) AUTHORITY.—(1) The Secretary concerned may
17 order a member of a reserve component under the Sec-
18 retary’s jurisdiction to active duty pursuant to section
19 12301(d) of this title to perform Active Guard and Re-
20 serve duty organizing, administering, recruiting, instruct-
21 ing, or training the reserve components.

22 “(2) A Reserve ordered to active duty under para-
23 graph (1) shall be ordered in the Reserve’s reserve grade.
24 While so serving, the Reserve continues to be eligible for
25 promotion as a Reserve, if otherwise qualified.

1 “(b) DUTIES.—A Reserve on active duty under sub-
2 section (a) may perform the following duties in addition
3 to (and not in lieu of) the Reserve’s primary Active Guard
4 and Reserve duties described in subsection (a)(1):

5 “(1) Supporting operations or missions as-
6 signed in whole or in part to the reserve compo-
7 nents.

8 “(2) Supporting operations or missions per-
9 formed or to be performed by—

10 “(A) a unit composed of elements from
11 more than one component of the same armed
12 force; or

13 “(B) a joint forces unit that includes—

14 “(i) one or more reserve component
15 units; or

16 “(ii) a member of a reserve compo-
17 nent whose reserve component assignment
18 is in a position in an element of the joint
19 forces unit.

20 “(3) Advising the Secretary of Defense, the
21 Secretaries of the military departments, the Joint
22 Chiefs of Staff, and the commanders of the unified
23 combatant command regarding reserve component
24 matters.

1 “(4) Instructing or training in the United
2 States or the Commonwealth of Puerto Rico or pos-
3 sessions of the United States of—

4 “(A) active-duty members of the armed
5 forces;

6 “(B) members of foreign military forces
7 (under the same authorities and restrictions ap-
8 plicable to active-duty members providing such
9 instruction or training);

10 “(C) Department of Defense contractor
11 personnel; or

12 “(D) Department of Defense civilian em-
13 ployees.”.

14 (b) MILITARY TECHNICIANS UNDER TITLE 10.—
15 Section 10216(a) of such title is amended—

16 (1) in paragraph (1)(C), by striking “adminis-
17 tration and” and inserting “organizing, admin-
18 istering, instructing, or”; and

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

21 “(3) A military technician (dual status) who is em-
22 ployed under section 3101 of title 5 may perform the fol-
23 lowing duties in addition to (and not in lieu of) those pri-
24 mary duties described in paragraph (1):

1 “(A) Supporting operations or missions as-
2 signed in whole or in part to the technician’s unit;

3 “(B) Supporting operations or missions per-
4 formed or to be performed by—

5 “(i) a unit composed of elements from
6 more than one component of the technician’s
7 armed force; or

8 “(ii) a joint forces unit that includes—

9 “(I) one or more units of the techni-
10 cian’s component; or

11 “(II) a member of the technician’s
12 component whose reserve component as-
13 signment is in a position in an element of
14 the joint forces unit.

15 “(C) Instructing or training in the United
16 States or the Commonwealth of Puerto Rico or pos-
17 sessions of the United States of—

18 “(i) active-duty members of the armed
19 forces;

20 “(ii) members of foreign military forces
21 (under the same authorities and restrictions ap-
22 plicable to active-duty members providing such
23 instruction or training);

24 “(iii) Department of Defense contractor
25 personnel; or

1 “(iv) Department of Defense civilian em-
2 ployees.”.

3 (c) NATIONAL GUARD TITLE 32 TRAINING DUTY.—
4 Section 502(f) of title 32, United States Code, title is
5 amended—

6 (1) by inserting “(1)” before “Under regula-
7 tions”;

8 (2) by redesignating paragraphs (1) and (2) as
9 subparagraphs (A) and (B), respectively;

10 (3) by striking the last sentence and inserting
11 the following:

12 “(2) The training or duty ordered to be performed
13 under paragraph (1) may include the following:

14 “(A) Support of operations or missions under-
15 taken by the member’s unit at the request of the
16 President or Secretary of Defense.

17 “(B) Support of training operations and train-
18 ing missions assigned in whole or in part to the Na-
19 tional Guard by the Secretary concerned, but only to
20 the extent that such training missions and training
21 operations—

22 “(i) are performed in the territorial limits
23 of the United States, its territories and posses-
24 sions, the District of Columbia, and the Com-
25 monwealth of Puerto Rico; and

1 “(ii) are only to instruct active duty mili-
2 tary, foreign military (under the same authori-
3 ties and restrictions applicable to active duty
4 troops), Department of Defense contractor per-
5 sonnel, or Department of Defense civilian em-
6 ployees.

7 “(3) Duty without pay shall be considered for all pur-
8 poses as if it were duty with pay.”.

9 (d) NATIONAL GUARD TECHNICIANS UNDER TITLE
10 32.—Section 709(a) of title 32, United States Code, is
11 amended—

12 (1) in paragraph (1)—

13 (A) by striking “administration and” and
14 inserting “organizing, administering, instruct-
15 ing, or”; and

16 (B) by striking “and” at the end of such
17 paragraph;

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

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

22 “(3) the performance of the following duties in
23 addition to (and not in lieu of) those duties de-
24 scribed by paragraphs (1) and (2):

1 “(A) Support of operations or missions un-
2 dertaken by the technician’s unit at the request
3 of the President or the Secretary of Defense.

4 “(B) Support of Federal training oper-
5 ations or Federal training missions assigned in
6 whole or in part to the technician’s unit.

7 “(C) Instructing or training in the United
8 States or the Commonwealth of Puerto Rico or
9 possessions of the United States of—

10 “(i) active-duty members of the armed
11 forces;

12 “(ii) members of foreign military
13 forces (under the same authorities and re-
14 strictions applicable to active-duty mem-
15 bers providing such instruction or train-
16 ing);

17 “(iii) Department of Defense con-
18 tractor personnel; or

19 “(iv) Department of Defense civilian
20 employees.”.

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

“328. Active Guard and Reserve duty: Governor’s authority.”.

1 **SEC. 543. GOVERNOR'S AUTHORITY TO ORDER MEMBERS**
2 **TO ACTIVE GUARD AND RESERVE DUTY.**

3 (a) IN GENERAL.—Chapter 3 of title 32, United
4 States Code, is amended by adding at the end the fol-
5 lowing new section:

6 **“§ 328. Active Guard and Reserve duty: Governor’s**
7 **authority**

8 “(a) AUTHORITY.—The Governor of a State or the
9 Commonwealth of Puerto Rico, Guam, or the Virgin Is-
10 lands, or the commanding general of the District of Co-
11 lumbia National Guard, as the case may be, with the con-
12 sent of the Secretary concerned, may order a member of
13 the National Guard to perform Active Guard and Reserve
14 duty, as defined by section 101(d)(6) of title 10, pursuant
15 to section 502(f) of this title.

16 “(b) DUTIES.—A member of the National Guard per-
17 forming duty under subsection (a) may perform the fol-
18 lowing duties in addition to (and not in lieu of) that mem-
19 ber’s primary Active Guard and Reserve duties of orga-
20 nizing, administering, recruiting, instructing, and training
21 the reserve components:

22 “(1) Support of operations or missions under-
23 taken by the member’s unit at the request of the
24 President or the Secretary of Defense.

25 “(2) Support of training operations and train-
26 ing missions assigned in whole or in part by the Sec-

1 retary concerned to the National Guard, but only to
2 the extent that such training operation and training
3 missions—

4 “(A) are performed in the territorial limits
5 of the United States, its territories and posses-
6 sions, and the Commonwealth of Puerto Rico;
7 and

8 “(B) are only to instruct—

9 “(i) active-duty members of the armed
10 forces;

11 “(ii) members of foreign military
12 forces (under the same authorities and re-
13 strictions applicable to active-duty mem-
14 bers providing such instruction or train-
15 ing);

16 “(iii) Department of Defense con-
17 tractor personnel; or

18 “(iv) Department of Defense civilian
19 employees.”.

20 **SEC. 544. NATIONAL GUARD OFFICERS AUTHORITY TO**
21 **COMMAND.**

22 Section 325 of title 32, United States Code, is
23 amended—

24 (1) in subsection (a)(2), by striking “in com-
25 mand of a National Guard unit”;

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

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

5 “(b) ADVANCE AUTHORIZATION AND CONSENT.—
6 The President and Governor of the State or Common-
7 wealth of Puerto Rico, Guam, or the Virgin Islands, or
8 the commanding general of the District of Columbia Na-
9 tional Guard, as the case may be, respectively, may give
10 the authorization and consent required by subsection
11 (a)(2), in advance, for the purpose of establishing the suc-
12 cession of command of a unit.”; and

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

15 “(d) NATIONAL GUARD DUTIES.—An officer who is
16 not relieved from duty in the National Guard while serving
17 on active duty pursuant to subsection (a)(2) may perform
18 any duty authorized to be performed by the laws of that
19 officer’s State or the laws of the Commonwealth of Puerto
20 Rico, Guam, the Virgin Islands, or the District of Colum-
21 bia, as the case may be, to be performed by the National
22 Guard without regard to the limitations imposed by sec-
23 tion 1385 of title 18.”.

1 **SEC. 545. EXPANSION OF OPERATIONS OF CIVIL SUPPORT**
2 **TEAMS.**

3 (a) IN GENERAL.—Section 12310(c) of title 10,
4 United States Code, is amended—

5 (1) in paragraph (1)—

6 (A) by striking “involving—” and inserting
7 “involving any of the following.”; and

8 (B) by striking subparagraphs (A) and (B)
9 and inserting the following:

10 “(A) The use or threatened use of a weapon of
11 mass destruction (as defined in section 12304(i)(2)
12 of this title) in the United States.

13 “(B) A terrorist attack or threatened terrorist
14 attack in the United States that results, or could re-
15 sult, in catastrophic loss of life or property.

16 “(C) The intentional or unintentional release of
17 nuclear, biological, radiological, or toxic or poisonous
18 chemical materials in the United States that results,
19 or could result, in catastrophic loss of life or prop-
20 erty.

21 “(D) A natural or manmade disaster in the
22 United States that results in, or could result in, cat-
23 astrophic loss of life or property.”;

24 (2) by amending paragraph (3) to read as fol-
25 lows:

1 “(3) A Reserve may perform duty described in para-
2 graph (1) only while assigned to a reserve component
3 weapons of mass destruction civil support team.”; and

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

6 “(7) In this subsection, the term ‘United States’ in-
7 cludes the Commonwealth of Puerto Rico, Guam, and the
8 Virgin Islands.”.

9 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
10 Such section is further amended—

11 (1) by striking the subsection heading and in-
12 serting “OPERATIONS RELATING TO DEFENSE
13 AGAINST WEAPONS OF MASS DESTRUCTION AND
14 TERRORIST ATTACKS.—”;

15 (2) in paragraph (5), by striking “rapid assess-
16 ment element team” and inserting “weapons of mass
17 destruction civil support team”; and

18 (3) in paragraph (6)—

19 (A) in the matter preceding subparagraph
20 (A), by striking “paragraph (3)” and inserting
21 “paragraphs (1) and (3)”; and

22 (B) in subparagraph (B), by striking
23 “paragraph (3)(B)” and inserting “paragraph
24 (3)”.

1 **Subtitle F—Decorations and**
2 **Awards**

3 **SEC. 551. AUTHORITY FOR PRESENTATION OF MEDAL OF**
4 **HONOR FLAG TO LIVING MEDAL OF HONOR**
5 **RECIPIENTS AND TO LIVING PRIMARY NEXT-**
6 **OF-KIN OF DECEASED MEDAL OF HONOR RE-**
7 **CIPIENTS.**

8 (a) ARMY.—Section 3755 of title 10, United States
9 Code, is amended—

10 (1) by striking “after October 23, 2002”; and

11 (2) by adding at the end the following new sen-
12 tence: “In the case of a posthumous presentation of
13 the medal, the flag shall be presented to the person
14 to whom the medal is presented”.

15 (b) NAVY.—Section 6257 of such title is amended—

16 (1) by striking “after October 23, 2002”; and

17 (2) by adding at the end the following new sen-
18 tence: “In the case of a posthumous presentation of
19 the medal, the flag shall be presented to the person
20 to whom the medal is presented”.

21 (c) AIR FORCE.—Section 8755 of such title is amend-
22 ed—

23 (1) by striking “after October 23, 2002”; and

24 (2) by adding at the end the following new sen-
25 tence: “In the case of a posthumous presentation of

1 the medal, the flag shall be presented to the person
2 to whom the medal is presented”.

3 (d) COAST GUARD.—Section 505 of title 14, United
4 States Code, is amended—

5 (1) by striking “after October 23, 2002”; and

6 (2) by adding at the end the following new sen-
7 tence: “In the case of a posthumous presentation of
8 the medal, the flag shall be presented to the person
9 to whom the medal is presented”.

10 (e) PRESENTATION OF FLAG FOR PRIOR RECIPIENTS
11 OF MEDAL OF HONOR.—

12 (1) LIVING RECIPIENTS.—The President shall
13 provide for the presentation of the Medal of Honor
14 Flag as expeditiously as possible after the date of
15 the enactment of this Act to each living recipient of
16 the Medal of Honor who was awarded the Medal of
17 Honor before that date.

18 (2) SURVIVORS OF DECEASED RECIPIENTS.—
19 The President shall provide for posthumous presen-
20 tation of the Medal of Honor Flag, upon written ap-
21 plication therefor, to the primary next of kin of any
22 recipient of the Medal of Honor who was awarded
23 the Medal of Honor before the date of the enactment
24 of this Act and who is deceased as of such date (or
25 who dies after such date and before the presentation

1 required by paragraph (1)). For purposes of this
2 paragraph, the primary next-of-kin is the person
3 who would be entitled to receive the award of the
4 Medal of Honor for such deceased individual if the
5 award were being made posthumously at the time of
6 the presentation of the Medal of Honor Flag.

7 (3) MEDAL OF HONOR FLAG.—In this sub-
8 section, the term “Medal of Honor Flag” means the
9 flag designated under section 903 of title 36, United
10 States Code.

11 **SEC. 552. COLD WAR VICTORY MEDAL.**

12 (a) AUTHORITY.—Chapter 57 of title 10, United
13 States Code, is amended by adding at the end the fol-
14 lowing new section:

15 **“§ 1135. Cold War Victory Medal**

16 “(a) MEDAL AUTHORIZED.—The Secretary con-
17 cerned shall issue a service medal, to be known as the
18 ‘Cold War Victory Medal’, to persons eligible to receive
19 the medal under subsection (b). The Cold War Victory
20 Medal shall be of an appropriate design approved by the
21 Secretary of Defense, with ribbons, lapel pins, and other
22 appurtenances.

23 “(b) ELIGIBLE PERSONS.—The following persons are
24 eligible to receive the Cold War Victory Medal:

25 “(1) A person who—

1 “(A) performed active duty or inactive
2 duty training as an enlisted member during the
3 Cold War;

4 “(B) completed the person’s initial term of
5 enlistment or, if discharged before completion of
6 such initial term of enlistment, was honorably
7 discharged after completion of not less than
8 180 days of service on active duty; and

9 “(C) has not received a discharge less fa-
10 vorable than an honorable discharge or a re-
11 lease from active duty with a characterization
12 of service less favorable than honorable.

13 “(2) A person who—

14 “(A) performed active duty or inactive
15 duty training as a commissioned officer or war-
16 rant officer during the Cold War;

17 “(B) completed the person’s initial service
18 obligation as an officer or, if discharged or sep-
19 arated before completion of such initial service
20 obligation, was honorably discharged after com-
21 pletion of not less than 180 days of service on
22 active duty; and

23 “(C) has not been released from active
24 duty with a characterization of service less fa-
25 vorable than honorable and has not received a

1 discharge or separation less favorable than an
2 honorable discharge.

3 “(c) ONE AWARD AUTHORIZED.—Not more than one
4 Cold War Victory Medal may be issued to any person.

5 “(d) ISSUANCE TO REPRESENTATIVE OF DE-
6 CEASED.—If a person described in subsection (b) dies be-
7 fore being issued the Cold War Victory Medal, the medal
8 shall be issued to the person’s representative, as des-
9 ignated by the Secretary concerned.

10 “(e) REPLACEMENT.—Under regulations prescribed
11 by the Secretary concerned, a Cold War Victory Medal
12 that is lost, destroyed, or rendered unfit for use without
13 fault or neglect on the part of the person to whom it was
14 issued may be replaced without charge.

15 “(f) APPLICATION FOR MEDAL.—The Cold War Vic-
16 tory Medal shall be issued upon receipt by the Secretary
17 concerned of an application for such medal, submitted in
18 accordance with such regulations as the Secretary pre-
19 scribes.

20 “(g) UNIFORM REGULATIONS.—The Secretary of De-
21 fense shall ensure that regulations prescribed by the Sec-
22 retaries of the military departments under this section are
23 uniform so far as is practicable.

1 “(h) DEFINITION.—In this section, the term ‘Cold
2 War’ means the period beginning on September 2, 1945,
3 and ending at the end of December 26, 1991.”.

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

“1135. Cold War Victory Medal.”.

7 **SEC. 553. POSTHUMOUS AWARD OF PURPLE HEART FOR**
8 **PRISONERS OF WAR WHO DIE IN OR DUE TO**
9 **CAPTIVITY.**

10 (a) DECEASED POWS NOT OTHERWISE ELIGIBLE
11 FOR PURPLE HEART.—Chapter 57 of title 10, United
12 States Code, is amended by adding after section 1135, as
13 added by section 552(a), the following new section:

14 **“§ 1136. Purple Heart: posthumous award for pris-**
15 **oners of war or former prisoners of war**
16 **dying in or due to captivity**

17 “(a) For purposes of the award of the Purple Heart,
18 the Secretary concerned shall treat a death described in
19 subsection (b) in the same manner as the death of a mem-
20 ber of the armed forces in action as the result of an act
21 of an enemy of the United States.

22 “(b) A death described in this subsection is either of
23 the following:

24 “(1) The death of a member of the armed
25 forces who dies in captivity under circumstances es-

1 tablishing eligibility for the prisoner-of-war medal
2 under section 1128 of this title but under cir-
3 cumstances not otherwise establishing eligibility for
4 the Purple Heart.

5 “(2) The death of a member or former member
6 of the armed forces who following captivity as a pris-
7 oner of war is issued the prisoner-of-war medal
8 under section 1128 of this title and who dies due to
9 a disease or disability that was incurred during that
10 captivity, unless the member or former member re-
11 ceived a Purple Heart due to the injury or condi-
12 tions resulting in that disease or disability.

13 “(c) The Secretary of Defense shall prescribe regula-
14 tions for determining eligibility for the Purple Heart
15 under this section. Such regulations shall include criteria
16 for the determination under paragraph (2) of subsection
17 (b) of whether a death is due to a disease or disability
18 incurred while a prisoner of war.

19 “(d) This section applies to any member of the armed
20 forces who is held as a prisoner of war after December
21 7, 1941.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 at the beginning of such chapter is amended by adding
24 after the item relating to section 1135, as added by section
25 552(b), the following new item:

“1136. Purple Heart: posthumous award for prisoners of war or former prisoners of war dying in or due to captivity.”.

1 (c) **RETROACTIVE AWARDS.**—In the case of a mem-
2 ber or former member of the Armed Forces covered by
3 section 1135 of title 10, United States Code, whose death
4 is before the date of the enactment of this Act, the Sec-
5 retary concerned shall award the Purple Heart under that
6 section upon receipt of an application that is made to the
7 Secretary in such manner, and containing such informa-
8 tion, as the Secretary requires.

9 **SEC. 554. ADVANCEMENT ON THE RETIRED LIST OF CER-**
10 **TAIN DECORATED RETIRED NAVY AND MA-**
11 **RINE CORPS OFFICERS.**

12 (a) **ADVANCEMENT ON RETIRED LIST.**—The Sec-
13 retary of the Navy shall, upon receipt of a qualifying appli-
14 cation, advance on the retired list of the Navy or Marine
15 Corps, as applicable, any retired officer of the Navy or
16 Marine Corps described in subsection (b). Each such offi-
17 cer shall be advanced to the next higher grade above the
18 officer’s retired grade as of the day before the date of the
19 enactment of this Act.

20 (b) **COVERED OFFICERS.**—Subsection (a) applies to
21 any retired officer of the Navy or Marine Corps—

22 (1) who was eligible to retire before November
23 1, 1959, but who retired on or after that date; and

1 (2) who, under the provisions of law in effect
2 before November 1, 1959, would have been eligible,
3 by reason of having been specifically commended for
4 performance of duty in actual combat, to have been
5 retired in the next higher grade if the officer had re-
6 tired before that date.

7 (c) QUALIFYING APPLICATION.—A qualifying appli-
8 cation is an application from an officer described in sub-
9 section (b) or, in the case of a deceased officer, the sur-
10 viving spouse or another immediate family member (as de-
11 termined by the Secretary) of the officer, that—

12 (1) requests advancement on the retired list
13 under this section; and

14 (2) provides such information as the Secretary
15 may require.

16 (d) EFFECT OF ADVANCEMENT ON RETIRED LIST.—
17 The advancement of an officer on the retired list pursuant
18 to subsection (a) shall not affect—

19 (1) in the case of a retired officer who is living
20 as of the date of the enactment of this Act, the re-
21 tired pay or other benefits of the officer or the grade
22 in which the officer could be ordered or recalled to
23 active duty; and

24 (2) any benefit to which any other person is or
25 may become entitled based upon the officer's service.

1 **SEC. 555. REPORT ON DEPARTMENT OF DEFENSE PROCESS**
2 **FOR AWARDING DECORATIONS.**

3 (a) REVIEW.—The Secretary of Defense shall con-
4 duct a review of the policy, procedures, and processes of
5 the military departments for awarding decorations to
6 members of the Armed Forces.

7 (b) TIME PERIODS.—As part of the review, the Sec-
8 retary shall determine how long the award process takes—

9 (1) from the time a recommendation for the
10 award of a decoration is submitted until the time the
11 award of the decoration is approved; and

12 (2) from the time award of a decoration is ap-
13 proved until the time when the decoration is pre-
14 sented to the recipient.

15 (c) RESERVE COMPONENTS.—In conducting the re-
16 view, the Secretary shall ensure that the timeliness of the
17 awards process for members of the reserve components is
18 the same or similar as that for members of the active com-
19 ponents.

20 (d) REPORT.—Not later than 90 days after the date
21 of the enactment of this Act, the Secretary shall submit
22 to the Committee on Armed Services of the Senate and
23 the Committee on Armed Services of the House of Rep-
24 resentatives a report containing the Secretary's findings
25 as a result of the review under subsection (a), together
26 with a plan for implementing whatever changes are deter-

1 fined in section 3 of the Assistive Technology Act of 1998
2 (29 U.S.C. 3002), to a member of the armed forces who
3 has sustained a severe or debilitating illness or injury
4 while serving in support of a contingency operation.

5 “(b) DURATION AND PROVISION OF TECHNOLOGY
6 AND SERVICES.—The Secretary may provide technology
7 and services authorized by subsection (a) for an indefinite
8 period, without regard to whether the person assisted con-
9 tinues to be a member of the armed forces.

10 “(c) AUTHORITY TO ALLOW RETENTION OF DE-
11 VICES, ETC.—Upon the separation from active service of
12 a member who has been provided assistance as specified
13 in subsection (a), the Secretary may allow the member to
14 retain any assistive technology, device, or service provided
15 to the member before the member’s separation.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 at the beginning of such chapter is amended by inserting
18 after the item relating to section 1150 the following new
19 item:

“1151. Severely wounded members: assistive technology and services.”.

20 **SEC. 563. TRANSPORTATION OF REMAINS OF CASUALTIES**
21 **DYING IN A THEATER OF COMBAT OPER-**
22 **ATIONS.**

23 (a) IN GENERAL.—The Secretary concerned shall
24 provide transportation of the remains of a member of the
25 Armed Forces who dies in a combat theater of operations

1 and whose remains are returned to the United States
2 through the mortuary facility at Dover Air Force Base,
3 Delaware, in accordance with section 1482(a)(8) of title
4 10, United States Code, and this section.

5 (b) ESCORT.—The Secretary concerned shall ensure
6 that such remains are escorted under that section at all
7 times by at least one person, who shall be a member of
8 the Armed Forces of appropriate grade.

9 (c) AIR TRANSPORTATION FROM DOVER AFB.—

10 (1) USE OF MILITARY AIRCRAFT.—If transpor-
11 tation of remains described in subsection (a) from
12 Dover Air Force Base to the escorted remains des-
13 tination includes transportation by aircraft, such
14 transportation by aircraft (unless otherwise directed
15 by the next-of-kin) shall be made by military aircraft
16 or military-contracted aircraft to the military airfield
17 that is closest to the escorted remains destination.
18 In the case of any such flight, the exclusive mission
19 of the flight shall be the transportation of those re-
20 mains.

21 (2) ESCORTED REMAINS DESTINATION.—In this
22 subsection, the term “escorted remains destination”
23 means the place to which remains are to be trans-
24 ported pursuant to section 1482(a)(8) of title 10,
25 United States Code.

1 (d) HONOR GUARD ESCORT.—In a case of the trans-
2 portation of remains covered by subsection (a), there shall
3 be a military escort (in addition to the escort under sub-
4 section (b)) that either travels with the remains from
5 Dover Air Force Base or meets the remains at the place
6 to which transportation by air (or by rail or motor vehicle,
7 if applicable) is made. Such escort shall be of sufficient
8 number to transfer the casket containing the remains from
9 the aircraft (or other means of transportation to that
10 place) to a hearse for local transportation. Such escort
11 shall remain with the remains until the remains are deliv-
12 ered to the next-of-kin. Such escort shall consist of mem-
13 bers of the Armed Forces on active duty or in the Ready
14 Reserve.

15 **SEC. 564. ANNUAL BUDGET DISPLAY OF FUNDS FOR POW/
16 MIA ACTIVITIES OF DEPARTMENT OF DE-
17 FENSE.**

18 (a) CONSOLIDATED BUDGET JUSTIFICATION.—
19 Chapter 9 of title 10, United States Code, is amended by
20 adding at the end the following new section:

21 **“§ 234. POW/MIA activities: display of budget infor-
22 mation**

23 “(a) SUBMISSION WITH ANNUAL BUDGET JUS-
24 TIFICATION DOCUMENTS.—The Secretary of Defense shall
25 submit to Congress, as a part of the defense budget mate-

1 rials for a fiscal year, a consolidated budget justification
2 display, in classified and unclassified form, that covers all
3 programs and activities of Department of Defense POW/
4 MIA accounting and recovery organizations.

5 “(b) REQUIREMENTS FOR BUDGET DISPLAY.—The
6 budget display under subsection (a) for a fiscal year shall
7 include the following for each such organization:

8 “(1) The amount, by appropriation and func-
9 tional area, originally requested by that organization
10 for that fiscal year, with the supporting narrative
11 describing the rationale for the requested funding
12 level.

13 “(2) A summary of actual or estimated expendi-
14 tures by that organization for the fiscal year during
15 which the budget is submitted and for the fiscal year
16 preceding that year.

17 “(3) The amount in the budget for that organi-
18 zation.

19 “(4) A detailed explanation of any inconsist-
20 encies between the amount originally requested by
21 the organization (shown pursuant to paragraph (1))
22 and the amount in the budget for that organization
23 (shown pursuant to paragraph (3)).

1 “(5) The budget estimate for that organization
2 for the next five fiscal years after the fiscal year for
3 which the budget is submitted.

4 “(c) DEPARTMENT OF DEFENSE POW/MIA AC-
5 COUNTING AND RECOVERY ORGANIZATIONS.—In this sec-
6 tion, the term ‘Department of Defense POW/MIA ac-
7 counting and recovery organization’ means any of the fol-
8 lowing (and any successor organization):

9 “(1) The Defense Prisoner of War/Missing Per-
10 sonnel Office (DPMO).

11 “(2) The Joint POW/MIA Accounting Com-
12 mand (JPAC).

13 “(3) The Armed Forces DNA Identification
14 Laboratory (AFDIL).

15 “(4) The Life Sciences Equipment Laboratory
16 (LSEL) of the Air Force.

17 “(5) Any other element of the Department of
18 Defense the mission of which (as designated by the
19 Secretary of Defense) involves the accounting for
20 and recovery of members of the armed forces who
21 are missing in action or prisoners of war or who are
22 unaccounted for.

23 “(d) OTHER DEFINITIONS.—In this section:

24 “(1) The term ‘budget’, with respect to a fiscal
25 year, means the budget for that fiscal year that is

1 submitted to Congress by the President under sec-
2 tion 1105(a) of title 31.

3 “(2) The term ‘defense budget materials’, with
4 respect to a fiscal year, means the materials sub-
5 mitted to Congress by the Secretary of Defense in
6 support of the budget for that fiscal year.”.

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:

“234. POW/MIA activities: display of budget information.”.

10 **Subtitle H—Assistance to Local**
11 **Educational Agencies for De-**
12 **fense Dependents Education**

13 **SEC. 571. CONTINUATION OF AUTHORITY TO ASSIST LOCAL**
14 **EDUCATIONAL AGENCIES THAT BENEFIT DE-**
15 **PENDENTS OF MEMBERS OF THE ARMED**
16 **FORCES AND DEPARTMENT OF DEFENSE CI-**
17 **VILIAN EMPLOYEES.**

18 (a) ASSISTANCE TO SCHOOLS WITH SIGNIFICANT
19 NUMBERS OF MILITARY DEPENDENT STUDENTS.—Of the
20 amount authorized to be appropriated pursuant to section
21 301(5) for operation and maintenance for Defense-wide
22 activities, \$50,000,000 shall be available only for the pur-
23 pose of providing assistance to local educational agencies
24 under subsection (a) of section 572 of the National De-

1 fense Authorization Act for Fiscal Year 2006 (Public Law
2 109–163; 119 Stat. 3271; 20 U.S.C. 7703b).

3 (b) ASSISTANCE TO SCHOOLS WITH ENROLLMENT
4 CHANGES DUE TO BASE CLOSURES, FORCE STRUCTURE
5 CHANGES, OR FORCE RELOCATIONS.—Of the amount au-
6 thorized to be appropriated pursuant to section 301(5) for
7 operation and maintenance for Defense-wide activities,
8 \$15,000,000 shall be available only for the purpose of pro-
9 viding assistance to local educational agencies under sub-
10 section (b) of such section 572.

11 (c) LOCAL EDUCATIONAL AGENCY DEFINED.—In
12 this section, the term “local educational agency” has the
13 meaning given that term in section 8013(9) of the Ele-
14 mentary and Secondary Education Act of 1965 (20 U.S.C.
15 7713(9)).

16 **SEC. 572. ENROLLMENT IN DEFENSE DEPENDENTS’ EDU-**
17 **CATION SYSTEM OF DEPENDENTS OF FOR-**
18 **EIGN MILITARY MEMBERS ASSIGNED TO SU-**
19 **PREME HEADQUARTERS ALLIED POWERS,**
20 **EUROPE.**

21 Section 1404A of the Defense Dependents’ Education
22 Act of 1978 (20 U.S.C. 923a) is amended—

23 (1) in subsection (a)—

24 (A) by striking “of the children” and in-
25 serting “of—

1 “(1) the children”;

2 (B) by striking the period at the end and
3 inserting “; and”; and

4 (C) by adding at the end the following new
5 paragraph:

6 “(2) the children of a foreign military member
7 assigned to the Supreme Headquarters Allied Pow-
8 ers, Europe, but only in a school of the defense de-
9 pendents’ education system in Mons, Belgium.”; and

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

12 “(c) SPECIAL RULES REGARDING ENROLLMENT OF
13 DEPENDENTS OF FOREIGN MILITARY MEMBERS AS-
14 SIGNED TO SUPREME HEADQUARTERS ALLIED POWERS,
15 EUROPE.—(1) In the regulations required by subsection
16 (a), the Secretary shall prescribe a methodology based on
17 the estimated total number of dependents of sponsors
18 under section 1414(2) enrolled in schools of the defense
19 dependents’ education system in Mons, Belgium, to deter-
20 mine the number of children described in paragraph (2)
21 of subsection (a) who will be authorized to enroll under
22 such subsection.

23 “(2) If the number of children described in paragraph
24 (2) of subsection (a) who seek enrollment in schools of
25 the defense dependents’ education system in Mons, Bel-

1 gium, exceeds the number authorized by the Secretary
2 under paragraph (1), the Secretary may enroll the addi-
3 tional children on a space-available, tuition-free basis not-
4 withstanding section 1404(d)(2).”.

5 **Subtitle I—Postal Benefits**

6 **SEC. 575. POSTAL BENEFITS PROGRAM FOR MEMBERS OF** 7 **THE ARMED FORCES.**

8 (a) IN GENERAL.—The Secretary of Defense, in con-
9 sultation with the United States Postal Service, shall pro-
10 vide for a program under which postal benefits shall be
11 provided to qualified individuals in accordance with this
12 subtitle.

13 (b) QUALIFIED INDIVIDUAL.—For purposes of this
14 subtitle, the term “qualified individual” means an indi-
15 vidual—

16 (1) who is a member of the Armed Forces on
17 active duty (as defined in section 101 of title 10,
18 United States Code); and

19 (2) who is—

20 (A) serving in Iraq or Afghanistan; or

21 (B) hospitalized at a facility under the ju-
22 risdiction of the Armed Forces as a result of a
23 disease or injury incurred as a result of service
24 in Iraq or Afghanistan.

25 (c) POSTAL BENEFITS DESCRIBED.—

1 (1) IN GENERAL.—The postal benefits provided
2 under this subtitle shall consist of such coupons or
3 other similar evidence of credit (whether in printed,
4 electronic, or other format, and hereinafter in this
5 subtitle referred to as “vouchers”) as the Secretary
6 of Defense (in consultation with the Postal Service)
7 shall determine, entitling the bearer or user to make
8 qualified mailings free of postage.

9 (2) QUALIFIED MAILING.—For purposes of this
10 subtitle, the term “qualified mailing” means the
11 mailing of any mail matter which—

12 (A) is described in subparagraph (A), (B),

13 (C), or (D) of paragraph (3);

14 (B) is sent from within an area served by

15 a United States post office; and

16 (C) is addressed to a qualified individual.

17 (3) MAIL MATTER DESCRIBED.—The mail mat-
18 ter described in this paragraph is—

19 (A) any letter mail not exceeding 13

20 ounces in weight and having the character of
21 personal correspondence;

22 (B) any sound- or video-recorded commu-
23 nications not exceeding 15 pounds in weight

24 and having the character of personal cor-
25 respondence;

1 (C) any ground parcel not exceeding 15
2 pounds in weight; and

3 (D) any bound printed matter not exceed-
4 ing 15 pounds in weight.

5 (4) LIMITATIONS.—

6 (A) NUMBER.—An individual shall be eligi-
7 ble for one voucher for each month in which
8 such individual is a qualified individual.

9 (B) USE.—Any such voucher may not be
10 used—

11 (i) for more than a single qualified
12 mailing; or

13 (ii) after the earlier of—

14 (I) the expiration date of such
15 voucher, as designated by the Sec-
16 retary of Defense; or

17 (II) the last day of the one-year
18 period referred to in section 577.

19 (5) COORDINATION RULE.—Postal benefits
20 under this subtitle shall be in addition to, and not
21 in lieu of, any reduced rates of postage or other
22 similar benefits which might otherwise be available
23 by or under law, including any rates of postage re-
24 sulting from the application of section 3401(b) of
25 title 39, United States Code.

1 (d) REGULATIONS.—Not later than 30 days after the
2 date of the enactment of this Act, the Secretary of Defense
3 (in consultation with the Postal Service) shall prescribe
4 any regulations necessary to carry out this subtitle, includ-
5 ing—

6 (1) procedures by which vouchers will be pro-
7 vided or made available (including measures to allow
8 vouchers to reach, in a timely manner, the persons
9 selected by qualified individuals to use the vouchers);
10 and

11 (2) procedures to ensure that the number of
12 vouchers provided or made available with respect to
13 any qualified individual complies with subsection
14 (c)(4)(A).

15 **SEC. 576. FUNDING.**

16 (a) IN GENERAL.—Funding for the expenses in-
17 curred by the Department of Defense for any fiscal year
18 in providing postal benefits under this subtitle shall be
19 paid out of funds authorized to be appropriated for that
20 fiscal year for a contingent emergency reserve fund or as
21 an emergency supplemental appropriations.

22 (b) TRANSFERS TO POSTAL SERVICE.—

23 (1) BASED ON ESTIMATES.—The Secretary of
24 Defense shall transfer to the Postal Service, out of
25 any amount so appropriated and in advance of each

1 calendar quarter during which postal benefits under
2 this subtitle may be used, an amount equal to the
3 amount of postal benefits that the Secretary of De-
4 fense estimates will be used during such quarter, re-
5 duced or increased (as the case may be) by any
6 amounts by which the Secretary finds that a deter-
7 mination under this subtitle for a prior quarter was
8 greater than or less than the amount finally deter-
9 mined for such quarter.

10 (2) **BASED ON FINAL DETERMINATION.**—A
11 final determination of the amount necessary to cor-
12 rect any previous determination under this section,
13 and any transfer of amounts between the Postal
14 Service and the Department of Defense based on
15 that final determination, shall be made not later
16 than six months after the end of the one-year period
17 referred to in section 577.

18 (c) **CONSULTATION REQUIRED.**—All estimates and
19 determinations under this section of the amount of postal
20 benefits under this subtitle used in any period shall be
21 made by the Secretary of Defense in consultation with the
22 Postal Service.

23 **SEC. 577. DURATION.**

24 The postal benefits under this subtitle shall apply
25 with respect to mail matter sent during the one-year pe-

1 riod beginning on the date on which the regulations under
2 section 575(d) take effect.

3 **Subtitle J—Other Matters**

4 **SEC. 581. REDUCTION IN DEPARTMENT OF DEFENSE AC-** 5 **CRUAL CONTRIBUTIONS TO DEPARTMENT OF** 6 **DEFENSE MILITARY RETIREMENT FUND.**

7 (a) DETERMINATION OF CONTRIBUTIONS TO THE
8 FUND.—

9 (1) CALCULATION OF ANNUAL DEPARTMENT OF
10 DEFENSE CONTRIBUTION.—Subsection (b)(1) of sec-
11 tion 1465 of title 10, United States Code, is amend-
12 ed—

13 (A) in subparagraph (A)(ii), by striking
14 “to members of ” and all that follows and in-
15 serting “for active duty (other than the Coast
16 Guard) and for full-time National Guard duty
17 (other than full-time National Guard duty for
18 training only), but excluding any duty that
19 would be excluded for active-duty end strength
20 purposes by section 115(i) of this title.”; and

21 (B) in subparagraph (B)(ii)—

22 (i) by striking “Ready Reserve” and
23 inserting “Selected Reserve”; and

24 (ii) by striking “Coast Guard and
25 other than members on full-time National

1 Guard duty other than for training) who
2 are” and inserting “Coast Guard) for serv-
3 ice”.

4 (2) QUADRENNIAL ACTUARIAL VALUATION.—
5 Subsection (c)(1) of such section is amended —

6 (A) in subparagraph (A), by striking “for
7 members of the armed forces” and all that fol-
8 lows through “for training only)” and inserting
9 “for active duty (other than the Coast Guard)
10 and for full-time National Guard duty (other
11 than full-time National Guard duty for training
12 only), but excluding any duty that would be ex-
13 cluded for active-duty end strength purposes by
14 section 115(i) of this title”; and

15 (B) in subparagraph (B)—

16 (i) by striking “Ready Reserve” and
17 inserting “Selected Reserve”; and

18 (ii) by striking “Coast Guard and
19 other than members on full-time National
20 Guard duty other than for training) who
21 are” and inserting “Coast Guard) for serv-
22 ice”.

23 (b) PAYMENTS INTO THE FUND.—Section 1466(a) of
24 such title is amended—

1 (1) in paragraph (1)(B), by striking “by mem-
2 bers” and all that follows and inserting “for active
3 duty (other than the Coast Guard) and for full-time
4 National Guard duty (other than full-time National
5 Guard duty for training only), but excluding any
6 duty that would be excluded for active-duty end
7 strength purposes by section 115(i) of this title”;
8 and

9 (2) in paragraph (2)(B)—

10 (A) by striking “Ready” and inserting
11 “Selected”; and

12 (B) by striking “Coast Guard and other
13 than members on full-time National Guard duty
14 other than for training) who are” and inserting
15 “Coast Guard) for service”.

16 **SEC. 582. DENTAL CORPS OF THE BUREAU OF MEDICINE**
17 **AND SURGERY.**

18 (a) DELETION OF REFERENCES TO DENTAL DIVI-
19 SION.—Section 5138 of title 10, United States Code, is
20 amended—

21 (1) in subsection (a)—

22 (A) by striking the first sentence; and

23 (B) by striking “Dental Division” and in-
24 serting “Dental Corps” in the second sentence;

1 (2) in subsection (b), by striking “Dental Divi-
2 sion” and inserting “Dental Corps”;

3 (3) in subsection (c)—

4 (A) by striking “so” in the first sentence;

5 (B) by striking “, that all such” in the
6 first sentence and all that follows through
7 “Dental Division”; and

8 (C) by striking the second sentence.; and

9 (b) FUNCTIONS OF CHIEF OF DENTAL CORPS.—Sub-
10 section (d) of such section is amended to read as follows:

11 “(d) The Chief of the Dental Corps shall serve as
12 the advisor to the Surgeon General on all matters relating
13 directly to dentistry, including professional standards and
14 policies for dental practice.”.

15 (c) CLERICAL AMENDMENTS.—

16 (1) The heading of such section is amended to
17 read as follows:

18 “**§ 5138. Bureau of Medicine and Surgery: Dental**
19 **Corps; Chief**”.

20 (2) The item relating to section 5138 in the
21 table of sections at the beginning of chapter 513 of
22 such title is amended to read as follows:

“5138. Bureau of Medicine and Surgery: Dental Corps; Chief.”.

1 **SEC. 583. PERMANENT AUTHORITY FOR PRESENTATION OF**
2 **RECOGNITION ITEMS FOR RECRUITMENT**
3 **AND RETENTION PURPOSES.**

4 Section 2261 of title 10, United States Code, is
5 amended by striking subsection (d).

6 **SEC. 584. REPORT ON FEASIBILITY OF ESTABLISHMENT OF**
7 **MILITARY ENTRANCE PROCESSING COM-**
8 **MAND STATION ON GUAM.**

9 (a) REVIEW.—The Secretary of Defense shall review
10 the feasibility and cost effectiveness of establishing on
11 Guam a station of the Military Entrance Processing Com-
12 mand to process new recruits for the Armed Forces who
13 are drawn from the western Pacific region. For the pur-
14 poses of the review, the cost effectiveness of establishing
15 such a facility on Guam shall be measured, in part,
16 against the system in effect in early 2006 of using Hawaii
17 and other locations for the processing of new recruits from
18 Guam and other locations in the western Pacific region.

19 (b) REPORT.—Not later than June 1, 2007, the Sec-
20 retary shall submit to the Committee on Armed Services
21 of the Senate and the Committee on Armed Services of
22 the House of Representatives a report providing the re-
23 sults of the study under subsection (a).

1 **SEC. 585. PERSONS AUTHORIZED TO ADMINISTER ENLIST-**
2 **MENT AND APPOINTMENT OATHS.**

3 (a) ENLISTMENT OATH.—Section 502 of title 10,
4 United States Code, is amended—

5 (1) by inserting “(a) ENLISTMENT OATH.—”
6 before “Each person enlisting”;

7 (2) by striking the last sentence; and

8 (3) by adding at the end the following:

9 “(b) WHO MAY ADMINISTER.—The oath may be
10 taken before the President, the Vice-President, the Sec-
11 retary of Defense, any commissioned officer, or any other
12 person designated under regulations prescribed by the
13 Secretary of Defense.”.

14 (b) OATHS GENERALLY.—Section 1031 of such title
15 is amended by striking “Any commissioned officer of any
16 component of an armed force, whether or not on active
17 duty, may administer any oath” and inserting “The Presi-
18 dent, the Vice-President, the Secretary of Defense, any
19 commissioned officer, and any other person designated
20 under regulations prescribed by the Secretary of Defense
21 may administer any oath”.

1 **SEC. 586. REPEAL OF REQUIREMENT FOR PERIODIC DE-**
2 **PARTMENT OF DEFENSE INSPECTOR GEN-**
3 **ERAL ASSESSMENTS OF VOTING ASSISTANCE**
4 **COMPLIANCE AT MILITARY INSTALLATIONS.**

5 (a) REPEAL OF DUPLICATIVE ASSESSMENT RE-
6 QUIREMENT.—Section 1566 of title 10, United States
7 Code, is amended by striking subsection (d).

8 (b) REPEAL OF EXPIRED PROVISION.—Subsection
9 (g)(2) of such section is amended by striking the last sen-
10 tence.

11 **SEC. 587. PHYSICAL EVALUATION BOARDS.**

12 (a) IN GENERAL.—

13 (1) PROCEDURAL REQUIREMENTS.—Chapter 61
14 of title 10, United States Code, is amended by add-
15 ing at the end the following new section:

16 **“§ 1222. Physical evaluation boards**

17 **“(a) RESPONSE TO APPLICATIONS AND APPEALS.—**
18 The Secretary of each military department shall ensure,
19 in the case of any member of the armed forces appearing
20 before a physical evaluation board under that Secretary’s
21 supervision, that documents announcing a decision of the
22 board in the case convey the findings and conclusions of
23 the board in an orderly and itemized fashion with specific
24 attention to each issue presented by the member in regard
25 to that member’s case. The requirement under the pre-
26 ceding sentence applies to a case both during initial con-

1 sideration and upon subsequent consideration due to ap-
2 peal by the member or other circumstance.

3 “(b) LIAISON OFFICER (PEBLO) REQUIREMENTS
4 AND TRAINING.—(1) The Secretary of Defense shall pre-
5 scribe regulations establishing —

6 “(A) a requirement for the Secretary of each
7 military department to make available to members
8 of the armed forces appearing before physical eval-
9 uation boards operated by that Secretary employees,
10 designated as physical evaluation board liaison offi-
11 cers, to provide advice, counsel, and general informa-
12 tion to such members on the operation of physical
13 evaluation boards operated by that Secretary; and

14 “(B) standards and guidelines concerning the
15 training of such physical evaluation board liaison of-
16 ficers.

17 “(2) The Secretary shall assess compliance by the
18 Secretary of each military department with physical eval-
19 uation board liaison officer requirements and training
20 standards and guidelines at least once every three years.

21 “(c) STANDARDIZED STAFF TRAINING AND OPER-
22 ATIONS.—(1) The Secretary of Defense shall prescribe
23 regulations on standards and guidelines concerning the
24 physical evaluation board operated by each of the Secre-
25 taries of the military departments with regard to—

1 “(A) assignment and training of staff;
2 “(B) operating procedures; and
3 “(C) consistency and timeliness of board deci-
4 sions.

5 “(2) The Secretary shall assess compliance with
6 standards and guidelines prescribed under paragraph (1)
7 by each physical evaluation board at least once every three
8 years.”.

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

“1222. Physical evaluation boards.”.

12 (b) EFFECTIVE DATE.—Section 1222 of title 10,
13 United States Code, as added by subsection (a), shall
14 apply with respect to decisions rendered on cases com-
15 menced more than 120 days after the date of the enact-
16 ment of this Act.

17 **SEC. 588. DEPARTMENT OF LABOR TRANSITIONAL ASSIST-**
18 **ANCE PROGRAM.**

19 (a) REQUIRED PARTICIPATION FOR CERTAIN MEM-
20 BERS.—Subsection (c) of section 1144 of title 10, United
21 States Code, is amended to read as follows:

22 “(c) PARTICIPATION.—(1) Except as provided in
23 paragraph (2), the Secretary of Defense shall require par-
24 ticipation by members of the armed forces eligible for as-
25 sistance under the program carried out under this section.

1 “(2) The Secretary of Defense need not require, but
2 shall encourage and otherwise promote, participation in
3 the program by the following members described in para-
4 graph (1):

5 “(A) A member who has previously participated
6 in the program.

7 “(B) A member who, upon discharge or release
8 from active duty, is returning to—

9 “(i) a position of employment; or

10 “(ii) pursuit of an academic degree or
11 other educational or occupational training ob-
12 jective that the members was pursuing when
13 called or ordered to such active duty.

14 “(3) Members of the armed forces eligible for assist-
15 ance under this section include—

16 “(A) members of the reserve components being
17 separated from service on active duty for a period of
18 more than 30 days; and

19 “(B) members of the National Guard being sep-
20 arated from full-time National Guard duty.

21 “(4) The Secretary concerned shall ensure that com-
22 manders of members who are required to be provided as-
23 sistance under this section authorize the members to be
24 provided such assistance during duty time.”.

1 (b) REQUIRED UPDATING OF MATERIALS.—Such
2 section is further amended by adding at the end the fol-
3 lowing new subsection:

4 “(e) UPDATING OF MATERIALS.—The Secretary con-
5 cerned shall, on a continuing basis, update the content of
6 the materials used by the National Veterans Training In-
7 stitute of the Department of Labor and the Secretary’s
8 other materials that provide direct training support to per-
9 sonnel who carry out the program established in this sec-
10 tion.”.

11 **SEC. 589. REVISION IN GOVERNMENT CONTRIBUTIONS TO**
12 **MEDICARE-ELIGIBLE RETIREE HEALTH CARE**
13 **FUND.**

14 (a) MEDICARE ELIGIBLE RETIREE HEALTH CARE
15 FUND.—Section 1111 of title 10, United States Code, is
16 amended—

17 (1) in subsection (a), by striking “of the De-
18 partment of Defense”;

19 (2) in subsection (b), by adding at the end of
20 the following new paragraph:

21 “(5) The term ‘members of the uniformed serv-
22 ices on active duty’ does not include a cadet at the
23 United States Military Academy, the United States
24 Air Force Academy, or the Coast Guard Academy or

1 a midshipman at the United States Naval Acad-
2 emy.”; and

3 (3) in the last sentence of subsection (c)—

4 (A) by striking “Secretary of Defense” and
5 inserting “Secretary of the Treasury”; and

6 (B) by striking “section 1116(a)” and in-
7 serting “section 1116 of this title”.

8 (b) DETERMINATION OF CONTRIBUTIONS TO THE
9 FUND.—Section 1115 of such title is amended—

10 (1) in the last sentence of subsection (a)—

11 (A) by inserting “by the Secretary of the
12 Treasury” after “Contributions to the Fund”;
13 and

14 (B) by striking “section 1116(c)” and in-
15 serting “section 1116(a)(1)”.

16 (2) in subsection (b)—

17 (A) in the matter preceding paragraph (1),
18 by striking the first sentence and inserting the
19 following: “The Secretary of the Treasury,
20 based on data provided by the Secretary of De-
21 fense, shall determine, before the beginning of
22 each fiscal year, the amount that the Secretary
23 of the Treasury shall contribute to the Fund
24 during that fiscal year under section 1116(a)(2)
25 of this title.”;

1 (B) in paragraph (1)(B), by inserting be-
2 fore the period at the end the following: “, but
3 excluding any member who would be excluded
4 for active-duty end strength purposes by section
5 115(I) of this title”; and

6 (C) in paragraph (2)(B)—

7 (I) by striking “Ready Reserve” and
8 inserting “Selected Reserve”; and

9 (ii) by striking “(other than members
10 on full-time National Guard duty other
11 than for training)”; and

12 (3) in subsection (c)—

13 (A) in paragraph (1)(A), by inserting be-
14 fore the semicolon the following: “, but exclud-
15 ing any member who would be excluded for ac-
16 tive-duty end strength purposes by section
17 115(I) of this title”;

18 (B) in paragraph (1)(B)—

19 (I) by striking “Ready Reserve” and
20 inserting “Selected Reserve”; and

21 (ii) by striking “(other than members
22 on full-time National Guard duty other
23 than for training)”; and

24 (C) in paragraph (5), by inserting after
25 “(5)” the following new sentence: “The Sec-

1 retary of Defense, before the beginning of each
2 fiscal year, shall promptly provide data to the
3 Secretary of the Treasury regarding the actu-
4 arial valuations conducted under this subsection
5 that would affect the contributions of the Sec-
6 retary of the Treasury to the Fund for that fis-
7 cal year.”.

8 (c) PAYMENTS INTO THE FUND.—Section 1116 of
9 such title is amended—

10 (1) in the matter in subsection (a) preceding
11 paragraph (1)—

12 (A) by striking “after September 30,
13 2005”; and

14 (B) by striking “Treasury—” and insert-
15 ing “Treasury the following:”;

16 (2) by redesignating paragraph (2) of sub-
17 section (a) as paragraph (3);

18 (3) by striking paragraph (1) of subsection (a)
19 and inserting the following:

20 “(1) The amount determined to be required as
21 the contribution to the Fund under subsection (a) of
22 section 1115 of this title.

23 “(2) The amount determined to be required as
24 the contribution to the Fund under subsection (b) of
25 section 1115 of this title.”;

1 (4) in paragraph (3) of subsection (a) (as re-
2 designated by paragraph (2)), by capitalizing the
3 first letter of the first word;

4 (5) by transferring paragraphs (3), (4), and (5)
5 of subsection (b) to the end of subsection (a) and re-
6 designating those paragraphs as paragraphs (4), (5),
7 and (6), respectively; and

8 (6) by striking subsection (b) (as amended by
9 paragraph (5)) and subsections (c) and (d) and in-
10 serting the following new subsection (b):

11 “(b) No funds authorized or appropriated to the De-
12 partment of Defense may be used to fund, or otherwise
13 provide for, the payments required by this section.”.

14 (d) **EFFECTIVE DATE.**—The amendments made by
15 this section shall take effect with respect to payments
16 under chapter 56 of title 10, United States Code, begin-
17 ning with fiscal year 2008.

18 **SEC. 590. MILITARY CHAPLAINS.**

19 (a) **UNITED STATES ARMY.**—Section 3547 of title
20 10, United States Code, is amended by adding at the end
21 the following new subsection:

22 “(c) Each chaplain shall have the prerogative to pray
23 according to the dictates of the chaplain’s own conscience,
24 except as must be limited by military necessity, with any

1 such limitation being imposed in the least restrictive man-
2 ner feasible.”.

3 (b) UNITED STATES MILITARY ACADEMY.—Section
4 4337 of such title is amended—

5 (1) by inserting “(a)” before “There”; and

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

8 “(b) The Chaplain shall have the prerogative to pray
9 according to the dictates of the Chaplain’s conscience, ex-
10 cept as must be limited by military necessity, with any
11 such limitation being imposed in the least restrictive man-
12 ner feasible.”.

13 (c) UNITED STATES NAVY AND MARINE CORPS.—
14 Section 6031 of such title is amended by adding at the
15 end the following new subsection:

16 “(d) Each chaplain shall have the prerogative to pray
17 according to the dictates of the chaplain’s own conscience,
18 except as must be limited by military necessity, with any
19 such limitation being imposed in the least restrictive man-
20 ner feasible.”.

21 (d) UNITED STATES AIR FORCE.—Section 8547 of
22 such title is amended by adding at the end the following
23 new subsection:

24 “(e) Each chaplain shall have the prerogative to pray
25 according to the dictates of the chaplain’s own conscience,

1 except as must be limited by military necessity, with any
2 such limitation being imposed in the least restrictive man-
3 ner feasible.”.

4 (e) UNITED STATES AIR FORCE ACADEMY.—Section
5 9337 of such title is amended—

6 (1) by inserting “(a)” before “There”; and

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

9 “(b) The Chaplain shall have the prerogative to pray
10 according to the dictates of the Chaplain’s conscience, ex-
11 cept as must be limited by military necessity, with any
12 such limitation being imposed in the least restrictive man-
13 ner feasible.”.

14 **SEC. 591. REPORT ON PERSONNEL REQUIREMENTS FOR**
15 **AIRBORNE ASSETS IDENTIFIED AS LOW-DEN-**
16 **SITY, HIGH-DEMAND AIRBORNE ASSETS.**

17 (a) REPORT REQUIRED.—Not later than 90 days
18 after the date of the enactment of this Act, the Secretary
19 of Defense shall submit to the Committee on Armed Serv-
20 ices of the Senate and the Committee on Armed Services
21 of the House of Representatives a report on personnel re-
22 quirements for airborne assets identified as Low-Density,
23 High-Demand Airborne Assets based on combatant com-
24 mander requirements to conduct and sustain operations
25 for the global war on terrorism.

1 (b) MATTER TO BE INCLUDED.—The report shall in-
2 clude the following for each airborne asset identified as
3 a Low-Density, High-Demand Airborne Asset:

4 (1) The numbers of operations and mainte-
5 nance crews to meet tasking contemplated to con-
6 duct operations for the global war on terrorism.

7 (2) The current numbers of operations and
8 maintenance crews.

9 (3) If applicable, shortages of operations and
10 maintenance crews.

11 (4) Whether such shortages are addressed in
12 the future-years defense program.

13 (5) Whether end-strength increases are required
14 to meet any such shortages.

15 (6) Costs of personnel needed to address short-
16 falls.

17 (7) If applicable, the number and types of
18 equipment needed to address training shortfalls.

19 **SEC. 592. ENTREPRENEURIAL SERVICE MEMBERS EM-**
20 **POWERMENT TASK FORCE.**

21 (a) ESTABLISHMENT.—The Secretary of Defense, in
22 coordination with the Administrator of the Small Business
23 Administration, shall establish a task force to provide
24 timely input to the Secretary and the Administrator with
25 respect to—

1 (1) measures that would improve the programs
2 and activities of the Department and the Adminis-
3 tration that are designed to address the economic
4 concerns, as well as the business challenges and op-
5 portunities, of entrepreneurial service members; and

6 (2) measures that would improve the coordina-
7 tion of the programs and activities relating to entre-
8 preneurial service members conducted by—

9 (A) the National Committee for Employer
10 Support of the National Guard and Reserve;

11 (B) Veterans Business Outreach Centers;

12 (C) Federal procurement entities; and

13 (D) any other elements within, or affiliates
14 of, the Department of Defense or the Small
15 Business Administration.

16 (b) PLAN.—The task force shall develop within 90
17 days after its first meeting, and revise as appropriate
18 thereafter, a plan for carrying out the duty under sub-
19 section (a).

20 (c) CONSULTATION.—In carrying out the duty under
21 subsection (a), the task force shall consult with appro-
22 priate Federal, State, and local agencies and appropriate
23 elements of the private sector, including academic institu-
24 tions and industry representatives.

25 (d) COMPOSITION.—

1 (1) CO-CHAIRS.—The task force shall have two
2 co-chairs, one an officer or employee of the Depart-
3 ment of Defense assigned by the Secretary, and one
4 an officer or employee of the Small Business Admin-
5 istration assigned by the Administrator. The initial
6 assignments shall be made within 60 days after the
7 date of the enactment of this Act.

8 (2) OTHER MEMBERS.—The Secretary, in co-
9 ordination with the Administrator, shall appoint the
10 remaining task force members, numbering not less
11 than 8 and not more than 15. The selections shall
12 be made within 120 days after the date of the enact-
13 ment of this Act. The Secretary, in coordination
14 with the Administrator, shall ensure that the task
15 force includes individuals from both public service
16 and the private sector, and that each of the fol-
17 lowing groups is represented on the task force:

18 (A) Entrepreneurial service members who
19 are owners of small businesses.

20 (B) Small businesses that employ entrepre-
21 neurial service members as essential employees.

22 (C) Associations that further the interests
23 of small businesses, members of the reserve
24 components of the Armed Forces, or both.

1 (D) Any other entities that the Secretary,
2 in coordination with the Administrator, con-
3 siders appropriate.

4 (3) COMPENSATION.—An individual serving as
5 a member of the task force shall not receive com-
6 pensation by reason of that service.

7 (e) MEETINGS.—

8 (1) FREQUENCY.—The task force shall meet
9 not less frequently than twice per year. The initial
10 meeting shall be held within 150 days after the date
11 of the enactment of this Act.

12 (2) QUORUM.—A majority of the members of
13 the task force shall constitute a quorum.

14 (f) REPORTS.—The task force shall provide to the
15 Secretary and the Administrator not only the minutes of
16 each meeting, but also a report of its findings and rec-
17 ommendations, should there be any, within 90 days of
18 each meeting. Not later than 60 days after the receipt of
19 such a report—

20 (1) the Secretary shall submit a copy of the re-
21 port to the Committee on Armed Services of the
22 House of Representatives and the Committee on
23 Armed Services of the Senate; and

24 (2) the Administrator shall submit a copy of the
25 report to the Committee on Small Business of the

1 House of Representatives and the Committee on
2 Small Business and Entrepreneurship of the Senate.

3 (g) **DETAIL OF CERTAIN FEDERAL EMPLOYEES.**—

4 The Secretary may detail an officer or employee of the
5 Department of Defense, and the Administrator may detail
6 an officer or employee of the Small Business Administra-
7 tion, to the task force without additional reimbursement
8 and without interruption or loss of civil status or privilege.

9 (h) **EXPENSES.**—The Department of Defense and the
10 Small Business Administration shall share equally in the
11 cost of supporting the task force.

12 (i) **DEFINITION.**—In this section, the term “entrepre-
13 neurial service member” means an individual who is
14 both—

15 (1) an actual or prospective owner of, or an es-
16 sential employee of, a small business; and

17 (2) a member of a reserve component of the
18 Armed Forces.

19 (j) **TERMINATION.**—The task force shall terminate
20 September 30, 2009.

21 **SEC. 593. COMPTROLLER GENERAL REPORT ON MILITARY**
22 **CONSCIENTIOUS OBJECTORS.**

23 (a) **REPORT REQUIRED.**—Not later than 180 days
24 after the date of the enactment of this Act, the Comp-
25 troller General shall submit to Congress a report con-

1 cerning the frequency and consequences of members of the
2 Armed Forces claiming status as a military conscientious
3 objector between January 1, 1989, and December 31,
4 2006.

5 (b) CONTENT OF REPORT.—The report shall specifi-
6 cally address the following:

7 (1) The number of all applications for status as
8 a military conscientious objector, even if the applica-
9 tion was not acted on or other discharge given, bro-
10 ken down by military branch, including the Coast
11 Guard, and regular and reserve components.

12 (2) Number of discharges or reassignments
13 given.

14 (3) The process used to consider applications,
15 including average time frame and any reassignment
16 to non-combatant duties while claim pending.

17 (4) Reasons for approval or disapproval of ap-
18 plications.

19 (5) Any difference in benefits upon discharge as
20 a military conscientious objector compared to other
21 discharges.

22 (6) The effect of stop loss provisions in First
23 Gulf War and currently, cancellation of orders to
24 combat or rear attachment duty while claim pend-
25 ing.

1 (7) Pre-war statistical comparisons.

2 **SEC. 594. COMMISSION ON THE NATIONAL GUARD AND RE-**
3 **SERVES.**

4 (a) SIX-MONTH EXTENSION OF COMMISSION.—Sub-
5 section (f)(2) of section 513 of the Ronald W. Reagan Na-
6 tional Defense Authorization Act for Fiscal Year 2005
7 (Public Law 108–375; 118 Stat. 1882) is amended by
8 striking “one year” and inserting “18 months”.

9 (b) ADDITIONAL MATTERS TO BE REVIEWED BY
10 COMMISSION.—The Commission on the National Guard
11 and Reserves shall include among the matters it studies
12 (in addition to the matters specified in subsection (c) of
13 such section 513) the following:

14 (1) PROVISIONS OF H.R. 5200, 109TH CON-
15 GRESS.—The advisability and feasibility of imple-
16 menting the provisions of H.R. 5200 of the 109th
17 Congress, as introduced in the House of Representa-
18 tives on April 26, 2006.

19 (2) CHIEF OF NATIONAL GUARD BUREAU.—As
20 an alternative to implementation of the provisions of
21 the bill specified in paragraph (1) that provide for
22 the Chief of the National Guard Bureau to be a
23 member of the Joint Chiefs of Staff and to hold the
24 grade of general, the advisability and feasibility of
25 providing for the Chief of the National Guard Bu-

1 reau to hold the grade of general in the performance
2 of the current duties of that office.

3 (3) NATIONAL GUARD EQUIPMENT AND FUND-
4 ING REQUIREMENTS.—The adequacy of the Depart-
5 ment of Defense processes for defining the equip-
6 ment and funding necessary for the National Guard
7 to conduct both its responsibilities under title 10,
8 United States Code, and its responsibilities under
9 title 32, United States Code, including homeland de-
10 fense and related homeland missions, including as
11 part of such study—

12 (A) consideration of the extent to which
13 those processes should be developed taking into
14 consideration the views of the Chief of the Na-
15 tional Guard Bureau, as well as the views of the
16 54 Adjutant Generals and the views of the
17 Chiefs of the Army National Guard and the Air
18 Guard; and

19 (B) whether there should be an improved
20 means by which National Guard equipment re-
21 quirements are validated by the Joint Chiefs of
22 Staff and are considered for funding by the
23 Secretaries of the Army and Air Force.

24 (c) PRIORITY REVIEW AND REPORT.—

1 (1) PRIORITY REVIEW.—The Commission on
2 the National Guard and Reserves shall carry out its
3 study of the matters specified in paragraphs (1) and
4 (2) of subsection (b) on a priority basis, with a high-
5 er priority for matters under those paragraphs relat-
6 ing to the grade and functions of the Chief of the
7 National Guard Bureau.

8 (2) REPORT.—In addition to the reports re-
9 quired under subsection (f) of section 513 of the
10 Ronald W. Reagan National Defense Authorization
11 Act for Fiscal Year 2005 (Public Law 108–375; 118
12 Stat. 1882), the Commission shall submit to the
13 Committee on Armed Services of the Senate and the
14 Committee on Armed Services of the House of Rep-
15 resentatives an interim report, not later than March
16 1, 2007, specifically on the matters covered by para-
17 graph (1). In such report, the Commission shall set
18 forth its findings and any recommendations it con-
19 siders appropriate with respect to those matters.

20 **SEC. 595. INCLUSION IN ANNUAL DEPARTMENT OF DE-**
21 **FENSE REPORT ON SEXUAL ASSAULTS OF IN-**
22 **FORMATION ON RESULTS OF DISCIPLINARY**
23 **ACTIONS.**

24 Section 577(f)(2)(B) of the Ronald W. Reagan Na-
25 tional Defense Authorization Act for Fiscal Year 2005

1 (Public Law 108–375; 118 Stat. 1927) is amended by in-
 2 serting before the period at the end the following: “and
 3 the results of the disciplinary action”.

4 **TITLE VI—COMPENSATION AND** 5 **OTHER PERSONNEL BENEFITS**

Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2007.
- Sec. 602. Targeted increase in basic pay rates.
- Sec. 603. Conforming change in general and flag officer pay cap to reflect increase in pay cap for Senior Executive Service personnel.
- Sec. 604. Availability of second basic allowance for housing for certain reserve component or retired members serving in support of contingency operations.
- Sec. 605. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are also members.
- Sec. 606. Clarification of effective date of prohibition on compensation for correspondence courses.
- Sec. 607. Payment of full premium for coverage under Servicemembers' Group Life Insurance program during service in Operation Enduring Freedom or Operation Iraqi Freedom.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
- Sec. 612. Extension of bonus and special pay authorities for health care professionals.
- Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
- Sec. 614. Extension of other bonus, special pay, and separation pay authorities.
- Sec. 615. Expansion of eligibility of dental officers for additional special pay.
- Sec. 616. Increase in maximum annual rate of special pay for Selected Reserve health care professionals in critically short wartime specialties.
- Sec. 617. Authority to provide lump sum payment of nuclear officer incentive pay.
- Sec. 618. Increase in maximum amount of nuclear career accession bonus.
- Sec. 619. Increase in maximum amount of incentive bonus for transfer between armed forces.
- Sec. 620. Clarification regarding members of the Army eligible for bonus for referring other persons for enlistment in the Army.
- Sec. 621. Pilot program for recruitment bonus for critical health care specialties.
- Sec. 622. Enhancement of temporary program of voluntary separation pay and benefits.
- Sec. 623. Additional authorities and incentives to encourage retired members and reserve component members to volunteer to serve on active duty in high-demand, low-density assignments.
- Sec. 624. Elimination of inequity in eligibility and provision of assignment incentive pay.

Subtitle C—Travel and Transportation Allowances

- Sec. 631. Authority to pay costs associated with delivery of motor vehicle to storage location selected by member and subsequent removal of vehicle.
- Sec. 632. Transportation of additional motor vehicle of members on change of permanent station to or from nonforeign areas outside the continental United States.
- Sec. 633. Travel and transportation allowances for transportation of family members incident to illness or injury of members.

Subtitle D—Retired Pay and Survivor Benefits

- Sec. 641. Military Survivor Benefit Plan beneficiaries under insurable interest coverage.
- Sec. 642. Retroactive payment of additional death gratuity for certain members not previously covered.
- Sec. 643. Equity in computation of disability retired pay for reserve component members wounded in action.
- Sec. 644. Study on retention of members of the Armed Forces within special operations command.
- Sec. 645. Sense of Congress concerning eligibility of certain additional dependent children for annuities under military survivor benefit plan.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

- Sec. 651. Treatment of price surcharges of tobacco products and certain other merchandise sold at commissary stores.
- Sec. 652. Limitation on use of Department of Defense lease authority to undermine commissaries and exchanges and other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.
- Sec. 653. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.
- Sec. 654. Report on cost effectiveness of purchasing commercial insurance for commissary and exchange facilities and facilities of other morale, welfare, and recreation programs and nonappropriated fund instrumentalities.

Subtitle F—Other Matters

- Sec. 661. Repeal of annual reporting requirement regarding effects of recruitment and retention initiatives.
- Sec. 662. Pilot project for provision of golf carts accessible for disabled persons at military golf courses.
- Sec. 663. Enhanced authority to remit or cancel indebtedness of members of the Armed Forces incurred on active duty.
- Sec. 664. Phased recovery of overpayments of pay made to members of the Uniformed Services.
- Sec. 665. Sense of Congress calling for payment to World War II veterans who survived Bataan Death March.

1 **Subtitle A—Pay and Allowances**

2 **SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2007.**

3 (a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—The
 4 adjustment to become effective during fiscal year 2007 re-
 5 quired by section 1009 of title 37, United States Code,
 6 in the rates of monthly basic pay authorized members of
 7 the uniformed services shall not be made.

8 (b) **INCREASE IN BASIC PAY.**—Effective on January
 9 1, 2007, the rates of monthly basic pay for members of
 10 the uniformed services are increased by 2.7 percent.

11 **SEC. 602. TARGETED INCREASE IN BASIC PAY RATES.**

12 Effective on April 1, 2007, the rates of monthly basic
 13 pay for members of the uniformed services within each pay
 14 grade are as follows:

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	8,494.20	8,772.60	8,957.10	9,008.70	9,239.10
O–7	7,058.40	7,386.00	7,538.10	7,658.40	7,876.80
O–6	5,231.40	5,747.40	6,124.50	6,124.50	6,147.60
O–5	4,361.10	4,912.80	5,253.00	5,316.90	5,529.00
O–4	3,762.90	4,356.00	4,646.40	4,711.50	4,981.20
O–3 ³	3,308.40	3,750.60	4,048.20	4,413.60	4,624.50
O–2 ³	2,858.10	3,255.60	3,749.70	3,876.30	3,956.10
O–1 ³	2,481.30	2,582.40	3,121.80	3,121.80	3,121.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,624.00	9,713.40	10,079.10	10,183.80	10,498.80
O–7	8,092.20	8,341.80	8,590.80	8,840.40	9,624.00
O–6	6,411.30	6,446.10	6,446.10	6,812.40	7,460.10
O–5	5,656.20	5,935.20	6,140.10	6,404.40	6,809.70
O–4	5,270.40	5,630.10	5,911.20	6,105.90	6,217.80
O–3 ³	4,856.70	5,007.00	5,253.90	5,382.30	5,382.30
O–2 ³	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10

COMMISSIONED OFFICERS₁—Continued

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-1 ³	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$13,725.90	\$13,793.10	\$14,079.90	\$14,579.70
O-9	0.00	12,005.10	12,177.60	12,427.80	12,863.70
O-8	10,954.20	11,374.50	11,655.00	11,655.00	11,655.00
O-7	10,286.10	10,286.10	10,286.10	10,286.10	10,338.30
O-6	7,840.20	8,220.00	8,436.30	8,655.00	9,080.10
O-5	7,002.30	7,192.80	7,409.10	7,409.10	7,409.10
O-4	6,282.90	6,282.90	6,282.90	6,282.90	6,282.90
O-3 ³	5,382.30	5,382.30	5,382.30	5,382.30	5,382.30
O-2 ³	3,956.10	3,956.10	3,956.10	3,956.10	3,956.10
O-1 ³	3,121.80	3,121.80	3,121.80	3,121.80	3,121.80

¹ Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades 0-7 through 0-10 may not exceed the rate of pay for level II of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

² Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, 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, basic pay for this grade is \$16,037.40, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³ This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	\$4,413.60	\$4,624.50
O-2E	0.00	0.00	0.00	3,876.30	3,956.10
O-1E	0.00	0.00	0.00	3,121.80	3,333.90
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	\$4,856.70	\$5,007.00	\$5,253.90	\$5,462.10	\$5,581.20
O-2E	4,082.10	4,294.20	4,458.90	4,581.00	4,581.00
O-1E	3,456.90	3,582.90	3,706.80	3,876.30	3,876.30
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$5,743.80	\$5,743.80	\$5,743.80	\$5,743.80	\$5,743.80
O-2E	4,581.00	4,581.00	4,581.00	4,581.00	4,581.00
O-1E	3,876.30	3,876.30	3,876.30	3,876.30	3,876.30

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	3,418.80	3,677.70	3,783.60	3,887.40	4,066.20
W-3	3,122.10	3,252.30	3,385.50	3,429.60	3,569.40
W-2	2,762.70	3,023.40	3,104.40	3,159.90	3,338.70

WARRANT OFFICERS₁—Continued

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-1	2,425.20	2,685.00	2,756.40	2,904.30	3,080.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4	4,242.90	4,422.30	4,691.40	4,927.80	5,152.80
W-3	3,843.90	4,130.10	4,265.40	4,421.40	4,582.20
W-2	3,616.80	3,754.80	3,890.70	4,056.60	4,186.20
W-1	3,337.80	3,458.40	3,627.00	3,792.90	3,922.80
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5	\$0.00	\$6,078.30	\$6,386.10	\$6,615.60	\$6,869.70
W-4	5,336.40	5,516.10	5,779.50	5,995.80	6,242.70
W-3	4,870.50	5,065.80	5,181.90	5,306.40	5,475.30
W-2	4,303.80	4,444.20	4,536.90	4,611.30	4,611.30
W-1	4,042.80	4,188.90	4,188.90	4,188.90	4,188.90

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	2,350.50	2,565.60	2,663.70	2,794.20	2,895.60
E-6	2,033.10	2,236.80	2,335.80	2,431.50	2,531.70
E-5	1,863.00	1,987.50	2,083.50	2,181.90	2,335.20
E-4	1,707.90	1,795.20	1,892.40	1,988.10	2,073.00
E-3	1,541.70	1,638.90	1,737.60	1,737.60	1,737.60
E-2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E-1 ³	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$4,130.70	\$4,224.30	\$4,342.50	\$4,481.40
E-8	3,381.30	3,531.00	3,623.70	3,734.40	3,854.70
E-7	3,070.20	3,168.30	3,326.70	3,471.00	3,569.70
E-6	2,757.60	2,845.20	3,000.00	3,051.90	3,089.70
E-5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E-4	2,073.00	2,073.00	2,073.00	2,073.00	2,073.00
E-3	1,737.60	1,737.60	1,737.60	1,737.60	1,737.60
E-2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80
E-1 ³	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$4,620.90	\$4,845.30	\$5,034.60	\$5,234.70	\$5,539.50
E-8	4,071.60	4,181.40	4,368.60	4,472.40	4,727.70
E-7	3,674.40	3,715.50	3,852.00	3,944.40	4,224.60
E-6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E-5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E-4	2,073.00	2,073.00	2,073.00	2,073.00	2,073.00
E-3	1,737.60	1,737.60	1,737.60	1,737.60	1,737.60
E-2	1,465.80	1,465.80	1,465.80	1,465.80	1,465.80

ENLISTED MEMBERS₁—Continued

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-1 ³	1,308.00	1,308.00	1,308.00	1,308.00	1,308.00

¹ Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

² Subject to the preceding footnote, 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, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff is \$6,675.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³ In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,209.90.

1 SEC. 603. CONFORMING CHANGE IN GENERAL AND FLAG
2 OFFICER PAY CAP TO REFLECT INCREASE IN
3 PAY CAP FOR SENIOR EXECUTIVE SERVICE
4 PERSONNEL.

5 (a) INCREASE.—Section 203(a)(2) of title 37, United
6 States Code, is amended by striking “level III of the Exec-
7 utive Schedule” and inserting “level II of the Executive
8 Schedule”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall take effect on October 1, 2006.

11 SEC. 604. AVAILABILITY OF SECOND BASIC ALLOWANCE
12 FOR HOUSING FOR CERTAIN RESERVE COM-
13 PONENT OR RETIRED MEMBERS SERVING IN
14 SUPPORT OF CONTINGENCY OPERATIONS.

15 Section 403(g) of title 37, United States Code, is
16 amended—

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

1 (2) by inserting after paragraph (1) the fol-
2 lowing new paragraph (2):

3 “(2) The Secretary concerned may provide a basic al-
4 lowance for housing to a member described in paragraph
5 (1) at a monthly rate equal to the rate of the basic allow-
6 ance for housing established under subsection (b) or the
7 overseas basic allowance for housing established under
8 subsection (c), whichever applies to the location at which
9 the member is serving, for members in the same grade
10 at that location without dependents. The member may re-
11 ceive both a basic allowance for housing under paragraph
12 (1) and under this paragraph for the same month, but
13 may not receive the portion of the allowance authorized
14 under section 404 of this title, if any, for lodging expenses
15 if a basic allowance for housing is provided under this
16 paragraph.”; and

17 (3) in paragraph (3), as so redesignated, by
18 striking “Paragraph (1)” and inserting “Paragraphs
19 (1) and (2)”.

20 **SEC. 605. EXTENSION OF TEMPORARY CONTINUATION OF**
21 **HOUSING ALLOWANCE FOR DEPENDENTS OF**
22 **MEMBERS DYING ON ACTIVE DUTY TO**
23 **SPOUSES WHO ARE ALSO MEMBERS.**

24 (a) EXTENSION.—Section 403(l) of title 37, United
25 States Code, is amended—

1 (1) by redesignating paragraph (3) as para-
2 graph (4); and

3 (2) by inserting after paragraph (2) the fol-
4 lowing new paragraph:

5 “(3) An allowance may be paid under paragraph (2)
6 to the spouse of the deceased member even though the
7 spouse is also a member of the uniformed services. The
8 allowance paid under such paragraph is in addition to any
9 other pay and allowances to which the spouse is entitled
10 as a member.”.

11 (b) EFFECTIVE DATE.—

12 (1) GENERAL RULE.—The amendments made
13 by subsection (a) shall take effect on October 1,
14 2006.

15 (2) TRANSITIONAL RULE.—After October 1,
16 2006, the Secretary of Defense, and the Secretary of
17 Homeland Security in the case of the Coast Guard,
18 may pay the allowance authorized by section
19 403(l)(2) of title 37, United States Code, to a mem-
20 ber of the uniformed services who is the spouse of
21 a member who died on active duty during the one-
22 year period ending on that date, except that the pay-
23 ment of the allowance must terminate within 365
24 days after the date of the member’s death.

1 **SEC. 606. CLARIFICATION OF EFFECTIVE DATE OF PROHI-**
2 **BITION ON COMPENSATION FOR COR-**
3 **RESPONDENCE COURSES.**

4 Section 206(d) of title 37, United States Code, is
5 amended by adding at the end the following new para-
6 graph:

7 “(3) The prohibition in paragraph (1), including the
8 prohibition as it relates to a member of the National
9 Guard while not in Federal service, applies to—

10 “(A) any work or study performed on or after
11 September 7, 1962, unless that work or study is spe-
12 cifically covered by the exception in paragraph (2);
13 and

14 “(B) any claim based on that work or study
15 arising after that date.”.

16 **SEC. 607. PAYMENT OF FULL PREMIUM FOR COVERAGE**
17 **UNDER SERVICEMEMBERS’ GROUP LIFE IN-**
18 **SURANCE PROGRAM DURING SERVICE IN OP-**
19 **ERATION ENDURING FREEDOM OR OPER-**
20 **ATION IRAQI FREEDOM.**

21 (a) ENHANCED ALLOWANCE TO COVER SGLI DE-
22 Ductions.—Subsection (a)(1) of section 437 of title 37,
23 United States Code, is amended by striking “for the first
24 \$150,000” and all that follows through “of such title” and
25 inserting “for the amount of Servicemembers’ Group Life

1 Insurance coverage held by the member under section
2 1967 of such title”.

3 (b) CONFORMING AMENDMENTS.—Such section is
4 further amended—

5 (1) in subsection (a)—

6 (A) by striking “(1)” before “in the case
7 of”; and

8 (B) by striking paragraph (2);

9 (2) by striking subsection (b); and

10 (3) by redesignating subsection (c) as sub-
11 section (b) and in paragraph (2) of that subsection
12 by striking “coverage amount specified in subsection
13 (a)(1) or in effect pursuant to subsection (b),” and
14 inserting “maximum coverage amount available for
15 such insurance,”.

16 (c) CLERICAL AMENDMENTS.—The heading for such
17 section, and the item relating to such section in the table
18 of sections at the beginning of chapter 7 of such title, are
19 each amended by striking the fourth and fifth words.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall take effect on the first day of the first
22 month beginning on or after the date of the enactment
23 of this Act and shall apply with respect to service by mem-
24 bers of the Armed Forces in the theater of operations for

1 Operation Enduring Freedom or Operation Iraqi Freedom
2 for months beginning on or after that date.

3 (e) FUNDING SOURCE.—Of the amounts authorized
4 to be appropriated to the Department of Defense for mili-
5 tary personnel accounts as emergency supplemental appro-
6 priations for fiscal years 2006 and 2007 to provide funds
7 for additional costs due to Operation Iraqi Freedom and
8 Operation Enduring Freedom, \$31,000,000 shall be avail-
9 able to cover the additional costs incurred to implement
10 the amendments made by this section.

11 **Subtitle B—Bonuses and Special**
12 **and Incentive Pays**

13 **SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL**
14 **PAY AUTHORITIES FOR RESERVE FORCES.**

15 (a) SELECTED RESERVE REENLISTMENT BONUS.—
16 Section 308b(g) of title 37, United States Code, is amend-
17 ed by striking “December 31, 2006” and inserting “De-
18 cember 31, 2007”.

19 (b) SELECTED RESERVE AFFILIATION OR ENLIST-
20 MENT BONUS.—Section 308c(i) of such title is amended
21 by striking “December 31, 2006” and inserting “Decem-
22 ber 31, 2007”.

23 (c) SPECIAL PAY FOR ENLISTED MEMBERS AS-
24 SIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section

1 308d(c) of such title is amended by striking “December
2 31, 2006” and inserting “December 31, 2007”.

3 (d) READY RESERVE ENLISTMENT BONUS FOR PER-
4 SONS WITHOUT PRIOR SERVICE.—Section 308g(h)(2) of
5 such title is amended by striking “December 31, 2006”
6 and inserting “December 31, 2007”.

7 (e) READY RESERVE ENLISTMENT AND REENLIST-
8 MENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Sec-
9 tion 308h(e) of such title is amended by striking “Decem-
10 ber 31, 2006” and inserting “December 31, 2007”.

11 (f) SELECTED RESERVE ENLISTMENT BONUS FOR
12 PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such
13 title is amended by striking “December 31, 2006” and in-
14 serting “December 31, 2007”.

15 **SEC. 612. EXTENSION OF BONUS AND SPECIAL PAY AU-**
16 **THORITIES FOR HEALTH CARE PROFES-**
17 **SIONALS.**

18 (a) NURSE OFFICER CANDIDATE ACCESSION PRO-
19 GRAM.—Section 2130a(a)(1) of title 10, United States
20 Code, is amended by striking “December 31, 2006” and
21 inserting “December 31, 2007”.

22 (b) REPAYMENT OF EDUCATION LOANS FOR CER-
23 TAIN HEALTH PROFESSIONALS WHO SERVE IN THE SE-
24 LECTED RESERVE.—Section 16302(d) of such title is

1 amended by striking “January 1, 2007” and inserting
2 “January 1, 2008”.

3 (c) ACCESSION BONUS FOR REGISTERED NURSES.—
4 Section 302d(a)(1) of title 37, United States Code, is
5 amended by striking “December 31, 2006” and inserting
6 “December 31, 2007”.

7 (d) INCENTIVE SPECIAL PAY FOR NURSE ANES-
8 THETISTS.—Section 302e(a)(1) of such title is amended
9 by striking “December 31, 2006” and inserting “Decem-
10 ber 31, 2007”.

11 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH
12 PROFESSIONALS IN CRITICALLY SHORT WARTIME SPE-
13 CIALTIES.—Section 302g(e) of such title is amended by
14 striking “December 31, 2006” and inserting “December
15 31, 2007”.

16 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—
17 Section 302h(a)(1) of such title is amended by striking
18 “December 31, 2006” and inserting “December 31,
19 2007”.

20 (g) ACCESSION BONUS FOR PHARMACY OFFICERS.—
21 Section 302j(a) of such title is amended by striking “De-
22 cember 31, 2006” and inserting “December 31, 2007”.

1 **SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AU-**
2 **THORITIES FOR NUCLEAR OFFICERS.**

3 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFI-
4 CERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section
5 312(e) of title 37, United States Code, is amended by
6 striking “December 31, 2006” and inserting “December
7 31, 2007”.

8 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
9 312b(c) of such title is amended by striking “December
10 31, 2006” and inserting “December 31, 2007”.

11 (c) NUCLEAR CAREER ANNUAL INCENTIVE
12 BONUS.—Section 312c(d) of such title is amended by
13 striking “December 31, 2006” and inserting “December
14 31, 2007”.

15 **SEC. 614. EXTENSION OF OTHER BONUS, SPECIAL PAY, AND**
16 **SEPARATION PAY AUTHORITIES.**

17 (a) AVIATION OFFICER RETENTION BONUS.—Sec-
18 tion 301b(a) of title 37, United States Code, is amended
19 by striking “December 31, 2006” and inserting “Decem-
20 ber 31, 2007”.

21 (b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g)
22 of such title is amended by striking “December 31, 2007”
23 and inserting “December 31, 2008”.

24 (c) REENLISTMENT BONUS FOR ACTIVE MEM-
25 BERS.—Section 308(g) of such title is amended by strik-

1 ing “December 31, 2006” and inserting “December 31,
2 2007”.

3 (d) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—
4 Section 309(e) of such title is amended by striking “De-
5 cember 31, 2006” and inserting “December 31, 2007”.

6 (e) RETENTION BONUS FOR MEMBERS WITH CRIT-
7 ICAL MILITARY SKILLS.—Section 323(i) of such title is
8 amended by striking “December 31, 2006” and inserting
9 “December 31, 2007”.

10 (f) ACCESSION BONUS FOR NEW OFFICERS IN CRIT-
11 ICAL SKILLS.—Section 324(g) of such title is amended by
12 striking “December 31, 2006” and inserting “December
13 31, 2007”.

14 (g) MILITARY OCCUPATIONAL SPECIALTY CONVER-
15 SION INCENTIVE BONUS.—Section 326(g) of such title is
16 amended by striking “December 31, 2006” and inserting
17 “December 31, 2007”.

18 (h) TRANSFER BETWEEN ARMED FORCES INCEN-
19 TIVE BONUS.—Section 327(h) of such title is amended by
20 striking “December 31, 2006” and inserting “December
21 31, 2007”.

22 **SEC. 615. EXPANSION OF ELIGIBILITY OF DENTAL OFFI-**
23 **CERS FOR ADDITIONAL SPECIAL PAY.**

24 (a) REPEAL OF INTERNSHIP AND RESIDENCY EX-
25 CEPTION.—Section 302b(a)(4) of title 37, United States

1 Code, is amended by striking the first sentence and insert-
2 ing the following new sentence: “An officer who is entitled
3 to variable special pay under paragraph (2) or (3) is also
4 entitled to additional special pay for any 12-month period
5 during which an agreement executed under subsection (b)
6 is in effect with respect to the officer.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall take effect on October 1, 2006.

9 **SEC. 616. INCREASE IN MAXIMUM ANNUAL RATE OF SPE-**
10 **CIAL PAY FOR SELECTED RESERVE HEALTH**
11 **CARE PROFESSIONALS IN CRITICALLY SHORT**
12 **WARTIME SPECIALTIES.**

13 (a) INCREASE.—Section 302g(a) of title 37, United
14 States Code, is amended by striking “\$10,000” and in-
15 serting “\$25,000”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall take effect on October 1, 2006.

18 **SEC. 617. AUTHORITY TO PROVIDE LUMP SUM PAYMENT OF**
19 **NUCLEAR OFFICER INCENTIVE PAY.**

20 (a) LUMP SUM PAYMENT OPTION.—Subsection (a)
21 of section 312 of title 37, United States Code, is amended
22 in the matter after paragraph (3)—

23 (1) by striking “in equal annual installments”
24 and inserting “in a single lump-sum or in annual in-
25 stallments of equal or different amounts”; and

1 (2) by striking “with the number of install-
2 ments being equal to the number of years covered by
3 the contract plus one” and inserting “and, if the
4 special pay will be paid in annual installments, the
5 number of installments may not exceed the number
6 of years covered by the agreement plus one”.

7 (b) CLERICAL AND CONFORMING AMENDMENTS.—

8 Such section is further amended—

9 (1) by redesignating subsections (b) through (e)
10 as subsections (c) through (f), respectively;

11 (2) in subsection (a)—

12 (A) by striking “an officer” in the matter
13 before paragraph (1) and inserting “the Sec-
14 retary may pay special pay under subsection (b)
15 to an officer”;

16 (B) by striking the semicolon at the end of
17 paragraph (3) and inserting a period;

18 (C) by striking “may, upon” and all that
19 follows through “The Secretary of the Navy
20 shall” and inserting the following:

21 “(b) PAYMENT AMOUNT; PAYMENT OPTIONS.—(1)
22 The total amount paid to an officer under an agreement
23 under subsection (a) or (e)(1) may not exceed \$30,000
24 for each year of the active-service agreement. Amounts

1 paid under the agreement are in addition to all other com-
2 pensation to which the officer is entitled.

3 “(2) The Secretary shall”;

4 (D) by striking “Upon acceptance of the
5 agreement by the Secretary or his designee”
6 and inserting the following:

7 “(3) Upon acceptance of an agreement under sub-
8 section (a) or (e)(1) by the Secretary ”;

9 (E) by striking “The Secretary (or his des-
10 ignee)” and inserting the following:

11 “(4) The Secretary”;

12 (3) in subsection (c), as redesignated by para-
13 graph (1), by striking “subsection (a) or subsection
14 (d)(1)” and inserting “subsection (b) or (e)(1)”; and

15 (4) in the first sentence of subsection (e)(1), as
16 redesignated by paragraph (1)—

17 (A) by striking “such subsection” and in-
18 serting “subsection (b)”; and

19 (B) by striking “that subsection” and in-
20 serting “this subsection”.

21 (c) STYLISTIC AMENDMENTS.—Such section is fur-
22 ther amended—

23 (1) in subsection (a), by inserting “SPECIAL
24 PAY AUTHORIZED; ELIGIBILITY.—” after “(a)”;

1 (2) in subsection (c), as redesignated by sub-
2 section (b)(1), by inserting “REPAYMENT.—” after
3 “(c)”;

4 (3) in subsection (d), as redesignated by sub-
5 section (b)(1), by inserting “RELATION TO SERVICE
6 OBLIGATION.—” after “(d)”;

7 (4) in subsection (e), as redesignated by sub-
8 section (b)(1), by inserting “NEW AGREEMENT.—”
9 after “(e)”;

10 (5) in subsection (f), as redesignated by sub-
11 section (b)(1), by inserting “DURATION OF AUTHOR-
12 ITY.—” after “(f)”.

13 **SEC. 618. INCREASE IN MAXIMUM AMOUNT OF NUCLEAR**
14 **CAREER ACCESSION BONUS.**

15 (a) INCREASE.—Section 312b(a)(1) of title 37,
16 United States Code, is amended by striking “\$20,000”
17 and inserting “\$30,000”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall take effect on October 1, 2006.

20 **SEC. 619. INCREASE IN MAXIMUM AMOUNT OF INCENTIVE**
21 **BONUS FOR TRANSFER BETWEEN ARMED**
22 **FORCES.**

23 (a) INCREASE.—Section 327(d)(1) of title 37, United
24 States Code, is amended by striking “\$2,500” and insert-
25 ing “\$10,000”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall take effect on October 1, 2006.

3 **SEC. 620. CLARIFICATION REGARDING MEMBERS OF THE**
4 **ARMY ELIGIBLE FOR BONUS FOR REFERRING**
5 **OTHER PERSONS FOR ENLISTMENT IN THE**
6 **ARMY.**

7 Section 645(a) of the National Defense Authorization
8 Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
9 3310) is amended—

10 (1) by striking “The Secretary” and inserting
11 the following:

12 “(1) IN GENERAL.—The Secretary”;

13 (2) by striking “, whether in the regular compo-
14 nent of the Army or in the Army National Guard or
15 Army Reserve,” and inserting “described in para-
16 graph (2)”; and

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

19 “(2) MEMBERS ELIGIBLE FOR BONUS.—Subject
20 to subsection (c), the following members of the Army
21 are eligible for a referral bonus under this section:

22 “(A) A member in the regular component
23 of the Army.

24 “(B) A member of the Army National
25 Guard.

1 “(C) A member of the Army Reserve.

2 “(D) A member of the Army in a retired
3 status, including a member under 60 years of
4 age who, but for age, would be eligible for re-
5 tired pay.”.

6 **SEC. 621. PILOT PROGRAM FOR RECRUITMENT BONUS FOR**
7 **CRITICAL HEALTH CARE SPECIALTIES.**

8 (a) PILOT PROGRAM.—Section 2121 of title 10,
9 United States Code, is amended by adding at the end the
10 following new subsection:

11 “(e)(1) The Secretary of Defense may carry out a
12 pilot program for payment of a recruitment incentive
13 bonus to increase participation in the program. The Sec-
14 retary shall prescribe regulations specifying the amount
15 and terms of the bonus. The bonus shall be used to im-
16 prove recruitment for critical health care specialties. A
17 bonus under the pilot program shall be in addition to the
18 stipend under subsection (d).

19 “(2) The amount prescribed under paragraph (1) for
20 the bonus under the pilot program shall be determined by
21 the Secretary.

22 “(3) The scope of the pilot program shall be limited
23 to no more than 100 total participants in no more than
24 five critical medical specialties. The program shall last no

1 more than two years, beginning on the earlier of the date
2 the first participant is selected or January 1, 2010. ”.

3 (b) REPORTS.—The Secretary of Defense shall pre-
4 pare a mid-term report and a final report on the findings
5 and recommendations resulting from the pilot program.
6 The Secretary shall submit those reports to the Commit-
7 tees on Armed Services of the Senate and the House of
8 Representatives.

9 **SEC. 622. ENHANCEMENT OF TEMPORARY PROGRAM OF**
10 **VOLUNTARY SEPARATION PAY AND BENE-**
11 **FITS.**

12 (a) ONE-YEAR EXTENSION OF AUTHORITY.—Section
13 1175a(k)(1) of title 10, United States Code, is amended
14 by striking “December 31, 2008,” and inserting “Decem-
15 ber 31, 2009”.

16 (b) EXPANSION OF ELIGIBLE MEMBERS.—Section
17 643 of the National Defense Authorization Act for Fiscal
18 Year 2006 (Public Law 109–163; 119 Stat. 3306) is
19 amended by striking subsection (b).

1 **SEC. 623. ADDITIONAL AUTHORITIES AND INCENTIVES TO**
2 **ENCOURAGE RETIRED MEMBERS AND RE-**
3 **SERVE COMPONENT MEMBERS TO VOLUN-**
4 **TEER TO SERVE ON ACTIVE DUTY IN HIGH-**
5 **DEMAND, LOW-DENSITY ASSIGNMENTS.**

6 (a) **AUTHORITY TO OFFER INCENTIVE BONUS.—**
7 Chapter 5 of title 37, United States Code, is amended by
8 adding at the end the following new section:

9 **“§ 329. Incentive bonus: retired members and reserve**
10 **component members volunteering for**
11 **high-demand, low-density assignments**

12 “(a) **INCENTIVE BONUS AUTHORIZED.—**The Sec-
13 retary of Defense may pay a bonus under this section to
14 a retired member or former member of the Army, Navy,
15 Air Force, or Marine Corps or to a member of a reserve
16 component of the Army, Navy, Air Force, or Marine Corps
17 (who is not otherwise serving on active duty) who executes
18 a written agreement to serve on active duty for a period
19 specified in the agreement in an assignment intended to
20 alleviate a high-demand, low-density military capability or
21 in any other specialty designated by the Secretary as crit-
22 ical to meet wartime or peacetime requirements.

23 “(b) **MAXIMUM AMOUNT OF BONUS.—**A bonus under
24 subsection (a) and any incentive developed under sub-
25 section (d) may not exceed \$50,000.

1 “(c) METHODS OF PAYMENT.—At the election of the
2 Secretary, a bonus under subsection (a) and any incentive
3 developed under subsection (d) shall be paid or provided—

4 “(1) when the member commences service on
5 active duty; or

6 “(2) in annual installments in such amounts as
7 may be determined by the Secretary.

8 “(d) DEVELOPMENT OF ADDITIONAL INCENTIVES.—

9 (1) The Secretary may develop and provide to members
10 referred to in subsection (a) additional incentives to en-
11 courage such members to return to active duty in assign-
12 ments intended to alleviate a high-demand, low-density
13 military capability or in others specialties designated by
14 the Secretary as critical to meet wartime or peacetime re-
15 quirements.

16 “(2) The provision of any incentive developed under
17 this subsection shall be subject to an agreement, as re-
18 quired for bonuses under subsection (a).

19 “(3) Not later than 30 days before first offering any
20 incentive developed under this subsection, the Secretary
21 shall submit to the congressional defense committees a re-
22 port that contains a description of that incentive and an
23 explanation why a bonus under subsection (a) or other pay
24 and allowances are not sufficient to alleviate the high-de-

1 mand, low-density military capability or otherwise fill crit-
2 ical military specialties.

3 “(e) RELATIONSHIP TO OTHER PAY AND ALLOW-
4 ANCES.—A bonus or other incentive paid or provided to
5 a member under this section is in addition to any other
6 pay and allowances to which the member is entitled.

7 “(f) REPAYMENT.—A member who does not complete
8 the period of active duty specified in the agreement exe-
9 cuted under subsection (a) or (d) shall be subject to the
10 repayment provisions of section 303a(e) of this title.

11 “(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT
12 DEFINED.—In this section, the term ‘high-demand, low-
13 density military capability’ means a combat, combat sup-
14 port or service support capability, unit, system, or occupa-
15 tional specialty that the Secretary determines has funding,
16 equipment, or personnel levels that are substantially below
17 the levels required to fully meet or sustain actual or ex-
18 pected operational requirements set by regional com-
19 manders.

20 “(h) REGULATIONS.—The Secretary of Defense may
21 prescribe such regulations as the Secretary considers nec-
22 essary to carry out this section.

23 “(i) TERMINATION OF AUTHORITY.—No agreement
24 under subsection (a) or (d) may be entered into after De-
25 cember 31, 2010.”.

1 (b) TEMPORARY AUTHORITY TO ORDER RETIRED
2 MEMBERS TO ACTIVE DUTY IN HIGH-DEMAND, LOW-
3 DENSITY ASSIGNMENTS.—Section 688a of title 10,
4 United States Code, is amended—

5 (1) in subsection (a)—

6 (A) by striking the first sentence and in-
7 serting the following new sentence: “The Sec-
8 retary of a military department may order to
9 active duty a retired member who agrees to
10 serve on active duty in an assignment intended
11 to alleviate a high-demand, low-density military
12 capability or in any other specialty designated
13 by the Secretary as critical to meet wartime or
14 peacetime requirements.”; and

15 (B) in the second sentence, by striking “of-
16 ficer” both places it appears and inserting
17 “member”;

18 (2) in subsection (b), by striking “an officer”
19 and inserting “a member”;

20 (3) in subsection (c), by striking “500 officers”
21 and inserting “1,000 members”;

22 (4) in subsection (d), by striking “officer” and
23 inserting “member”;

24 (5) in subsection (e), by striking “Officers” and
25 inserting “Retired members”;

1 (6) in subsection (f)—

2 (A) by striking “An officer” and inserting
3 “A retired member”; and

4 (B) by striking “September 30, 2008” and
5 inserting “December 31, 2010”; and

6 (7) by adding at the end the following new sub-
7 section:

8 “(g) HIGH-DEMAND, LOW-DENSITY ASSIGNMENT
9 DEFINED.—In this section, the term ‘high-demand, low-
10 density military capability’ means a combat, combat sup-
11 port or service support capability, unit, system, or occupa-
12 tional specialty that the Secretary of Defense determines
13 has funding, equipment, or personnel levels that are sub-
14 stantially below the levels required to fully meet or sustain
15 actual or expected operational requirements set by re-
16 gional commanders.”.

17 (c) CLERICAL AMENDMENTS.—

18 (1) TITLE 37.—The table of sections at the be-
19 ginning of chapter 5 of title 37, United States Code,
20 is amended by adding at the end the following new
21 item:

“329. Incentive bonus: retired members and reserve component members volun-
teering for high-demand, low-density assignments.”.

22 (2) TITLE 10.—(A) The heading of section
23 688a of title 10, United States Code, is amended to
24 read as follows:

1 **“§ 688a. Retired members: temporary authority to**
2 **order to active duty in high-demand, low-**
3 **density assignments”.**

4 (B) The table of sections at the beginning of
5 chapter 39 of such title is amended by striking the
6 item relating to section 688a and inserting the fol-
7 lowing new item:

“688a. Retired members: temporary authority to order to active duty in high-
demand, low-density assignments.”.

8 (d) EFFECTIVE DATE.—No agreement may be en-
9 tered into under section 329 of title 37, United States
10 Code, as added by subsection (a), before October 1, 2006.

11 (e) LIMITATION ON FISCAL YEAR 2007 OBLIGA-
12 TIONS.—During fiscal year 2007, obligations incurred
13 under section 329 of title 37, United States Code, as
14 added by subsection (a), to provide bonuses or other incen-
15 tives to retired members and former members of the
16 Army, Navy, Air Force, or Marine Corps or to members
17 of the reserve components of the Army, Navy, Air Force,
18 and Marine Corps may not exceed \$5,000,000.

19 **SEC. 624. ELIMINATION OF INEQUITY IN ELIGIBILITY AND**
20 **PROVISION OF ASSIGNMENT INCENTIVE PAY.**

21 (a) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that the Secretary of the Army should promptly cor-
23 rect the pay inequity in the provision of assignment incen-
24 tive pay under section 307a of title 37, United States

1 Code, to members of the Army National Guard and the
2 Army Reserve serving on active duty in Afghanistan and
3 Iraq that arose from the disparate treatment between—

4 (1) those members who previously served under
5 a call or order to active duty under section 12302
6 of title 10, United States Code, and who are eligible
7 for assignment incentive pay; and

8 (2) those members who previously served under
9 a call or order to active duty under section 12304
10 of such title and who are currently ineligible for as-
11 signment incentive pay.

12 (b) REPORT REQUIRED.—Not later than 30 days
13 after the date of the enactment of this Act, the Secretary
14 of the Army shall submit to Congress a report—

15 (1) specifying the number of members of the
16 Army National Guard and the Army Reserve ad-
17 versely affected by the disparate treatment afforded
18 to members who previously served under a call or
19 order to active duty under section 12304 of title 10,
20 United States Code, in determining eligibility for as-
21 signment incentive pay; and

22 (2) containing proposed remedies or courses of
23 action to correct this inequity, including allowing
24 time served during a call or order to active duty

1 under such section 12304 to count toward the time
2 needed to qualify for assignment incentive pay.

3 **Subtitle C—Travel and**
4 **Transportation Allowances**

5 **SEC. 631. AUTHORITY TO PAY COSTS ASSOCIATED WITH DE-**
6 **LIVERY OF MOTOR VEHICLE TO STORAGE LO-**
7 **CATION SELECTED BY MEMBER AND SUBSE-**
8 **QUENT REMOVAL OF VEHICLE.**

9 Subsection (b) of section 2634 of title 10, United
10 States Code, is amended—

11 (1) by redesignating paragraph (4) as para-
12 graph (5); and

13 (2) by inserting after paragraph (3) the fol-
14 lowing new paragraph:

15 “(4) If a member elects to have a motor vehicle de-
16 scribed in subsection (a) stored at a location other than
17 a storage location approved by the Secretary concerned,
18 the delivery and removal costs described in paragraph (3)
19 are the only costs that may be paid by the Secretary. The
20 delivery or removal costs paid by the Secretary under this
21 paragraph may not exceed the total cost that would have
22 been incurred by the United States had the storage loca-
23 tion approved by the Secretary been used to store the
24 motor vehicle. The United States is not responsible for any

1 costs associated with the actual storage of the motor vehi-
2 cle at the unapproved location.”.

3 **SEC. 632. TRANSPORTATION OF ADDITIONAL MOTOR VEHI-**
4 **CLE OF MEMBERS ON CHANGE OF PERMA-**
5 **NENT STATION TO OR FROM NONFOREIGN**
6 **AREAS OUTSIDE THE CONTINENTAL UNITED**
7 **STATES.**

8 (a) AUTHORITY TO TRANSPORT ADDITIONAL MOTOR
9 VEHICLE.—Subsection (a) of section 2634 of title 10,
10 United States Code, is amended—

11 (1) by striking the sentence following paragraph
12 (4);

13 (2) by redesignating paragraphs (1), (2), (3),
14 and (4) as subparagraphs (A), (B), (C), and (D), re-
15 spectively;

16 (3) by inserting “(1)” after “(a)”; and

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

19 “(2) One additional motor vehicle of a member (or
20 a dependent of the member) may be transported as pro-
21 vided in paragraph (1) if—

22 “(A) the member is ordered to make a change
23 of permanent station to or from a nonforeign area
24 outside the continental United States and the mem-

1 ber has at least one dependent of driving age who
2 will use the motor vehicle; or

3 “(B) the Secretary concerned determines that a
4 replacement for the motor vehicle transported under
5 paragraph (1) is necessary for reasons beyond the
6 control of the member and is in the interest of the
7 United States and the Secretary approves the trans-
8 portation in advance.”.

9 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

10 Such subsection is further amended—

11 (1) by striking “his dependents” and inserting
12 “a dependent of the member”;

13 (2) by striking “him” and inserting “the mem-
14 ber”;

15 (3) by striking “his)” and inserting “the mem-
16 ber)”;

17 (4) by striking “his new” and inserting “the
18 member’s new”; and

19 (5) in paragraph (1)(C), as redesignated by
20 subsection (a), by striking “clauses (1) and (2)” and
21 inserting “subparagraphs (A) and (B)”.

22 (c) EFFECTIVE DATE.—Paragraph (2)(A) of sub-
23 section (a) of section 2634 of title 10, United States Code,
24 as added by subsection (a)(4), shall apply with respect to
25 orders issued on or after the date of the enactment of this

1 Act for members of the Armed Forces to make a change
2 of permanent station to or from nonforeign areas outside
3 the continental United States.

4 **SEC. 633. TRAVEL AND TRANSPORTATION ALLOWANCES**
5 **FOR TRANSPORTATION OF FAMILY MEMBERS**
6 **INCIDENT TO ILLNESS OR INJURY OF MEM-**
7 **BERS.**

8 Section 411h(b)(1) of title 37, United States Code,
9 is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (C);

12 (2) by striking the period at the end of sub-
13 paragraph (D) and inserting “; and”; and

14 (3) by adding at the end the following new sub-
15 paragraph:

16 “(E) a person related to the member as de-
17 scribed in subparagraph (A), (B), (C), or (D) who
18 is also a member of the uniformed services.”.

1 **Subtitle D—Retired Pay and**
2 **Survivor Benefits**

3 **SEC. 641. MILITARY SURVIVOR BENEFIT PLAN BENE-**
4 **FICIARIES UNDER INSURABLE INTEREST**
5 **COVERAGE.**

6 (a) **AUTHORITY TO ELECT NEW BENEFICIARY.—**
7 Section 1448(b)(1) of title 10, United States Code, is
8 amended—

9 (1) by inserting “or under subparagraph (G) of
10 this paragraph” in the second sentence of subpara-
11 graph (E) before the period at the end; and

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

14 “(G) **ELECTION OF NEW BENEFICIARY**
15 **UPON DEATH OF PREVIOUS BENEFICIARY.—**

16 “(i) **AUTHORITY FOR ELECTION.—**If
17 the reason for discontinuation in the Plan
18 is the death of the beneficiary, the partici-
19 pant in the Plan may elect a new bene-
20 ficiary. Any such beneficiary must be a
21 natural person with an insurable interest
22 in the participant. Such an election may be
23 made only during the 180-day period be-
24 ginning on the date of the death of the
25 previous beneficiary.

1 “(ii) PROCEDURES.—Such an election
2 shall be in writing, signed by the partici-
3 pant, and made in such form and manner
4 as the Secretary concerned may prescribe.
5 Such an election shall be effective the first
6 day of the first month following the month
7 in which the election is received by the
8 Secretary.

9 “(iii) VITIATION OF ELECTION BY
10 PARTICIPANT WHO DIES WITHIN TWO
11 YEARS OF ELECTION.—If a person pro-
12 viding an annuity under a election under
13 clause (i) dies before the end of the two-
14 year period beginning on the effective date
15 of the election—

16 “(I) the election is vitiated; and

17 “(II) the amount by which the
18 person’s retired pay was reduced
19 under section 1452 of this title that is
20 attributable to the election shall be
21 paid in a lump sum to the person who
22 would have been the deceased person’s
23 beneficiary under the vitiated election
24 if the deceased person had died after
25 the end of such two-year period.”.

1 (b) CHANGE IN PREMIUM FOR COVERAGE OF NEW
2 BENEFICIARY.—Section 1452(c) of such title is amended
3 by adding at the end the following new paragraph:

4 “(5) RULE FOR DESIGNATION OF NEW INSUR-
5 ABLE INTEREST BENEFICIARY FOLLOWING DEATH
6 OF ORIGINAL BENEFICIARY.—The Secretary of De-
7 fense shall prescribe in regulations premiums which
8 a participant making an election under section
9 1448(b)(1)(G) of this title shall be required to pay
10 for participating in the Plan pursuant to that elec-
11 tion. The total amount of the premiums to be paid
12 by a participant under the regulations shall be equal
13 to the sum of the following:

14 “(A) The total additional amount by which
15 the retired pay of the participant would have
16 been reduced before the effective date of the
17 election if the original beneficiary (i) had not
18 died and had been covered under the Plan
19 through the date of the election, and (ii) had
20 been the same number of years younger than
21 the participant (if any) as the new beneficiary
22 designated under the election.

23 “(B) Interest on the amounts by which the
24 retired pay of the participant would have been
25 so reduced, computed from the dates on which

1 the retired pay would have been so reduced at
2 such rate or rates and according to such meth-
3 odology as the Secretary of Defense determines
4 reasonable.

5 “(C) Any additional amount that the Sec-
6 retary determines necessary to protect the actu-
7 arial soundness of the Department of Defense
8 Military Retirement Fund against any increased
9 risk for the fund that is associated with the
10 election.”.

11 (c) TRANSITION.—

12 (1) TRANSITION PERIOD.—In the case of a par-
13 ticipant in the Survivor Benefit Plan who made a
14 covered insurable-interest election (as defined in
15 paragraph (2)) and whose designated beneficiary
16 under that election dies before the date of the enact-
17 ment of this Act or during the 18-month period be-
18 ginning on such date, the time period applicable for
19 purposes of the limitation in the third sentence of
20 subparagraph (G)(i) of section 1448(b)(1) of title
21 10, United States Code, as added by subsection (a),
22 shall be the two-year period beginning on the date
23 of the enactment of this Act (rather than the 180-
24 day period specified in that sentence).

1 the Department of Defense for fiscal year 2006 or fiscal
2 year 2007.

3 **SEC. 643. EQUITY IN COMPUTATION OF DISABILITY RE-**
4 **TIRED PAY FOR RESERVE COMPONENT MEM-**
5 **BERS WOUNDED IN ACTION.**

6 Section 1208(b) of title 10, United States Code, is
7 amended by adding at the end the following new sentence:
8 “However, in the case of such a member who is retired
9 under this chapter, or whose name is placed on the tem-
10 porary disability retired list under this chapter, because
11 of a disability incurred after the date of the enactment
12 of this sentence for which the member is awarded the Pur-
13 ple Heart, the member shall be credited, for the purposes
14 of this chapter, with the number of years of service that
15 would be counted if computing the member’s years of serv-
16 ice under section 12732 of this title.”.

17 **SEC. 644. STUDY ON RETENTION OF MEMBERS OF THE**
18 **ARMED FORCES WITHIN SPECIAL OPER-**
19 **ATIONS COMMAND.**

20 Not later than 90 days after the date of the enact-
21 ment of this Act, the Secretary of Defense shall submit
22 to the Committee on Armed Services of the Senate and
23 the Committee on Armed Services of the House of Rep-
24 resentatives a report on means to improve retention of
25 members of the Armed Forces who have a special oper-

1 ations forces designation. The report shall include the fol-
2 lowing:

3 (1) The effect on retention of such members if
4 special pays were included in the computation of re-
5 tired pay for those members with a minimum of 48
6 months of Hostile Fire Pay (consecutive or non-
7 consecutive) at the time of retirement.

8 (2) Information on the cost of training of mem-
9 bers of the Armed Forces who have a special oper-
10 ations forces designation, with such information dis-
11 played separately for each such designation and
12 shown as aggregate costs of training for such mem-
13 bers at the 4-year, 8-year, 12-year, 16-year, and 20-
14 year points of service.

15 (3) A statement, in the case of members of the
16 Armed Forces with a special operations forces des-
17 ignation who have been deployed at least twice, of
18 the average amount spent on special operations
19 unique training, both predeployment and during de-
20 ployment.

21 (4) For each component of the United States
22 Special Operations Command, an estimate of when
23 the assigned strength of that component will be not
24 less than 90 percent of the authorized strength of
25 that component, taking into account anticipated

1 growth that is mentioned in the most recent Quad-
2 rennial Defense Review.

3 (5) The average amount of time a member of
4 the Armed Forces with a special operations forces
5 designation is deployed to areas that warrant Hostile
6 Fire Pay.

7 (6) The percentage of members of the Armed
8 Forces with a special operations forces designation
9 who have accumulated over 48 months of Hostile
10 Fire Pay and the percentage who have accumulated
11 over 60 months of such pay.

12 **SEC. 645. SENSE OF CONGRESS CONCERNING ELIGIBILITY**
13 **OF CERTAIN ADDITIONAL DEPENDENT CHIL-**
14 **DREN FOR ANNUITIES UNDER MILITARY SUR-**
15 **VIVOR BENEFIT PLAN.**

16 It is the sense of Congress that eligibility for a sur-
17 viving child annuity in lieu of a surviving spouse annuity
18 under the military Survivor Benefit Plan for a child of
19 a member of the Armed Forces dying while on active duty
20 should be extended so as to cover children of members
21 dying after October 7, 2001 (the beginning of Operation
22 Enduring Freedom), rather than only children of members
23 dying after November 23, 2003.

1 **Subtitle E—Commissary and Non-**
2 **appropriated Fund Instrumen-**
3 **tality Benefits**

4 **SEC. 651. TREATMENT OF PRICE SURCHARGES OF TO-**
5 **BACCO PRODUCTS AND CERTAIN OTHER**
6 **MERCHANDISE SOLD AT COMMISSARY**
7 **STORES.**

8 (a) **MERCHANDISE PROCURED FROM EXCHANGES.—**
9 Subsection (c)(3) of section 2484 of title 10, United States
10 Code, is amended—

11 (1) by inserting “(A)” after “(3)”;

12 (2) by striking “Subsections” and inserting
13 “Except as provided in subparagraph (B), sub-

14 sections”; and
15 (3) by adding at the end the following new sub-

16 paragraph:
17 “(B) When a military exchange is the vendor of to-
18 bacco products or other merchandise authorized for sale
19 in a commissary store under paragraph (1), any revenue
20 above the cost of procuring the merchandise shall be allo-
21 cated as if the revenue were a uniform sales price sur-
22 charge described in subsection (d).”.

23 (b) **MERCHANDISE TREATED AS NONCOMMISSARY**
24 **STORE INVENTORY.—**Subsection (g) of such section is
25 amended—

1 (1) by inserting “(1)” before “Notwith-
2 standing”;

3 (2) by striking “Subsections” and inserting
4 “Except as provided in paragraph (2), subsections”;
5 and

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

8 “(2) When tobacco products are authorized for sale
9 in a commissary store as noncommissary store inventory,
10 any revenue above the cost of procuring the tobacco prod-
11 ucts shall be allocated as if the revenue were a uniform
12 sales price surcharge described in subsection (d).”.

13 **SEC. 652. LIMITATION ON USE OF DEPARTMENT OF DE-**
14 **FENSE LEASE AUTHORITY TO UNDERMINE**
15 **COMMISSARIES AND EXCHANGES AND OTHER**
16 **MORALE, WELFARE, AND RECREATION PRO-**
17 **GRAMS AND NONAPPROPRIATED FUND IN-**
18 **STRUMENTALITIES.**

19 Section 2667(f) of title 10, United States Code, is
20 amended by adding at the end the following new para-
21 graph:

22 “(5) Except in the case of a lease under this sub-
23 section, a lease of real property may not be entered into
24 under this section to facilitate the establishment or oper-
25 ation of an ancillary supporting facility (as defined in sec-

1 tion 2871 of this title) if, as determined by the Secretary
2 concerned, the facility is to be used for providing merchan-
3 dise or services in direct competition with—

4 “(A) the Army and Air Force Exchange Serv-
5 ice;

6 “(B) the Navy Exchange Service Command;

7 “(C) a Marine Corps exchange;

8 “(D) the Defense Commissary Agency; or

9 “(E) any nonappropriated fund activity of the
10 Department of Defense for the morale, welfare, and
11 recreation of members of the armed forces.”.

12 **SEC. 653. USE OF NONAPPROPRIATED FUNDS TO SUPPLE-**
13 **MENT OR REPLACE APPROPRIATED FUNDS**
14 **FOR CONSTRUCTION OF FACILITIES OF EX-**
15 **CHANGE STORES SYSTEM AND OTHER NON-**
16 **APPROPRIATED FUND INSTRUMENTALITIES,**
17 **MILITARY LODGING FACILITIES, AND COM-**
18 **MUNITY FACILITIES.**

19 (a) IN GENERAL.—Subchapter III of chapter 147 of
20 title 10, United States Code, is amended by inserting after
21 section 2491c the following new section:

1 **“§ 2491d. Use of nonappropriated funds to supple-**
2 **ment or replace appropriated funds for**
3 **construction of facilities of exchange**
4 **stores system and other nonappropriated**
5 **fund instrumentalities, military lodging**
6 **facilities, and community facilities**

7 “(a) USE OF NONAPPROPRIATED FUNDS.—The Sec-
8 retary of Defense may authorize the use of non-
9 appropriated funds in lieu of or to supplement funds ap-
10 propriated to the Department of Defense for the construc-
11 tion of the following:

12 “(1) Facilities of the exchange stores system
13 and other revenue-generating facilities operated by
14 nonappropriated fund instrumentalities of the De-
15 partment of Defense for the morale, welfare, and
16 recreation of members of the armed forces.

17 “(2) Facilities of other nonappropriated fund
18 instrumentalities of the Department of Defense for
19 the morale, welfare, and recreation of members of
20 the armed forces.

21 “(3) Military lodging facilities used to provide
22 temporary lodging to authorized members of the
23 armed forces, including temporary duty lodging, per-
24 manent change of station lodging, recreational lodg-
25 ing, and military treatment facility lodging.

1 “(4) Community facilities intended to supple-
2 ment mission activities, such as military museums
3 and service academy extra-curricular activities, or to
4 facilitate private organizations or enterprises, such
5 as financial services, memorials, and thrift shop fa-
6 cilities, on military installations.

7 “(b) USE CRITERIA.—The Secretary of Defense may
8 prescribe by regulation the criteria under which non-
9 appropriated funds may be used under subsection (a).

10 “(c) CONGRESSIONAL NOTIFICATION.—When a deci-
11 sion is made to use nonappropriated funds under sub-
12 section (a), the Secretary of Defense shall submit a report
13 to the congressional defense committees containing the
14 reasons for using nonappropriated funds in lieu of or to
15 supplement appropriated funds and the amount of non-
16 appropriated funds to be used. The nonappropriated funds
17 may be used only after the end of the 21-day period begin-
18 ning on the date the report is received by such committees
19 or, if earlier, the end of the 14-day period beginning on
20 the date on which a copy of the report is provided in an
21 electronic medium pursuant to section 480 of this title.”.

22 (b) CLERICAL AMENDMENT.—The table of sections
23 at the beginning of such subchapter is amended by insert-
24 ing after the item relating to section 2491c the end the
25 following new item:

“2491d. Use of nonappropriated funds to supplement or replace appropriated funds for construction of facilities of exchange stores system and other nonappropriated fund instrumentalities, military lodging facilities, and community facilities.”.

1 **SEC. 654. REPORT ON COST EFFECTIVENESS OF PUR-**
2 **CHASING COMMERCIAL INSURANCE FOR**
3 **COMMISSARY AND EXCHANGE FACILITIES**
4 **AND FACILITIES OF OTHER MORALE, WEL-**
5 **FARE, AND RECREATION PROGRAMS AND**
6 **NONAPPROPRIATED FUND INSTRUMENTAL-**
7 **ITIES.**

8 (a) REPORT REQUIRED.—Not later than July 31,
9 2007, the Secretary of Defense shall submit to Congress
10 a report evaluating the cost effectiveness of the Defense
11 Commissary Agency and the nonappropriated fund activi-
12 ties specified in subsection (b) purchasing commercial in-
13 surance to protect financial interests in facilities operated
14 by the Defense Commissary Agency or those non-
15 appropriated fund activities.

16 (b) COVERED NONAPPROPRIATED FUND ACTIVI-
17 TIES.—The report shall apply with respect to—

- 18 (1) the Army and Air Force Exchange Service;
- 19 (2) the Navy Exchange Service Command;
- 20 (3) a Marine Corps exchange; and
- 21 (4) any nonappropriated fund activity of the
22 Department of Defense for the morale, welfare, and
23 recreation of members of the armed forces.

1 **Subtitle F—Other Matters**

2 **SEC. 661. REPEAL OF ANNUAL REPORTING REQUIREMENT**
3 **REGARDING EFFECTS OF RECRUITMENT AND**
4 **RETENTION INITIATIVES.**

5 (a) REPEAL.—Section 1015 of title 37, United States
6 Code, is repealed.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 at the beginning of chapter 19 of title 37, United States
9 Code, is amended by striking the item relating to section
10 1015.

11 **SEC. 662. PILOT PROJECT FOR PROVISION OF GOLF CARTS**
12 **ACCESSIBLE FOR DISABLED PERSONS AT**
13 **MILITARY GOLF COURSES.**

14 (a) PILOT PROJECT REQUIRED.—The Secretary of
15 Defense shall conduct a pilot project at a significant num-
16 ber of military golf courses, to be selected by the Sec-
17 retary, for the purpose of developing—

18 (1) an implementation strategy to make avail-
19 able, as soon as practicable at all military golf
20 courses in the United States, an adequate supply of
21 golf carts that are accessible for disabled persons au-
22 thorized to use such courses; and

23 (2) a Department-wide campaign to increase
24 the awareness among such disabled persons of the
25 availability of accessible golf carts and to promote

1 the use of military golf courses by such disabled per-
2 sons.

3 (b) REQUIRED NUMBER OF ACCESSIBLE GOLF
4 CARTS.—The Secretary shall provide at least two acces-
5 sible golf carts at each pilot project location.

6 (c) PILOT PROJECT LOCATIONS.—The military golf
7 courses selected to participate in the pilot project shall be
8 geographically dispersed, except that at least one of the
9 military golf courses shall be in the Washington metropoli-
10 tan area. The Secretary may not select a military golf
11 course to participate in the pilot project if that military
12 golf course already has golf carts that are accessible for
13 disabled persons.

14 (d) DEPARTMENT OF DEFENSE HEALTH CARE
15 AWARENESS.—Military medical treatment facilities shall
16 provide information to patients about the pilot project and
17 the availability of accessible golf carts at military golf
18 courses participating in the pilot project and at other mili-
19 tary golf courses that already provide accessible golf carts.

20 (e) DURATION.—The Secretary shall conduct the
21 pilot project for a minimum of one year.

22 (f) REPORT REQUIRED.—Not later than 180 days
23 after the conclusion of the pilot project, the Secretary shall
24 submit a report to Congress containing the results of the
25 project and the recommendations of the Secretary regard-

1 ing how to make an adequate supply of accessible golf
2 carts available at all military golf courses in the United
3 States.

4 **SEC. 663. ENHANCED AUTHORITY TO REMIT OR CANCEL IN-**
5 **DEBTEDNESS OF MEMBERS OF THE ARMED**
6 **FORCES INCURRED ON ACTIVE DUTY.**

7 (a) PERIOD OF EXERCISE OF SERVICE SECRETARY
8 AUTHORITY AFTER SEPARATION FROM ACTIVE DUTY.—
9 Sections 4837(b), 6161(b), and 9837(b) of title 10, United
10 States Code, are each amended by striking “one-year pe-
11 riod” each place it appears and inserting “five-year pe-
12 riod”.

13 (b) TWO-YEAR EXTENSION OF ENHANCED AUTHOR-
14 ITY.—Subsections (a)(3), (b)(3), and (c)(3) of section 683
15 of the National Defense Authorization Act for Fiscal Year
16 2006 (Public Law 109–163; 119 Stat. 3322) are amended
17 by striking “December 31, 2007” in the first sentence and
18 inserting “December 31, 2009”.

19 **SEC. 664. PHASED RECOVERY OF OVERPAYMENTS OF PAY**
20 **MADE TO MEMBERS OF THE UNIFORMED**
21 **SERVICES.**

22 (a) PHASE RECOVERY REQUIRED; MAXIMUM
23 MONTHLY INSTALLMENT.—Subsection (c) of section 1007
24 of title 37, United States Code, is amended by adding at
25 the end the following new paragraph:

1 “(3) If the indebtedness of a member of the uni-
2 formed services to the United States is due to the overpay-
3 ment of pay or allowances to the member through no fault
4 of the member, the amount of the overpayment shall be
5 recovered in monthly installments. The amount deducted
6 from the pay of the member for a month to recover the
7 overpayment amount may not exceed 20 percent of the
8 member’s pay for that month.”.

9 (b) RECOVERY DELAY FOR INJURED MEMBERS.—
10 Such subsection is further amended by inserting after
11 paragraph (3), as added by subsection (a), the following
12 new paragraph:

13 “(4) If a member of the uniformed services is injured
14 or wounded under the circumstances described in section
15 310(a)(2)(C) of this title or, while in the line of duty, in-
16 curs a wound, injury, or illness in a combat operation or
17 combat zone designated by the Secretary of Defense, any
18 overpayment of pay or allowances made to the member
19 while the member recovers from the wound, injury, or ill-
20 ness may not be deducted from the member’s pay until
21 after the end of the 90-day period beginning on the date
22 on which the member is notified of the overpayment.”.

23 (c) CONFORMING AMENDMENTS.—Such subsection is
24 further amended—

1 (1) by inserting “(1)” before “Under regula-
2 tions”;

3 (2) by striking “his pay” both places it appears
4 and inserting “the member’s pay”;

5 (3) by striking “However, after” and inserting
6 the following:

7 “(2) After”; and

8 (4) by inserting “by a member of the uniformed
9 services” after “actually received”.

10 **SEC. 665. SENSE OF CONGRESS CALLING FOR PAYMENT TO**

11 **WORLD WAR II VETERANS WHO SURVIVED**

12 **BATAAN DEATH MARCH.**

13 (a) IN GENERAL.—It is the sense of Congress that—

14 (1) there should be paid to each living Battan
15 Death March survivor an amount that is \$4 for each
16 day of captivity during World War II, compounded
17 annually at a 3 percent annual rate of interest; and

18 (2) in the case of a Battan Death March sur-
19 vivor who is deceased and who has an unremarried
20 surviving spouse, such a payment should be made to
21 that surviving spouse.

22 (b) BATAAN DEATH MARCH SURVIVOR.—In this sec-
23 tion, the term “Bataan Death March survivor” means an
24 individual who as a member of the Armed Forces during
25 World War II was captured on the peninsula of Bataan

1 or island of Corregidor in the territory of the Philippines
 2 by Japanese forces and participated in and survived the
 3 Bataan Death March.

4 **TITLE VII—HEALTH CARE**
 5 **PROVISIONS**

Subtitle A—TRICARE Program Improvements

- Sec. 701. TRICARE coverage for forensic examination following sexual assault or domestic violence.
- Sec. 702. Authorization of anesthesia and other costs for dental care for children and certain other patients.
- Sec. 703. Improvements to descriptions of cancer screening.
- Sec. 704. Prohibition on increases in certain health care costs for members of the uniformed services.
- Sec. 705. Services of mental health counselors.
- Sec. 706. Demonstration project on coverage of selected over-the-counter medications under the pharmacy benefit program.
- Sec. 707. Requirement to reimburse certain travel expenses of certain beneficiaries covered by TRICARE for life.
- Sec. 708. Inflation adjustment of differential payments to children's hospitals participating in TRICARE program.
- Sec. 709. Expanded eligibility of Selected Reserve members under TRICARE program.
- Sec. 710. Extension to TRICARE of medicare prohibition of financial incentives not to enroll in group health plan.

Subtitle B—Studies and Reports

- Sec. 711. Department of Defense task force on the future of military health care.
- Sec. 712. Study and plan relating to chiropractic health care services.
- Sec. 713. Comptroller General study and report on Defense Health Program.
- Sec. 714. Transfer of custody of the Air Force Health Study assets to Medical Follow-up Agency.
- Sec. 715. Study on allowing dependents of activated members of Reserve Components to retain civilian health care coverage.
- Sec. 716. Study of health effects of exposure to depleted uranium.

Subtitle C—Other Matters

- Sec. 721. Costs of incentive payments to employees for TRICARE enrollment made unallowable for contractors.
- Sec. 722. Requirement for military medical personnel to be trained in preservation of remains.

Subtitle D—Pharmacy Benefits Program Improvements

- Sec. 731. TRICARE pharmacy program cost-share requirements.

1 **Subtitle A—TRICARE Program**
2 **Improvements**

3 **SEC. 701. TRICARE COVERAGE FOR FORENSIC EXAMINA-**
4 **TION FOLLOWING SEXUAL ASSAULT OR DO-**
5 **MESTIC VIOLENCE.**

6 Section 1079(a) of title 10, United States Code, is
7 amended by adding at the end the following new para-
8 graph:

9 “(17) Forensic examinations following a sexual
10 assault or domestic violence may be provided.”.

11 **SEC. 702. AUTHORIZATION OF ANESTHESIA AND OTHER**
12 **COSTS FOR DENTAL CARE FOR CHILDREN**
13 **AND CERTAIN OTHER PATIENTS.**

14 Section 1079(a)(1) of title 10, United States Code,
15 is amended to read as follows:

16 “(1) With respect to dental care—

17 “(A) except as provided in subparagraph
18 (B), only that care required as a necessary ad-
19 junct to medical or surgical treatment may be
20 provided; and

21 “(B) in connection with dental treatment
22 for patients with developmental, mental, or
23 physical disabilities or for pediatric patients age
24 5 or under, only institutional and anesthesia
25 services may be provided.”.

1 **SEC. 703. IMPROVEMENTS TO DESCRIPTIONS OF CANCER**
2 **SCREENING.**

3 (a) TERMS RELATED TO PRIMARY AND PREVENTIVE
4 HEALTH CARE SERVICES FOR WOMEN.—Section
5 1074d(b) of title 10, United States Code, is amended—

6 (1) in paragraph (1), by striking “Papanicolaou
7 tests (pap smear)” and inserting “Cervical cancer
8 screening”; and

9 (2) in paragraph (2), by striking “Breast ex-
10 aminations and mammography” and inserting
11 “Breast cancer screening”.

12 (b) TERMS RELATED TO CONTRACTS FOR MEDICAL
13 CARE FOR SPOUSES AND CHILDREN.—Section 1079(a)(2)
14 of such title is amended—

15 (1) in the matter preceding subparagraph (A),
16 by striking “the schedule of pap smears and mam-
17 mograms” and inserting “the schedule and method
18 of breast and cervical cancer screenings”; and

19 (2) in subparagraph (B), by striking “pap
20 smears and mammograms or” and inserting “cer-
21 vical, breast,”.

22 **SEC. 704. PROHIBITION ON INCREASES IN CERTAIN**
23 **HEALTH CARE COSTS FOR MEMBERS OF THE**
24 **UNIFORMED SERVICES.**

25 (a) PROHIBITION ON INCREASE IN CHARGES UNDER
26 CONTRACTS FOR MEDICAL CARE.—Section 1097(e) of

1 title 10, United States Code, is amended by adding at the
2 end the following: “A premium, deductible, copayment, or
3 other charge prescribed by the Secretary under this sub-
4 section may not be increased during the period beginning
5 on April 1, 2006, and ending on December 31, 2007.”.

6 (b) PROHIBITION ON INCREASE IN CHARGES FOR IN-
7 PATIENT CARE.—Section 1086(b)(3) of title 10, United
8 States Code, is amended by inserting after “charges for
9 inpatient care” the following: “, except that in no case
10 may the charges for inpatient care for a patient exceed
11 \$535 per day during the period beginning on April 1,
12 2006, and ending on December 31, 2007.”.

13 (c) PROHIBITION ON INCREASE IN PREMIUMS
14 UNDER TRICARE COVERAGE FOR CERTAIN MEMBERS
15 IN THE SELECTED RESERVE.—Section 1076d(d)(3) of
16 title 10, United States Code, is amended by adding at the
17 end the following: “During the period beginning on April
18 1, 2006, and ending on December 31, 2007, the monthly
19 amount of the premium may not be increased above the
20 amount in effect for the month of March 2006.”.

21 (d) PROHIBITION ON INCREASE IN PREMIUMS
22 UNDER TRICARE COVERAGE FOR MEMBERS OF THE
23 READY RESERVE.—Section 1076b(e)(3) of title 10,
24 United States Code, is amended by adding at the end the
25 following: “During the period beginning on April 1, 2006,

1 and ending on October 31, 2007, the monthly amount of
2 a premium under paragraph (2) may not be increased
3 above the amount in effect for the first month health care
4 is provided under this section as amended by Public Law
5 109–163.”.

6 **SEC. 705. SERVICES OF MENTAL HEALTH COUNSELORS.**

7 (a) REIMBURSEMENT OF MENTAL HEALTH COUN-
8 SELORS UNDER TRICARE.—

9 (1) REIMBURSEMENT UNDER TRICARE.—Sec-
10 tion 1079(a)(8) of title 10, United States Code, is
11 amended—

12 (A) by inserting “or licensed or certified
13 mental health counselors” after “certified mar-
14 riage and family therapists” both places it ap-
15 pears; and

16 (B) by inserting “or licensed or certified
17 mental health counselors” after “that the thera-
18 pists.”

19 (2) AUTHORITY TO ASSESS MEDICAL OR PSY-
20 CHOLOGICAL NECESSITY OF SERVICE OR SUPPLY.—
21 Section 1079(a)(13) of such title is amended by in-
22 serting “, licensed or certified mental health coun-
23 selor, ” after “certified marriage and family thera-
24 pist”.

25 (b) SERVICES OF MENTAL HEALTH COUNSELORS.—

1 (1) AUTHORITY TO ENTER INTO PERSONAL
2 SERVICES CONTRACTS.—Section 704(c)(2) of the
3 National Defense Authorization Act for Fiscal Year
4 1995 (Public Law 103–337; 108 Stat. 2799; 10
5 U.S.C. 1091 note) is amended by inserting “mental
6 health counselors,” after “psychologists,”.

7 (2) APPLICABILITY OF LICENSURE REQUIRE-
8 MENT FOR HEALTH-CARE PROFESSIONALS.—Section
9 1094 (e)(2) of title 10, United States Code, is
10 amended by inserting “mental health counselor,”
11 after “psychologist,”.

12 **SEC. 706. DEMONSTRATION PROJECT ON COVERAGE OF SE-**
13 **LECTED OVER-THE-COUNTER MEDICATIONS**
14 **UNDER THE PHARMACY BENEFIT PROGRAM.**

15 (a) REQUIREMENT TO CONDUCT DEMONSTRA-
16 TION.—The Secretary of Defense shall conduct a dem-
17 onstration project under section 1092 of title 10, United
18 States Code, to allow particular over-the-counter medica-
19 tions to be included on the uniform formulary under sec-
20 tion 1074g of such title.

21 (b) ELEMENTS OF DEMONSTRATION PROJECT.—

22 (1) INCLUSION OF CERTAIN OVER-THE-
23 COUNTER MEDICATIONS.—As part of the demonstra-
24 tion project, the Secretary shall modify uniform for-
25 mulary specifications under section 1074g(a)(2) of

1 such title to include on the uniform formulary any
2 pharmaceutical agent that does not require a pre-
3 scription (commonly referred to as an over-the-
4 counter medication) if the Pharmacy and Thera-
5 peutics Committee finds that the over-the-counter
6 medication is a clinically effective and cost-effective
7 alternative to a pharmaceutical agent that requires
8 a prescription. If the Pharmacy and Therapeutics
9 Committee makes such a finding, the over-the-
10 counter medication shall be considered to be in the
11 same therapeutic class of pharmaceutical agents that
12 the agent requiring a prescription is in, and to the
13 same extent as any agent in the class that requires
14 a prescription. Such an over-the-counter medication
15 shall be made available to a beneficiary through the
16 demonstration program only if the medication is in
17 place of a pharmaceutical agent requiring a prescrip-
18 tion and the beneficiary has a prescription for that
19 pharmaceutical agent.

20 (2) CONDUCT THROUGH MILITARY FACILITIES,
21 RETAIL PHARMACIES, OR MAIL ORDER PROGRAM.—

22 The Secretary shall conduct the demonstration
23 project through at least two of the means described
24 in subparagraph (E) of section 1074g(a)(2) through
25 which over-the-counter medications are provided and

1 may conduct the demonstration project throughout
2 the entire pharmacy benefits program or at a limited
3 number of sites. If the project is conducted at a lim-
4 ited number of sites, the number of sites shall be not
5 less than five in each TRICARE region for each of
6 the two means described in such subparagraph (E).

7 (3) PERIOD OF DEMONSTRATION.—The Sec-
8 retary shall provide for conducting the demonstra-
9 tion project for a period of time necessary to evalu-
10 ate the feasibility and cost effectiveness of the dem-
11 onstration. Such period shall be at least as long as
12 the period covered by pharmacy contracts in exist-
13 ence on the date of the enactment of this Act (in-
14 cluding any extensions of the contracts), or five
15 years, whichever is shorter.

16 (4) IMPLEMENTATION DEADLINE.—Implemen-
17 tation of the demonstration project shall begin not
18 later than May 1, 2007.

19 (c) REPORT.—Not later than 60 days before the end
20 of the demonstration project, the Secretary shall submit
21 to the Committees on Armed Services of the House of
22 Representatives and the Senate a report on the dem-
23 onstration project. The report shall contain an evaluation
24 by the Secretary of the costs and benefits of the project,
25 and recommendations on whether permanent authority

1 should be provided to cover over-the-counter medications
2 under the pharmacy benefits program.

3 (d) CONTINUATION OF DEMONSTRATION PROJECT.—

4 If the Secretary recommends in the report under sub-
5 section (c) that permanent authority should be provided,
6 the Secretary may continue the demonstration project for
7 up to one year after submitting the report.

8 **SEC. 707. REQUIREMENT TO REIMBURSE CERTAIN TRAVEL**
9 **EXPENSES OF CERTAIN BENEFICIARIES COV-**
10 **ERED BY TRICARE FOR LIFE.**

11 (a) REQUIREMENT.—Section 1074i of title 10,
12 United States Code, is amended by adding at the end the
13 following new subsection:

14 “(c) TRICARE FOR LIFE BENEFICIARIES.—

15 “(1) An eligible TRICARE for Life beneficiary
16 shall be provided reimbursement for travel expenses
17 to a military medical treatment facility if—

18 “(A) the purpose of the travel is for a fol-
19 low-up appointment for medical treatment of a
20 condition of the beneficiary; and

21 “(B) the initial appointment for medical
22 treatment of the condition was at the same fa-
23 cility.

24 “(2) Reimbursement under this subsection
25 shall, as nearly as practicable, be under the same

1 terms and conditions, and shall be at the same rate,
2 as apply to beneficiary travel reimbursement pro-
3 vided under subsection (a), except that reimburse-
4 ment shall be provided—

5 “(A) for no more than 3 follow-up appoint-
6 ments; and

7 “(B) only if adequate follow-up medical
8 treatment, as determined under the TRICARE
9 program, cannot be obtained within 100 miles
10 of the residence of the beneficiary.

11 “(3) In this subsection, the term ‘eligible
12 TRICARE for Life beneficiary’ means a person—

13 “(A) who is eligible for health benefits
14 under section 1086 of this title by reason of
15 subsection (d)(2)(A) of that section;

16 “(B) who attained age 65 after an initial
17 appointment for medical treatment at a military
18 medical treatment facility; and

19 “(C) who resides more than 100 miles
20 from the military medical treatment facility and
21 was referred to such facility for treatment by a
22 specialty care provider.”.

23 (b) EFFECTIVE DATE.—Subsection (c) of section
24 1074i of title 10, United States Code, as added by sub-

1 section (a), shall apply with respect to beneficiaries who
2 attain age 65 after the date of the enactment of this Act.

3 **SEC. 708. INFLATION ADJUSTMENT OF DIFFERENTIAL PAY-**
4 **MENTS TO CHILDREN'S HOSPITALS PARTICI-**
5 **PATING IN TRICARE PROGRAM.**

6 (a) ANNUAL INFLATION ADJUSTMENT.—Beginning
7 in fiscal year 2007, the Secretary of Defense shall annu-
8 ally adjust for inflation the TRICARE children's hospital
9 differential payment rate. The adjustment for a fiscal year
10 shall be the same as the applicable percentage increase
11 defined under section 1886(d)(3)(B)(i) of the Social Secu-
12 rity Act (42 U.S.C. 1395ww(d)(3)(B)(i)) for that fiscal
13 year for hospitals located in large urban areas.

14 (b) TRICARE CHILDREN'S HOSPITAL DIFFEREN-
15 TIAL PAYMENT RATE.—In this section, the term
16 "TRICARE children's hospital differential payment rate"
17 means the differential payment rate by the Department
18 of Defense to children's hospitals for health care services
19 for dependent children of members of the uniformed serv-
20 ices under the TRICARE program.

21 **SEC. 709. EXPANDED ELIGIBILITY OF SELECTED RESERVE**
22 **MEMBERS UNDER TRICARE PROGRAM.**

23 (a) GENERAL ELIGIBILITY.—Subsection (a) of sec-
24 tion 1076d of title 10, United States Code, is amended—

1 (1) by striking “(a) ELIGIBILITY.—A member”
2 and inserting “(a) ELIGIBILITY.—(1) Except as pro-
3 vided in paragraph (2), a member”;

4 (2) by striking “after the member completes”
5 and all that follows through “one or more whole
6 years following such date”; and

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

9 “(2) Paragraph (1) does not apply to a member who
10 is enrolled, or is eligible to enroll, in a health benefits plan
11 under chapter 89 of title 5.”.

12 (b) CONDITION FOR TERMINATION OF ELIGI-
13 BILITY.—Subsection (b) of such section is amended—

14 (1) by striking “(b) PERIOD OF COVERAGE.—
15 (1) TRICARE Standard” and all that follows
16 through “(4) Eligibility” and inserting “(b) TERMI-
17 NATION OF ELIGIBILITY UPON TERMINATION OF
18 SERVICE.—Eligibility”; and

19 (2) by striking paragraph (5).

20 (c) CONFORMING AMENDMENTS.—

21 (1) Such section is further amended—

22 (A) by striking subsection (e);

23 (B) by redesignating subsection (g) as sub-
24 section (e) and transferring such subsection

1 within such section so as to appear following
2 subsection (d); and

3 (C) by striking paragraph (3) of subsection
4 (f).

5 (2) The heading for such section is amended to
6 read as follows:

7 **“§ 1076d. TRICARE program: TRICARE standard cov-
8 erage for members of the Selected Re-
9 serve”.**

10 (d) REPEAL OF OBSOLETE PROVISION.—Effective
11 October 1, 2007, section 1076b of title 10, United States
12 Code, is repealed.

13 (e) CLERICAL AMENDMENTS.—Effective October 1,
14 2007, the table of sections at the beginning of chapter 55
15 of title 10, United States Code, is amended—

16 (1) by striking the item relating to section
17 1076b; and

18 (2) by striking the item relating to section
19 1076d and inserting the following:

 “1076d. TRICARE program: TRICARE Standard coverage for members of the
 Selected Reserve.”.

20 (f) SAVINGS PROVISION.—Enrollments in TRICARE
21 Standard that are in effect on the day before the date of
22 the enactment of this Act under section 1076d of title 10,
23 United States Code, as in effect on such day, shall be con-

1 tinued until terminated after such day under such section
2 1076d as amended by this section.

3 (g) **EFFECTIVE DATE.**—The Secretary of Defense
4 shall ensure that health care under TRICARE Standard
5 is provided under section 1076d of title 10, United States
6 Code, as amended by this section, beginning not later than
7 October 1, 2007.

8 **SEC. 710. EXTENSION TO TRICARE OF MEDICARE PROHIBI-**
9 **TION OF FINANCIAL INCENTIVES NOT TO EN-**
10 **ROLL IN GROUP HEALTH PLAN.**

11 (a) **IN GENERAL.**—Section 1097b of title 10, United
12 States Code, is amended by redesignating subsection (c)
13 as subsection (d) and by adding the following after sub-
14 section (b):

15 “(c) **PROHIBITION OF FINANCIAL INCENTIVES NOT**
16 **TO ENROLL IN A GROUP HEALTH PLAN.**—(1) Except as
17 provided in this subsection, the provisions of section
18 1862(b)(3)(C) of the Social Security Act shall apply with
19 respect to financial or other incentives for an individual
20 eligible for benefits under section 1086 of this title not
21 to enroll (or to terminate enrollment) under a health plan
22 which would (in the case of such enrollment) be a primary
23 plan under sections 1079(j)(1) and 1086(g) of this title
24 in the same manner as such section 1862(b)(3)(C) applies
25 to financial or other incentives for an individual entitled

1 to benefits under title XVIII of the Social Security Act
2 not to enroll (or to terminate enrollment) under a group
3 health plan or a large group health plan which would (in
4 the case of enrollment) be a primary plan (as defined in
5 section 1862(b)(2)(A) of such Act).

6 “(2)(A) The Secretary of Defense may by regulation
7 adopt such exceptions to the prohibition referenced and
8 applied under paragraph (1) as the Secretary deems ap-
9 propriate and such paragraph (1) shall be implemented
10 taking into account the adoption of such exceptions.

11 “(B) The Secretary of Defense and the Secretary of
12 Health and Human Services are authorized to enter into
13 agreements for carrying out this subsection. Any such
14 agreement shall provide that any expenses incurred by the
15 Secretary of Health and Human Services pertaining to
16 carrying out this subsection shall be reimbursed by the
17 Secretary of Defense.

18 “(C) Authorities of the Inspector General of the De-
19 partment of Defense shall be available for oversight and
20 investigations of responsibilities of employers and other
21 entities under this subsection.

22 “(D) Information obtained under section 1095(k) of
23 this title may be used in carrying out this subsection in
24 the same manner as information obtained under section
25 1862(b)(5) may be used in carrying out section 1862(b).

1 “(E) Any amounts collected in carrying out para-
2 graph (1) shall be handled in accordance with section
3 1079a of this title.

4 “(3) In addition to any penalty applied under the au-
5 thority of paragraph (1), the Secretary of Defense may
6 by regulation provide that repeated violations by an em-
7 ployer or other entity of the prohibition referenced and
8 applied under paragraph (1) are grounds for exclusion of
9 the employer or other entity from any contract or sub-
10 contract to provide goods or services to, or any financial
11 assistance from, the Department of Defense.”.

12 (b) CONFORMING AMENDMENT.—Section 1095(k)(5)
13 of such title is amended by striking “and 1086(d)” and
14 inserting “, 1086(d), and 1097b(e)”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect January 1, 2008.

17 **Subtitle B—Studies and Reports**

18 **SEC. 711. DEPARTMENT OF DEFENSE TASK FORCE ON THE**

19 **FUTURE OF MILITARY HEALTH CARE.**

20 (a) REQUIREMENT TO ESTABLISH.—The Secretary
21 of Defense shall establish within the Department of De-
22 fense a task force to examine matters relating to the fu-
23 ture of military health care.

24 (b) COMPOSITION.—

1 (1) MEMBERS.—The task force shall consist of
2 not more than 14 members appointed by the Sec-
3 retary of Defense from among individuals described
4 in paragraph (2) who have demonstrated expertise in
5 the area of health care programs and costs.

6 (2) RANGE OF MEMBERS.—The individuals ap-
7 pointed to the task force shall include—

8 (A) at least one member of each of the
9 Medical Departments of the Army, Navy, and
10 Air Force;

11 (B) a number of persons from outside the
12 Department of Defense equal to the total num-
13 ber of personnel from within the Department of
14 Defense (whether members of the Armed
15 Forces or civilian personnel) who are appointed
16 to the task force;

17 (C) persons who have experience in—

- 18 (i) health care actuarial forecasting;
19 (ii) health care program development;
20 (iii) health care budget management;
21 (iv) evidence-based medicine;
22 (v) health care performance measure-
23 ment;
24 (vi) health care quality improvement;
25 and

1 (vii) academic institute research in
2 health care services;

3 (D) at least one member from the Institute
4 of Medicine;

5 (E) at least one member from the Defense
6 Business Board; and

7 (F) at least one representative from a mili-
8 tary or veterans service organization who has
9 experience in health care.

10 (3) INDIVIDUALS APPOINTED OUTSIDE THE DE-
11 PARTMENT OF DEFENSE.—

12 (A) Individuals appointed to the task force
13 from outside the Department of Defense may
14 include officers or employees of other depart-
15 ments or agencies of the Federal Government,
16 officers or employees of State and local govern-
17 ments, or individuals from the private sector.

18 (B) Individuals appointed to the task force
19 from outside the Department of Defense shall
20 include—

21 (i) an officer or employee of the De-
22 partment of Veterans Affairs; and

23 (ii) an officer or employee of the De-
24 partment of Health and Human Services.

1 (4) DEADLINE FOR APPOINTMENT.—All ap-
2 pointments of individuals to the task force shall be
3 made not later than 90 days after the date of the
4 enactment of this Act.

5 (5) CO-CHAIRS OF TASK FORCE.—There shall
6 be two co-chairs of the task force. One of the co-
7 chairs shall be designated by the Secretary of De-
8 fense at the time of appointment from among the
9 Department of Defense personnel appointed to the
10 task force. The other co-chair shall be selected from
11 among the members appointed from outside the De-
12 partment of Defense by members so appointed.

13 (c) ASSESSMENT AND RECOMMENDATIONS ON THE
14 FUTURE OF MILITARY HEALTH CARE.—

15 (1) IN GENERAL.—Not later than 12 months
16 after the date on which all members of the task
17 force have been appointed, the task force shall sub-
18 mit to the Secretary a report containing an assess-
19 ment of, and recommendations for, sustaining the
20 military health care services being provided to mem-
21 bers of the Armed Forces, retirees, and their fami-
22 lies.

23 (2) UTILIZATION OF OTHER EFFORTS.—In pre-
24 paring the report, the task force shall take into con-
25 sideration the findings and recommendation included

1 in the Healthcare for Military Retirees Task Group
2 of the Defense Business Board, previous Govern-
3 ment Accountability Office reports, studies and re-
4 views by the Assistant Secretary of Defense for
5 Health Affairs, and any other studies or research
6 conducted by organizations regarding improvements
7 to sustain the military health care system.

8 (3) ELEMENTS.—The assessment and rec-
9 ommendations (including recommendations for legis-
10 lative or administrative action) shall include meas-
11 ures to improve the following:

12 (A) Wellness initiatives and disease man-
13 agement programs of the Department of De-
14 fense, including health risk tracking and the
15 use of rewards for wellness.

16 (B) Education programs focused on pre-
17 vention awareness and patient-initiated health
18 care.

19 (C) The ability to account for the true and
20 accurate cost of health care in the military
21 health system.

22 (D) Alternative health care initiatives to
23 manage patient behavior and costs.

24 (E) The appropriate command and control
25 structure within the Department of Defense

1 and the Armed Forces to manage the military
2 health system.

3 (F) The adequacy of the military health
4 care procurement system, including methods to
5 streamline existing procurement activities.

6 (G) The appropriate mix of military and
7 civilian personnel to meet future readiness and
8 high-quality health care service requirements.

9 (H) The beneficiary and Government cost
10 sharing structure required to sustain the mili-
11 tary health benefits over the long term.

12 (I) Programs focused on managing the
13 health care needs of Medicare-eligible military
14 beneficiaries.

15 (J) Efficient and cost effective contracts
16 for health care services, including performance-
17 based requirements for health care provider re-
18 imbursement.

19 (c) ADMINISTRATIVE MATTERS.—

20 (1) COMPENSATION.—Each member of the task
21 force who is a member of the Armed Forces or a ci-
22 vilian officer or employee of the United States shall
23 serve without compensation (other than compensa-
24 tion to which entitled as a member of the Armed
25 Forces or an officer or employee of the United

1 States, as the case may be). Other members of the
2 task force shall be treated for purposes of section
3 3161 of title 5, United States Code, as having been
4 appointed under subsection (b) of such section.

5 (2) OVERSIGHT.—The Under Secretary of De-
6 fense for Personnel and Readiness shall oversee the
7 activities of the task force.

8 (3) ADMINISTRATIVE SUPPORT.—The Wash-
9 ington Headquarters Services of the Department of
10 Defense shall provide the task force with personnel,
11 facilities, and other administrative support as nec-
12 essary for the performance of the duties of the task
13 force.

14 (4) ACCESS TO FACILITIES.—The Under Sec-
15 retary of Defense for Personnel and Readiness shall,
16 in coordination with the Secretaries of the military
17 departments, ensure appropriate access by the task
18 force to military installations and facilities for pur-
19 poses of the discharge of the duties of the task force.

20 (e) REPORT.—

21 (1) IN GENERAL.—The task force shall submit
22 to the Secretary of Defense a report on its activities
23 under this section. The report shall include—

24 (A) a description of the activities of the
25 task force;

1 (B) the assessment and recommendations
2 required by subsection (c); and

3 (C) such other matters relating to the ac-
4 tivities of the task force that the task force con-
5 siders appropriate.

6 (2) TRANSMITTAL TO CONGRESS.—Not later
7 than 90 days after receipt of the report under para-
8 graph (1), the Secretary shall transmit the report to
9 the Committees on Armed Services of the Senate
10 and the House of Representatives. The Secretary
11 may include in the transmittal such comments on
12 the report as the Secretary considers appropriate.

13 (f) PLAN REQUIRED.—Not later than 6 months after
14 receipt of the report from the task force under subsection
15 (e)(1), the Secretary of Defense shall develop a plan based
16 on the recommendations of the task force and submit the
17 plan to the Committees on Armed Services of the Senate
18 and the House of Representatives.

19 (g) TERMINATION.—The task force shall terminate
20 90 days after the date on which the report of the task
21 force is submitted to Congress under subsection (e)(2).

22 **SEC. 712. STUDY AND PLAN RELATING TO CHIROPRACTIC**
23 **HEALTH CARE SERVICES.**

24 (a) STUDY REQUIRED.—

1 (1) GROUPS COVERED.—The Secretary of De-
2 fense shall conduct a study of providing chiropractic
3 health care services and benefits to the following
4 groups:

5 (A) All members of the uniformed services
6 on active duty and entitled to care under sec-
7 tion 1074(a) of title 10, United States Code.

8 (B) All members described in subpara-
9 graph (A) and their eligible dependents, and all
10 members of reserve components of the uni-
11 formed services and their eligible dependents.

12 (C) All members or former members of the
13 uniformed services who are entitled to retired or
14 retainer pay or equivalent pay and their eligible
15 dependents.

16 (2) MATTERS EXAMINED.—

17 (A) For each group listed in subpara-
18 graphs (A), (B), and (C) of paragraph (1), the
19 study shall examine the following with respect
20 to chiropractic health care services and benefits:

21 (i) The cost of providing such services
22 and benefits.

23 (ii) The feasibility of providing such
24 services and benefits.

1 (iii) An assessment of the health care
2 benefits of providing such services and
3 benefits.

4 (iv) An estimate of the potential cost
5 savings of providing such services and ben-
6 efits in lieu of other medical services.

7 (v) The identification of existing and
8 planned health care infrastructure, includ-
9 ing personnel, equipment, and facilities, to
10 accommodate the provision of chiropractic
11 health care services.

12 (B) For the members of the group listed in
13 subparagraph (A) of paragraph (1), the study
14 shall examine the effects of providing chiro-
15 practic health care services and benefits—

16 (i) on the readiness of such members;

17 and

18 (ii) on the acceleration of the return
19 to duty of such members following an iden-
20 tified injury or other malady that can be
21 appropriately treated with chiropractic
22 health care services.

23 (3) SPACE AVAILABLE COSTS.—The study shall
24 also include a detailed analysis of the projected costs
25 of providing chiropractic health care services on a

1 space available basis in the military treatment facili-
2 ties currently providing chiropractic care under sec-
3 tion 702 of the Floyd D. Spence National Defense
4 Authorization Act of Fiscal Year 2001 (as enacted
5 by Public Law 106–398; 10 U.S.C. 1092 note).

6 (4) ELIGIBLE DEPENDENTS DEFINED.—In this
7 section, the term “eligible dependent” has the mean-
8 ing given that term in section 1076a(k) of title 10,
9 United States Code.

10 (b) PLAN REQUIRED.—Not later than March 31,
11 2007, the Secretary of Defense shall revise the plan re-
12 quired under section 702 of the Floyd D. Spence National
13 Defense Authorization Act of Fiscal Year 2001 (as en-
14 acted by Public Law 106–398; 10 U.S.C. 1092 note), in-
15 cluding a detailed analysis of the projected costs, to pro-
16 vide chiropractic health care services and benefits as a per-
17 manent part of the Defense Health Program (including
18 the TRICARE program) as required under that section.

19 (c) REPORT REQUIRED.—Not later than March 31,
20 2007, the Secretary of Defense shall submit a report on
21 the study required under subsection (a), together with the
22 plan required under subsection (b), to the Committees on
23 Armed Services of the Senate and the House of Represent-
24 atives.

1 **SEC. 713. COMPTROLLER GENERAL STUDY AND REPORT ON**
2 **DEFENSE HEALTH PROGRAM.**

3 (a) **STUDY REQUIRED.**—The Comptroller General, in
4 cooperation with the Congressional Budget Office, shall
5 conduct a study of the projected cost savings to the De-
6 fense Health Program included in the fiscal year 2007
7 budget request.

8 (b) **ELEMENTS.**—The study required by subsection
9 (a) shall include the following:

10 (1) An evaluation of the rationale for calcula-
11 tions made by the Department of Defense for the
12 portion of total health care costs paid by bene-
13 ficiaries in 1995 and in 2005, including issues such
14 as—

15 (A) the rationale for the Department's
16 stated costs of providing the benefit in 1995
17 and in 2005;

18 (B) the basis for the Department's calcula-
19 tions of increases in cost between 1995 and
20 2005; and

21 (C) the amounts paid by beneficiaries for
22 health care in 1995 and 2005.

23 (2) An evaluation of the rationale for calcula-
24 tions and assumptions made by the Department of
25 Defense for the estimated savings associated with
26 the implementation of its cost share increases.

1 (3) A review of the annual rate of medical infla-
2 tion of the Department of Defense and how it com-
3 pares with the annual rates of increase in health
4 care premiums in the Federal Employee Health
5 Benefit Program and other health care programs as
6 well as other health care indexes for the past 5
7 years.

8 (4) An assessment of the rationale for the cost
9 share increase amounts made by the Department of
10 Defense.

11 (c) INDEPENDENT EXPERTS.—To ensure the avail-
12 ability of appropriate expertise in addressing the elements
13 of the study required under this section, the Comptroller
14 General may use independent experts, such as actuaries,
15 if needed.

16 (d) REPORT.—The Comptroller General shall submit
17 to the Committees on Armed Services of the Senate and
18 the House of Representatives a report on the study re-
19 quired by subsection (a) not later than June 1, 2007.

20 **SEC. 714. TRANSFER OF CUSTODY OF THE AIR FORCE**
21 **HEALTH STUDY ASSETS TO MEDICAL FOL-**
22 **LOW-UP AGENCY.**

23 (a) TRANSFER.—

24 (1) NOTIFICATION OF PARTICIPANTS.—The
25 Secretary of the Air Force shall notify the partici-

1 pants of the Air Force Health Study that the study
2 as currently constituted is ending as of September
3 30, 2006. In consultation with the Medical Follow-
4 up Agency (in this section referred to as the “Agen-
5 cy”) of the Institute of Medicine of the National
6 Academy of Sciences, the Secretary of the Air Force
7 shall request the written consent of the participants
8 to transfer their data and biological specimens to the
9 Agency during fiscal year 2007 and written consent
10 for the Agency to maintain the data and specimens
11 and make them available for additional studies.

12 (2) COMPLETION OF TRANSFER.—Custodian-
13 ship of the Air Force Health Study shall be com-
14 pletely transferred to the Agency on or before Sep-
15 tember 30, 2007. Assets to be transferred shall in-
16 clude electronic data files and biological specimens of
17 all the study participants.

18 (3) COPIES TO ARCHIVES.—The Air Force shall
19 send paper copies of all study documents to the Na-
20 tional Archives.

21 (b) REPORT ON TRANSFER.—

22 (1) REQUIREMENT.—Not later than 30 days
23 after completion of the transfer of the assets of the
24 Air Force Health Study under subsection (a), the
25 Secretary of the Air Force shall submit to the Com-

1 mittees on Armed Services of the Senate and the
2 House of Representatives a report on the transfer.

3 (2) MATTERS COVERED.—At a minimum, the
4 report shall include information on the number of
5 study participants whose data and biological speci-
6 mens were not transferred, the efforts that were
7 taken to contact such participants, and the reasons
8 why the transfer of their data and specimens did not
9 occur.

10 (c) DISPOSITION OF ASSETS NOT TRANSFERRED.—
11 The Secretary of the Air Force may not destroy any data
12 or biological specimens not transferred under subsection
13 (a) until the expiration of the one-year period following
14 submission of the report under subsection (b).

15 (d) FUNDING.—

16 (1) COSTS OF TRANSFER.—The Secretary of
17 Defense shall make available to the Air Force
18 \$850,000 for preparation, transfer of the assets of
19 the Air Force Health Study and shipment of data
20 and specimens to the Medical Follow-up Agency and
21 the National Archives during fiscal year 2007 from
22 amounts available from the Department of Defense
23 for that year. The Secretary of Defense is author-
24 ized to transfer the freezers and other physical as-

1 sets assigned to the Air Force Health Study to the
2 Agency without charge.

3 (2) COSTS OF COLLABORATION.—The Secretary
4 of Defense may reimburse the National Academy of
5 Sciences up to \$200,000 for costs of the Medical
6 Follow-up Agency to collaborate with the Air Force
7 in the transfer and receipt of the assets of the Air
8 Force Health Study to the Agency during fiscal year
9 2007 from amounts available from the Department
10 of Defense for that year.

11 **SEC. 715. STUDY ON ALLOWING DEPENDENTS OF ACTI-**
12 **VATED MEMBERS OF RESERVE COMPONENTS**
13 **TO RETAIN CIVILIAN HEALTH CARE COV-**
14 **ERAGE.**

15 (a) STUDY REQUIREMENT.—The Secretary of De-
16 fense shall conduct a study on the feasibility of allowing
17 family members of members of the Reserve Components
18 who are called or ordered to active duty to continue health
19 care coverage under a civilian health care program and
20 provide reimbursement for such health care.

21 (b) ELEMENTS.—The study required by subsection
22 (a) shall include the following:

23 (1) An assessment of the number of military
24 dependents with special health care needs (such as
25 ongoing chemotherapy or physical therapy) who

1 would benefit from continued coverage under the
2 member's civilian health care plan instead of enroll-
3 ing in the TRICARE program.

4 (2) An assessment of the feasibility of providing
5 reimbursement to the member or the sponsor of the
6 civilian health coverage.

7 (3) A recommendation on the appropriate rate
8 of reimbursement for civilian employers or members.

9 (4) The feasibility of including dependents who
10 do not have access to health care providers that ac-
11 cept payment under the TRICARE program (such
12 as those in rural areas).

13 (c) REPORT REQUIRED.—Not later than 180 days
14 after the date of the enactment of this Act, the Secretary
15 of Defense shall submit to the Committees on Armed Serv-
16 ices of the Senate and the House of Representatives a re-
17 port on the study required under subsection (a).

18 **SEC. 716. STUDY OF HEALTH EFFECTS OF EXPOSURE TO**
19 **DEPLETED URANIUM.**

20 (a) STUDY.—The Secretary of Defense, in consulta-
21 tion with the Secretary for Veterans Affairs and the Sec-
22 retary of Health and Human Services, shall conduct a
23 comprehensive study of the health effects of exposure to
24 depleted uranium munitions on uranium-exposed soldiers
25 and on children of uranium-exposed soldiers who were

1 born after the exposure of the uranium-exposed soldiers
2 to depleted uranium.

3 (b) URANIUM-EXPOSED SOLDIERS.—In this section,
4 the term “uranium-exposed soldiers” means a member or
5 former member of the Armed Forces who handled, came
6 in contact with, or had the likelihood of contact with de-
7 pleted uranium munitions while on active duty, including
8 members and former members who—

9 (1) were exposed to smoke from fires resulting
10 from the burning of vehicles containing depleted ura-
11 nium munitions or fires at depots at which depleted
12 uranium munitions were stored;

13 (2) worked within environments containing de-
14 pleted uranium dust or residues from depleted ura-
15 nium munitions;

16 (3) were within a structure or vehicle while it
17 was struck by a depleted uranium munition;

18 (4) climbed on or entered equipment or struc-
19 tures struck by a depleted uranium munition; or

20 (5) were medical personnel who provided initial
21 treatment to members of the Armed Forces de-
22 scribed in paragraph (1), (2), (3), or (4).

1 **Subtitle C—Other Matters**

2 **SEC. 721. COSTS OF INCENTIVE PAYMENTS TO EMPLOYEES** 3 **FOR TRICARE ENROLLMENT MADE UNAL-** 4 **LOWABLE FOR CONTRACTORS.**

5 (a) **DEFENSE CONTRACTS.**—Section 2324(e)(1) of
6 title 10, United States Code, is amended by adding at the
7 end the following new subparagraph:

8 “(Q) Costs incurred by a contractor for incen-
9 tive payments to employees to encourage enrollment
10 in the TRICARE program under chapter 55 of this
11 title or any other Government-sponsored health care
12 program, except that this subparagraph does not
13 apply to such costs incurred by a contractor per-
14 forming a contract to which any of the following ap-
15 plies:

16 “(i) The Services Contract Act of 1965 (41
17 U.S.C. 351 et seq.).

18 “(ii) Any other law or labor agreement
19 that requires a company to compensate its em-
20 ployees for health care whether or not the em-
21 ployee participates in a company health plan.”.

22 (b) **CIVILIAN AGENCY CONTRACTS.**—Section
23 306(e)(1) of the Federal Property and Administrative
24 Services Act of 1949 (41 U.S.C. 256(e)(1)) is amended
25 by adding at the end the following new subparagraph:

1 “(P) Costs incurred by a contractor for incen-
2 tive payments to employees to encourage enrollment
3 in the TRICARE program under chapter 55 of title
4 10, United States Code, or any other Government-
5 sponsored health care program, except that this sub-
6 paragraph does not apply to such costs incurred by
7 a contractor performing a contract to which any of
8 the following applies:

9 “(i) The Services Contract Act of 1965 (41
10 U.S.C. 351 et seq.).

11 “(ii) Any other law or labor agreement
12 that requires a company to compensate its em-
13 ployees for health care whether or not the em-
14 ployee participates in a company health plan.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply with respect to contracts entered
17 into after the date occurring 180 days after the date of
18 the enactment of this Act.

19 **SEC. 722. REQUIREMENT FOR MILITARY MEDICAL PER-**
20 **SONNEL TO BE TRAINED IN PRESERVATION**
21 **OF REMAINS.**

22 (a) REQUIREMENT.—The Secretary of Defense shall
23 develop a program requiring each military department to
24 include training in the preservation of remains for health
25 care professionals under the department’s jurisdiction.

1 The training shall be provided before a health care profes-
2 sional is deployed into a theater of operation and periodi-
3 cally thereafter as determined necessary for refresher
4 training.

5 (b) MATTERS COVERED BY TRAINING.—The training
6 shall include, at a minimum—

7 (1) best practices and procedures for the pres-
8 ervation of the remains of a member of the Armed
9 Forces after death, taking into account the needs,
10 sensitivities, and potential wishes of the family of
11 the decedent, including the return of the remains to
12 the family in the best possible condition; and

13 (2) practical case studies to illustrate the objec-
14 tives of paragraph (1) and provide a real world per-
15 spective.

16 (c) HEALTH CARE PROFESSIONAL.—In this section,
17 the term “health care professional” means a physician,
18 dentist, clinical psychologist, nurse, nurse practitioner, or
19 physician assistant and any other person providing direct
20 patient care as may be designated by the Secretary of De-
21 fense in regulations.

1 **Subtitle D—Pharmacy Benefits**
2 **Program Improvements**

3 **SEC. 731. TRICARE PHARMACY PROGRAM COST-SHARE RE-**
4 **QUIREMENTS.**

5 Paragraph (6) of section 1074g(a) of title 10, United
6 States Code, is amended to read as follows:

7 “(6)(A) The Secretary, in regulations prescribed
8 under subsection (g), may establish cost-sharing require-
9 ments (which may be established as a percentage or fixed
10 dollar amount) under the pharmacy benefits program for
11 generic, formulary, and nonformulary agents.

12 “(B)(i) With respect to agents available through the
13 national mail-order pharmacy program, the Secretary of
14 Defense may not establish requirements for cost sharing
15 for generic and formulary agents that are in excess of cost
16 sharing requirements for generic and formulary agents
17 available through facilities of the uniformed services.

18 “(ii) With respect to agents available through retail
19 pharmacies, the Secretary of Defense may not establish
20 cost sharing in excess of—

21 “(I) \$6 for generic agents;

22 “(II) \$16 for formulary agents; and

23 “(III) \$22 for nonformulary agents.

24 “(iii) The cost sharing requirements of this subpara-
25 graph shall be in effect during the period beginning 90

1 days after the date of the enactment of the National De-
 2 fense Authorization Act for Fiscal Year 2007 and ending
 3 on December 31, 2007.”.

4 **TITLE VIII—ACQUISITION POL-**
 5 **ICY, ACQUISITION MANAGE-**
 6 **MENT, AND RELATED MAT-**
 7 **TERS**

Subtitle A—Provisions Relating to Major Defense Acquisition Programs

- Sec. 801. Requirements Management Certification Training Program.
- Sec. 802. Additional requirements relating to technical data rights.
- Sec. 803. Study and report on revisions to Selected Acquisition Report requirements.
- Sec. 804. Quarterly updates on implementation of acquisition reform in the Department of Defense.
- Sec. 805. Establishment of defense challenge process for critical cost growth threshold breaches in major defense acquisition programs.
- Sec. 806. Market research required for major defense acquisition programs before proceeding to Milestone B.

Subtitle B—Acquisition Policy and Management

- Sec. 811. Applicability of statutory executive compensation cap made prospective.
- Sec. 812. Prohibition on procurement from beneficiaries of foreign subsidies.
- Sec. 813. Time-certain development for Department of Defense information technology business systems.
- Sec. 814. Establishment of Panel on Contracting Integrity.
- Sec. 815. Award and incentive fee contract standards.
- Sec. 816. Oversight and accountability of contractor personnel.

Subtitle C—Amendments to General Contracting Authorities, Procedures, and Limitations

- Sec. 821. Extension of special temporary contract closeout authority.
- Sec. 822. Limitation on contracts for the acquisition of certain services.
- Sec. 823. Use of Federal supply schedules by State and local governments for goods and services for recovery from natural disasters, terrorism, or nuclear, biological, chemical, or radiological attack.
- Sec. 824. Waivers to extend task order contracts for advisory and assistance services.
- Sec. 825. Enhanced access for small business.
- Sec. 826. Procurement goal for Hispanic-serving institutions.
- Sec. 827. Prohibition on defense contractors requiring licenses or fees for use of military likenesses and designations.

Subtitle D—United States Defense Industrial Base Provisions

Sec. 831. Protection of strategic materials critical to national security.

Sec. 832. Strategic Materials Protection Board.

1 **Subtitle A—Provisions Relating to**
2 **Major Defense Acquisition Pro-**
3 **grams**

4 **SEC. 801. REQUIREMENTS MANAGEMENT CERTIFICATION**
5 **TRAINING PROGRAM.**

6 (a) TRAINING PROGRAM.—

7 (1) REQUIREMENT.—The Under Secretary of
8 Defense for Acquisition, Technology, and Logistics,
9 in consultation with the Defense Acquisition Univer-
10 sity, shall develop a training program to certify civil-
11 ian and military personnel of the Department of De-
12 fense with responsibility for generating requirements
13 for major defense acquisition programs (as defined
14 in section 2430 of title 10, United States Code).

15 (2) COMPETENCY AND OTHER REQUIRE-
16 MENTS.—The Under Secretary shall establish com-
17 petency requirements for the personnel undergoing
18 the training program. The Under Secretary shall de-
19 fine the target population for such training program
20 by identifying which civilian and military personnel
21 should have responsibility for generating require-
22 ments. The Under Secretary also may establish
23 other training programs for personnel not subject to
24 chapter 87 of title 10, United States Code, and who

1 contribute significantly to other types of acquisitions
2 by the Department of Defense.

3 (3) MATTERS COVERED.—At a minimum, the
4 training program shall, with respect to a major de-
5 fense acquisition program—

6 (A) provide instruction on the inter-
7 relationship among the requirements generation
8 process, the budget process, and the acquisition
9 process within the Department of Defense for
10 such a program;

11 (B) stress the importance of generating re-
12 quirements for such a program that result in
13 joint applications to the maximum extent pos-
14 sible;

15 (C) provide instruction on the effects of in-
16 troducing new requirements for such a pro-
17 gram—

18 (i) both before and after the com-
19 mencement of system development and
20 demonstration; and

21 (ii) during initial operational test and
22 evaluation;

23 (D) ensure that requirements for such a
24 program are derived primarily from capability

1 shortfalls in the program identified by a com-
2 mander of a combatant command;

3 (E) ensure that requirements for such a
4 program are informed by a sound analysis of al-
5 ternatives, by realistic technical assessments
6 based on technology readiness levels, and by fis-
7 cal guidance, including consultation with pro-
8 duction engineers on the cost, schedule and
9 technical feasibility of the requirements;

10 (F) ensure that, for the introduction of
11 any changes to requirements for such a pro-
12 gram, an engineering feasibility assessment that
13 weighs technology readiness, integration, cost,
14 and schedule impacts is conducted after Mile-
15 stone B approval at the latest, and before Mile-
16 stone B approval to the maximum extent prac-
17 ticable;

18 (G) stress the importance of introducing
19 requirements for such a program that are tech-
20 nologically mature, feasible, and achievable
21 without schedule risk; and

22 (H) stress the importance of stable re-
23 quirements for such a program to provide the
24 baseline for successful execution of the pro-
25 gram.

1 (4) AVAILABILITY.—The training program shall
2 be made available on the Internet to ensure the
3 widest dissemination possible.

4 (b) APPLICABILITY.—Effective on and after Sep-
5 tember 30, 2007, a member of the Armed Forces or an
6 employee of the Department of Defense with authority to
7 generate requirements for a major defense acquisition pro-
8 gram may not continue to participate in the requirements
9 generation process unless the member or employee suc-
10 cessfully completes the certification training program de-
11 veloped under this section.

12 **SEC. 802. ADDITIONAL REQUIREMENTS RELATING TO**
13 **TECHNICAL DATA RIGHTS.**

14 (a) ADDITIONAL REQUIREMENTS RELATING TO
15 TECHNICAL DATA RIGHTS .—Section 2320 of title 10,
16 United States Code, is amended by adding at the end the
17 following new subsection:

18 “(e) ADDITIONAL REGULATIONS.—(1) Regulations
19 prescribed under subsection (a) shall ensure, at a min-
20 imum, that—

21 “(A) in the case of a major system that is de-
22 veloped exclusively with Federal funds, in part with
23 Federal funds and in part at private expense, or ex-
24 clusively at private expense, rights are acquired in
25 full by the United States to technical data necessary

1 to support competition for contracts required for
2 sustainment of the system; and

3 “(B) any contract for a major system includes
4 price and delivery options for acquiring, at any point
5 during the life cycle of the system, major elements
6 of technical data not acquired at the time of initial
7 contract award.

8 “(2) Regulations prescribed under subsection (a) also
9 shall establish a standard for acquiring rights in technical
10 data that supports the purchase of data rights appropriate
11 to minimize life cycle costs.

12 “(3) The Under Secretary of Defense for Acquisition,
13 Technology, and Logistics shall ensure that members of
14 the acquisition workforce working with any contract in an
15 amount greater than \$5,000,000 and involving the acqui-
16 sition of rights in technical data be provided information
17 and formal training sufficient to carry out the regulations
18 prescribed under subsection (a) to implement this sub-
19 section.”.

20 (b) REGULATIONS.—Not later than 180 days after
21 the date of the enactment of this Act, the Secretary of
22 Defense shall revise regulations under section 2320 of title
23 10, United States Code, to implement subsection (e) of
24 such section (as added by this section).

1 **SEC. 803. STUDY AND REPORT ON REVISIONS TO SELECTED**
2 **ACQUISITION REPORT REQUIREMENTS.**

3 (a) **STUDY REQUIREMENT.**—The Secretary of De-
4 fense, acting through the Under Secretary of Defense for
5 Acquisition, Technology, and Logistics in coordination
6 with the service acquisition executives of each military de-
7 partment, shall conduct a study on revisions to require-
8 ments relating to Selected Acquisition Reports, as set
9 forth in section 2432 of title 10, United States Code.

10 (b) **MATTERS COVERED.**—The study required under
11 subsection (a) shall—

12 (1) focus on incorporating into the Selected Ac-
13 quisition Report those elements of program progress
14 that the Department of Defense considers most rel-
15 evant to evaluating the performance and progress of
16 major defense acquisition programs, with particular
17 reference to the cost estimates and program sched-
18 ule established when a major defense acquisition
19 program receives Milestone B approval; and

20 (2) include any recommendations to eliminate
21 elements of the Selected Acquisition Report that the
22 Department believes are no longer needed (other
23 than the elimination of any unit cost information).

24 (c) **REPORT.**—Not later than March 1, 2007, the
25 Secretary shall submit to the Committees on Armed Serv-
26 ices of the Senate and the House of Representatives a re-

1 port on the results of the study, including such rec-
2 ommendations as the Secretary considers appropriate.

3 **SEC. 804. QUARTERLY UPDATES ON IMPLEMENTATION OF**
4 **ACQUISITION REFORM IN THE DEPARTMENT**
5 **OF DEFENSE.**

6 (a) QUARTERLY UPDATES REQUIREMENT.—Not
7 later than 45 days after the date of the enactment of this
8 Act, and on the first day of each calendar quarter there-
9 after, the Secretary of Defense shall provide an update
10 to the Committees on Armed Services of the Senate and
11 the House of Representatives on the implementation of
12 plans to reform the acquisition system in the Department
13 of Defense.

14 (b) MATTERS COVERED.—Each update provided
15 under subsection (a) shall cover the implementation of re-
16 forms of the processes for acquisition, including genera-
17 tion of requirements, award of contracts, and financial
18 management. At a minimum, the updates shall take into
19 account the recommendations made by the following:

20 (1) The Defense Acquisition Performance As-
21 sessment Panel.

22 (2) The Defense Science Board Summer Study
23 on Transformation, issued in February 2006.

24 (3) The Beyond Goldwater-Nichols Study of the
25 Center for Strategic and International Studies.

1 (4) The Quadrennial Defense Review, issued
2 February 6, 2006.

3 (5) The Committee Defense Review of the Com-
4 mittee on Armed Services of the House of Rep-
5 resentatives (when available).

6 (c) RECOMMENDATIONS.—Each report submitted
7 under subsection (a) shall include such recommendations
8 as the Secretary considers appropriate, and implementa-
9 tion plans for the recommendations.

10 (d) TERMINATION OF REPORT REQUIREMENT.—The
11 requirement to submit reports under subsection (a) shall
12 terminate on the first day of the calendar quarter fol-
13 lowing the first calendar quarter in which the Selected Ac-
14 quisition Report submitted to Congress under section
15 2432 of title 10, United States Code, does not indicate
16 that there has been an increase by a percentage equal to
17 or greater than the significant cost growth threshold or
18 the critical cost growth threshold in any major defense ac-
19 quisition program (as such thresholds are defined in sec-
20 tion 2433(a) of such title).

1 **SEC. 805. ESTABLISHMENT OF DEFENSE CHALLENGE PROC-**
2 **ESS FOR CRITICAL COST GROWTH THRESH-**
3 **OLD BREACHES IN MAJOR DEFENSE ACQUISI-**
4 **TION PROGRAMS.**

5 (a) PRELIMINARY EVALUATION OF CHALLENGE PRO-
6 POSALS FOR CRITICAL COST BREACHES.—

7 (1) SUBMISSION OF CHALLENGE PROPOSALS.—

8 Section 2359b(c) of title 10, United States Code, is
9 amended—

10 (A) in paragraph (1), by striking “Panel,”
11 and all that follows through the end and insert-
12 ing the following: “Panel—

13 “(A) through the unsolicited proposal process;

14 “(B) in response to a broad agency announce-
15 ment; or

16 “(C) in response to a solicitation issued as a re-
17 sult of a critical cost growth threshold breach (as de-
18 fined in paragraph (4)).”;

19 (B) by redesignating paragraphs (4), (5),
20 and (6) as paragraphs (5), (7), and (8), respec-
21 tively;

22 (C) by inserting after paragraph (3) the
23 following new paragraph (4):

24 “(4)(A) If the program acquisition unit cost or
25 procurement unit cost of a major defense acquisition
26 program increases by a percentage equal to or great-

1 er than the critical cost growth threshold for the
2 program, as determined by the Secretary concerned
3 under section 2433(d) of this title (in this section re-
4 ferred to as a ‘critical cost growth threshold
5 breach’), the Under Secretary shall issue a solicita-
6 tion for challenge proposals that would result in im-
7 provements in affordability of the program. The so-
8 licitation shall specifically identify (i) the cost and
9 schedule variances, and (ii) the design, engineering,
10 manufacturing, or technology integration issues, con-
11 tributing to the breach.

12 “(B) A solicitation referred to in subparagraph
13 (A) shall be made public before the end of the 14-
14 day period beginning on the day the Selected Acqui-
15 sition Report containing the information described in
16 section 2433(g) of this title is required to be sub-
17 mitted under section 2432(f) of this title.

18 “(C) A solicitation referred to in subparagraph
19 (A) shall require any challenge proposals responding
20 to the solicitation to be submitted within 30 days
21 after the date of issuance of the solicitation.”;

22 (D) in paragraph (5) (as so redesignated)
23 in the matter preceding subparagraph (A)—

24 (i) by striking “or submitted” and in-
25 serting “submitted”; and

1 (ii) by inserting after “paragraph
2 (2),” the following: “or submitted in re-
3 sponse to a solicitation issued as a result
4 of a critical cost growth threshold breach”;
5 and

6 (E) by inserting after paragraph (5) (as so
7 redesignated) the following new paragraph (6):

8 “(6) A panel shall complete a preliminary eval-
9 uation of challenge proposals submitted in response
10 to a solicitation issued as a result of a critical cost
11 growth threshold breach before the end of the 60-
12 day period beginning on the day the Selected Acqui-
13 sition Report referred to in paragraph (4)(B) is sub-
14 mitted to Congress and shall inform the Secretary of
15 Defense of the results of the evaluation to aid in the
16 completion of the Secretary’s certification under sec-
17 tion 2433(e)(2)(B) of this title.”.

18 (b) ACTION UPON FAVORABLE FULL REVIEW AND
19 EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL
20 COST BREACHES.—Section 2359b(e) of such title is
21 amended by adding at the end the following new para-
22 graph:

23 “(3) In the case of a challenge proposal re-
24 ferred to in paragraph (1) that was submitted in re-
25 sponse to a solicitation issued as a result of a critical

1 cost growth threshold breach, the costs of the pro-
2 posal shall be borne by the major defense acquisition
3 program with respect to which the breach oc-
4 curred.”.

5 (c) ACTION UPON UNFAVORABLE FULL REVIEW AND
6 EVALUATION OF CHALLENGE PROPOSALS FOR CRITICAL
7 COST BREACHES.—Section 2359b of such title, as amend-
8 ed by section 213, is further amended—

9 (1) by redesignating subsections (f), (g), (h),
10 and (i) as subsections (g), (h), (i), and (j), respec-
11 tively; and

12 (2) by inserting after subsection (e) the fol-
13 lowing new subsection (f):

14 “(f) ACTION UPON UNFAVORABLE FULL REVIEW
15 AND EVALUATION OF CRITICAL COST BREACH SOLICITA-
16 TIONS.—In the case of a challenge proposal that was sub-
17 mitted in response to a solicitation issued as a result of
18 a critical cost growth threshold breach and that is not de-
19 termined under a full review and evaluation to satisfy each
20 of the criteria specified in subsection (c)(5), the following
21 provisions apply:

22 “(1) The office carrying out the full review and
23 evaluation shall provide to the Panel that conducted
24 the preliminary evaluation a statement containing a

1 summary of the rationale for the unfavorable evalua-
2 tion.

3 “(2) If the Panel disagrees with the rationale
4 provided under paragraph (1), the Panel may return
5 the challenge proposal to the office for further con-
6 sideration.

7 “(3) The full review and evaluation, including a
8 further consideration of the review and evaluation
9 under paragraph (2), shall be completed not later
10 than the expiration of the 60-day period beginning
11 on the date of completion of the preliminary evalua-
12 tion of the proposal by a Panel under subsection (c).

13 “(4) After a full review and evaluation of all
14 such challenge proposals submitted for such review
15 and evaluation are completed, including further con-
16 sideration under paragraph (2), the Under Secretary
17 shall submit to the congressional defense committees
18 a report containing a list of each challenge proposal
19 with an unfavorable evaluation, including an identi-
20 fication of each such challenge proposal returned to
21 an office for further consideration, and a detailed ra-
22 tionale for the unfavorable evaluations upon both
23 initial and further consideration (if any). Such re-
24 port shall be submitted not later than the expiration
25 of the 60-day period beginning on the date of com-

1 pletion of the last preliminary evaluation of the pro-
2 posals by a Panel under subsection (c).”.

3 (d) AMENDMENTS TO UNIT COST REPORTS PROVI-
4 SIONS.—

5 (1) ADDITIONAL ASSESSMENT REQUIRED UPON
6 BREACH OF CRITICAL COST GROWTH THRESHOLD.—
7 Section 2433(e)(2)(A) of title 10, United States
8 Code, is amended—

9 (A) by striking “and” at the end of clause
10 (ii);

11 (B) by inserting “and” at the end of clause
12 (iii); and

13 (C) by adding at the end the following new
14 clause:

15 “(iv) the availability of components, sub-
16 systems, or systems that may result in near-
17 term improvements in affordability of the pro-
18 gram, as identified under the Defense Acquisi-
19 tion Challenge Program through a solicitation
20 issued pursuant to section 2359b(c)(1)(C) of
21 this title;”.

22 (2) ADDITIONAL CERTIFICATION REQUIRED
23 UPON BREACH OF CRITICAL COST GROWTH THRESH-
24 OLD.—Section 2433(e)(2)(B) of such title is amend-
25 ed—

1 (A) by redesignating clauses (iii) and (iv)
2 as clauses (iv) and (v), respectively; and

3 (B) by inserting after clause (ii) the fol-
4 lowing new clause (iii):

5 “(iii) the Panel conducting preliminary
6 evaluation of challenge proposals submitted in
7 response to the solicitation issued under the De-
8 fense Acquisition Challenge Program pursuant
9 to section 2359b(c)(1)(C) of this title has iden-
10 tified no promising proposals meriting full re-
11 view and evaluation;”.

12 (3) ADDITIONAL INFORMATION IN CERTAIN RE-
13 PORT REQUIRED.—Section 2433(g)(1)(P)(vi) of such
14 title is amended by inserting after “of the program”
15 the following: “and design, engineering, manufac-
16 turing, or technology integration issues”.

17 (e) ADDITIONAL CONFORMING AMENDMENTS.—Sec-
18 tion 2359b of such title is further amended—

19 (1) in subsection (c)(8), as redesignated by sub-
20 section (a), by striking “paragraph (4)” and insert-
21 ing “paragraph (5)”;

22 (2) in subsection (d)(1), by striking “subsection
23 (c)(6)” and inserting “subsection (c)(8)”;

24 (3) in subsection (d)(2), by striking “subsection
25 (c)(4)” and inserting “subsection (c)(5)”; and

1 (4) in subsection (e)(1), by striking “subsection
2 (c)(4)” and inserting “subsection (c)(5)”.

3 **SEC. 806. MARKET RESEARCH REQUIRED FOR MAJOR DE-**
4 **FENSE ACQUISITION PROGRAMS BEFORE**
5 **PROCEEDING TO MILESTONE B.**

6 Section 2366a(a) of title 10, United States Code, is
7 amended—

8 (1) by redesignating paragraphs (1) through
9 (7) as paragraphs (2) through (8), respectively; and
10 (2) by inserting before paragraph (2) (as so re-
11 designated) the following new paragraph (1):

12 “(1) market research has been conducted prior
13 to technology development to reduce duplication of
14 existing technology and products;”.

15 **Subtitle B—Acquisition Policy and**
16 **Management**

17 **SEC. 811. APPLICABILITY OF STATUTORY EXECUTIVE COM-**
18 **PENSATION CAP MADE PROSPECTIVE.**

19 (a) **PROSPECTIVE APPLICABILITY OF EXECUTIVE**
20 **COMPENSATION CAP.**—Section 808(e)(2) of Public Law
21 105–85 (41 U.S.C. 435 note; 111 Stat. 1838) is amended
22 by striking “before, on,” and inserting “on”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
24 subsection (a) shall apply as if included in Public Law
25 105–85 as enacted.

1 **SEC. 812. PROHIBITION ON PROCUREMENT FROM BENE-**
2 **FICIARIES OF FOREIGN SUBSIDIES.**

3 (a) PROHIBITION.—The Secretary of Defense may
4 not enter into a contract for the procurement of goods
5 or services from any foreign person to which the govern-
6 ment of a foreign country that is a member of the World
7 Trade Organization has provided a subsidy if—

8 (1) the United States has requested consulta-
9 tions with that foreign country under the Agreement
10 on Subsidies and Countervailing Measures on the
11 basis that the subsidy is a prohibited subsidy under
12 that Agreement; and

13 (2) either—

14 (A) the issue before the World Trade Or-
15 ganization has not been resolved; or

16 (B) the World Trade Organization has
17 ruled that the subsidy provided by the foreign
18 country is a prohibited subsidy under the
19 Agreement on Subsidies and Countervailing
20 Measures.

21 (b) JOINT VENTURES.—The prohibition under sub-
22 section (a) with respect to a foreign person also applies
23 to any joint venture, cooperative organization, partner-
24 ship, or contracting team of which that foreign person is
25 a member.

1 (c) SUBCONTRACTS AND TASK ORDERS.—The prohi-
2 bition under subsection (a) with respect to a contract also
3 applies to any subcontracts at any tier entered into under
4 the contract and any task orders at any tier issued under
5 the contract.

6 (d) DEFINITIONS.—In this section:

7 (1) The term “Agreement on Subsidies and
8 Countervailing Measures” means the agreement de-
9 scribed in section 101(d)(12) of the Uruguay Round
10 Agreements Act (19 U.S.C. 3501(d)(12)).

11 (2) The term “foreign person” means—

12 (A) an individual who is not a United
13 States person or an alien lawfully admitted for
14 permanent residence into the United States; or

15 (B) a corporation, partnership, or other
16 nongovernmental entity which is not a United
17 States person.

18 (3) The term “United States person” means—

19 (A) a natural person who is a citizen of the
20 United States or who owes permanent alle-
21 giance to the United States; and

22 (B) a corporation or other legal entity
23 which is organized under the laws of the United
24 States, any State or territory thereof, or the
25 District of Columbia, if natural persons de-

1 scribed in subparagraph (A) own, directly or in-
2 directly, more than 50 percent of the out-
3 standing capital stock or other beneficial inter-
4 est in such legal entity.

5 (e) APPLICABILITY.—

6 (1) PROGRAMS WITH MILESTONE B APPROVAL
7 NOT COVERED.—The prohibition under subsection
8 (a) shall not apply to any contract under a major
9 defense acquisition program that has received Mile-
10 stone B approval as of the date of the enactment of
11 this Act.

12 (2) DEFINITIONS.—In this subsection:

13 (A) The term “major defense acquisition
14 program” means a Department of Defense ac-
15 quisition program that is a major defense ac-
16 quisition program for purposes of section 2430
17 of title 10, United States Code.

18 (B) The term “Milestone B approval” has
19 the meaning provided that term in section
20 2366(e)(7) of such title.

21 **SEC. 813. TIME-CERTAIN DEVELOPMENT FOR DEPARTMENT**
22 **OF DEFENSE INFORMATION TECHNOLOGY**
23 **BUSINESS SYSTEMS.**

24 (a) MILESTONE A LIMITATION.—The Department of
25 Defense executive or entity that is the milestone decision

1 authority for an information system described in sub-
2 section (c) may not provide Milestone A approval for the
3 system unless, as part of the decision process for such ap-
4 proval, that authority determines that the system will
5 achieve initial operational capability within five years of
6 such approval.

7 (b) INITIAL OPERATIONAL CAPABILITY LIMITA-
8 TION.—Funds appropriated or otherwise available to the
9 Department of Defense may not be obligated or expended
10 for an information system described in subsection (c) if
11 the system, having received Milestone A approval, has not
12 achieved initial operational capability within five years of
13 the date of such approval.

14 (c) COVERED SYSTEMS.—An information system de-
15 scribed in this subsection is any Department of Defense
16 information technology business system that is not a na-
17 tional security system, as defined in 3542(b)(2) of title
18 44, United States Code.

19 (d) APPLICABILITY TO EXISTING PROGRAMS.—

20 (1) WAIVER AUTHORITY FOR EXISTING PRO-
21 GRAMS IN DEVELOPMENT.—The Secretary of De-
22 fense may waive the applicability of subsection (b) in
23 the case of a program described in subsection (c)
24 that as of the date of the enactment of this Act has

1 received Milestone A approval but has not as of such
2 date achieved initial operational capability.

3 (2) INAPPLICABILITY TO PROGRAMS THROUGH
4 DEVELOPMENT.—This section does not apply to an
5 information system that achieved initial operational
6 capability before the date of the enactment of this
7 Act.

8 (e) DEFINITIONS.—In this section:

9 (1) MILESTONE DECISION AUTHORITY.—The
10 term “milestone decision authority” has the meaning
11 given that term in Department of Defense Instruc-
12 tion 5000.2, dated May 12, 2003.

13 (2) MILESTONE A.—The term “Milestone A”
14 has the meaning given that term in Department of
15 Defense Instruction 5000.2, dated May 12, 2003.

16 **SEC. 814. ESTABLISHMENT OF PANEL ON CONTRACTING IN-**
17 **TEGRITY.**

18 (a) ESTABLISHMENT.—

19 (1) IN GENERAL.—The Secretary of Defense
20 shall establish a panel to be known as the “Panel on
21 Contracting Integrity”.

22 (2) COMPOSITION.—The panel shall be com-
23 posed of the following:

24 (A) The Deputy Secretary of Defense, who
25 shall be the chairman of the panel.

1 (B) The service acquisition executive of
2 each military department.

3 (C) The Inspector General of the Depart-
4 ment of Defense.

5 (D) The Director of the Defense Logistics
6 Agency.

7 (E) The Director of the Defense Contract
8 Management Agency.

9 (F) The Director of the Defense Contract
10 Audit Agency.

11 (G) Such other members as determined ap-
12 propriate by the Secretary of Defense.

13 (b) DUTIES.—In addition to other matters assigned
14 to it by the Secretary of Defense, the panel shall—

15 (1) conduct reviews of progress made by the
16 Department of Defense to eliminate areas of vulner-
17 ability of the defense contracting system that allow
18 fraud, waste, and abuse to occur;

19 (2) review the report by the Comptroller Gen-
20 eral required by section 841 of the National Defense
21 Authorization Act for Fiscal Year 2006 (Public Law
22 109–163; 119 Stat. 3389), relating to areas of vul-
23 nerability of Department of Defense contracts to
24 fraud, waste, and abuse; and

1 (3) recommend changes in law, regulations, and
2 policy that it determines necessary to eliminate such
3 areas of vulnerability.

4 (c) MEETINGS.—The panel shall meet as determined
5 necessary by the Secretary of Defense but not less often
6 than once every six months.

7 (d) REPORT.—

8 (1) REQUIREMENT.—The panel shall prepare
9 and submit to the congressional defense committees
10 an annual report on its activities. The report shall
11 contain a summary of its findings and recommenda-
12 tions for the year covered by the report.

13 (2) FIRST REPORT.—The first report under this
14 subsection shall be submitted not later than 180
15 days after the date of the enactment of this Act and
16 shall contain an examination of the current struc-
17 ture in the Department of Defense for personnel ac-
18 countability relating to the contracting system and
19 recommendations for any changes needed to the sys-
20 tem of administrative safeguards and disciplinary
21 actions to ensure accountability at the appropriate
22 level for any violations of appropriate standards of
23 behavior in contracting.

1 **SEC. 815. AWARD AND INCENTIVE FEE CONTRACT STAND-**
2 **ARDS.**

3 (a) REQUIREMENT TO DEVELOP AND ISSUE STAND-
4 ARDS.—Not later than 90 days after the date of the enact-
5 ment of this Act, the Secretary of Defense shall develop
6 and issue—

7 (1) standards that link award and incentive fees
8 to desired program outcomes, such as meeting cost,
9 schedule, and capability goals;

10 (2) standards that identify the appropriate ap-
11 proving official level involved in awarding new con-
12 tracts utilizing award and incentive fees;

13 (3) guidance on when the use of rollover is ap-
14 propriate in terms of new contracts utilizing award
15 and incentive fees;

16 (4) performance measures to evaluate the effec-
17 tiveness of award and incentive fees as a tool for im-
18 proving contractor performance and achieving de-
19 sired program outcomes; and

20 (5) guidance for the development of a mecha-
21 nism to capture award and incentive fee data and to
22 share proven award and incentive fee strategies with
23 appropriate contracting and program officials at the
24 Department of Defense.

25 (b) DEFINITION.—In this section, the term “rollover”
26 means the process of moving unearned available award

1 and incentive fees from one evaluation period to a subse-
2 quent evaluation period, thereby providing the contractor
3 with an additional opportunity to earn that previously un-
4 earned award or incentive fee.

5 (c) REPORT.—Not later than one year after the date
6 of the enactment of this Act, the Secretary of Defense
7 shall submit to Congress a report on the status and effec-
8 tiveness of developing the standards required under sub-
9 section (a) for award and incentive fee contracts.

10 (d) SENSE OF CONGRESS.—It is the sense of Con-
11 gress that award and incentive fees should be used to mo-
12 tivate excellent contractor performance and that such fees
13 should not be awarded for below-satisfactory performance.

14 **SEC. 816. OVERSIGHT AND ACCOUNTABILITY OF CON-**
15 **TRACTOR PERSONNEL.**

16 (a) REPORT AND REQUIREMENTS RELATING TO
17 CONTRACTS TO BE PERFORMED IN IRAQ AND AFGHANI-
18 STAN.—

19 (1) INSPECTOR GENERAL REPORT.—Not later
20 than March 1, 2007, the Inspector General of the
21 Department of Defense shall submit to Congress a
22 report on overcharges discovered by the Inspector
23 General under contracts entered into by the Depart-
24 ment for work to be performed in Iraq and Afghani-
25 stan.

1 (2) ASSIGNMENT OF SUFFICIENT CONTRACTING
2 OFFICERS.—The Under Secretary of Defense for Ac-
3 quisition, Logistics, and Technology shall ensure
4 that sufficient contracting officers are assigned to
5 oversee and monitor contracts entered into by the
6 Department of Defense for work to be performed in
7 Iraq and Afghanistan.

8 (b) REQUIREMENTS RELATING TO EMPLOYEES OF
9 DEFENSE CONTRACTORS OPERATING OUTSIDE THE
10 UNITED STATES.—

11 (1) BACKGROUND CHECKS.—The Secretary of
12 Defense shall implement a policy for conducting
13 comprehensive background checks on foreign nation-
14 als hired by contractors (and subcontractors at any
15 tier) of the Department of Defense operating outside
16 the United States. The type of background check in-
17 cluded in such policy shall be suitable for employ-
18 ment screening and shall, at a minimum, include a
19 determination of whether the potential employee is
20 on a terrorist watch list or has a criminal record.
21 The policy shall provide for completing such back-
22 ground checks as quickly as possible.

23 (2) PROHIBITION ON HIRING CERTAIN EMPLOY-
24 EES.—A contractor (or subcontractor at any tier) of

1 the Department of Defense operating outside the
2 United States may not hire any person—

3 (A) who has been convicted of a violent fel-
4 ony; or

5 (B) who is determined by the Secretary of
6 Defense to have committed acts inconsistent
7 with the policy of the Department of Defense
8 on human rights.

9 (c) REPORT AND APPLICABILITY OF DEFENSE IN-
10 STRUCTION RELATING TO CONTRACTOR PERSONNEL AU-
11 THORIZED TO ACCOMPANY THE ARMED FORCES.—

12 (1) REPORT ON IMPLEMENTATION OF INSTRUC-
13 TION.—The Secretary of Defense shall submit to
14 Congress a report on the Department of Defense in-
15 struction described in paragraph (3). The report
16 shall include information on the status of the imple-
17 mentation of the instruction, how the instruction is
18 being enforced, and the effectiveness of the instruc-
19 tion.

20 (2) REQUIREMENT TO APPLY TO CONTRACTS.—
21 The Department of Defense instruction described in
22 paragraph (3) shall apply to—

23 (A) contracts entered into by the Depart-
24 ment of Defense after the date of the enact-
25 ment of this Act;

1 (B) task orders issued after the date of the
2 enactment of this Act under contracts in exist-
3 ence on the date of enactment of this Act; and

4 (C) contracts in existence on the date of
5 the enactment of this Act with respect to which
6 an option to extend the contract is exercised
7 after such date.

8 (3) INSTRUCTION DESCRIBED.—The instruction
9 referred to in this subsection is Department of De-
10 fense Instruction Number 3020.14, titled “Con-
11 tractor Personnel Authorized to Accompany the
12 United States Armed Forces”.

13 **Subtitle C—Amendments to Gen-**
14 **eral Contracting Authorities,**
15 **Procedures, and Limitations**

16 **SEC. 821. EXTENSION OF SPECIAL TEMPORARY CONTRACT**
17 **CLOSEOUT AUTHORITY.**

18 Section 804 of the National Defense Authorization
19 Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat.
20 1541) is amended in subsection (d) by striking “Sep-
21 tember 30, 2006” and inserting “September 30, 2007”.

1 **SEC. 822. LIMITATION ON CONTRACTS FOR THE ACQUISITION OF CERTAIN SERVICES.**
2

3 (a) **LIMITATION.**—Except as provided in subsection
4 (b), the Secretary of Defense may not enter into a contract
5 for covered services if the amount of the contract—

6 (1) exceeds 75 percent of the estimated value of
7 any asset required for the provision of services under
8 the contract, as of the date on which contract performance begins; or
9

10 (2) exceeds \$150,000,000 in payments over the
11 life of the contract assuming all options to extend
12 the contract are exercised.

13 (b) **WAIVER.**—The Secretary of Defense may waive
14 subsection (a) with respect to a contract for covered services if the Secretary—
15

16 (1) determines that a waiver is necessary for
17 national security purposes; and

18 (2) provides to the congressional defense committees an economic analysis as described in subsection (c) at least 30 days before the waiver takes
19 effect.
20
21

22 (c) **ECONOMIC ANALYSIS.**—The economic analysis
23 provided under subsection (b) shall include, at a minimum,
24 the following:

25 (1) A clear explanation of the need for the contract for covered services.
26

1 (2) An examination of at least two alternatives
2 for fulfilling the requirements that the contract is
3 meant to fulfill, including the following with respect
4 to each alternative:

5 (A) A rationale for including the alter-
6 native.

7 (B) A cost estimate of the alternative and
8 an analysis of the quality of each cost estimate.

9 (C) A discussion of the benefits to be real-
10 ized from the alternative.

11 (D) A best value determination of each al-
12 ternative and a detailed explanation of the life-
13 cycle cost calculations used in the determina-
14 tion.

15 (d) COVERED SERVICES.—The limitation in sub-
16 section (a) applies to any contract for the following types
17 of services:

18 (1) Operation, maintenance, or support of fa-
19 cilities or installations, or construction of facilities
20 needed for performing the contract.

21 (2) Maintenance or modification of aircraft,
22 ships, vehicles, or other highly complex military
23 equipment, or the provision of aircraft, ships, vehi-
24 cles, or other highly complex military equipment
25 needed for performing the contract.

1 (3) Specialized training necessitating high qual-
 2 ity instructor skills (for example, pilot and air crew
 3 members; foreign language training).

4 (4) Base services (for example, ground mainte-
 5 nance, in-plane refueling; bus transportation; refuse
 6 collection and disposal).

7 **SEC. 823. USE OF FEDERAL SUPPLY SCHEDULES BY STATE**
 8 **AND LOCAL GOVERNMENTS FOR GOODS AND**
 9 **SERVICES FOR RECOVERY FROM NATURAL**
 10 **DISASTERS, TERRORISM, OR NUCLEAR, BIO-**
 11 **LOGICAL, CHEMICAL, OR RADIOLOGICAL AT-**
 12 **TACK.**

13 (a) **AUTHORITY TO USE SUPPLY SCHEDULES FOR**
 14 **CERTAIN GOODS AND SERVICES.**—Section 502 of title 40,
 15 United States Code, is amended by adding at the end the
 16 following new subsection:

17 “(d) **USE OF SUPPLY SCHEDULES FOR CERTAIN**
 18 **GOODS AND SERVICES.**—

19 “(1) **IN GENERAL.**—The Administrator may
 20 provide for the use by State or local governments of
 21 Federal supply schedules of the General Services Ad-
 22 ministration for goods or services that are to be used
 23 to facilitate recovery from a major disaster declared
 24 by the President under the Robert T. Stafford Dis-
 25 aster Relief and Emergency Assistance Act (42

1 U.S.C. 5121 et seq.) or to facilitate recovery from
2 terrorism or nuclear, biological, chemical, or radio-
3 logical attack.

4 “(2) DETERMINATION BY SECRETARY OF
5 HOMELAND SECURITY.—The Secretary of Homeland
6 Security shall determine which goods and services
7 qualify as goods and services described in paragraph
8 (1) before the Administrator provides for the use of
9 the Federal supply schedule relating to such goods
10 and services.

11 “(3) VOLUNTARY USE.—In the case of the use
12 by a State or local government of a Federal supply
13 schedule pursuant to paragraph (1), participation by
14 a firm that sells to the Federal Government through
15 the supply schedule shall be voluntary with respect
16 to a sale to the State or local government through
17 such supply schedule.

18 “(4) DEFINITIONS.—The definitions in sub-
19 section (c)(3) shall apply for purposes of this sub-
20 section.”.

21 (b) PROCEDURES.—Not later than 30 days after the
22 date of the enactment of this Act, the Administrator of
23 General Services shall establish procedures to implement
24 section 502(d) of title 40, United States Code (as added
25 by subsection (a)).

1 **SEC. 824. WAIVERS TO EXTEND TASK ORDER CONTRACTS**
2 **FOR ADVISORY AND ASSISTANCE SERVICES.**

3 (a) DEFENSE CONTRACTS.—Section 2304b(b) of title
4 10, United States Code, is amended—

5 (1) by inserting “(1)” before “The period”;

6 (2) by inserting before the period the following:

7 “or a waiver is issued under paragraph (2)”; and

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

10 “(2) The head of an agency may issue a waiver
11 to extend a task order contract entered into under
12 this section for a period not exceeding 10 years,
13 through five one-year options, if the head of the
14 agency determines in writing—

15 “(A) that the contract provides engineering
16 or technical services of such a unique and sub-
17 stantial technical nature that award of a new
18 contract would be harmful to the continuity of
19 the program for which the services are per-
20 formed;

21 “(B) that award of a new contract would
22 create a large disruption in services provided to
23 the Department of Defense; and

24 “(C) the Department of Defense would en-
25 dure program risk during critical program

1 stages due to loss of program corporate knowl-
2 edge of ongoing program activities.”.

3 (b) CIVILIAN AGENCY CONTRACTS.—Section 303I(b)
4 of the Federal Property and Administrative Services Act
5 of 1949 (41 U.S.C. 253i) is amended—

6 (1) by inserting “(1)” before “The period”;

7 (2) by inserting before the period the following:
8 “or a waiver is issued under paragraph (2)”; and

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

11 “(2) An executive agency may issue a waiver to ex-
12 tend a task order contract entered into under this section
13 for a period not exceeding 10 years, through five one-year
14 options, if the head of the agency determines in writing—

15 “(A) that the contract provides engineering or
16 technical services of such a unique and substantial
17 technical nature that award of a new contract would
18 be harmful to the continuity of the program for
19 which the services are performed;

20 “(B) that award of a new contract would create
21 a large disruption in services provided to the execu-
22 tive agency; and

23 “(C) the executive agency would endure pro-
24 gram risk during critical program stages due to loss

1 of program corporate knowledge of ongoing program
2 activities.”.

3 (c) REPORT.—Not later than April 1, 2007, 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 advisory and assistance services. The
7 report shall include the following information:

8 (1) The methods used by the Department of
9 Defense to identify a contract as an advisory and as-
10 sistance services contract, as defined in section
11 2304b of title 10, United States Code.

12 (2) The number of such contracts awarded by
13 the Department during the five-year period pre-
14 ceding the date of enactment of this Act.

15 (3) The average annual expenditures by the De-
16 partment for such contracts.

17 (4) The average length of such contracts.

18 (5) The number of such contracts recompeted
19 and awarded to the previous award winner.

20 (6) The number of contractors performing such
21 contracts that previously qualified as a small busi-
22 ness but no longer qualify as a small business for a
23 recompetition.

24 (7) The number of such contracts required for
25 a period of greater than five years and a justifica-

1 tion of why those services are required for greater
2 than five years, including the rationale for not per-
3 forming the services inside the Department of De-
4 fense.

5 (8) The percentage of such contracts awarded
6 by the Department during the five-year period pre-
7 ceding the date of the enactment of this Act for as-
8 sistance in the introduction and transfer of engineer-
9 ing and technical knowledge for fielded systems,
10 equipment, and components.

11 (9) The actions taken by the Department to
12 prevent organizational conflicts of interest in the use
13 of such contracts.

14 (d) PROHIBITION ON USE OF AUTHORITY BY DE-
15 PARTMENT OF DEFENSE IF REPORT NOT SUBMITTED.—

16 The head of an agency may not issue a waiver under
17 2304b(b)(2) of title 10, United States Code, as added by
18 subsection (a), if the report required by subsection (c) is
19 not submitted by the date set forth in that subsection.

20 **SEC. 825. ENHANCED ACCESS FOR SMALL BUSINESS.**

21 Section 9(a) of the Contract Disputes Act of 1978
22 (41 U.S.C. 608) is amended by striking the period at the
23 end of the first sentence and inserting the following: “or,
24 in the case of a small business concern (as defined in the

1 Small Business Act and regulations under that Act),
2 \$150,000 or less.”.

3 **SEC. 826. PROCUREMENT GOAL FOR HISPANIC-SERVING IN-**
4 **STITUTIONS.**

5 Section 2323 of title 10, United States Code, is
6 amended—

7 (1) in subsection (a)(1)—

8 (A) by striking “and” at the end of sub-
9 paragraph (B);

10 (B) by striking the period at the end of
11 subparagraph (C) and inserting “; and”; and

12 (C) by adding at the end the following new
13 subparagraph:

14 “(D) Hispanic-serving institutions, as des-
15 ignated by the Department of Education.”;

16 (2) in subsection (a)(2)—

17 (A) by inserting after “historically Black
18 colleges and universities” the following: “, His-
19 panic-serving institutions,”; and

20 (B) by inserting after “such colleges and
21 universities” the following: “and institutions”;

22 (3) in subsection (c)(1), by inserting after “his-
23 torically Black colleges and universities” the fol-
24 lowing: “, Hispanic-serving institutions,”; and

1 (4) in subsection (c)(3), by inserting after “his-
2 torically Black colleges and universities” the fol-
3 lowing: “, to Hispanic-serving institutions,”.

4 **SEC. 827. PROHIBITION ON DEFENSE CONTRACTORS RE-**
5 **QUIRING LICENSES OR FEES FOR USE OF**
6 **MILITARY LIKENESSES AND DESIGNATIONS.**

7 The Secretary of Defense shall require that any con-
8 tract entered into or renewed by the Department of De-
9 fense include a provision prohibiting the contractor from
10 requiring toy and hobby manufacturers, distributors, or
11 merchants to obtain licenses from or pay fees to the con-
12 tractor for the use of military likenesses or designations
13 on items provided under the contract.

14 **Subtitle D—United States Defense**
15 **Industrial Base Provisions**

16 **SEC. 831. PROTECTION OF STRATEGIC MATERIALS CRIT-**
17 **ICAL TO NATIONAL SECURITY.**

18 (a) REQUIREMENT TO BUY FROM AMERICAN
19 SOURCES.—

20 (1) IN GENERAL.—Chapter 148 of title 10,
21 United States Code, is amended by inserting after
22 section 2533a the following new section:

1 **“§ 2533b. Requirement to buy strategic materials crit-**
2 **ical to national security from American**
3 **sources; exceptions**

4 “(a) REQUIREMENT.—Except as provided in sub-
5 sections (c) through (h), funds appropriated or otherwise
6 available to the Department of Defense may not be used
7 for the procurement of an item described in subsection (b)
8 if the item is not reprocessed, reused, or produced in the
9 United States.

10 “(b) COVERED ITEMS.—An item referred to in sub-
11 section (a) is any of the following:

12 “(1) A specialty metal.

13 “(2) An item critical to national security, as de-
14 termined by the Strategic Materials Protection
15 Board.

16 “(c) AVAILABILITY EXCEPTION.—Subsection (a)
17 does not apply to the extent that the Secretary of Defense
18 or the Secretary of the military department concerned de-
19 termines that satisfactory quality and sufficient quantity
20 of any item described in subsection (b) cannot be procured
21 as and when needed.

22 “(d) EXCEPTION FOR CERTAIN PROCUREMENTS.—
23 Subsection (a) does not apply to the following:

24 “(1) Procurements outside the United States in
25 support of combat operations or in support of con-
26 tingency operations.

1 “(2) Procurements by vessels in foreign waters
2 for use of the item.

3 “(3) Procurements for which the use of proce-
4 dures other than competitive procedures has been
5 approved on the basis of section 2304(c)(2) of this
6 title, relating to unusual and compelling urgency of
7 need.

8 “(e) EXCEPTION RELATING TO AGREEMENTS WITH
9 FOREIGN GOVERNMENTS.—Subsection (a) does not pre-
10 clude the procurement of an item described in subsection
11 (b) if—

12 “(1) the procurement is necessary—

13 “(A) to comply with agreements with for-
14 eign governments requiring the United States
15 to purchase supplies from foreign sources for
16 the purposes of offsetting sales made by the
17 United States Government or United States
18 firms under approved programs serving defense
19 requirements; or

20 “(B) in furtherance of agreements with
21 foreign governments in which both such govern-
22 ments agree to remove barriers to purchases of
23 supplies produced in the other country or serv-
24 ices performed by sources of the other country;

1 “(2) any such agreement with a foreign govern-
2 ment complies, where applicable, with the require-
3 ments of section 36 of the Arms Export Control Act
4 (22 U.S.C. 2776) and with section 2457 of this title;
5 and

6 “(3) the item is grown, produced, or manufac-
7 tured in the United States or in the country from
8 which it is procured.

9 “(f) EXCEPTION FOR COMMISSARIES, EXCHANGES,
10 AND OTHER NONAPPROPRIATED FUND INSTRUMENTAL-
11 ITIES.—Subsection (a) does not apply to items purchased
12 for resale purposes in commissaries, exchanges, and non-
13 appropriated fund instrumentalities operated by the De-
14 partment of Defense.

15 “(g) EXCEPTION FOR SMALL PURCHASES.—Sub-
16 section (a) does not apply to procurements in amounts not
17 greater than the simplified acquisition threshold referred
18 to in section 2304(g) of this title.

19 “(h) APPLICABILITY TO PROCUREMENTS OF COM-
20 MERCIAL ITEMS.—This section applies to procurements of
21 commercial items notwithstanding section 34 of the Office
22 of Federal Procurement Policy Act (41 U.S.C. 430).

23 “(i) APPLICABILITY TO SUBCONTRACTS.—This sec-
24 tion applies to subcontracts at any tier under a prime con-
25 tract.

1 “(j) APPLICABILITY TO NONCOMPLIANT COMPO-
2 NENTS.—A procurement subject to subsection (a) shall
3 not be considered to be in compliance with subsection (a)
4 if noncompliant components are delivered under the pro-
5 curement without charge to the Federal Government. In
6 this subsection, the term ‘noncompliant component’ means
7 a component that is not reprocessed, reused, or produced
8 in the United States.

9 “(k) SPECIALTY METAL DEFINED.—In this section,
10 the term ‘specialty metal’ means any of the following:

11 “(1) Steel—

12 “(A) with a maximum alloy content ex-
13 ceeding one or more of the following limits:
14 manganese, 1.65 percent; silicon, 0.60 percent;
15 or copper, 0.60 percent; or

16 “(B) containing more than 0.25 percent of
17 any of the following elements: aluminum, chro-
18 mium, cobalt, columbium, molybdenum, nickel,
19 titanium, tungsten, or vanadium.

20 “(2) Metal alloys consisting of nickel, iron-nick-
21 el, and cobalt base alloys containing a total of other
22 alloying metals (except iron) in excess of 10 percent.

23 “(3) Titanium and titanium alloys.

24 “(4) Zirconium and zirconium base alloys.

1 “(5) A metal determined by the Strategic Mate-
2 rials Protection Board (established under section
3 187 of this title) to be a specialty metal critical to
4 national security.

5 “(1) ADDITIONAL DEFINITIONS.—In this section:

6 “(1) The term ‘United States’ includes posses-
7 sions of the United States.

8 “(2) The term ‘micropurchase’ means a pro-
9 curement in an amount not greater than the micro-
10 purchase threshold, as defined by section 32(f) of
11 the Office of Federal Procurement Policy Act (41
12 U.S.C. 428).

13 “(3) The term ‘component’ has the meaning
14 provided in section 4 of such Act (41 U.S.C. 403).”.

15 (2) CLERICAL AMENDMENT.—The table of sec-
16 tions at the beginning of such chapter is amended
17 by adding at the end the following new item:

 “2533b. Requirement to buy strategic materials critical to national security from
 American sources; exceptions.”.

18 (3) CONFORMING AMENDMENTS.—Section
19 2533a of title 10, United States Code, is amended—

20 (A) by striking paragraph (2) of subsection

21 (b);

22 (B) in subsection (c), by striking “or spe-
23 cialty metals (including stainless steel flat-
24 ware)”; and

1 (C) in subsection (e)—

2 (i) by striking “SPECIALTY METALS
3 AND” in the heading; and

4 (ii) by striking “specialty metals or”.

5 (4) EFFECTIVE DATES.—

6 (A) Section 2533b of title 10, United
7 States Code, as added by paragraph (1), shall
8 apply with respect to contracts entered into
9 after the date occurring 30 days after the date
10 of the enactment of this Act.

11 (B) The amendments made by paragraph
12 (3) shall take effect on the date occurring 30
13 days after the date of the enactment of this
14 Act.

15 (b) ONE-TIME INADVERTENT MICROPURCHASE
16 WAIVER OF SPECIALTY METALS DOMESTIC SOURCE RE-
17 QUIREMENT.—

18 (1) NOTICE OF NONCOMPLIANCE.—In the case
19 of a contract with the Department of Defense in ef-
20 fect before the date of the enactment of this Act
21 with respect to which the contracting officer for the
22 contract determines the contractor is not in compli-
23 ance with section 2533a of title 10, United States
24 Code (as in effect before such date of enactment)

1 with respect to specialty metals, the contracting offi-
2 cer shall—

3 (A) post a notice on FedBizOpps.gov that
4 the contractor is not in compliance with such
5 section;

6 (B) notify the contractor (and any subcon-
7 tractor under the prime contract that is also
8 noncompliant) in writing that the contractor (or
9 subcontractor) is not in compliance with such
10 section; and

11 (C) require the contractor and any subcon-
12 tractor notified under subparagraph (B) to sub-
13 mit to the contracting officer a compliance plan
14 for becoming compliant with such section.

15 (2) WAIVER AUTHORITY.—In the case of a con-
16 tract described in paragraph (1), the contracting of-
17 ficer for the contract may waive the applicability to
18 the contract of section 2533a of title 10, United
19 States Code (as in effect before such date of enact-
20 ment) with respect to specialty metals if—

21 (A) the procurement is a micropurchase of
22 components (whether in a prime contract or a
23 subcontract under such contract) and the ag-
24 gregate value of all such procurements in the
25 prime contract and all the subcontracts under

1 such contract does not exceed 1 percent of the
2 amount of the contract or \$100,000, whichever
3 is less;

4 (B) the contracting officer determines in
5 writing that the contractor was and continues
6 to be inadvertently not in compliance with such
7 section with respect to such metals and the con-
8 tractor has submitted a compliance plan under
9 paragraph (1)(C); and

10 (C) the Secretary of the military depart-
11 ment concerned approves the waiver.

12 (3) NOTICE.—Not later than 15 days after a
13 contracting officer makes a determination under
14 paragraph (2)(B) with respect to a contract, the
15 contracting officer shall post a notice on
16 FedBizOpps.gov that a waiver has been granted for
17 the contract under this subsection. The notice shall
18 include information about the applicability of section
19 1001 of title 18, United States Code (relating to
20 criminal penalties for false statements).

21 (4) CHALLENGE PERIOD.—

22 (A) During the 15-day period beginning on
23 the date of the posting of a notice of a waiver
24 under paragraph (3) for a contract (in this sub-
25 section referred to as the “challenge period”),

1 the contracting officer shall accept challenges
2 submitted with respect to the contract.

3 (B) For purposes of this paragraph, a
4 challenge, with respect to a contract for which
5 a waiver has been granted under this sub-
6 section, is a submission of information by an
7 entity (referred to as a “challenger” in this sec-
8 tion) stating that the challenger can provide the
9 specialty metals needed for performance of the
10 contract and can certify in writing that the
11 metals are reprocessed, reused, or produced in
12 the United States. The information shall be
13 submitted to the contracting officer in such
14 form and manner as may be prescribed by the
15 Under Secretary of Defense for Acquisition,
16 Technology, and Logistics.

17 (5) DETERMINATION BY CONTRACTING OFFI-
18 CER.—During the 15-day period beginning on the
19 day after the end of the challenge period with re-
20 spect to a contract, if any challenge has been sub-
21 mitted to the contracting officer, the contracting of-
22 ficer shall make a determination regarding whether
23 the challenger can provide the specialty metals for
24 the components concerned in sufficient quantity, of

1 satisfactory quality, within a reasonable time, and at
2 a cost that is not unreasonable.

3 (6) RESCISSION OF WAIVER.—(A) Except as
4 provided in subparagraph (B), if the determination
5 under paragraph (5) is in the affirmative, the con-
6 tracting officer shall—

7 (i) rescind the waiver granted with respect
8 to the contract under this subsection; and

9 (ii) require the contractor to comply with
10 subsection (a) by purchasing specialty metals
11 from the challenger.

12 (B) If the contracting officer makes a deter-
13 mination in the affirmative under paragraph (5)
14 with respect to two or more challengers, the con-
15 tracting officer shall select or require the contractor
16 to select, in such manner as the contracting officer
17 considers appropriate, the challenger to provide spe-
18 cialty metals under the contract.

19 (7) DEFINITIONS.—In this subsection:

20 (A) The term “micropurchase” means a
21 procurement in an amount not greater than the
22 micropurchase threshold, as defined by section
23 32(f) of the Office of Federal Procurement Pol-
24 icy Act (41 U.S.C. 428).

1 (B) The term “component” has the mean-
2 ing provided in section 4 of such Act (41
3 U.S.C. 403).

4 (C) The term “FedBizOpps.gov” means
5 the website maintained by the General Services
6 Administration known as FedBizOpps.gov (or
7 any successor site).

8 (8) TERMINATION OF WAIVER AUTHORITY.—A
9 contracting officer may exercise the waiver authority
10 under this subsection only after the date of the en-
11 actment of this Act and before July 1, 2008.

12 **SEC. 832. STRATEGIC MATERIALS PROTECTION BOARD.**

13 (a) IN GENERAL.—Chapter 7 of title 10, United
14 States Code, is amended by adding at the end the fol-
15 lowing new section:

16 **“§ 187. Strategic Materials Protection Board**

17 “(a) ESTABLISHMENT.—(1) The Secretary of De-
18 fense shall establish a Strategic Materials Protection
19 Board.

20 “(2) The Board shall be composed of the following:

21 “(A) The Secretary of Defense, who shall be
22 the chairman of the Board.

23 “(B) The Under Secretary of Defense for Ac-
24 quisition, Technology, and Logistics.

1 “(C) The Under Secretary of Defense for Intel-
2 ligence.

3 “(D) The Secretary of the Army.

4 “(E) The Secretary of the Navy.

5 “(F) The Secretary of the Air Force.

6 “(b) DUTIES.—In addition to other matters assigned
7 to it by the Secretary of Defense, the Board shall—

8 “(1) determine the need to provide a long term
9 domestic supply of items designated as critical to na-
10 tional security to ensure that national defense needs
11 are met;

12 “(2) analyze the risk associated with each item
13 designated as critical to national security and the af-
14 fect on national defense that the nonavailability of
15 such item from a domestic source would have;

16 “(3) recommend a strategy to the President to
17 ensure the domestic availability of items designated
18 as critical to national security;

19 “(4) recommend such other strategies to the
20 President as the Board considers appropriate to
21 strengthen the industrial base with respect to items
22 critical to national security; and

23 “(5) publish, not less frequently than once
24 every two years, in the Federal Register a list of
25 items determined to be critical to national security,

1 including a list of specialty metals determined to be
2 critical to national security for purposes of section
3 2533b of this title (and referred to in section
4 2533b(1)((1)(5) of such title).

5 “(c) MEETINGS.—The Board shall meet as deter-
6 mined necessary by the Secretary of Defense but not less
7 frequently than once every two years to—

8 “(1) determine and publish a list of items crit-
9 ical to national security as described in subsection
10 (b)(5); and

11 “(2) review items previously determined by the
12 Board to be critical to national security, including
13 specialty metals critical to national security for pur-
14 poses of section 2533b of this title, to determine the
15 appropriateness of their continuing classification as
16 critical to national security.

17 “(d) REPORTS.—After each meeting of the Board,
18 the Board shall prepare and submit to Congress a report
19 containing the results of the meeting and such rec-
20 ommendations as the Board determines appropriate.

21 “(e) REMOVAL OF ITEMS FROM LIST.—The Board
22 may not remove from the list referred to in subsection
23 (b)(5) an item previously determined to be critical to na-
24 tional security by the Board until a period of 30 days ex-

1 pires after the Board submits to the congressional defense
2 committees a written notification of the removal.”.

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

“187. Strategic Materials Protection Board.”.

6 (c) FIRST MEETING OF BOARD.—The first meeting
7 of the Strategic Materials Protection Board, established
8 by section 187 of title 10, United States Code (as added
9 by paragraph (1)) shall be not later than 180 days after
10 the date of the enactment of this Act.

11 **TITLE IX—DEPARTMENT OF DE-**
12 **FENSE ORGANIZATION AND**
13 **MANAGEMENT**

Subtitle A—Department of Defense Management

- Sec. 901. Standardization of statutory references to “national security system” within laws applicable to Department of Defense.
- Sec. 902. Correction of reference to predecessor of Defense Information Systems Agency.
- Sec. 903. Addition to membership of specified council.
- Sec. 904. Consolidation and standardization of authorities relating to Department of Defense Regional Centers for Security Studies.
- Sec. 905. Redesignation of the Department of the Navy as the Department of the Navy and Marine Corps.

Subtitle B—Space Activities

- Sec. 911. Designation of successor organizations for the disestablished Interagency Global Positioning Executive Board.
- Sec. 912. Extension of authority for pilot program for provision of space surveillance network services to non-United States Government entities.
- Sec. 913. Operationally Responsive Space.

Subtitle C—Chemical Demilitarization Program

- Sec. 921. Transfer to Secretary of the Army of responsibility for Assembled Chemical Weapons Alternatives Program.

Sec. 922. Comptroller General review of cost-benefit analysis of off-site versus on-site treatment and disposal of hydrolysate derived from neutralization of VX nerve gas at Newport Chemical Depot, Indiana.

Sec. 923. Sense of Congress regarding the safe and expeditious disposal of chemical weapons.

Subtitle D—Intelligence-Related Matters

Sec. 931. Repeal of termination of authority of Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

1 **Subtitle A—Department of Defense**
 2 **Management**

3 **SEC. 901. STANDARDIZATION OF STATUTORY REFERENCES**
 4 **TO “NATIONAL SECURITY SYSTEM” WITHIN**
 5 **LAWS APPLICABLE TO DEPARTMENT OF DE-**
 6 **FENSE.**

7 (a) DEFENSE BUSINESS SYSTEMS.—Section
 8 2222(j)(6) of title 10, United States Code, is amended by
 9 striking “in section 2315 of this title” and inserting “in
 10 section 3542(b)(2) of title 44”.

11 (b) CHIEF INFORMATION OFFICER RESPONSIBIL-
 12 ITIES.—Section 2223(c)(3) of such title is amended by
 13 striking “section 11103 of title 40” and inserting “section
 14 3542(b)(2) of title 44”.

15 (c) PROCUREMENT OF AUTOMATIC DATA PROC-
 16 ESSING EQUIPMENT AND SERVICES.—The text of section
 17 2315 of such title is amended to read as follows:

18 “For purposes of subtitle III of title 40, the term ‘na-
 19 tional security system’, with respect to a telecommuni-
 20 cations and information system operated by the Depart-

1 ment of Defense, has the meaning given that term by sec-
2 tion 3542(b)(2) of title 44.”

3 **SEC. 902. CORRECTION OF REFERENCE TO PREDECESSOR**
4 **OF DEFENSE INFORMATION SYSTEMS AGEN-**
5 **CY.**

6 Paragraph (1) of section 193(f) of title 10, United
7 States Code, is amended to read as follows:

8 “(1) The Defense Information Systems Agen-
9 cy.”

10 **SEC. 903. ADDITION TO MEMBERSHIP OF SPECIFIED COUN-**
11 **CIL.**

12 Section 179(a) of title 10, United States Code, is
13 amended by adding at the end the following new para-
14 graph:

15 “(5) The commander of the United States Stra-
16 tegic Command.”

17 **SEC. 904. CONSOLIDATION AND STANDARDIZATION OF AU-**
18 **THORITIES RELATING TO DEPARTMENT OF**
19 **DEFENSE REGIONAL CENTERS FOR SECU-**
20 **RITY STUDIES.**

21 (a) BASIC AUTHORITIES FOR REGIONAL CENTERS.—

22 (1) IN GENERAL.—Section 184 of title 10,
23 United States Code, is amended to read as follows:

1 **“§ 184. Regional Centers for Security Studies**

2 “(a) IN GENERAL.—The Secretary of Defense shall
3 administer the Department of Defense Regional Centers
4 for Security Studies in accordance with this section as
5 international venues for bilateral and multilateral re-
6 search, communication, and exchange of ideas involving
7 military and civilian participants.

8 “(b) REGIONAL CENTERS SPECIFIED.—(1) A De-
9 partment of Defense Regional Center for Security Studies
10 is a Department of Defense institution that—

11 “(A) is operated, and designated as such, by
12 the Secretary of Defense for the study of security
13 issues relating to a specified geographic region of
14 the world; and

15 “(B) serves as a forum for bilateral and multi-
16 lateral research, communication, and exchange of
17 ideas involving military and civilian participants.

18 “(2) The Department of Defense Regional Centers
19 for Security Studies are the following:

20 “(A) The George C. Marshall European Center
21 for Security Studies, established in 1993 and located
22 in Garmisch-Partenkirchen, Germany.

23 “(B) The Asia-Pacific Center for Security Stud-
24 ies, established in 1995 and located in Honolulu,
25 Hawaii.

1 “(C) The Center for Hemispheric Defense
2 Studies, established in 1997 and located in Wash-
3 ington, D.C.

4 “(D) The Africa Center for Strategic Studies,
5 established in 1999 and located in Washington, D.C.

6 “(E) The Near East South Asia Center for
7 Strategic Studies, established in 2000 and located in
8 Washington, D.C.

9 “(3) No institution or element of the Department of
10 Defense may be designated as a Department of Defense
11 Regional Center for Security Studies for purposes of this
12 section, other than the institutions specified in paragraph
13 (2), except as specifically provided by law after the date
14 of the enactment of this section.

15 “(c) REGULATIONS.—The administration of the Re-
16 gional Centers under this section shall be carried out
17 under regulations prescribed by the Secretary.

18 “(d) PARTICIPATION.—Participants in activities of
19 the Regional Centers may include United States military
20 and civilian personnel, governmental and nongovernmental
21 personnel, and foreign military and civilian, governmental
22 and nongovernmental personnel.

23 “(e) EMPLOYMENT AND COMPENSATION OF FAC-
24 ULTY.—At each Regional Center, the Secretary may, sub-
25 ject to appropriations—

1 “(1) employ a Director, a Deputy Director, and
2 as many civilians as professors, instructors, and lec-
3 turers as the Secretary considers necessary; and

4 “(2) prescribe the compensation of such per-
5 sons, in accordance with Federal guidelines.

6 “(f) PAYMENT OF COSTS.—(1) Participation in ac-
7 tivities of a Regional Center shall be on a reimbursable
8 basis (or by payment in advance), except in a case in
9 which reimbursement is waived in accordance with para-
10 graph (3).

11 “(2) For a foreign national participant, payment of
12 costs may be made by the participant, the participant’s
13 own government, by a Department or agency of the United
14 States other than the Department of Defense, or by a gift
15 or donation on behalf of one or more Regional Centers
16 accepted under section 2611 of this title on behalf of the
17 participant’s government.

18 “(3) The Secretary of Defense may waive reimburse-
19 ment of the costs of activities of the Regional Centers for
20 foreign military officers and foreign defense and security
21 civilian government officials from a developing country if
22 the Secretary determines that attendance of such per-
23 sonnel without reimbursement is in the national security
24 interest of the United States. Costs for which reimburse-

1 ment is waived pursuant to this paragraph shall be paid
2 from appropriations available to the Regional Centers.

3 “(4) Funds accepted for the payment of costs shall
4 be credited to the appropriation then currently available
5 to the Department of Defense for the Regional Center that
6 incurred the costs. Funds so credited shall be merged with
7 the appropriation to which credited and shall be available
8 to that Regional Center for the same purposes and same
9 period as the appropriation with which merged.

10 “(5) Funds available for the payment of personnel
11 expenses under the Latin American cooperation authority
12 set forth in section 1050 of this title are also available
13 for the costs of the operation of the Center for Hemi-
14 spheric Defense Studies.

15 “(g) SUPPORT TO OTHER AGENCIES.—The Director
16 of a Regional Center may enter into agreements with the
17 Secretaries of the military departments, the heads of the
18 Defense Agencies, and, with the concurrence of the Sec-
19 retary of Defense, the heads of other Federal departments
20 and agencies for the provision of services by that Regional
21 Center under this section. Any such participating depart-
22 ment and agency shall transfer to the Regional Center
23 funds to pay the full costs of the services received.

24 “(h) ANNUAL REPORT.—Not later than February 1
25 of each year, the Secretary of Defense shall submit to the

1 Committee on Armed Services of the Senate and the Com-
 2 mittee on Armed Services of the House of Representatives
 3 a report on the operation of the Regional Centers for secu-
 4 rity studies during the preceding fiscal year. The annual
 5 report shall include, for each Regional Center, the fol-
 6 lowing information:

7 “(1) The status and objectives of the center.

8 “(2) The budget of the center, including the
 9 costs of operating the center.

10 “(3) A description of the extent of the inter-
 11 national participation in the programs of the center,
 12 including the costs incurred by the United States for
 13 the participation of each foreign nation.

14 “(4) A description of the foreign gifts and do-
 15 nations, if any, accepted under section 2611 of this
 16 title.”.

17 (2) CLERICAL AMENDMENT.—The item relating
 18 to such section in the table of sections at the begin-
 19 ning of chapter 7 of such title is amended to read
 20 as follows:

“184. Regional Centers for Security Studies.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) EMPLOYMENT AND COMPENSATION AU-
 23 THORITY FOR CIVILIAN FACULTY.—Section 1595 of
 24 title 10, United States Code, is amended—

25 (A) in subsection (c)—

- 1 (i) by striking paragraphs (3) and (5);
2 and
3 (ii) by redesignating paragraphs (4)
4 and (6) as paragraphs (3) and (4), respec-
5 tively; and
6 (B) by striking subsection (e).

7 (2) STATUS OF CENTER FOR HEMISPHERIC DE-
8 FENSE STUDIES.—Section 2165 of title 10, United
9 States Code, is amended—

- 10 (A) in subsection (b)—
11 (i) by striking paragraph (6); and
12 (ii) by redesignating paragraph (7) as
13 paragraph (6); and
14 (B) by striking subsection (c).

15 **SEC. 905. REDESIGNATION OF THE DEPARTMENT OF THE**
16 **NAVY AS THE DEPARTMENT OF THE NAVY**
17 **AND MARINE CORPS.**

18 (a) REDESIGNATION OF MILITARY DEPARTMENT.—
19 The military department designated as the Department of
20 the Navy is redesignated as the Department of the Navy
21 and Marine Corps.

22 (b) REDESIGNATION OF SECRETARY AND OTHER
23 STATUTORY OFFICES.—

1 (1) SECRETARY.—The position of the Secretary
2 of the Navy is redesignated as the Secretary of the
3 Navy and Marine Corps.

4 (2) OTHER STATUTORY OFFICES.—The posi-
5 tions of the Under Secretary of the Navy, the four
6 Assistant Secretaries of the Navy, and the General
7 Counsel of the Department of the Navy are redesign-
8 ated as the Under Secretary of the Navy and Ma-
9 rine Corps, the Assistant Secretaries of the Navy
10 and Marine Corps, and the General Counsel of the
11 Department of the Navy and Marine Corps, respec-
12 tively.

13 (c) CONFORMING AMENDMENTS TO TITLE 10,
14 UNITED STATES CODE.—

15 (1) DEFINITION OF “MILITARY DEPART-
16 MENT”.—Paragraph (8) of section 101(a) of title
17 10, United States Code, is amended to read as fol-
18 lows:

19 “(8) The term ‘military department’ means the
20 Department of the Army, the Department of the
21 Navy and Marine Corps, and the Department of the
22 Air Force.”.

23 (2) ORGANIZATION OF DEPARTMENT.—The text
24 of section 5011 of such title is amended to read as
25 follows: “The Department of the Navy and Marine

1 Corps is separately organized under the Secretary of
2 the Navy and Marine Corps.”.

3 (3) POSITION OF SECRETARY.—Section
4 5013(a)(1) of such title is amended by striking
5 “There is a Secretary of the Navy” and inserting
6 “There is a Secretary of the Navy and Marine
7 Corps”.

8 (4) CHAPTER HEADINGS.—

9 (A) The heading of chapter 503 of such
10 title is amended to read as follows:

11 **“CHAPTER 503—DEPARTMENT OF THE**
12 **NAVY AND MARINE CORPS”.**

13 (B) The heading of chapter 507 of such
14 title is amended to read as follows:

15 **“CHAPTER 507—COMPOSITION OF THE DE-**
16 **PARTMENT OF THE NAVY AND MARINE**
17 **CORPS”.**

18 (5) OTHER AMENDMENTS.—

19 (A) Title 10, United States Code, is
20 amended by striking “Department of the Navy”
21 and “Secretary of the Navy” each place they
22 appear other than as specified in paragraphs
23 (1), (2), (3), and (4) (including in section head-
24 ings, subsection captions, tables of chapters,
25 and tables of sections) and inserting “Depart-

1 ment of the Navy and Marine Corps” and “Sec-
2 retary of the Navy and Marine Corps”, respec-
3 tively, in each case with the matter inserted to
4 be in the same typeface and typestyle as the
5 matter stricken.

6 (B)(i) Sections 5013(f), 5014(b)(2),
7 5016(a), 5017(2), 5032(a), and 5042(a) of
8 such title are amended by striking “Assistant
9 Secretaries of the Navy” and inserting “Assist-
10 ant Secretaries of the Navy and Marine Corps”.

11 (ii) The heading of section 5016 of such
12 title, and the item relating to such section in
13 the table of sections at the beginning of chapter
14 503 of such title, are each amended by insert-
15 ing “and Marine Corps” after “of the Navy”,
16 with the matter inserted in each case to be in
17 the same typeface and typestyle as the matter
18 amended.

19 (d) TITLE 37, UNITED STATES CODE.—Title 37,
20 United States Code, is amended by striking “Department
21 of the Navy” and “Secretary of the Navy” each place they
22 appear and inserting “Department of the Navy and Ma-
23 rine Corps” and “Secretary of the Navy and Marine
24 Corps”, respectively.

1 (e) OTHER REFERENCES.—Any reference in any law
2 other than in title 10 or title 37, United States Code, or
3 in any regulation, document, record, or other paper of the
4 United States, to the Department of the Navy shall be
5 considered to be a reference to the Department of the
6 Navy and Marine Corps. Any such reference to an office
7 specified in subsection (b)(2) shall be considered to be a
8 reference to that office as redesignated by that subsection.

9 (f) EFFECTIVE DATE.—This section and the amend-
10 ments made by this section shall take effect on the first
11 day of the first month beginning more than 60 days after
12 the date of the enactment of this Act.

13 **Subtitle B—Space Activities**

14 **SEC. 911. DESIGNATION OF SUCCESSOR ORGANIZATIONS** 15 **FOR THE DISESTABLISHED INTERAGENCY** 16 **GLOBAL POSITIONING EXECUTIVE BOARD.**

17 (a) SUCCESSOR ORGANIZATIONS.—Section 8 of the
18 Commercial Space Transportation Competitiveness Act of
19 2000 (10 U.S.C. 2281 note) is amended by striking “by
20 Congress” and all that follows and inserting “for the func-
21 tions and activities of the following organizations estab-
22 lished pursuant to the national security presidential direc-
23 tive issued December 8, 2004 (and any successor organi-
24 zation, to the extent the successor organization performs
25 the functions of the specified organization):

1 (1) ESTABLISHMENT OF OFFICE.—Section
2 2273a of title 10, United States Code, is amended
3 to read as follows:

4 **“§ 2273a. Operationally Responsive Space Program**
5 **Office**

6 “(a) ESTABLISHMENT OF OFFICE.—(1) The Sec-
7 retary of Defense shall establish within the Department
8 of Defense an office to be known as the Operationally Re-
9 sponsive Space Program Office.

10 “(2) The head of the Office shall be the official in
11 the Department of Defense who is designated by the Sec-
12 retary of Defense as the Department of Defense Executive
13 Agent for Space.

14 “(b) MISSION.—The mission of the Office shall be to
15 contribute to the development of low-cost, rapid reaction
16 payloads, spacelift, and launch control capabilities in order
17 to fulfill joint military operational requirements for on-de-
18 mand space support or reconstitution. The Office shall
19 manage the program element required under subsection
20 (g).

21 “(c) ORGANIZATION.—The Office shall be organized
22 into integrated and co-located elements that include the
23 following:

1 “(1) A science and technology section, which
2 shall perform the functions specified in subsection
3 (d).

4 “(2) An operations section, which shall perform
5 the functions specified in subsection (e).

6 “(3) An acquisition section, which shall perform
7 the functions specified in subsection (f).

8 “(d) SCIENCE AND TECHNOLOGY.—As directed by
9 the head of the Office, the science and technology section
10 shall pursue innovative approaches to the development of
11 capabilities for operationally responsive space through
12 basic and applied research focused on (but not limited to)
13 payloads, bus, and launch equipment.

14 “(e) OPERATIONS.—As directed by the head of the
15 Office, the operations section shall serve as the primary
16 intermediary between the Office and the combatant com-
17 mands in order to—

18 “(1) ascertain the needs of the warfighter; and

19 “(2) integrate operationally responsive space capabili-
20 ties into—

21 “(A) operations plans of the combatant com-
22 mands;

23 “(B) techniques, tactics, and procedures of the
24 military departments; and

1 “(C) military exercises, demonstrations, and
2 war games.

3 “(f) ACQUISITION.—(1) As directed by the head of
4 the Office, the acquisition section shall undertake the ac-
5 quisition of systems necessary to integrate, sustain, and
6 launch assets for operationally responsive space.

7 “(2) In the case of any system or subsystem to be
8 acquired by the Office, the acquisition may be carried out
9 only after the commander of the United States Strategic
10 Command has validated the system requirements for the
11 system or subsystem to be acquired.

12 “(3) The commander of the United States Strategic
13 Command shall participate in the approval of any acquisi-
14 tion program initiated by the Office.

15 “(g) REQUIRED PROGRAM ELEMENT.—(1) The Sec-
16 retary of Defense shall ensure that, within budget pro-
17 gram elements for space programs of the Department of
18 Defense—

19 “(A) that there is a separate, dedicated pro-
20 gram element for operationally responsive national
21 security payloads and buses of the Department of
22 Defense for space satellites; and

23 “(B) that programs and activities for such pay-
24 loads and buses are planned, programmed, and
25 budgeted for through that program element.

1 “(2) In this subsection, the term ‘operationally re-
2 sponsive’, with respect to a national security payload and
3 bus for a space satellite, means an experimental or oper-
4 ational payload and bus with a weight not in excess of
5 5,000 pounds that—

6 “(A) can be developed and acquired within 18
7 months after authority to proceed with development
8 is granted; and

9 “(B) is responsive to requirements for capabili-
10 ties at the operational and tactical levels of war-
11 fare.”.

12 (2) CLERICAL AMENDMENT.—The item relating
13 to that section in the table of sections at the begin-
14 ning of chapter 135 of such title is amended to read
15 as follows:

“2273a. Operationally Responsive Space Program Office.”.

16 (b) PLAN FOR OPERATIONALLY RESPONSIVE
17 SPACE.—

18 (1) PLAN REQUIRED.—Not later than 180 days
19 after the date of the enactment of this Act, the Sec-
20 retary of Defense shall submit to the congressional
21 defense committees a report setting forth a plan for
22 the acquisition by the Department of Defense of ca-
23 pabilities for operationally responsive space to sup-
24 port the warfighter.

1 (2) ELEMENTS.—The plan required by para-
2 graph (1) shall include the following:

3 (A) An identification of the capabilities re-
4 quired by the Department to fulfill the mission
5 of the Department with respect to operationally
6 responsive space.

7 (B) An identification of the roles and mis-
8 sions of each military department, Defense
9 Agency, and other component or element of the
10 Department of Defense for the fulfillment of
11 the mission of the Department with respect to
12 operationally responsive space.

13 (C) A description of the chain of command
14 and reporting structure of the Operationally
15 Responsive Space Program Office established
16 under section 2273a of title 10, United States
17 Code, as amended by subsection (a).

18 (D) A description of the classification of
19 information required for that Office in order to
20 ensure that the Office carries out its respon-
21 sibilities in a proper and efficient manner.

22 (E) A description of the acquisition policies
23 and procedures applicable to that Office, includ-
24 ing a description of any legislative or adminis-
25 trative action necessary to provide the Office

1 additional acquisition authority to carry out its
2 responsibilities.

3 (F) A complete schedule for the implemen-
4 tation of the plan.

5 (G) The funding required to implement the
6 plan over the course of the future-years defense
7 program under section 221 of title 10, United
8 States Code, in effect as of the submission of
9 the plan.

10 (3) DEFINITION.—In this subsection, the term
11 “operationally responsive space” means the develop-
12 ment and launch of space assets upon demand in a
13 low-cost manner.

14 **Subtitle C—Chemical** 15 **Demilitarization Program**

16 **SEC. 921. TRANSFER TO SECRETARY OF THE ARMY OF RE-**
17 **SPONSIBILITY FOR ASSEMBLED CHEMICAL**
18 **WEAPONS ALTERNATIVES PROGRAM.**

19 Effective January 1, 2007, the text of section 142
20 of the Strom Thurmond National Defense Authorization
21 Act for Fiscal Year 1999 (Public Law 105–261; 50 U.S.C.
22 1521 note) is amended to read as follows:

23 “(a) PROGRAM MANAGEMENT.—(1) The program
24 manager for the Assembled Chemical Weapons Alter-
25 natives program shall report to the Secretary of the Army.

1 “(2) The Secretary of the Army shall provide for that
2 program to be managed as part of the management orga-
3 nization within the Department of the Army specified in
4 section 1412(e) of Public Law 99–145 (50 U.S.C.
5 1521(e)).

6 “(b) CONTINUED IMPLEMENTATION OF PREVIOUSLY
7 SELECTED ALTERNATIVE TECHNOLOGIES.—(1) In car-
8 rying out the destruction of lethal chemical munitions at
9 Pueblo Chemical Depot, Colorado, the Secretary of the
10 Army shall continue to implement fully the alternative
11 technology for such destruction at that depot selected by
12 the Under Secretary of Defense for Acquisition, Tech-
13 nology, and Logistics on July 16, 2002.

14 “(2) In carrying out the destruction of lethal chem-
15 ical munitions at Blue Grass Army Depot, Kentucky, the
16 Secretary of the Army shall continue to implement fully
17 the alternative technology for such destruction at that
18 depot selected by the Under Secretary of Defense for Ac-
19 quisition, Technology, and Logistics on February 3,
20 2003.”.

1 **SEC. 922. COMPTROLLER GENERAL REVIEW OF COST-BEN-**
2 **EFIT ANALYSIS OF OFF-SITE VERSUS ON-SITE**
3 **TREATMENT AND DISPOSAL OF HYDROLY-**
4 **SATE DERIVED FROM NEUTRALIZATION OF**
5 **VX NERVE GAS AT NEWPORT CHEMICAL**
6 **DEPOT, INDIANA.**

7 (a) REVIEW REQUIRED.—Not later than December
8 1, 2006, the Comptroller General shall submit to Congress
9 a report containing a review of the cost-benefit analysis
10 prepared by the Secretary of the Army entitled “Cost-Ben-
11 efit Analysis of Off-Site Versus On-Site Treatment and
12 Disposal of Newport Caustic Hydrolysate” and dated
13 April 24, 2006.

14 (b) CONTENT OF REVIEW.—In conducting the review
15 under subsection (a), the Comptroller General shall con-
16 sider and assess at a minimum the following matters:

17 (1) The adequacy of the rationale contained in
18 the cost-benefit analysis referred to in subsection (a)
19 in dismissing five of the eight technologies for hy-
20 drolysate treatment directed for consideration on
21 page 116 of the the Report of the Committee on
22 Armed Services of the House of Representatives on
23 H.R. 1815 (House Report 109–89).

24 (2) The rationale for the failure of the Sec-
25 retary of the Army to consider other technical solu-

1 tions, such as constructing a wastewater disposal
2 system at the Newport Chemical Depot.

3 (3) The adequacy of the cost-benefit analysis
4 presented for the three technologies considered.

5 (c) DELAY PENDING REPORT.—The Secretary of the
6 Army shall not proceed with any action to transport or
7 relocate neutralized bulk nerve agent (other than those
8 small quantities necessary for laboratory evaluation of the
9 disposal process) from the Newport Chemical Depot
10 until—

11 (1) the report required by subsection (a) is sub-
12 mitted; and

13 (2) a period of 60 days expires after the sub-
14 mission of the report.

15 **SEC. 923. SENSE OF CONGRESS REGARDING THE SAFE AND**
16 **EXPEDITIOUS DISPOSAL OF CHEMICAL**
17 **WEAPONS.**

18 (a) FINDINGS.—Congress makes the following find-
19 ings:

20 (1) The disposal of chemical weapons needs to
21 be accomplished as safely and expeditiously as pos-
22 sible.

23 (2) It is apparent, however, that any disposal
24 method for chemical weapons that involves the

1 transportation of chemical munitions or processed
 2 chemical munitions is difficult to implement

3 (b) SENSE OF CONGRESS.—In light of these findings,
 4 it is the sense of Congress that, when chemical munitions
 5 or processed chemical munitions are proposed for treat-
 6 ment or disposal at a location remote from the location
 7 where the munitions are stored—

8 (1) the method of actually selecting the disposal
 9 location should be free from political interference;
 10 and

11 (2) a process like that used for selecting and
 12 approving military installations for closure or re-
 13 alignment should be considered.

14 **Subtitle D—Intelligence-Related**
 15 **Matters**

16 **SEC. 931. REPEAL OF TERMINATION OF AUTHORITY OF**
 17 **SECRETARY OF DEFENSE TO ENGAGE IN**
 18 **COMMERCIAL ACTIVITIES AS SECURITY FOR**
 19 **INTELLIGENCE COLLECTION ACTIVITIES**
 20 **ABROAD.**

21 Section 431(a) of title 10, United States Code, is
 22 amended by striking the last sentence.

23 **TITLE X—GENERAL PROVISIONS**

Subtitle A—Financial Matters

Sec. 1001. General transfer authority.

Sec. 1002. Authorization of supplemental appropriations for fiscal year 2006.

Sec. 1003. Increase in fiscal year 2006 general transfer authority.

- Sec. 1004. United States contribution to NATO common-funded budgets in fiscal year 2007.
- Sec. 1005. Report on budgeting for fluctuations in fuel cost rates.
- Sec. 1006. Reduction in authorizations due to savings resulting from lower-than-expected inflation.

Subtitle B—Policy Relating to Vessels and Shipyards

- Sec. 1011. Transfer of naval vessels to foreign nations based upon vessel class.
- Sec. 1012. Overhaul, repair, and maintenance of vessels in foreign shipyards.
- Sec. 1013. Report on options for future lease arrangement for Guam Shipyard.
- Sec. 1014. Shipbuilding Industrial Base Improvement Program.
- Sec. 1015. Transfer of operational control of certain patrol coastal ships to Coast Guard.
- Sec. 1016. Limitation on leasing of foreign-built vessels.
- Sec. 1017. Overhaul, repair, and maintenance of vessels carrying Department of Defense cargo.
- Sec. 1018. Riding gang member documentation requirement.

Subtitle C—Counter-Drug Activities

- Sec. 1021. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of Federal, State, local, and foreign law enforcement agencies.
- Sec. 1022. Restatement in title 10, United States Code, and revision of Department of Defense authority to provide support for counter-drug activities of certain foreign governments.
- Sec. 1023. Extension of authority to support unified counterdrug and counterterrorism campaign in Colombia.
- Sec. 1024. Continuation of reporting requirement regarding Department of Defense expenditures to support foreign counter-drug activities.
- Sec. 1025. Report on interagency counter-narcotics plan for Afghanistan and South and Central Asian regions.
- Sec. 1026. Assignment of members of the Armed Forces to assist Bureau of Customs and Border Protection and United States Immigration and Customs Enforcement.

Subtitle D—Other Matters

- Sec. 1031. Revision to authorities relating to Commission on the implementation of the New Strategic Posture of the United States.
- Sec. 1032. Enhancement to authority to pay rewards for assistance in combating terrorism.
- Sec. 1033. Report on assessment process of Chairman of the Joint Chiefs of Staff relating to Global War on Terrorism.
- Sec. 1034. Presidential report on improving interagency support for United States 21st century national security missions.
- Sec. 1035. Quarterly reports on implementation of 2006 Quadrennial Defense Review Report.
- Sec. 1036. Increased hunting and fishing opportunities for members of the Armed Forces, retired members, and disabled veterans.
- Sec. 1037. Technical and clerical amendments.
- Sec. 1038. Database of emergency response capabilities.
- Sec. 1039. Information on certain criminal investigations and prosecutions.
- Sec. 1040. Date for final report of EMP Commission.

- Sec. 1041. Authorization to expire clearances revoked.
- Sec. 1042. Report on Department of Defense response to threat posed by improvised explosive devices.
- Sec. 1043. Determination of Department of Defense intratheater and intertheater airlift and sealift mobility requirements.
- Sec. 1044. Department of Defense operational plans for Armed Forces support for civil authorities.
- Sec. 1045. Requirement that all military wheeled vehicles used in Iraq and Afghanistan outside of military compounds be equipped with effective improvised explosive device (IED) jammers.

1 **Subtitle A—Financial Matters**

2 **SEC. 1001. GENERAL TRANSFER AUTHORITY.**

3 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

4 (1) AUTHORITY.—Upon determination by the
5 Secretary of Defense that such action is necessary in
6 the national interest, the Secretary may transfer
7 amounts of authorizations made available to the De-
8 partment of Defense in this division for fiscal year
9 2007 between any such authorizations for that fiscal
10 year (or any subdivisions thereof). Amounts of au-
11 thorizations so transferred shall be merged with and
12 be available for the same purposes as the authoriza-
13 tion to which transferred.

14 (2) LIMITATION.—The total amount of author-
15 izations that the Secretary may transfer under the
16 authority of this section may not exceed
17 \$3,750,000,000.

18 (b) LIMITATIONS.—The authority provided by this
19 section to transfer authorizations—

1 (1) may only be used to provide authority for
2 items that have a higher priority than the items
3 from which authority is transferred; and

4 (2) may not be used to provide authority for an
5 item that has been denied authorization by Con-
6 gress.

7 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
8 transfer made from one account to another under the au-
9 thority of this section shall be deemed to increase the
10 amount authorized for the account to which the amount
11 is transferred by an amount equal to the amount trans-
12 ferred.

13 (d) NOTICE TO CONGRESS.—The Secretary shall
14 promptly notify Congress of each transfer made under
15 subsection (a).

16 **SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
17 **PRIATIONS FOR FISCAL YEAR 2006.**

18 Amounts authorized to be appropriated to the De-
19 partment of Defense and the Department of Energy for
20 fiscal year 2006 in the National Defense Authorization
21 Act for Fiscal Year 2006 (Public Law 109–163) are here-
22 by adjusted, with respect to any such authorized amount,
23 by the amount by which appropriations pursuant to such
24 authorization are increased by a supplemental appropria-
25 tion or decreased by a rescission, or both, or are increased

1 by a transfer of funds, pursuant to an emergency supple-
2 mental appropriations Act for 2006.

3 **SEC. 1003. INCREASE IN FISCAL YEAR 2006 GENERAL**
4 **TRANSFER AUTHORITY.**

5 Section 1001(a)(2) of the National Defense Author-
6 ization Act for Fiscal Year 2006 (Public Law 109–163;
7 119 Stat. 3418) is amended by striking “\$3,500,000,000”
8 and inserting “\$3,750,000,000”.

9 **SEC. 1004. UNITED STATES CONTRIBUTION TO NATO COM-**
10 **MON-FUNDED BUDGETS IN FISCAL YEAR 2007.**

11 (a) **FISCAL YEAR 2007 LIMITATION.**—The total
12 amount contributed by the Secretary of Defense in fiscal
13 year 2007 for the common-funded budgets of NATO may
14 be any amount up to, but not in excess of, the amount
15 specified in subsection (b) (rather than the maximum
16 amount that would otherwise be applicable to those con-
17 tributions under the fiscal year 1998 baseline limitation).

18 (b) **TOTAL AMOUNT.**—The amount of the limitation
19 applicable under subsection (a) is the sum of the following:

20 (1) The amounts of unexpended balances, as of
21 the end of fiscal year 2006, of funds appropriated
22 for fiscal years before fiscal year 2007 for payments
23 for those budgets.

24 (2) The amount specified in subsection (c)(1).

25 (3) The amount specified in subsection (c)(2).

1 (4) The total amount of the contributions au-
2 thorized to be made under section 2501.

3 (c) AUTHORIZED AMOUNTS.—Amounts authorized to
4 be appropriated by titles II and III of this Act are avail-
5 able for contributions for the common-funded budgets of
6 NATO as follows:

7 (1) Of the amount provided in section 201(1),
8 \$797,000 for the Civil Budget.

9 (2) Of the amount provided in section 301(1),
10 \$310,277,000 for the Military Budget.

11 (d) DEFINITIONS.—For purposes of this section:

12 (1) COMMON-FUNDED BUDGETS OF NATO.—
13 The term “common-funded budgets of NATO”
14 means the Military Budget, the Security Investment
15 Program, and the Civil Budget of the North Atlantic
16 Treaty Organization (and any successor or addi-
17 tional account or program of NATO).

18 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—
19 The term “fiscal year 1998 baseline limitation”
20 means the maximum annual amount of Department
21 of Defense contributions for common-funded budgets
22 of NATO that is set forth as the annual limitation
23 in section 3(2)(C)(ii) of the resolution of the Senate
24 giving the advice and consent of the Senate to the
25 ratification of the Protocols to the North Atlantic

1 Treaty of 1949 on the Accession of Poland, Hun-
2 gary, and the Czech Republic (as defined in section
3 4(7) of that resolution), approved by the Senate on
4 April 30, 1998.

5 **SEC. 1005. REPORT ON BUDGETING FOR FLUCTUATIONS IN**
6 **FUEL COST RATES.**

7 (a) SECRETARY OF DEFENSE REPORT.—

8 (1) REPORT ON BUDGETING FOR FUEL COST
9 FLUCTUATIONS.—Not later than January 15, 2007,
10 the Secretary of Defense shall submit to the Com-
11 mittee on Armed Services of the Senate and the
12 Committee on Armed Services of the House of Rep-
13 resentatives a report on the fuel rate and cost pro-
14 jection used in the annual Department of Defense
15 budget presentation.

16 (2) MATTERS TO BE INCLUDED.—In the report
17 under paragraph (1), the Secretary shall—

18 (A) identify alternative approaches for se-
19 lecting fuel rates that would produce more real-
20 istic estimates of amounts required to be appro-
21 priated or otherwise made available for the De-
22 partment of Defense to accommodate fuel rate
23 fluctuations;

1 (B) discuss the advantages and disadvan-
2 tages of each approach identified pursuant to
3 subparagraph (A); and

4 (C) identify the Secretary's preferred ap-
5 proach among the alternative identified pursu-
6 ant to subparagraph (A) and provide the Sec-
7 retary's rationale for preferring that approach.

8 (3) IDENTIFICATION OF ALTERNATIVE AP-
9 PROACHES.—In identifying alternative approaches
10 pursuant to paragraph (2)(A), the Secretary shall
11 examine—

12 (A) approaches used by other Federal de-
13 partments and agencies; and

14 (B) the feasibility of using private eco-
15 nomic forecasting.

16 (b) COMPTROLLER GENERAL REVIEW AND RE-
17 PORT.—The Comptroller General shall review the report
18 under subsection (a), including the basis for the Sec-
19 retary's conclusions stated in the report, and shall submit,
20 not later than March 15, 2007, to the Committee on
21 Armed Services of the Senate and the Committee on
22 Armed Services of the House of Representatives a report
23 containing the results of that review.

1 **SEC. 1006. REDUCTION IN AUTHORIZATIONS DUE TO SAV-**
2 **INGS RESULTING FROM LOWER-THAN-EX-**
3 **PECTED INFLATION.**

4 (a) REDUCTION.—The total amount authorized to be
5 appropriated by titles I, II, and III is the amount equal
6 to the sum of the separate amounts authorized to be ap-
7 propriated by those titles reduced by \$1,583,000,000.

8 (b) SOURCE OF SAVINGS.—Reduction required in
9 order to comply with subsection (a) shall be derived from
10 savings resulting from lower-than-expected inflation.

11 (c) ALLOCATION OF REDUCTION.—The Secretary of
12 Defense shall allocate the reduction required by subsection
13 (a) among the amounts authorized to be appropriated for
14 accounts in title I, II, and III to reflect the extent to which
15 net savings from lower-than-expected inflation are allo-
16 cable to amounts authorized to be appropriated to those
17 accounts.

18 **Subtitle B—Policy Relating to**
19 **Vessels and Shipyards**

20 **SEC. 1011. TRANSFER OF NAVAL VESSELS TO FOREIGN NA-**
21 **TIONS BASED UPON VESSEL CLASS.**

22 Section 7307(a) of title 10, United States Code, is
23 amended—

24 (1) by striking “disposition of that vessel is ap-
25 proved” and inserting “disposal of that vessel, or of

1 a vessel of the class of that vessel, is authorized”;
2 and

3 (2) by adding at the end the following new sen-
4 tences: “In the case of an authorization by law for
5 the disposal of such a vessel that names a specific
6 vessel as being authorized for such disposal, the Sec-
7 retary of Defense may substitute another vessel of
8 the same class, if the vessel substituted has virtually
9 identical capabilities as the named vessel. In the case
10 of an authorization by law for the disposal of vessels
11 of a specified class, the Secretary may dispose of
12 vessels of that class pursuant to that authorization
13 only in the number of such vessels specified in that
14 law as being authorized for disposal.”.

15 **SEC. 1012. OVERHAUL, REPAIR, AND MAINTENANCE OF VES-**
16 **SELS IN FOREIGN SHIPYARDS.**

17 (a) IN GENERAL.—Section 7310 of title 10, United
18 States Code, is amended to read as follows:

19 **“§ 7310. Overhaul, repair, etc. of vessels in foreign**
20 **shipyards**

21 “(a) IN GENERAL.—A vessel covered by this section
22 the homeport of which is in the United States may not
23 be overhauled, repaired, or maintained in a shipyard out-
24 side the United States, other than in the case of emer-
25 gency voyage repairs.

1 “(b) COVERED VESSELS.—(1) Vessels covered by this
2 section are the following:

3 “(A) Any naval vessel.

4 “(B) Any other vessel under the jurisdiction of
5 the Secretary of the Navy, including any vessel
6 under the jurisdiction of the Military Sealift Com-
7 mand that is owned or chartered by the United
8 States.

9 “(2)(A) Notwithstanding paragraph (1), a naval ves-
10 sel or other vessel certified by the Secretary of the Navy
11 that is deployed conducting special mission operations is
12 not subject to this section.

13 “(B) The Secretary of the Navy shall submit to the
14 congressional defense committees each year a written cer-
15 tification of those vessels that are excluded from this sec-
16 tion. The certification shall be submitted each year with
17 the annual submission of the Navy budget justification
18 materials.

19 “(c) CERTAIN VESSELS TO BE CONSIDERED TO BE
20 HOMEPORTED IN UNITED STATES.—In the case of a ves-
21 sel that does not have a designated homeport, the vessel
22 shall be considered to have a homeport in the United
23 States for the purposes of this section if any of the fol-
24 lowing applies to the vessel during the preceding 12-month
25 period:

1 “(1) The vessel has operated within 1,400 nau-
2 tical miles of the United States.

3 “(2) The vessel has returned to the United
4 States more than two times.

5 “(3) The vessel has made a port call or return
6 to the United States that exceeded seven days.

7 “(d) VESSEL CHANGING HOMEPORTS.—(1) In the
8 case of a vessel covered by this section the homeport of
9 which is not in the United States, the Secretary of the
10 Navy may not during the 15-month period preceding the
11 planned reassignment of the vessel to a homeport in the
12 United States begin any work for the overhaul, repair, or
13 maintenance of the vessel that is scheduled to be for a
14 period of more than six months

15 “(2) In the case of a vessel covered by this section
16 the homeport of which is in the United States, the Sec-
17 retary of the Navy shall—

18 “(A) not less than 60 days before designating
19 a homeport for that vessel at a location outside the
20 United States, submit to Congress notification in
21 writing of the intent to designate a homeport for
22 that vessel outside the United States, together with
23 the reasons for that designation; and

24 “(B) during the 15-month period preceding the
25 planned reassignment of the vessel to a homeport

1 not in the United States, perform in the United
2 States any work for the overhaul, repair, or mainte-
3 nance of the vessel that is scheduled—

4 “(i) to begin during the 15-month period;

5 and

6 “(ii) to be for a period of more than six
7 months.

8 “(e) DEFINITIONS.—In this section:

9 “(1)(A) The term ‘emergency voyage repair’
10 means the following:

11 “(i) Repairs on mission-essential or safety-
12 essential items that are needed for a vessel to
13 deploy, to continue on a deployment, or to com-
14 ply with regulatory requirements.

15 “(ii) Standard maintenance, but only to
16 the extent that such maintenance is absolutely
17 necessary to ensure machinery and equipment
18 operational reliability or to comply with regu-
19 latory requirements.

20 “(iii) Repair or maintenance that is not ex-
21 ecuted with a contract request for proposal.

22 “(B) Such term does not include corrective
23 maintenance actions that may be deferred until the
24 next scheduled regular overhaul and dry docking
25 availability at a shipyard in the United States with-

1 out degrading operational readiness, habitability
2 standards, or personnel safety or adversely affecting
3 regulatory compliance.

4 “(2) The term ‘United States’, when used in a
5 geographic sense, includes the Commonwealth of
6 Puerto Rico, the Commonwealth of the Northern
7 Mariana Islands, Guam, and the Virgin Islands.”.

8 (b) EFFECTIVE DATE.—Subsection (c) of section
9 7310 of title 10, United States Code, as amended by sub-
10 section (a), shall take effect on October 1, 2006, or the
11 date of the enactment of this Act, whichever is later, and
12 shall apply only with respect to events specified in para-
13 graphs (1), (2), and (3) of that subsection occurring on
14 or after that effective date.

15 (c) LIMITATION ON APPLICATION TO VESSEL OPER-
16 ATING UNDER EXISTING CHARTER.—This section does
17 not affect the application of section 7310 of title 10,
18 United States Code, to a vessel operating under a charter
19 to the United States in effect on the date of the enactment
20 of this Act, unless such charter is terminated or renewed
21 after such date of enactment.

22 **SEC. 1013. REPORT ON OPTIONS FOR FUTURE LEASE AR-**
23 **RANGEMENT FOR GUAM SHIPYARD.**

24 (a) REPORT REQUIRED.—Not later than December
25 15, 2006, the Secretary of the Navy shall submit to the

1 Committee on Armed Services of the Senate and the Com-
2 mittee on Armed Service of the House of Representatives
3 a report describing the options available with respect to
4 the Guam Shipyard in Santa Rita, Guam.

5 (b) CONTENTS OF REPORT.—The report required
6 under subsection (a) shall include the following:

7 (1) An evaluation of the performance of the en-
8 tities that, as of the date of the enactment of this
9 Act, are the lessee and operators of the Guam Ship-
10 yard under the terms of the lease in effect on the
11 date of the enactment of this Act.

12 (2) An evaluation of each of the following op-
13 tions with respect to the Guam Shipyard lease:

14 (A) Terminating the remaining term of the
15 lease and issuing a new 25 year lease with the
16 same entity.

17 (B) Terminating the remaining term of the
18 lease with respect to the approximately 73 acres
19 within the Guam Shipyard that are required for
20 mission requirements and leaving the remaining
21 term of the lease in effect with respect to the
22 approximately 27 acres within the Facility that
23 are not required for mission requirements.

24 (C) Terminating the remaining term of the
25 lease and negotiating a new use arrangement

1 with a different lessee or operator. The new use
2 arrangement options shall include:

3 (i) Government-owned and govern-
4 ment-operated facility.

5 (ii) Government-owned and con-
6 tractor-operated facility.

7 (iii) Government-leased property for
8 contractor-owned and contractor-operated
9 facility.

10 (c) OPTIONS FOR NEW USE ARRANGEMENTS.—In
11 evaluating the options under subsection (b)(2)(C), the
12 Secretary of the Navy shall include an evaluation of each
13 of the following:

14 (1) The anticipated future military vessel repair
15 and workload on Guam in relation to the 2006
16 Quadrennial Defense Review, issued on February 6,
17 2006, pursuant to section 118 of title 10, United
18 States Code.

19 (2) The anticipated military vessel repair and
20 workload attributable to vessels comprising the Mar-
21 itime Prepositioning Ship Squadron Three.

22 (3) The anticipated military vessel repair and
23 workload due to a change in section 7310 of title 10,
24 United States Code, that would designate Guam as
25 a United States homeport facility.

1 (4) The expected workload if the submarine
2 tender the U.S.S. Frank Cable (AS-40) is decom-
3 missioned.

4 (5) The estimated reacquisition costs of trans-
5 ferred Government property.

6 (6) Costs to improve floating dry dock mooring
7 certification and required nuclear certification for
8 the floating dry dock designated as AFDB-8 to con-
9 duct the following maintenance:

10 (A) Dry-docking selected restricted avail-
11 abilities and mid-term availability for attack
12 submarines.

13 (B) Dry-docking phased maintenance
14 availabilities for amphibious vessels, including
15 to amphibious assault ships, dock landing ships,
16 and amphibious transport dock ships.

17 (C) Dry-docking phased maintenance avail-
18 abilities for surface combatants, including cruis-
19 ers, destroyers, and frigates.

20 (7) Commercial opportunities for development
21 to expand commercial ship repair and general indus-
22 trial services, given anti-terrorism force protection
23 requirements at the current facility.

24 (8) Estimates from three contractors for the
25 maintenance and repair costs associated with exe-

1 cutting a multiship, multioption contract that would
2 generate a minimum 60,000 manday commitment
3 for the Department of the Navy and Military Sealift
4 Command vessels.

5 (9) A projection of the maintenance and repair
6 costs associated with executing a minimum 60,000
7 mandays for the Department of the Navy and Military
8 Sealift Command vessels as a Government-
9 owned and Government-operated Navy ship repair
10 facility.

11 (d) INPUT FROM CONTRACTORS.—In evaluating the
12 options under clauses (ii) and (iii) of subsection (b)(2)(C)
13 for the purposes of paragraphs (1), (2), and (3) of sub-
14 section (c), the Secretary of the Navy shall seek input
15 from at least three contractors on the viability of oper-
16 ations based on the projected workload fiscal years 2008
17 through 2013.

18 (e) RECOMMENDATIONS.—The Secretary of the Navy
19 shall include in the report the following:

20 (1) The recommendations of the Secretary with
21 respect to continuation of the existing Guam Ship-
22 yard lease based on evaluations conducted pursuant
23 to subsection (b)(1).

24 (2) The option under subsection (b)(2) that the
25 Secretary recommends for fiscal year 2008.

1 (f) GAO REPORT.—Not later than March 1, 2007,
2 the Comptroller General shall submit to the Committee
3 on Armed Services of the Senate and the Committee on
4 Armed Service of the House of Representatives a report
5 evaluating the report submitted by the Secretary of the
6 Navy under subsection (a). The report shall include the
7 option under subsection (b)(2) that the Secretary rec-
8 ommends for fiscal year 2008.

9 (g) SUPPORT FOR NATIONAL STRATEGIC OBJEC-
10 TIVES.—For fiscal year 2007, the Secretary of the Navy,
11 under the authority of section 2304(c)(3) of title 10,
12 United States Code, and section 6.302–3(a)(2)(i) of the
13 Federal Acquisition Regulation, shall award contracts to
14 the Guam Shipyard in amounts equal to the average
15 amount of the mandays contracts awarded to the Guam
16 Shipyard for fiscal years 1998 through 2006 for the pur-
17 pose of maintaining the industrial base in case of a na-
18 tional emergency or to achieve industrial mobilization.

19 **SEC. 1014. SHIPBUILDING INDUSTRIAL BASE IMPROVE-**
20 **MENT PROGRAM.**

21 (a) PROGRAM FOR UNITED STATES PRIVATE SHIP-
22 YARDS.—The Secretary of the Navy shall establish a pro-
23 gram, to be known as the Shipbuilding Industrial Base
24 Improvement Program, under which the Secretary—

1 (1) shall make grants to qualified applicants to
2 facilitate the development of innovative design and
3 production technologies and processes for naval ves-
4 sel construction and the development of modernized
5 shipbuilding infrastructure; and

6 (2) shall provide loan guarantees for qualifying
7 shipyards to facilitate the acquisition by such ship-
8 yards of technologies, processes, and infrastructure
9 to improve their productivity and cost effectiveness.

10 (b) PURPOSES OF PROGRAM.—The purposes of the
11 program established under subsection (a) are—

12 (1) to improve the efficiency and cost-effective-
13 ness of the construction of naval vessels for the
14 United States;

15 (2) to enhance the quality of naval vessel con-
16 struction; and

17 (3) to promote the international competitiveness
18 of United States shipyards for the construction of
19 commercial ships and naval ships intended for sale
20 to foreign governments.

21 (c) SELECTION OF GRANT RECIPIENTS.—

22 (1) APPLICATION FOR DEVELOPMENT FUND-
23 ING.—An entity requesting a grant under subsection
24 (a)(1) to develop new design or production tech-
25 nologies or processes for naval vessels or to improve

1 shipbuilding infrastructure shall submit to the Sec-
2 retary of the Navy an application that describes the
3 proposal of the entity and provides evidence of its
4 capability to develop one or more of the following:

5 (A) Numerically controlled machine tools,
6 robots, automated process control equipment,
7 computerized flexible manufacturing systems,
8 associated computer software, and other tech-
9 nology designed to improve shipbuilding and re-
10 lated industrial productivity.

11 (B) Novel techniques and processes de-
12 signed to improve shipbuilding quality, produc-
13 tivity, and practice on a broad and sustained
14 basis, including in such areas as engineering de-
15 sign, quality assurance, concurrent engineering,
16 continuous process production technology, em-
17 ployee skills enhancement, and management of
18 customers and suppliers.

19 (C) Technology, techniques, and processes
20 appropriate to enhancing the productivity of
21 shipyard infrastructure.

22 (2) SELECTION .—From applications submitted
23 under paragraph (1), the Secretary of the Navy shall
24 select entities to receive funds under subsection
25 (a)(1) based on their ability to research and develop

1 innovative technologies, processes, and infrastructure
2 to alleviate areas of shipyard construction inefficien-
3 cies as determined through the assessment described
4 in subsection (f).

5 (d) MATCHING REQUIREMENT FOR GRANTS.—

6 (1) FEDERAL FUNDING.—Except as provided in
7 paragraph (2), Federal funds from a grant under
8 subsection (a)(1) for any purpose shall not exceed
9 75 percent of the total cost.

10 (2) EXCEPTIONS.—

11 (A) SMALL PROJECTS.—Paragraph (1)
12 shall not apply to grants under this section for
13 stand-alone projects costing not more than
14 \$25,000. The amount under this subparagraph
15 shall be indexed to the consumer price index
16 and modified each fiscal year after the annual
17 publication of the consumer price index.

18 (B) REDUCTION IN MATCHING REQUIRE-
19 MENT.—If the Secretary of the Navy deter-
20 mines that a proposed project merits support
21 and cannot be undertaken without a higher per-
22 centage of Federal financial assistance, the Sec-
23 retary may award a grant for such project with
24 a lesser matching requirement than is described
25 in paragraph (1).

1 (e) LOAN GUARANTEES FOR SHIPYARD USE OF DE-
2 VELOPED TECHNOLOGIES, PROCESSES, AND INFRASTRUC-
3 TURE.—

4 (1) IN GENERAL.—Upon making a determina-
5 tion that a technology, a process, or an infrastruc-
6 ture improvement (whether developed using a grant
7 under subsection (a)(1), through the National Ship-
8 building Research Program, or otherwise) will im-
9 prove the productivity and cost-effectiveness of naval
10 vessel construction, the Secretary of the Navy may
11 provide a loan guarantee under subsection (a)(2) for
12 a qualifying shipyard to facilitate the purchase by
13 such shipyard of such technology, process, or infra-
14 structure improvement.

15 (2) PAYMENT OF COST OF LOAN GUARANTEE.—
16 The cost of a guarantee under this subsection shall
17 be paid for with amounts made available in appro-
18 priations Acts.

19 (3) PERCENTAGE LIMITATION; TERM.—A loan
20 guarantee under this subsection may apply—

21 (A) to up to 87.5 percent of the loan prin-
22 cipal; and

23 (B) for a term of up to 30 years.

24 (4) AUTHORITIES, PROCEDURES, REQUIRE-
25 MENTS, AND RESTRICTIONS.—The Secretary of the

1 Navy, subject to the other provisions of this sec-
2 tion—

3 (A) in implementing this section, may exer-
4 cise authorities that are similar to the authori-
5 ties available to the Secretary of Transportation
6 under title XI of the Merchant Marine Act,
7 1936 (46 App. U.S.C. 1271 et seq.), with re-
8 spect to loan guarantees under that title; and

9 (B) may establish such additional require-
10 ments for loan guarantees under this section as
11 the Secretary determines to be necessary to
12 minimize the cost of such guarantees.

13 (5) LIMITATION ON TOTAL AMOUNT OF LOAN
14 GUARANTEES.—The total amount of loans for which
15 guarantees are provided under this subsection may
16 not exceed \$1,000,000,000.

17 (6) DEFINITIONS.—In this subsection:

18 (A) QUALIFYING SHIPYARD.—The term
19 “qualifying shipyard”, with respect to a loan
20 guarantee under this section, means a shipyard
21 that, over the three years preceding the year in
22 which the loan guarantee is made, derived less
23 than 40 percent of its revenue either directly or
24 indirectly from United States Government con-
25 tracts.

1 (B) COST.—The term “cost”, with respect
2 to a loan guarantee under this section, has the
3 meaning given that term in section 502 of the
4 Congressional Budget and Impoundment Con-
5 trol Act of 1974 (2 U.S.C. 661a), with cost for
6 that purpose calculated assuming that the bor-
7 rowing entity receives no revenue directly or in-
8 directly from United States Government con-
9 tracts.

10 (7) TERMINATION OF AUTHORITY.—The au-
11 thority of the Secretary of the Navy to provide loan
12 guarantees under this subsection expires at the close
13 of September 30, 2011.

14 (f) ASSESSMENTS OF NAVAL VESSEL CONSTRUCTION
15 INEFFICIENCIES.—

16 (1) PERIODIC ASSESSMENTS REQUIRED.—The
17 Secretary of the Navy shall conduct, in the third
18 quarter of each fiscal year or as often as necessary,
19 an assessment of the following aspects of naval ves-
20 sel construction to determine where and to what ex-
21 tent inefficiencies exist and to what extent innovative
22 design and production technologies, processes, and
23 infrastructure can be developed to alleviate such in-
24 efficiencies:

1 (A) Program design, engineering, and pro-
2 duction engineering.

3 (B) Organization and operating systems.

4 (C) Steelwork production.

5 (D) Ship construction and outfitting.

6 (2) CONSIDERATION OF PRIOR ASSESSMENTS.—

7 In making the assessments required by paragraph
8 (1), the Secretary shall take into consideration the
9 results of—

10 (A) the study of the cost effectiveness of
11 the ship construction program of the Navy re-
12 quired by section 1014 of the Ronald W.
13 Reagan National Defense Authorization Act for
14 Fiscal Year 2005 (Public Law 108–375; 118
15 Stat. 2041); and

16 (B) the assessment of the United States
17 naval shipbuilding industry required by section
18 254 of the National Defense Authorization Act
19 for Fiscal Year 2006 (Public Law 109–163;
20 119 Stat. 3180).

21 (g) AVAILABILITY OF FUNDS.—

22 (1) AUTHORITY SUBJECT TO AVAILABILITY OF
23 APPROPRIATIONS.—The authority of the Secretary
24 of the Navy to make grants and provide loan guar-
25 antees under this section for any fiscal year is sub-

1 ject to the availability of appropriations for that pur-
2 pose.

3 (2) FISCAL YEAR 2007.—Of the amount author-
4 ized to be appropriated pursuant to section 201(2)
5 for research, development, test, and evaluation for
6 the Navy for fiscal year 2007—

7 (A) \$50,000,000 shall be available to the
8 Secretary of the Navy only to make grants
9 under this section; and

10 (B) \$50,000,000 shall be available only for
11 the cost (as defined in subsection (e)(6)(B)) of
12 loan guarantees under this section.

13 (h) IDENTIFICATION IN BUDGET OF ANNUAL
14 AMOUNT FOR SUPPORT OF NSRP ACTIVITIES.—Amounts
15 in the budget of the President for any fiscal year for re-
16 search, development, test, and evaluation for the Navy
17 that are intended to be made available for the National
18 Shipbuilding Research Program shall be separately identi-
19 fied and set forth in budget justification materials sub-
20 mitted to Congress for that fiscal year in support of that
21 budget.

22 (i) DEFINITION OF SHIPYARD.—In this section, the
23 term “shipyard” means a private shipyard located in the
24 United States the business of which includes the construc-

1 tion, repair, and maintenance of United States naval ves-
2 sels.

3 **SEC. 1015. TRANSFER OF OPERATIONAL CONTROL OF CER-**
4 **TAIN PATROL COASTAL SHIPS TO COAST**
5 **GUARD.**

6 Not later than September 30, 2008, the Secretary of
7 the Navy shall enter into an agreement with the Com-
8 mandant of the Coast Guard for the transfer by the Sec-
9 retary of the Navy to the Coast Guard of operational con-
10 trol of not less than five 179-foot Cyclone-class patrol
11 coastal ships for a period extending at least through Sep-
12 tember 30, 2012.

13 **SEC. 1016. LIMITATION ON LEASING OF FOREIGN-BUILT**
14 **VESSELS.**

15 (a) IN GENERAL.—(1) Chapter 141 of title 10,
16 United States Code, is amended by inserting after section
17 2401a the following new section:

18 **“§ 2401b. Limitation on lease of foreign-built vessels**

19 “(a) LIMITATION.—The Secretary of a military de-
20 partment may not make a contract for a lease or charter
21 of a vessel for a term of more than 24 months (including
22 all options to renew or extend the contract) if the hull,
23 or a component of the hull and superstructure of the ves-
24 sel, is constructed in a foreign shipyard.

1 “(b) PRESIDENTIAL WAIVER FOR NATIONAL SECUR-
2 RITY INTEREST.—(1) The President may authorize excep-
3 tions to the limitation in subsection (a) when the President
4 determines that it is in the national security interest of
5 the United States to do so.

6 “(2) The President shall transmit notice to Congress
7 of any such determination, and no contract may be made
8 pursuant to the exception authorized until the end of the
9 30-day period beginning on the date on which the notice
10 of the determination is received by Congress.”.

11 (2) The table of sections at the beginning of such
12 chapter is amended by inserting after the item relating
13 to section 2401a the following new item:

 “2401b. Limitation on lease of foreign-built vessels.”.

14 (b) EFFECTIVE DATE.—Section 2401b of title 10,
15 United States Code, as added by subsection (a), shall
16 apply with respect to contracts entered into after the date
17 of the enactment of this Act.

18 **SEC. 1017. OVERHAUL, REPAIR, AND MAINTENANCE OF VES-**
19 **SELS CARRYING DEPARTMENT OF DEFENSE**
20 **CARGO.**

21 The Secretary of Defense may not award any con-
22 tract for the carriage by vessel of cargo for the Depart-
23 ment of Defense, unless the contract includes a require-
24 ment under which the contractor shall—

1 (1) ensure that all overhaul, repair, and mainte-
2 nance performed on the vessel during the period of
3 the contract is performed in a shipyard located in
4 the United States; or

5 (2) report to the Secretary every fiscal year
6 quarter all overhaul, repair, and maintenance per-
7 formed on the vessel in a shipyard located outside
8 the United States during the period covered by the
9 report.

10 **SEC. 1018. RIDING GANG MEMBER DOCUMENTATION RE-**
11 **QUIREMENT.**

12 (a) **REQUIREMENT.**—The Secretary of Defense may
13 not award any charter of a vessel for the Department of
14 Defense, or contract for the carriage of cargo by vessel
15 for the Department of Defense, unless the charter or con-
16 tract, respectively, requires that each riding gang member
17 that performs any work on the vessel during the effective
18 period of the charter or contract holds a merchant mari-
19 ner’s document issued under chapter 73 of title 46, United
20 States Code.

21 (b) **RIDING GANG MEMBER DEFINED.**—In this sec-
22 tion the term “riding gang member” means an individual
23 who—

24 (1) does not perform—

1 (A) watchstanding, automated engine room
2 duty watch, or personnel safety functions; or

3 (B) cargo handling functions, including
4 any activity relating to the loading or unloading
5 of cargo, the operation of cargo-related equip-
6 ment (whether or not integral to the vessel),
7 and the handling of mooring lines on the dock
8 when the vessel is made fast or let go;

9 (2) does not serve as part of the crew com-
10 plement required under section 8101 of title 46,
11 United States Code;

12 (3) is not a member of the steward's depart-
13 ment; and

14 (4) is not a citizen or temporary or permanent
15 resident of a country designated by the United
16 States as a sponsor of terrorism or any other coun-
17 try that the Secretary of Defense, in consultation
18 with the Secretary of State and the heads of other
19 appropriate United States agencies, determines to be
20 a security threat to the United States.

21 (c) LIMITATIONS ON APPLICATION.—

22 (1) VESSEL OPERATING UNDER EXISTING
23 CHARTER OR CONTRACT.—This section does not
24 apply with respect to a vessel operating under a
25 charter or contract in effect on the date of the en-

1 actment of this section, unless such charter or con-
 2 tract is renewed after such date of enactment.

3 (2) EXEMPTIONS BY SECRETARY OF DE-
 4 FENSE.—

5 (A) IN GENERAL.—The Secretary of De-
 6 fense may issue regulations that exempt a
 7 riding gang member from subsection (a) for the
 8 performance of specific technical work on origi-
 9 nal equipment of a vessel.

10 (B) BACKGROUND CHECK.—Such regula-
 11 tions shall include a requirement that a riding
 12 gang member must pass a background check
 13 before performing work under such an exemp-
 14 tion.

15 **Subtitle C—Counter-Drug** 16 **Activities**

17 **SEC. 1021. RESTATEMENT IN TITLE 10, UNITED STATES**
 18 **CODE, AND REVISION OF DEPARTMENT OF**
 19 **DEFENSE AUTHORITY TO PROVIDE SUPPORT**
 20 **FOR COUNTER-DRUG ACTIVITIES OF FED-**
 21 **ERAL, STATE, LOCAL, AND FOREIGN LAW EN-**
 22 **FORCEMENT AGENCIES.**

23 (a) RESTATEMENT AND REVISION OF AUTHORITY.—

24 Chapter 18 of title 10, United States Code, is amended
 25 by adding at the end a new section 383 consisting of—

1 (1) a heading as follows:

2 **“§ 383. Support for counter-drug activities: Federal,**
3 **State, local, and foreign law enforcement**
4 **agencies”**; and

5 (2) a text consisting of the text of section 1004
6 of the National Defense Authorization Act for Fiscal
7 Year 1991 (Public Law 101–510; 10 U.S.C. 374
8 note), revised as follows:

9 (A) In subsection (a), by replacing “Dur-
10 ing fiscal years 2002 through 2006, the” with
11 “The”.

12 (B) In subsection (e), by replacing “section
13 376 of title 10, United States Code,” with “sec-
14 tion 376 of this title,”.

15 (C) In subsection (f), by deleting the par-
16 enthetical phrase beginning “(including train-
17 ing” and ending “1564))”.

18 (D) In subsection (g)—

19 (i) in paragraph (1), by replacing
20 “chapter 18, United States Code” with
21 “this chapter”; and

22 (ii) in paragraph (2), by replacing
23 “title 10, United States Code” with “this
24 title”.

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:

“383. Support for counter-drug activities: Federal, State, local, and foreign law enforcement agencies.”.

4 (c) REPEAL OF FISCAL YEAR 1991 AUTHORITY.—
 5 Section 1004 of the National Defense Authorization Act
 6 for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C.
 7 374 note) is repealed.

8 **SEC. 1022. RESTATEMENT IN TITLE 10, UNITED STATES**
 9 **CODE, AND REVISION OF DEPARTMENT OF**
 10 **DEFENSE AUTHORITY TO PROVIDE SUPPORT**
 11 **FOR COUNTER-DRUG ACTIVITIES OF CER-**
 12 **TAIN FOREIGN GOVERNMENTS.**

13 (a) RESTATEMENT AND REVISION OF AUTHORITY.—
 14 Chapter 18 of title 10, United States Code, is amended
 15 by inserting after section 383, as added by section 1021,
 16 a new section 384 consisting of—

17 (1) a heading as follows:

18 **“§ 384. Support for counter-drug activities: foreign**
 19 **governments”**; and

20 (2) a text consisting of the text of section 1033
 21 of the National Defense Authorization Act for Fiscal
 22 Year 1998 (Public Law 105–85; 111 Stat. 1881),
 23 revised as follows:

24 (A) In subsection (a)(2)—

- 1 (i) by deleting the first sentence; and
2 (ii) by replacing “the governments”
3 with “those governments”.

4 (B) In subsection (b), by adding at the end
5 the following new paragraphs:

6 “(10) The Government of Azerbaijan.

7 “(11) The Government of Kazakhstan.

8 “(12) The Government of Kyrgyzstan.

9 “(13) The Government of Guatemala.

10 “(14) The Government of Belize.

11 “(15) The Government of Panama.”.

12 (C) In subsection (c), by replacing para-
13 graphs (1), (2), and (3) with the following new
14 paragraphs:

15 “(1) The transfer of nonlethal protective and
16 utility personnel equipment.

17 “(2) The transfer of the following nonlethal
18 specialized equipment:

19 “(A) Navigation equipment.

20 “(B) Secure and nonsecure communica-
21 tions equipment.

22 “(C) Photo equipment.

23 “(D) Radar equipment.

24 “(E) Night vision systems.

1 “(3) The transfer of nonlethal components, ac-
2 cessories, attachments, parts (including ground sup-
3 port equipment), firmware, and software and repair
4 equipment related to the equipment specified in
5 paragraph (2).

6 “(4) The transfer of patrol boats, vehicles, and
7 aircraft and detection, interception, monitoring and
8 testing equipment.

9 “(5) The maintenance and repair or upgrade of
10 equipment of the government that is used for
11 counter-drug activities.

12 “(6) For fiscal years 2007 and 2008, for the
13 Government of Afghanistan only, individual and
14 crew-served weapons of 50 caliber or less and am-
15 munition for such weapons for counter-narcotics se-
16 curity forces.”.

17 (D) In subsection (d), by replacing “the
18 provisions of section 1004 of the National De-
19 fense Authorization Act for Fiscal Year 1991
20 (Public Law 101–510; 10 U.S.C. 374 note)”
21 with “section 383 of this title”.

22 (E) By replacing subsection (e) with the
23 following new subsection (e):

24 “(e) LIMITATION ON OBLIGATIONS.—Amounts made
25 available to carry out this section shall remain available

1 until expended, except that the total amount obligated and
2 expended under this section may not exceed \$40,000,000
3 during fiscal year 2006 or \$60,000,000 during fiscal year
4 2007 or fiscal year 2008.”.

5 (F) In subsection (f), by replacing para-
6 graphs (3) and (4) with the following new para-
7 graph:

8 “(3) For purposes of this subsection and subsection
9 (h), the term ‘congressional committees’ means the fol-
10 lowing:

11 “(A) The Committee on Armed Services, the
12 Committee on Appropriations, and the Committee on
13 Foreign Relations of the Senate.

14 “(B) The Committee on Armed Services, the
15 Committee on Appropriations, and the Committee on
16 International Relations of the House of Representa-
17 tives.”.

18 (G) In subsection (g)(1), by replacing
19 “United States Armed Forces” with “armed
20 forces”.

21 (H) In subsection (h)—

22 (i) in the first sentence, by replacing
23 “prepare for fiscal year 2004 (and revise
24 as necessary for subsequent fiscal years) a
25 counter-drug plan” with “submit to the

1 congressional committees not later than
2 December 31 of each fiscal year a counter-
3 drug plan for the next fiscal year”; and

4 (ii) by adding at the end the following
5 new paragraph:

6 “(10) A copy of the certification required by
7 subsection (f)(1) with respect to the government.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
9 at the beginning of such chapter is amended by inserting
10 after the item relating to section 383, as added by section
11 1021, the following new item:

“384. Support for counter-drug activities: foreign governments.”.

12 (c) REPEAL OF FISCAL YEAR 1998 AUTHORITY.—
13 Section 1033 of the National Defense Authorization Act
14 for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
15 1881) is repealed.

16 **SEC. 1023. EXTENSION OF AUTHORITY TO SUPPORT UNI-**
17 **FIED COUNTERDRUG AND**
18 **COUNTERTERRORISM CAMPAIGN IN COLOM-**
19 **BIA.**

20 Section 1021 of the Ronald W. Reagan National De-
21 fense Authorization Act for Fiscal Year 2005 (Public Law
22 108–375; 118 Stat. 2042) is amended—

23 (1) in subsection (a)(1), by striking “and 2006”
24 and inserting “through 2008”; and

1 (2) in subsection (c), by striking “and 2006”
2 and inserting “through 2008”.

3 **SEC. 1024. CONTINUATION OF REPORTING REQUIREMENT**
4 **REGARDING DEPARTMENT OF DEFENSE EX-**
5 **PENDITURES TO SUPPORT FOREIGN**
6 **COUNTER-DRUG ACTIVITIES.**

7 (a) **ADDITIONAL REPORT REQUIRED.**—Section 1022
8 of the Floyd D. Spence National Defense Authorization
9 Act for Fiscal Year 2001 (as enacted into law by Public
10 Law 106–398; 114 Stat. 1654A–255), as amended by sec-
11 tion 1022 of the National Defense Authorization Act for
12 Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1215)
13 and section 1021 of the National Defense Authorization
14 Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
15 3426), is further amended by inserting “and February 15,
16 2007,” after “April 15, 2006,”.

17 (b) **FORM OF REPORT AND ADDITIONAL INFORMA-**
18 **TION REQUIRED.**—Such section is further amended—

19 (1) in the first sentence, by inserting “, in both
20 classified and unclassified form,” after “report”; and

21 (2) in paragraph (2), by inserting before the pe-
22 riod at the end the following: “and the amount of
23 funds provided for each type of counter-drug activity
24 assisted”.

1 **SEC. 1025. REPORT ON INTERAGENCY COUNTER-NAR-**
2 **COTICS PLAN FOR AFGHANISTAN AND SOUTH**
3 **AND CENTRAL ASIAN REGIONS.**

4 (a) **REPORT REQUIRED.**—Not later than December
5 31, 2006, the Secretary of Defense shall submit to the
6 congressional defense committees a report updating the
7 interagency counter-narcotics implementation plan for Af-
8 ghanistan and the South and Central Asian regions, in-
9 cluding Turkmenistan, Uzbekistan, Tajikistan,
10 Kyrgyzstan, Kazakhstan, Iran, Azerbaijan, Pakistan,
11 India, and China, originally prepared pursuant to section
12 1033 of the National Defense Authorization Act for Fiscal
13 Year 1998 (Public Law 105–85; 111 Stat. 1881).

14 (b) **CONSULTATION.**—The report under this section
15 shall be prepared in consultation with the Secretary of
16 State, the Administrator of the Agency for International
17 Development, and the Director of the Drug Enforcement
18 Administration.

19 (c) **MATTERS TO BE INCLUDED.**—The report shall
20 include the following for each foreign government covered
21 by the report:

22 (1) A consideration of what activities should be
23 reallocated among the United States and the foreign
24 government based on the capabilities of each depart-
25 ment and agency involved.

1 (2) Any measures necessary to clarify the legal
2 authority required to complete the mission and the
3 measures necessary for the United States to success-
4 fully complete its counter-narcotics efforts in Af-
5 ghanistan and the South and Central Asian regions.

6 (3) Current and proposed United States fund-
7 ing to support counter-narcotics activities of the for-
8 eign government.

9 **SEC. 1026. ASSIGNMENT OF MEMBERS OF THE ARMED**
10 **FORCES TO ASSIST BUREAU OF CUSTOMS**
11 **AND BORDER PROTECTION AND UNITED**
12 **STATES IMMIGRATION AND CUSTOMS EN-**
13 **FORCEMENT.**

14 (a) ASSIGNMENT AUTHORITY OF SECRETARY OF DE-
15 FENSE.—Chapter 18 of title 10, United States Code, is
16 amended by inserting after section 374 the following new
17 section:

18 **“§ 374a. Assignment of members to assist border pa-**
19 **trol and control**

20 “(a) ASSIGNMENT AUTHORIZED.—Upon submission
21 of a request consistent with subsection (b), the Secretary
22 of Defense may assign members of the Army, Navy, Air
23 Force, and Marine Corps to assist the Bureau of Customs
24 and Border Protection and the United States Immigration

1 and Customs Enforcement of the Department of Home-
2 land Security—

3 “(1) in preventing the entry of terrorists, drug
4 traffickers, and illegal aliens into the United States;
5 and

6 “(2) in the inspection of cargo, vehicles, and
7 aircraft at points of entry into the United States to
8 prevent the entry of weapons of mass destruction,
9 components of weapons of mass destruction, prohib-
10 ited narcotics or drugs, or other terrorist or drug
11 trafficking items.

12 “(b) REQUEST FOR ASSIGNMENT.—The assignment
13 of members under subsection (a) may occur only if—

14 “(1) the assignment is at the request of the
15 Secretary of Homeland Security; and

16 “(2) the request is accompanied by a certifi-
17 cation by the Secretary of Homeland Security that
18 the assignment of members pursuant to the request
19 is necessary to respond to a threat to national secu-
20 rity posed by the entry into the United States of ter-
21 rorists, drug traffickers, or illegal aliens.

22 “(c) TRAINING PROGRAM REQUIRED.—The Sec-
23 retary of Homeland Security and the Secretary of De-
24 fense, shall establish a training program to ensure that
25 members receive general instruction regarding issues af-

1 fecting law enforcement in the border areas in which the
2 members may perform duties under an assignment under
3 subsection (a). A member may not be deployed at a border
4 location pursuant to an assignment under subsection (a)
5 until the member has successfully completed the training
6 program.

7 “(d) CONDITIONS OF USE.—(1) Whenever a member
8 who is assigned under subsection (a) to assist the Bureau
9 of Customs and Border Protection or the United States
10 Immigration and Customs Enforcement is performing du-
11 ties pursuant to the assignment, a civilian law enforce-
12 ment officer from the agency concerned shall accompany
13 the member.

14 “(2) Nothing in this section shall be construed to—

15 “(A) authorize a member assigned under sub-
16 section (a) to conduct a search, seizure, or other
17 similar law enforcement activity or to make an ar-
18 rest; and

19 “(B) supersede section 1385 of title 18 (popu-
20 larly known as the ‘Posse Comitatus Act’).

21 “(e) ESTABLISHMENT OF ONGOING JOINT TASK
22 FORCES.—(1) The Secretary of Homeland Security may
23 establish ongoing joint task forces if the Secretary of
24 Homeland Security determines that the joint task force,
25 and the assignment of members to the joint task force,

1 is necessary to respond to a threat to national security
2 posed by the entry into the United States of terrorists,
3 drug traffickers, or illegal aliens.

4 “(2) If established, the joint task force shall fully
5 comply with the standards as set forth in this section.

6 “(f) NOTIFICATION REQUIREMENTS.—The Secretary
7 of Homeland Security shall provide to the Governor of the
8 State in which members are to be deployed pursuant to
9 an assignment under subsection (a) and to local govern-
10 ments in the deployment area notification of the deploy-
11 ment of the members to assist the Department of Home-
12 land Security under this section and the types of tasks
13 to be performed by the members.

14 “(g) REIMBURSEMENT REQUIREMENT.—Section 377
15 of this title shall apply in the case of members assigned
16 under subsection (a).”.

17 (b) COMMENCEMENT OF TRAINING PROGRAM.—The
18 training program required by subsection (c) of section
19 374a of title 10, United States Code, shall be established
20 as soon as practicable after the date of the enactment of
21 this Act.

22 (c) CLERICAL AMENDMENT.—The table of sections
23 at the beginning of such chapter is amended by inserting
24 after the item relating to section 374 the following new
25 item:

“374a. Assignment of members to assist border patrol and control”.

1 **Subtitle D—Other Matters**

2 **SEC. 1031. REVISION TO AUTHORITIES RELATING TO COM-**
3 **MISSION ON THE IMPLEMENTATION OF THE**
4 **NEW STRATEGIC POSTURE OF THE UNITED**
5 **STATES.**

6 Section 1051 of the National Defense Authorization
7 Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
8 3431) is amended—

9 (1) in subsections (b)(1)(E) and (b)(2)(B), by
10 striking “though 2008” and inserting “through
11 2025”;

12 (2) in subsection (c)(1), by striking “Not later
13 than June 30, 2007” and inserting “Not later than
14 18 months after the date of the Commission’s first
15 meeting”; and

16 (3) in subsection (f), by striking “July 30,
17 2007” and inserting “60 days after the date of the
18 submission of its report”.

19 **SEC. 1032. ENHANCEMENT TO AUTHORITY TO PAY RE-**
20 **WARDS FOR ASSISTANCE IN COMBATING TER-**
21 **RORISM.**

22 (a) INCREASE IN DELEGATION LIMITATION.—Para-
23 graph (2) of section 127b(c) of title 10, United States
24 Code, is amended by striking “\$2,500” and inserting
25 “\$10,000”.

1 (b) EXPANSION OF SENIOR OFFICERS TO WHOM
2 COMBATANT COMMANDER AUTHORITY MAY BE DELE-
3 GATED.—Such paragraph is further amended—

4 (1) by inserting after “deputy commander” the
5 following: “, or to the commander of a command di-
6 rectly subordinate to that commander,”; and

7 (2) by adding at the end the following new sen-
8 tence: “Such a delegation may be made to the com-
9 mander of a command directly subordinate to the
10 commander of a combatant command only with the
11 approval of the Secretary of Defense, the Deputy
12 Secretary of Defense, or an Under Secretary of De-
13 fense designated by the Secretary.”.

14 **SEC. 1033. REPORT ON ASSESSMENT PROCESS OF CHAIR-**
15 **MAN OF THE JOINT CHIEFS OF STAFF RELAT-**
16 **ING TO GLOBAL WAR ON TERRORISM.**

17 Not later than March 1, 2007, the Secretary of De-
18 fense shall submit to the Committee on Armed Services
19 of the Senate and the Committee on Armed Services of
20 the House of Representatives a report on the findings of
21 the semiannual assessment process relating to the Global
22 War on Terrorism that is described in the annex to the
23 National Military Strategic Plan for the War on Ter-
24 rorism, issued by the Secretary of Defense on February

1 1, 2006, that is designated as the Implementation and As-
2 sessment Annex (Annex R).

3 **SEC. 1034. PRESIDENTIAL REPORT ON IMPROVING INTER-**
4 **AGENCY SUPPORT FOR UNITED STATES 21ST**
5 **CENTURY NATIONAL SECURITY MISSIONS.**

6 (a) REPORT REQUIRED.—Not later than February 1,
7 2007, the President shall submit to Congress a report on
8 building interagency capacity and enhancing the integra-
9 tion of civilian capabilities of the executive branch with
10 the capabilities of the Armed Forces as required to achieve
11 United States national security goals and objectives. To
12 the maximum extent practicable, the report shall be un-
13 classified, with a classified annex if necessary.

14 (b) REPORT ELEMENTS.—The report under sub-
15 section (a) shall include the following:

16 (1) An assessment of the capabilities required
17 within the executive branch (other than the Armed
18 Forces) to achieve the full spectrum of United
19 States national security goals and objectives, to de-
20 fend United States national security interests, and,
21 in particular, to coordinate with the efforts of ele-
22 ments of the Armed Forces where deployed, includ-
23 ing at least in the following areas:

24 (A) Organizations and organizational
25 structure.

1 (B) Planning and assessment capabilities.

2 (C) Information sharing policies, practices,
3 and systems.

4 (D) Leadership issues, including command
5 and control of forces and personnel in the field.

6 (E) Personnel policies and systems, includ-
7 ing recruiting, retention, training, education,
8 promotion, awards, employment, deployment,
9 and retirement.

10 (F) Acquisition authorities.

11 (2) The criteria and considerations used to
12 evaluate progress in each of the areas specified in
13 paragraph (1) towards building and integrating the
14 interagency capacities required to achieve United
15 States national security goals and objectives.

16 (3) Recommendations for specific legislative
17 proposals that would improve interagency capacity
18 and enhance the integration of civilian capabilities
19 with the capabilities of deployed elements of the
20 Armed Forces for each of the areas specified in
21 paragraph (1).

1 **SEC. 1035. QUARTERLY REPORTS ON IMPLEMENTATION OF**
2 **2006 QUADRENNIAL DEFENSE REVIEW RE-**
3 **PORT.**

4 (a) **REPORTS REQUIRED.**—Not later than 30 days
5 after the end of each fiscal-year quarter, the Secretary of
6 Defense shall submit to the Committee on Armed Services
7 of the Senate and the Committee on Armed Services of
8 the House of Representatives a report on the implementa-
9 tion of recommendations described in the Department of
10 Defense 2006 Quadrennial Defense Review Report.

11 (b) **CONTENTS OF REPORTS.**—Each quarterly report
12 under subsection (a) shall, at a minimum—

13 (1) describe the processes and procedures estab-
14 lished by the Secretary of Defense to examine the
15 various recommendations referred to in subsection
16 (a);

17 (2) discuss implementation plans and strategies
18 for each area highlighted by the Quadrennial De-
19 fense Review Report;

20 (3) provide relevant information about the sta-
21 tus of such implementation; and

22 (4) indicate changes in the Secretary's assess-
23 ment of the defense strategies or capabilities re-
24 quired since the publication of the 2006 Quadrennial
25 Defense Review Report.

1 (c) INITIAL REPORT.—The first report under sub-
2 section (a) shall be submitted not later than January 31,
3 2007.

4 (d) EXPIRATION OF REQUIREMENT.—The reporting
5 requirement in subsection (a) shall terminate upon the
6 earlier of the following:

7 (1) The date of the publication of the next
8 Quadrennial Defense Review Report after the date
9 of the enactment of this Act pursuant to section 118
10 of title 10, United States Code.

11 (2) The date of transmission of a written notifi-
12 cation by the Secretary of Defense to the Committee
13 on Armed Services of the Senate and the Committee
14 on Armed Services of the House of Representatives
15 that implementation of the recommendations of the
16 2006 Quadrennial Defense Review is complete.

17 **SEC. 1036. INCREASED HUNTING AND FISHING OPPORTUNI-**
18 **TIES FOR MEMBERS OF THE ARMED FORCES,**
19 **RETIRED MEMBERS, AND DISABLED VET-**
20 **ERANS.**

21 (a) ACCESS FOR MEMBERS, RETIRED MEMBERS,
22 AND DISABLED VETERANS.—Consistent with section
23 2671 of title 10, United States Code, and using such
24 funds as are made available for this purpose, the Secretary
25 of Defense shall ensure that members of the Armed

1 Forces, retired members, disabled veterans, and persons
2 assisting disabled veterans are able to utilize lands under
3 the jurisdiction of the Department of Defense that are
4 available for hunting or fishing.

5 (b) ASSESSMENT.—Not later than 180 days after the
6 date of the enactment of this Act, the Secretary shall sub-
7 mit to Congress a report containing the results of an as-
8 sessment of those lands under the jurisdiction of the De-
9 partment of Defense and suitable for hunting or fishing
10 and describing the actions necessary—

11 (1) to further increase the acreage made avail-
12 able to members of the Armed Forces, retired mem-
13 bers, disabled veterans, and persons assisting dis-
14 abled veterans for hunting and fishing; and

15 (2) to make that acreage more accessible to dis-
16 abled veterans.

17 (c) RECREATIONAL ACTIVITIES ON SANTA ROSA IS-
18 LAND.—The Secretary of the Interior shall immediately
19 cease the plan, approved in the settlement agreement for
20 case number 96–7412 WJR and case number 97–4098
21 WJR, to exterminate the deer and elk on Santa Rosa Is-
22 land, Channel Islands, California, by helicopter and shall
23 not exterminate or nearly exterminate the deer and elk.

1 **SEC. 1037. TECHNICAL AND CLERICAL AMENDMENTS.**

2 (a) TITLE 10, UNITED STATES CODE.—Title 10,
3 United States Code, is amended as follows:

4 (1) Section 1406(i)(3)(B)(vi) is amended by
5 striking “Advisor for” and inserting “Advisor to”.

6 (2) Section 2105 is amended by striking by
7 adding a period at the end of the last sentence.

8 (3) Section 2703(h) is amended by striking
9 “subsection” in the first sentence and inserting
10 “section”.

11 (b) TITLE 37, UNITED STATES CODE.—Title 37,
12 United States Code, is amended as follows:

13 (1) Section 210(e)(6) is amended by striking
14 “Advisor for” and inserting “Advisor to”.

15 (2) Section 308g(h) is amended by striking the
16 second period at the end.

17 (3) Section 308j is amended by striking sub-
18 section (g) and inserting the following new sub-
19 section:

20 “(g) REPAYMENT.—A person who enters into an
21 agreement under this section and receives all or part of
22 the bonus under the agreement, but who does not accept
23 a commission or an appointment as an officer or does not
24 commence to participate or does not satisfactorily partici-
25 pate in the Selected Reserve for the total period of service

1 specified in the agreement, shall be subject to the repay-
2 ment provisions of section 303a(e) of this title.”.

3 (4) Section 414(c) is amended by striking “, or
4 the Senior Enlisted Advisor for the Chairman of the
5 Joint Chiefs of Staff” before the period at the end.

6 (c) NATIONAL DEFENSE AUTHORIZATION ACT FOR
7 FISCAL YEAR 2006.—Effective as of January 6, 2006,
8 and as if included therein as enacted, the National De-
9 fense Authorization Act for Fiscal Year 2006 (Public Law
10 109–163) is amended as follows:

11 (1) Section 608(b) (119 Stat. 3289) is amend-
12 ed—

13 (A) in paragraph (1), by striking “the first
14 sentence” and inserting “the second sentence”;
15 and

16 (B) in paragraph (2), by striking “the sec-
17 ond sentence” and inserting “the third sen-
18 tence”.

19 (2) Section 683 (119 Stat. 3322) is amended—

20 (A) in subsection (a)(3), by striking “sec-
21 tion 4873” and inserting “section 4837”;

22 (B) in subsection (c)(3), by striking “sec-
23 tion 9873” and inserting “section 9837”.

24 (C) in subsection (b)(2)—

1 (i) by striking “by striking the penul-
2 timate word.” and inserting “to read as
3 follows:”; and

4 (ii) by adding at the end the fol-
5 lowing:

“6161. Settlement of accounts: remission or cancellation of indebtedness of members.”.

6 (3) Section 685(a) (119 Stat. 3325) is amended
7 by striking “Advisor for” both places it appears and
8 inserting “Advisor to”.

9 (4) Section 687(a)(2) (119 Stat. 3327) is
10 amended by striking “subsection (a)” and inserting
11 “subsection (e)”.

12 (5) Section 687(b)(15) (119 Stat. 3330) is
13 amended—

14 (A) by striking “Subsection (d)” and in-
15 serting “Subsection (e)”; and

16 (B) in the matter inserted by that section,
17 by striking “(d) REPAYMENT.—” and inserting
18 “(e) REPAYMENT.—”.

19 **SEC. 1038. DATABASE OF EMERGENCY RESPONSE CAPA-**
20 **BILITIES.**

21 The Secretary of Defense shall ensure that a data-
22 base of emergency response capabilities is maintained by
23 the Department of Defense that includes the following:

1 (1) The types of capabilities that each State's
2 National Guard will likely provide in response to do-
3 mestic natural and manmade disasters, both to their
4 home States and under State-to-State mutual assist-
5 ance agreements.

6 (2) The types of capabilities that the Depart-
7 ment of Defense will likely provide in order to fulfill
8 Department of Defense responsibilities to provide
9 support under the National Response Plan's 15
10 Emergency Support Functions, as well as identifica-
11 tion of the units that provide those capabilities.

12 **SEC. 1039. INFORMATION ON CERTAIN CRIMINAL INVES-**
13 **TIGATIONS AND PROSECUTIONS.**

14 (a) ANNUAL REPORT.—Subsection (c) of section
15 1093 of the Ronald W. Reagan National Defense Author-
16 ization Act for Fiscal Year 2005 (Public Law 108–375;
17 118 Stat. 2070) is amended—

18 (1) in paragraph (1)—

19 (A) by inserting “, or any prosecution on
20 account of,” after “Notice of any investigation
21 into”; and

22 (B) by inserting before the period at the
23 end the following: “, and, as to any such crimi-
24 nal investigation or prosecution described in
25 this paragraph, a detailed and comprehensive

1 description of such investigation or prosecution
2 and any resulting judicial or nonjudicial punish-
3 ment or other disciplinary action”; and

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

6 “(3) Information about any officer nominated
7 for command, or nominated for promotion or ap-
8 pointment to a position requiring the advice and
9 consent of the Senate, who has been subject to any
10 investigation into, or prosecution of, a violation of
11 international obligations or laws of the United
12 States regarding the treatment of individuals de-
13 tained by the United States Armed Forces or by a
14 person providing services to the Department of De-
15 fense on a contractual basis, if the inclusion of such
16 information in the report will not compromise any
17 ongoing criminal or administrative investigation or
18 prosecution, and including the following:

19 “(A) A description of any allegation of de-
20 tainee death, torture or abuse.

21 “(B) The status of any investigation or
22 prosecution.

23 “(C) Any judicial or nonjudicial punish-
24 ment or other disciplinary action.”.

1 (b) NOMINATION INFORMATION.—Such section is
2 further amended by adding at the end the following new
3 subsection:

4 “(f) NOMINATIONS.—Information described in para-
5 graph (3) of subsection (c), in addition to being included
6 in the annual report under that subsection, shall be sub-
7 mitted to the Committee of Armed Services of the Senate
8 and the Committee on Armed Services of the House of
9 Representatives on a regular, timely basis in advance of
10 any nomination described in that paragraph.”.

11 **SEC. 1040. DATE FOR FINAL REPORT OF EMP COMMISSION.**

12 (a) REVISED DEADLINE FOR SUBMISSION OF FINAL
13 REPORT.—The final report of the EMP Commission shall
14 be submitted to Congress not later than the end of the
15 18-month period beginning on the date of the commis-
16 sion’s first meeting after being reestablished pursuant to
17 section 1052 of the National Defense Authorization Act
18 for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
19 3434) (rather than the date prescribed in section 1403(a)
20 of the Commission Charter).

21 (b) DEFINITIONS.—For purposes of this section:

22 (1) EMP COMMISSION.—The term “EMP Com-
23 mission” means the Commission to Assess the
24 Threat to the United States from Electromagnetic
25 Pulse (EMP) Attack Commission, established pursu-

1 ant to title XIV of the Floyd D. Spence National
2 Defense Authorization Act for Fiscal Year 2001 (as
3 enacted into law by Public Law 106–398; 114 Stat.
4 1654A-345 et seq.) and reestablished pursuant to
5 section 1052 of the National Defense Authorization
6 Act for Fiscal Year 2006 (Public Law 109–163; 119
7 Stat. 3434).

8 (2) COMMISSION CHARTER.—The term “Com-
9 mission charter” means title XIV of the Floyd D.
10 Spence National Defense Authorization Act for Fis-
11 cal Year 2001 (as enacted into law by Public Law
12 106–398; 114 Stat. 1654A-345 et seq.), as amended
13 by section 1052 of the National Defense Authoriza-
14 tion Act for Fiscal Year 2006 (Public Law 109–163;
15 119 Stat. 3434).

16 **SEC. 1041. AUTHORIZATION TO EXPIRE CLEARANCES RE-**
17 **VOKED.**

18 (a) PROHIBITION ON EXPIRED CLEARANCES.—No
19 security clearance granted by the Department of Defense
20 that has been requested to be renewed, based on a require-
21 ment for periodic reinvestigation, shall be permitted to ex-
22 pire until the Secretary of Defense certifies to the congres-
23 sional defense committees and the Committee on Home-
24 land Security and Governmental Affairs of the Senate and

1 the Committee on Government Reform of the House of
2 Representatives that—

3 (1) the Defense Security Service has continued
4 to accept industry requests for new personnel secu-
5 rity clearances and periodic reinvestigations; and

6 (2) the Defense Security Service has fully fund-
7 ed its requirement for fiscal year 2007 security
8 clearances and taken steps to eliminate its backlog
9 of requests for security clearance and periodic inves-
10 tigations by September 20, 2008.

11 (b) EXCEPTION TO PROHIBITION.—The prohibition
12 in subsection (a) shall not apply if the Secretary of De-
13 fense determines that sufficient cause exists to revoke a
14 security clearance, that has been requested to be renewed,
15 based on other requirements of law or Department of De-
16 fense policy or regulations.

17 (c) DURATION OF PROHIBITION.—The prohibition on
18 expired clearances authorized by this section expires on
19 September 30, 2008.

20 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
21 tion alters the process in effect as of the date of the enact-
22 ment of this Act for security clearances and periodic inves-
23 tigations.

24 (e) DEFINITION.—In this section, the term “backlog”
25 means the body of industry requests for new personnel se-

1 curity clearances and periodic reinvestigations that have
2 not yet been completed or that have not yet been opened
3 for investigation.

4 (f) **REPORTS.**—The Secretary of Defense shall sub-
5 mit to the Committee on Armed Services of the Senate
6 and the Committee on Armed Services of the House of
7 Representatives a report detailing the actions required by
8 subsection (a)(2) no later than September 30, 2007. A
9 final report shall be submitted no later than September
10 30, 2008.

11 **SEC. 1042. REPORT ON DEPARTMENT OF DEFENSE RE-**
12 **SPONSE TO THREAT POSED BY IMPROVISED**
13 **EXPLOSIVE DEVICES.**

14 (a) **REPORT REQUIRED.**—Not later than 30 days
15 after the date of the enactment of this Act, the Secretary
16 of Defense shall submit to Congress a report regarding
17 the status of the threat posed by improvised explosive de-
18 vices (in the section referred to as “IEDs”) and describing
19 efforts being undertaken to defeat this threat. Supple-
20 mental reports shall be submitted every 90 days thereafter
21 to account for every incident involving the detonation or
22 discovery of an IED since the previous report was sub-
23 mitted. Reports shall be transmitted in an unclassified
24 manner with a classified annex, if necessary.

1 (b) JOINT IED DEFEAT ORGANIZATION AND RE-
2 LATED OFFICES.—The reports required by subsection (a)
3 shall provide the following information regarding the Joint
4 IED Defeat Organization and all other offices within the
5 Department of Defense and the military departments that
6 are focused on countering IEDs:

7 (1) The number of people assigned to the Joint
8 IED Defeat Organization and the related offices.

9 (2) The major locations to which personnel are
10 assigned and organizational structure.

11 (3) The projected budget of the Joint IED De-
12 feat Organization and the related offices.

13 (4) The level of funding required for adminis-
14 trative costs.

15 (c) EXISTING THREAT AND COUNTER MEASURES.—
16 The reports required by subsection (a) shall include the
17 following information regarding the threat posed by IEDs
18 and the countermeasures employed to defeat those threats:

19 (1) The number of IEDs being encountered by
20 United States and allied military personnel, includ-
21 ing general trends in tactics and technology used by
22 the enemy.

23 (2) Passive countermeasures employed and
24 their success rates.

1 (3) Active countermeasures employed and their
2 success rates.

3 (4) Any evidence of assistance by foreign coun-
4 tries or other entities not directly involved in fight-
5 ing United States and allied forces in Iraq and Af-
6 ghanistan.

7 (5) A list and summary of data collected and
8 reports generated by the Department of Defense and
9 the Armed Forces on counter-IED efforts in Iraq
10 and Afghanistan and other fronts in the Global War
11 on Terrorism.

12 (d) RESEARCH, DEVELOPMENT, TESTING, AND
13 EVALUATION OF NEW COUNTERMEASURES.—The reports
14 required by subsection (a) shall include the following infor-
15 mation regarding research, development, testing, and eval-
16 uation of new active and passive countermeasures and im-
17 pediments to those efforts:

18 (1) The status of any and all efforts within the
19 Department of Defense and the Armed Forces to re-
20 search, develop, test, and evaluate passive counter-
21 measures and active countermeasures and to speed
22 their introduction into units currently deployed over-
23 seas.

24 (2) Impediments to swift introduction of prom-
25 ising new active countermeasures.

1 (e) INTERDICTION EFFORTS.—To the extent not pre-
2 viously covered in another section of the reports required
3 by subsection (a), the reports shall identify any and all
4 other offices within the Department of Defense or the
5 Armed Forces that are focused on interdicting IEDs, to-
6 gether with the personnel and funding requirements speci-
7 fied in subsection (b) and the success of such efforts. For
8 purposes of this subsection, interdiction includes the devel-
9 opment of intelligence regarding persons and locations in-
10 volved in the manufacture or deployment of IEDs and sub-
11 sequent action against those persons or locations, includ-
12 ing efforts to prevent IED emplacement.

13 **SEC. 1043. DETERMINATION OF DEPARTMENT OF DEFENSE**
14 **INTRATHEATER AND INTERTHEATER AIRLIFT**
15 **AND SEALIFT MOBILITY REQUIREMENTS.**

16 (a) DETERMINATION OF REQUIREMENTS.—The Sec-
17 retary of Defense, as part of the 2006 Mobility Capabili-
18 ties Study, shall determine Department of Defense mobil-
19 ity requirements as follows:

20 (1) The Secretary shall determine intratheater
21 and intertheater airlift mobility requirements and
22 intratheater and intertheater sealift mobility require-
23 ments (all stated in terms of million ton miles per
24 day) for executing each scenario that was modeled in
25 the 2005 Mobility Capabilities Study and each sce-

1 nario that is modeled in the 2006 Mobility Capabili-
2 ties Study.

3 (2) The Secretary shall determine intratheater
4 and intertheater airlift mobility requirements and
5 intratheater and intertheater sealift mobility require-
6 ments (all stated in terms of million ton miles per
7 day) for executing the National Military Strategy
8 with a low acceptable level of risk, with a medium
9 acceptable level of risk, and with a high acceptable
10 level of risk, for each of the following:

11 (A) Major combat operations.

12 (B) The Global War on Terrorism.

13 (C) Baseline security posture operations.

14 (D) Homeland defense and civil support
15 operations.

16 (E) Special operations missions.

17 (F) Global strike missions.

18 (G) Strategic nuclear missions.

19 (b) REPORT.—Not later than February 1, 2007, the
20 Secretary of Defense shall submit to the congressional de-
21 fense committees a report providing the mobility require-
22 ments determined pursuant to subsection (a). The report
23 shall set forth each mobility requirement specified in para-
24 graph (1) or (2) of that subsection.

1 (c) MOBILITY CAPABILITIES STUDIES.—For pur-
2 poses of this section:

3 (1) The term “2006 Mobility Capabilities
4 Study” means the studies conducted by the Sec-
5 retary of Defense and the Joint Staff during 2006
6 as a follow-on to the 2005 Mobility Capabilities
7 Study.

8 (2) The term “2005 Mobility Capabilities
9 Study” means the comprehensive Mobility Capabili-
10 ties Study completed in December 2005 and con-
11 ducted through the Office of Program Analysis and
12 Evaluation of the Department of Defense to assess
13 mobility needs for all aspects of the National De-
14 fense Strategy.

15 **SEC. 1044. DEPARTMENT OF DEFENSE OPERATIONAL**
16 **PLANS FOR ARMED FORCES SUPPORT FOR**
17 **CIVIL AUTHORITIES.**

18 The Secretary of Defense, in coordination with the
19 Secretary of Homeland Security and State governments,
20 shall develop detailed operational plans regarding the use
21 of the Armed Forces to support activities of civil authori-
22 ties, known as Defense Support to Civil Authorities mis-
23 sions. These plans shall specifically address response op-
24 tions to hurricanes, wildfires, earthquakes, pandemic, and
25 other natural disasters.

1 **SEC. 1045. REQUIREMENT THAT ALL MILITARY WHEELED**
2 **VEHICLES USED IN IRAQ AND AFGHANISTAN**
3 **OUTSIDE OF MILITARY COMPOUNDS BE**
4 **EQUIPPED WITH EFFECTIVE IMPROVISED EX-**
5 **PLOSIVE DEVICE (IED) JAMMERS.**

6 (a) REQUIREMENT.—The Secretary of Defense shall
7 take such steps as necessary to ensure that by the end
8 of fiscal year 2007 all United States military wheeled vehi-
9 cles used in Iraq and Afghanistan outside of military com-
10 pounds are equipped with effective Improvised Explosive
11 Device (IED) jammers.

12 (b) FUNDING.—The Secretary shall carry out sub-
13 section (a) using funds provided pursuant to authoriza-
14 tions of appropriations in title XV.

15 (c) REPORT.—Not later than December 15, 2006, the
16 Secretary of Defense shall submit to the congressional de-
17 fense committees a report on the cost and timeline to com-
18 plete compliance with the requirement in subsection (a)
19 that by the end of fiscal year 2007 each vehicle described
20 in that subsection be equipped with an effective Impro-
21 vised Explosive Device jammer.

22 **TITLE XI—CIVILIAN PERSONNEL**
23 **MATTERS**

Sec. 1101. Increase in authorized number of defense intelligence senior execu-
tive service employees.

Sec. 1102. Authority for Department of Defense to pay full replacement value
for personal property claims of civilians.

Sec. 1103. Accrual of annual leave for members of the uniformed services performing dual employment.

Sec. 1104. Death gratuity authorized for Federal employees.

1 **SEC. 1101. INCREASE IN AUTHORIZED NUMBER OF DE-**
2 **FENSE INTELLIGENCE SENIOR EXECUTIVE**
3 **SERVICE EMPLOYEES.**

4 Section 1606(a) of title 10, United States Code, is
5 amended by striking “594” and inserting “644”.

6 **SEC. 1102. AUTHORITY FOR DEPARTMENT OF DEFENSE TO**
7 **PAY FULL REPLACEMENT VALUE FOR PER-**
8 **SONAL PROPERTY CLAIMS OF CIVILIANS.**

9 Section 2636a(a) of title 10, United States Code, is
10 amended by striking “of baggage and household effects
11 for members of the armed forces at Government expense”
12 and inserting “at Government expense of baggage and
13 household effects for members of the armed forces or civil-
14 ian employees of the Department of Defense (or both)”.

15 **SEC. 1103. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF**
16 **THE UNIFORMED SERVICES PERFORMING**
17 **DUAL EMPLOYMENT.**

18 Section 5534a of title 5, United States Code, is
19 amended by adding at the end the following new sentence:
20 “Such a member also is entitled to accrue annual leave
21 with pay in the manner specified in section 6303(a) of this
22 title for a retired member of a uniformed service.”

1 **SEC. 1104. DEATH GRATUITY AUTHORIZED FOR FEDERAL**
2 **EMPLOYEES.**

3 (a) DEATH GRATUITY AUTHORIZED.—Chapter 81 of
4 title 5, United States Code, is amended by inserting after
5 section 8102 the following new section:

6 **“§ 8102a. Death gratuity**

7 “(a) DEATH GRATUITY AUTHORIZED.—The United
8 States shall pay a death gratuity of \$100,000 to or for
9 the survivor prescribed by subsection (d) immediately
10 upon receiving official notification of the death of an em-
11 ployee who dies of injuries incurred in connection with the
12 employee’s service with an Armed Force in a contingency
13 operation, or who dies of injuries incurred in connection
14 with a terrorist incident occurring during the employee’s
15 service with an Armed Force.

16 “(b) RETROACTIVE PAYMENT IN CERTAIN CASES.—
17 With respect to an employee who dies on or after October
18 7, 2001, as a result of wounds, injuries, or illnesses in-
19 curred in the performance of duty in the theater of oper-
20 ations of Operation Enduring Freedom or Operation Iraqi
21 Freedom, subsection (a) also shall apply.

22 “(c) OTHER BENEFITS.—The death gratuity payable
23 under this section is in addition to any death benefits oth-
24 erwise provided for in law.

25 “(d) ELIGIBLE SURVIVORS.—

1 “(1) A death gratuity payable upon the death
2 of a person covered by subsection (a) shall be paid
3 to or for the living survivor highest on the following
4 list:

5 “(A) The employee’s surviving spouse.

6 “(B) The employee’s children, as pre-
7 scribed by paragraph (2), in equal shares.

8 “(C) If designated by the employee, any
9 one or more of the following persons:

10 “(i) The employee’s parents or per-
11 sons in loco parentis, as prescribed by
12 paragraph (3).

13 “(ii) The employee’s brothers.

14 “(iii) The employee’s sisters.

15 “(D) The employee’s parents or persons in
16 loco parentis, as prescribed by paragraph (3),
17 in equal shares.

18 “(E) The employee’s brothers and sisters
19 in equal shares.

20 Subparagraphs (C) and (E) of this paragraph in-
21 clude brothers and sisters of the half blood and
22 those through adoption.

23 “(2) Paragraph (1)(B) applies, without regard
24 to age or marital status, to—

25 “(A) legitimate children;

1 “(B) adopted children;

2 “(C) stepchildren who were a part of the
3 decedent’s household at the time of death;

4 “(D) illegitimate children of a female dece-
5 dent; and

6 “(E) illegitimate children of a male dece-
7 dent—

8 “(i) who have been acknowledged in
9 writing signed by the decedent;

10 “(ii) who have been judicially deter-
11 mined, before the decedent’s death, to be
12 his children;

13 “(iii) who have been otherwise proved,
14 by evidence satisfactory to the employing
15 agency, to be children of the decedent; or

16 “(iv) to whose support the decedent
17 had been judicially ordered to contribute.

18 “(3) Subparagraphs (C) and (D) of paragraph
19 (1), so far as they apply to parents and persons in
20 loco parentis, include fathers and mothers through
21 adoption, and persons who stood in loco parentis to
22 the decedent for a period of not less than one year
23 at any time before the decedent became an em-
24 ployee. However, only one father and one mother, or
25 their counterparts in loco parentis, may be recog-

1 nized in any case, and preference shall be given to
 2 those who exercised a parental relationship on the
 3 date, or most nearly before the date, on which the
 4 decedent became an employee.

5 “(4) If an eligible survivor dies before he re-
 6 ceives the death gratuity, it shall be paid to the liv-
 7 ing survivor next in the order prescribed by para-
 8 graph (1).

9 “(e) DEFINITIONS.—The term ‘contingency oper-
 10 ation’ has the meaning given to that term in section
 11 1482a(c) of title 10, United States Code.”.

12 (b) CLERICAL AMENDMENT.—The table of sections
 13 at the beginning of chapter 81 of such title is amended
 14 by inserting after the item relating to section 8102 the
 15 following new item:

“8102a. Death gratuity.”.

16 **TITLE XII—MATTERS RELATING**
 17 **TO FOREIGN NATIONS**

Subtitle A—Assistance and Training

- Sec. 1201. Logistic support for allied forces participating in combined operations.
- Sec. 1202. Temporary authority to use acquisition and cross-servicing agreements to lend certain military equipment to foreign forces in Iraq and Afghanistan for personnel protection and survivability.
- Sec. 1203. Recodification and revision to law relating to Department of Defense humanitarian demining assistance.
- Sec. 1204. Enhancements to Regional Defense Combating Terrorism Fellowship Program.
- Sec. 1205. Capstone overseas field studies trips to People’s Republic of China and Republic of China on Taiwan.
- Sec. 1206. Military educational exchanges between senior officers and officials of the United States and Taiwan.

Subtitle B—Nonproliferation Matters and Countries of Concern

Sec. 1211. Procurement restrictions against foreign persons that transfer certain defense articles and services to the People’s Republic of China.

Subtitle C—Other Matters

Sec. 1221. Execution of the President’s policy to make available to Taiwan diesel electric submarines.

Sec. 1222. Humanitarian support for Iraqi children in urgent need of medical care.

Sec. 1223. Sense of Congress concerning cooperation with Russia on issues pertaining to missile defense.

1 **Subtitle A—Assistance and**
 2 **Training**

3 **SEC. 1201. LOGISTIC SUPPORT FOR ALLIED FORCES PAR-**
 4 **TICIPATING IN COMBINED OPERATIONS.**

5 (a) **AUTHORITY.**—Chapter 3 of title 10, United
 6 States Code, is amended by inserting after section 127b
 7 the following new section:

8 **“§ 127c. Allied forces participating in combined oper-**
 9 **ations: authority to provide logistic sup-**
 10 **port, supplies, and services**

11 “(a) **AUTHORITY.**—Subject to subsections (b) and
 12 (c), the Secretary of Defense may provide logistic support,
 13 supplies, and services to allied forces participating in a
 14 combined operation with the armed forces. Provision of
 15 such support, supplies, and services to the forces of an
 16 allied nation may be made only with the concurrence of
 17 the Secretary of State.

18 “(b) **LIMITATIONS.**—The authority provided by sub-
 19 section (a) may be used only—

1 “(1) in accordance with the Arms Export Con-
2 trol Act and other export control laws of the United
3 States; and

4 “(2) for a combined operation—

5 “(A) that is carried out during active hos-
6 tilities or as part of a contingency operation or
7 a noncombat operation (including an operation
8 in support of the provision of humanitarian or
9 foreign disaster assistance, a country stabiliza-
10 tion operation, or a peacekeeping operation
11 under chapter VI or VII of the Charter of the
12 United Nations); and

13 “(B) in a case in which the Secretary of
14 Defense determines that the allied forces to be
15 provided logistic support, supplies, and services
16 (i) are essential to the success of the combined
17 operation, and (ii) would not be able to partici-
18 pate in the combined operation but for the pro-
19 vision of such logistic support, supplies, and
20 services by the Secretary.

21 “(c) LIMITATION ON VALUE.—The value of logistic
22 support, supplies, and services provided under this section
23 in any fiscal year may not exceed \$100,000,000.

1 “(d) DEFINITION.—In this section, the term ‘logistic
2 support, supplies, and services’ has the meaning given that
3 term in section 2350(1) of this title.”.

4 (b) CLERICAL AMENDMENT.—The table of sections
5 at the beginning of such chapter is amended by inserting
6 after the item relating to section 127b the following new
7 item:

“127c. Allied forces participating in combined operations: authority to provide
logistic support, supplies, and services.”.

8 **SEC. 1202. TEMPORARY AUTHORITY TO USE ACQUISITION**
9 **AND CROSS-SERVICING AGREEMENTS TO**
10 **LEND CERTAIN MILITARY EQUIPMENT TO**
11 **FOREIGN FORCES IN IRAQ AND AFGHANI-**
12 **STAN FOR PERSONNEL PROTECTION AND**
13 **SURVIVABILITY.**

14 (a) AUTHORITY.—

15 (1) IN GENERAL.—Subject to paragraphs (2),
16 (3), and (4), the Secretary of Defense may treat cov-
17 ered military equipment as logistic support, supplies,
18 and services under subchapter I of chapter 138 of
19 title 10, United States Code, for the purpose of pro-
20 viding for the use of such equipment by military
21 forces of a nation participating in combined oper-
22 ations with the United States in Iraq or Afghani-
23 stan.

1 (2) REQUIRED DETERMINATIONS.—Equipment
2 may be provided to the military forces of a nation
3 under the authority of this section only upon—

4 (A) a determination by the Secretary of
5 Defense that the United States forces in the
6 combined operation have no unfilled require-
7 ments for that equipment; and

8 (B) a determination by the Secretary of
9 Defense, with the concurrence of the Secretary
10 of State, that it is in the national security inter-
11 est of the United States to provide for the use
12 of such equipment by the military forces of that
13 nation under this section.

14 (3) LIMITATION ON USE OF EQUIPMENT.—
15 Equipment provided to the military forces of a na-
16 tion under the authority of this section may be used
17 by those forces only in Iraq or Afghanistan and only
18 for personnel protection or to aid in the personnel
19 survivability of those forces.

20 (4) LIMITATION ON DURATION OF PROVISION
21 OF EQUIPMENT.—Equipment provided to the mili-
22 tary forces of a nation under the authority of this
23 section may be used by the military forces of that
24 nation for not longer than one year.

1 (b) SEMIANNUAL REPORTS TO CONGRESSIONAL
2 COMMITTEES.—

3 (1) USE OF AUTHORITY DURING FIRST SIX
4 MONTHS OF FISCAL YEAR.—If the authority pro-
5 vided in subsection (a) is exercised during the first
6 six months of a fiscal year, the Secretary of Defense
7 shall submit to the specified congressional commit-
8 tees a report on that exercise of such authority not
9 later than the following April 30.

10 (2) USE OF AUTHORITY DURING SECOND SIX
11 MONTHS OF FISCAL YEAR.—If the authority pro-
12 vided in subsection (a) is exercised during the sec-
13 ond six months of a fiscal year, the Secretary of De-
14 fense shall submit to the specified congressional
15 committees a report on that exercise of such author-
16 ity not later than the following October 30.

17 (3) CONTENT.—Each report under paragraph
18 (1) or (2) shall include, with respect to each exercise
19 of the authority provided in subsection (a) during
20 the period covered by the report, the following:

21 (A) A description of the basis for the de-
22 termination of the Secretary of Defense that it
23 is in the national security interests of the
24 United States to provide for the use of covered

1 military equipment in the manner authorized in
2 subsection (a).

3 (B) Identification of each foreign force
4 that receives such equipment.

5 (C) A description of the type, quantity,
6 and value of the equipment provided to each
7 foreign force that receives such equipment.

8 (D) A description of the terms and dura-
9 tion of the provision of the equipment to each
10 foreign force that receives such equipment.

11 (4) COORDINATION.—Each report under para-
12 graph (1) or (2) shall be prepared in coordination
13 with the Secretary of State.

14 (c) LIMITATIONS ON PROVISION OF MILITARY
15 EQUIPMENT.—The provision of military equipment under
16 this section is subject to the provisions of the Arms Export
17 Control Act (22 U.S.C. 2751 et seq.) and of any other
18 export control process under laws relating to the transfer
19 of military equipment and technology to foreign nations.

20 (d) DEFINITIONS.—In this section:

21 (1) The term “covered military equipment”
22 means items designated as significant military
23 equipment in categories I, II, III, and VII of the
24 United States Munitions List under section 38(a)(1)

1 of the Arms Export Control Act (22 U.S.C.
2 2778(a)(1)).

3 (2) The term “specified congressional commit-
4 tees” means—

5 (A) the Committee on Armed Services and
6 the Committee on Foreign Relations of the Sen-
7 ate; and

8 (B) the Committee on Armed Services and
9 the Committee on International Relations of the
10 House of Representatives.

11 (e) EXPIRATION.—The authority to provide military
12 equipment to the military forces of a foreign nation under
13 this section expires on September 30, 2008.

14 **SEC. 1203. RECODIFICATION AND REVISION TO LAW RELAT-**
15 **ING TO DEPARTMENT OF DEFENSE HUMANI-**
16 **TARIAN DEMINING ASSISTANCE.**

17 (a) REPEAL.—Section 401 of title 10, United States
18 Code, is amended—

19 (1) in subsection (a), by striking paragraph (4);

20 (2) in subsection (b)—

21 (A) by striking “(1)” after “(b)”; and

22 (B) by striking paragraph (2);

23 (3) in subsection (c), by striking paragraphs (2)

24 and (3); and

25 (4) in subsection (e), by striking paragraph (5).

1 (b) RECODIFICATION AND REVISION.—

2 (1) IN GENERAL.—Chapter 20 of such title is
3 amended by adding at the end the following new sec-
4 tion:

5 **“§ 407. Humanitarian demining assistance: authority;**
6 **limitations**

7 “(a) AUTHORITY.—(1) Under regulations prescribed
8 by the Secretary of Defense, the Secretary of a military
9 department may carry out humanitarian demining assist-
10 ance in conjunction with authorized military operations of
11 the armed forces in a country if the Secretary concerned
12 determines that the assistance will promote either—

13 “(A) the security interests of both the United
14 States and the country in which the activities are to
15 be carried out; or

16 “(B) the specific operational readiness skills of
17 the members of the armed forces who participate in
18 the activities.

19 “(2) Humanitarian demining assistance under this
20 section shall complement, and may not duplicate, any
21 other form of social or economic assistance which may be
22 provided to the country concerned by any other depart-
23 ment or agency of the United States.

1 “(3) The Secretary of Defense shall ensure that no
2 member of the armed forces, while providing humanitarian
3 demining assistance under this section—

4 “(A) engages in the physical detection, lifting,
5 or destroying of landmines or other explosive rem-
6 nants of war (unless the member does so for the
7 concurrent purpose of supporting a United States
8 military operation); or

9 “(B) provides such assistance as part of a mili-
10 tary operation that does not involve the armed
11 forces.

12 “(b) LIMITATIONS.—(1) Humanitarian demining as-
13 sistance may not be provided under this section unless the
14 Secretary of State specifically approves the provision of
15 such assistance.

16 “(2) Any authority provided under any other provi-
17 sion of law to provide humanitarian demining assistance
18 to a foreign country shall be carried out in accordance
19 with, and subject to, the limitations prescribed in this sec-
20 tion.

21 “(c) EXPENSES.—(1) Expenses incurred as a direct
22 result of providing humanitarian demining assistance
23 under this section to a foreign country shall be paid for
24 out of funds specifically appropriated for the purpose of

1 the provision by the Department of Defense of overseas
2 humanitarian assistance.

3 “(2) Expenses covered by paragraph (1) include the
4 following:

5 “(A) Travel, transportation, and subsistence ex-
6 penses of Department of Defense personnel pro-
7 viding such assistance.

8 “(B) The cost of any equipment, services, or
9 supplies acquired for the purpose of carrying out or
10 supporting humanitarian demining activities, includ-
11 ing any nonlethal, individual, or small-team equip-
12 ment or supplies for clearing landmines or other ex-
13 plosive remnants of war that are to be transferred
14 or otherwise furnished to a foreign country in fur-
15 therance of the provision of assistance under this
16 section.

17 “(3) The cost of equipment, services, and supplies
18 provided in any fiscal year under this section may not ex-
19 ceed \$10,000,000.

20 “(d) ANNUAL REPORT.—The Secretary of Defense
21 shall include in the annual report under section 401 of
22 this title a separate discussion of activities carried out
23 under this section during the preceding fiscal year, includ-
24 ing—

1 “(1) a list of the countries in which humani-
2 tarian demining assistance was carried out during
3 the preceding fiscal year; and

4 “(2) the amount expended in carrying out such
5 assistance in each such country during the preceding
6 fiscal year.

7 “(e) HUMANITARIAN DEMINING ASSISTANCE DE-
8 FINED.—In this section, the term ‘humanitarian demining
9 assistance’ means detection and clearance of landmines
10 and other explosive remnants of war, including activities
11 related to the furnishing of education, training, and tech-
12 nical assistance with respect to the detection and clearance
13 of landmines and other explosive remnants of war.”.

14 (2) CLERICAL AMENDMENT.—The table of sec-
15 tions at the beginning of such chapter is amended
16 by adding at the end the following new item:

“407. Humanitarian demining assistance: authority; limitations.”.

17 **SEC. 1204. ENHANCEMENTS TO REGIONAL DEFENSE COM-**
18 **BATING TERRORISM FELLOWSHIP PROGRAM.**

19 (a) AUTHORIZED PURPOSES.—Subsection (a) of sec-
20 tion 2249c of title 10, United States Code, is amended
21 by striking “associated with” and all that follows and in-
22 serting: “associated with the education and training of for-
23 eign military officers, ministry of defense officials, or secu-
24 rity officials at military or civilian educational institutions,
25 regional centers, conferences, seminars, or other training

1 programs conducted under the Regional Defense Com-
2 bating Terrorism Fellowship Program. Costs for which
3 payment may be made under this section include the costs
4 of transportation and travel and subsistence costs.”.

5 (b) ANNUAL LIMITATION ON AMOUNT OBLIGATED.—
6 Subsection (b) of such section is amended by striking
7 “\$20,000,000” and inserting “\$25,000,000”.

8 (c) EXPENDITURES ACROSS FISCAL YEARS.—Such
9 section is further amended by adding at the end the fol-
10 lowing new subsection:

11 “(d) OBLIGATION OF FUNDS ACROSS FISCAL
12 YEARS.—Funds made available for a fiscal year may be
13 obligated for the total cost of an education or training pro-
14 gram conducted under subsection (a) that begins in that
15 fiscal year, including a program that begins in that fiscal
16 year and ends in the next fiscal year, so long as the dura-
17 tion of the program does not exceed one year.”.

18 (d) CLERICAL AMENDMENTS.—

19 (1) REFERENCE TO PROGRAM.—Subsection
20 (c)(3) of such section is amended by striking “Re-
21 gional Defense Counterterrorism Fellowship Pro-
22 gram” and inserting “program referred to in sub-
23 section (a)”

24 (2) SECTION HEADING.—The heading of such
25 section is amended to read as follows:

1 **“§ 2249c. Regional Defense Combating Terrorism Fel-**
2 **lowship Program: authority to use appro-**
3 **priated funds for costs associated with**
4 **education and training of foreign offi-**
5 **cial”.**

6 (3) TABLE OF SECTIONS.—The item relating to
7 such section in the table of sections at the beginning
8 of subchapter I of chapter 134 of such title is
9 amended to read as follows

“2249c. Regional Defense Combating Terrorism Fellowship Program: authority
to use appropriated funds for costs associated with education
and training of foreign officials.”.

10 **SEC. 1205. CAPSTONE OVERSEAS FIELD STUDIES TRIPS TO**
11 **PEOPLE’S REPUBLIC OF CHINA AND REPUB-**
12 **LIC OF CHINA ON TAIWAN.**

13 Section 2153 of title 10, United States Code, is
14 amended by adding at the end of the following new sub-
15 section:

16 “(c) OVERSEAS FIELD STUDIES TO CHINA AND TAI-
17 WAN.—The Secretary of Defense shall direct the National
18 Defense University to ensure that visits to China and Tai-
19 wan are an integral part of the field study programs con-
20 ducted by the university as part of the military education
21 course carried out pursuant to subsection (a) and that
22 such field study programs include annually at least one
23 class field study trip to the People’s Republic of China

1 and at least one class field study trip to the Republic of
2 China on Taiwan.”.

3 **SEC. 1206. MILITARY EDUCATIONAL EXCHANGES BETWEEN**
4 **SENIOR OFFICERS AND OFFICIALS OF THE**
5 **UNITED STATES AND TAIWAN.**

6 (a) DEFENSE EXCHANGES.—The Secretary of De-
7 fense shall undertake a program of senior military officer
8 and senior official exchanges with Taiwan designed to im-
9 prove Taiwan’s defenses against the People’s Liberation
10 Army of the People’s Republic of China.

11 (b) EXCHANGES DESCRIBED.—For purposes of this
12 section, the term “exchange” means an activity, exercise,
13 event, or observation opportunity between Armed Forces
14 personnel or Department of Defense officials of the United
15 States and armed forces personnel and officials of Taiwan.

16 (c) FOCUS OF EXCHANGES.—The senior military offi-
17 cer and senior official exchanges undertaken pursuant to
18 subsection (a) shall include exchanges focused on the fol-
19 lowing, especially as they relate to defending Taiwan
20 against potential submarine attack and potential missile
21 attack:

- 22 (1) Threat analysis
- 23 (2) Military doctrine
- 24 (3) Force planning
- 25 (4) Logistical support

1 (5) Intelligence collection and analysis

2 (6) Operational tactics, techniques, and proce-
3 dures.

4 (d) CIVIL-MILITARY AFFAIRS.—The senior military
5 officer and senior official exchanges undertaken pursuant
6 to subsection (a) shall include activities and exercises fo-
7 cused on civil-military relations, including parliamentary
8 relations.

9 (e) LOCATION OF EXCHANGES.—The senior military
10 officer and senior official exchanges undertaken pursuant
11 to subsection (a) shall be conducted in both the United
12 States and Taiwan.

13 (f) DEFINITIONS.—For purposes of this section:

14 (1) The term “senior military officer” means a
15 general or flag officer of the Armed Forces on active
16 duty.

17 (2) The term “senior official” means a civilian
18 official of the Department of Defense at the level of
19 Deputy Assistant Secretary or above.

1 **Subtitle B—Nonproliferation**
2 **Matters and Countries of Concern**

3 **SEC. 1211. PROCUREMENT RESTRICTIONS AGAINST FOR-**
4 **EIGN PERSONS THAT TRANSFER CERTAIN**
5 **DEFENSE ARTICLES AND SERVICES TO THE**
6 **PEOPLE’S REPUBLIC OF CHINA.**

7 (a) DECLARATION OF POLICY.—Congress declares
8 that it is the policy of the United States to deny the Peo-
9 ple’s Republic of China such defense goods and defense
10 technology that could be used to threaten the United
11 States or undermine the security of Taiwan or the stability
12 of the Western Pacific region.

13 (b) PROCUREMENT SANCTION.—(1) The Secretary of
14 Defense may not procure, by contract or otherwise, any
15 goods or services from—

16 (A) any foreign person the Secretary of Defense
17 determines has, with actual knowledge, on or after
18 the date of the enactment of this Act, exported,
19 transferred, or otherwise provided to governmental
20 or nongovernmental entities of the People’s Republic
21 of China any item or class of items on the United
22 States Munitions List (or any item or class of items
23 that are identical, substantially identical, or directly
24 competitive to an item or class of items on the
25 United States Munitions List); or

1 (B) any foreign person the Secretary of
2 Defense determines—

3 (i) is a successor entity to a person
4 referred to in paragraph (1):

5 (ii) is a parent or subsidiary of a per-
6 son referred to in paragraph (1); or

7 (iii) is an affiliate of a person referred
8 to in paragraph (1) if that affiliate is con-
9 trolled in fact by such person.

10 (2) The prohibition under paragraph (1) with
11 respect to a foreign person shall last for a period of
12 five years after a determination is made by the Sec-
13 retary of Defense with respect to that person under
14 paragraph (1)(A).

15 (c) PUBLIC AVAILABILITY OF LIST OF SANCTIONED
16 PERSONS.—(1) The Secretary of Defense shall annually
17 publish in the Federal Register a current list of any for-
18 eign persons sanctioned under subsection (b). The removal
19 of foreign persons from, and the addition of foreign per-
20 sons to, the list shall also be published.

21 (2) The Secretary shall maintain the list pub-
22 lished under paragraph (1) on the internet website
23 of the Department of Defense.

24 (c) REMOVAL FROM LIST OF SANCTIONED PER-
25 SONS.—The Secretary of Defense may remove a person

1 from the list of sanctioned persons referred to in sub-
2 section (e) only after the five-year prohibition period im-
3 posed under subsection (b) with respect to the person has
4 expired.

5 (d) EXCEPTIONS.—(1) Subsection (b) shall not apply

6 (A) to contracts, or subcontracts under
7 such contracts, in existence on the date of the
8 enactment of this Act, including options under
9 such contracts;

10 (B) if the Secretary of Defense determines
11 in writing that the person to which the sanc-
12 tions would otherwise be applied is a sole source
13 supplier of the goods or services being procured,
14 that the goods or services are essential, and
15 that alternative sources are not readily or rea-
16 sonably available;

17 (C) in the case of a contract for routine
18 servicing and maintenance, if the Secretary of
19 Defense determines in writing alternative
20 sources for performing the contract are not
21 readily or reasonably available; or

22 (D) if the Secretary of Defense determines
23 in writing that goods or services proposed to be
24 procured under the contract are essential to the
25 national security of the United States.

1 (2) Determinations under paragraph (1) shall
2 be published in the Federal Register.

3 (f) DEFINITIONS.—In this section:

4 (1) The term “foreign person” has the meaning
5 given the term in section 14 of the Iran and Libya
6 Sanctions Act of 1996 (50 U.S.C. 1701 note).

7 (2) The term “United States Munitions List”
8 means the list referred to in section 38(a)(1) of the
9 Arms Export Control Act (22 U.S.C. 2778 (a)(1)).

10 **Subtitle C—Other Matters**

11 **SEC. 1221. EXECUTION OF THE PRESIDENT’S POLICY TO** 12 **MAKE AVAILABLE TO TAIWAN DIESEL ELEC-** 13 **TRIC SUBMARINES.**

14 (a) FINDINGS.—Congress makes the following find-
15 ings:

16 (1) It is the policy of the United States under
17 the Taiwan Relations Act of 1979 to “make avail-
18 able to Taiwan such defense articles and defense
19 services in such quantity as may be necessary to en-
20 able Taiwan to maintain a sufficient self-defense ca-
21 pability”.

22 (2) In April 2001, the President of the United
23 States approved for sale eight diesel electric sub-
24 marines to the Republic of China on Taiwan.

1 (3) The buildup of attack submarines by the
2 People’s Republic of China threatens the stability in
3 the Taiwan Strait and longstanding United States
4 national security interests in the Western Pacific.

5 (4) Taiwan has a legitimate defense need for
6 diesel electric submarines.

7 (5) The sale of diesel electric submarines to
8 Taiwan supports stability in the Taiwan Strait and
9 Western Pacific.

10 (6) The Legislative Yuan of the Republic of
11 China on Taiwan should make every effort to sup-
12 port the President of Taiwan to fund the acquisition
13 of diesel electric submarines from the United States.

14 (7) The sale of diesel electric submarines to
15 Taiwan is beneficial to the health and wellbeing of
16 the United States shipbuilding industrial base and,
17 therefore, United States national security.

18 (b) POLICY OF THE UNITED STATES.—It shall be the
19 policy of the United States to make available to Taiwan
20 plans and options for design work and construction work
21 on future diesel electric submarines under the United
22 States foreign military sales process. The availability of
23 such design work and construction work shall be made in
24 a manner consistent with United States national dislo-
25 sure policy and is subject to the provisions of the Arms

1 Export Control Act (22 U.S.C. 2751 et seq.) and any
2 other export control law of the United States.

3 (c) REPORT.—Not later than 30 days after the date
4 of the enactment of this Act, the Secretary of Defense
5 shall submit to the congressional defense committees a re-
6 port on the present and future efforts of the Department
7 of the Navy to execute the policy of the President to sell
8 diesel electric submarines to the Republic of China on Tai-
9 wan. The report shall include the following:

10 (1) Ongoing activities by the Navy Inter-
11 national Programs Office, in consultation with the
12 Defense Security and Cooperation Agency, to make
13 the Government of Taiwan aware of available For-
14 eign Military Sales options.

15 (2) Future activities planned by the Navy Inter-
16 national Programs Office, in consultation with the
17 Defense Security and Cooperation Agency, to make
18 the Government of Taiwan aware of available For-
19 eign Military Sales options to acquire diesel electric
20 submarines from the United States.

21 (d) DEFINITIONS.—In this section:

22 (1) The term “design work” means the process
23 by which a submarine is designed.

24 (2) The term “construction work” means the
25 process by which a submarine is constructed.

1 (3) The term “activities” means all interactions
2 between the Government of the United States and
3 the Government of Taiwan.

4 **SEC. 1222. HUMANITARIAN SUPPORT FOR IRAQI CHILDREN**
5 **IN URGENT NEED OF MEDICAL CARE.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) The Secretary of Defense has discretionary
9 authority to permit space-available travel on military
10 aircraft for various reasons, including humanitarian
11 purposes.

12 (2) Recently, 110 Iraqi children journeyed 22
13 hours by bus from Baghdad, Iraq, to Amman, Jor-
14 dan, for urgently needed oral/facial surgery. While
15 traveling, armed insurgents stopped and boarded the
16 children’s bus, raising serious questions about the
17 safety of further travel by ground.

18 (3) Pursuant to the Secretary’s discretionary
19 authority referred to in paragraph (1), the Secretary
20 authorized the Iraqi children to travel on military
21 aircraft for their return trip from Amman to Bagh-
22 dad.

23 (4) The Secretary is to be commended for his
24 initiative in providing for the safe return of these
25 children to Iraq by military aircraft.

1 (b) SENSE OF CONGRESS.—It is the sense of Con-
2 gress that the Secretary of Defense should continue to
3 provide space-available travel on military aircraft for hu-
4 manitarian reasons to Iraqi children who would otherwise
5 have no means available to seek urgently needed medical
6 care such as that provided by a humanitarian organization
7 in Amman, Jordan.

8 (c) FUNDING SUPPORT.—Within the amount pro-
9 vided in section 301 for Operation and Maintenance, De-
10 fense-wide—

11 (1) \$1,000,000 shall be available only for De-
12 partment of Defense support of the Peace Through
13 Health Care Initiative; and

14 (2) the amount provided for Budget Activity 4
15 is reduced by \$1,000,000 due to operational unobli-
16 gated balances.

17 **SEC. 1223. SENSE OF CONGRESS CONCERNING COOPERA-**
18 **TION WITH RUSSIA ON ISSUES PERTAINING**
19 **TO MISSILE DEFENSE.**

20 It is the sense of Congress that—

21 (1) cooperation between the United States and
22 Russia with regard to missile defense is in the inter-
23 est of the United States;

1 **SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT RE-**
2 **DUCTION PROGRAMS AND FUNDS.**

3 (a) SPECIFICATION OF CTR PROGRAMS.—For pur-
4 poses of section 301 and other provisions of this Act, Co-
5 operative Threat Reduction programs are the programs
6 specified in section 1501(b) of the National Defense Au-
7 thorization Act for Fiscal Year 1997 (Public Law 104-
8 201; 110 Stat. 2731; 50 U.S.C. 2362 note).

9 (b) FISCAL YEAR 2007 COOPERATIVE THREAT RE-
10 Duction FUNDS DEFINED.—As used in this title, the
11 term “fiscal year 2007 Cooperative Threat Reduction
12 funds” means the funds appropriated pursuant to the au-
13 thorization of appropriations in section 301 for Coopera-
14 tive Threat Reduction programs.

15 (c) AVAILABILITY OF FUNDS.—Funds appropriated
16 pursuant to the authorization of appropriations in section
17 301 for Cooperative Threat Reduction programs shall be
18 available for obligation for three fiscal years.

19 **SEC. 1302. FUNDING ALLOCATIONS.**

20 (a) FUNDING FOR SPECIFIC PURPOSES.—Of the
21 \$372,128,000 authorized to be appropriated to the De-
22 partment of Defense for fiscal year 2007 in section
23 301(19) for Cooperative Threat Reduction programs, the
24 following amount may be obligated for the purposes speci-
25 fied:

1 (1) For strategic offensive arms elimination in
2 Russia, \$76,985,000.

3 (2) For nuclear weapons storage security in
4 Russia, \$87,100,000.

5 (3) For nuclear weapons transportation security
6 in Russia, \$33,000,000.

7 (4) For weapons of mass destruction prolifera-
8 tion prevention in the states of the former Soviet
9 Union, \$37,486,000.

10 (5) For biological weapons proliferation preven-
11 tion in the former Soviet Union, \$68,357,000.

12 (6) For chemical weapons destruction in Rus-
13 sia, \$42,700,000.

14 (7) For defense and military contacts,
15 \$8,000,000.

16 (8) For activities designated as Other Assess-
17 ments/Administrative Support, \$18,500,000.

18 (b) REPORT ON OBLIGATION OR EXPENDITURE OF
19 FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Co-
20 operative Threat Reduction funds may be obligated or ex-
21 pended for a purpose other than a purpose listed in para-
22 graphs (1) through (8) of subsection (a) until 30 days
23 after the date that the Secretary of Defense submits to
24 Congress a report on the purpose for which the funds will
25 be obligated or expended and the amount of funds to be

1 obligated or expended. Nothing in the preceding sentence
2 shall be construed as authorizing the obligation or expend-
3 iture of fiscal year 2007 Cooperative Threat Reduction
4 funds for a purpose for which the obligation or expendi-
5 ture of such funds is specifically prohibited under this title
6 or any other provision of law.

7 (c) LIMITED AUTHORITY TO VARY INDIVIDUAL
8 AMOUNTS.—

9 (1) IN GENERAL.—Subject to paragraphs (2)
10 and (3), in any case in which the Secretary of De-
11 fense determines that it is necessary to do so in the
12 national interest, the Secretary may obligate
13 amounts appropriated for fiscal year 2007 for a pur-
14 pose listed in any of the paragraphs in subsection
15 (a) in excess of the specific amount authorized for
16 that purpose.

17 (2) NOTICE-AND-WAIT REQUIRED.—An obliga-
18 tion of funds for a purpose stated in any of the
19 paragraphs in subsection (a) in excess of the specific
20 amount authorized for such purpose may be made
21 using the authority provided in paragraph (1) only
22 after—

23 (A) the Secretary submits to Congress no-
24 tification of the intent to do so together with a

1 complete discussion of the justification for
2 doing so; and

3 (B) 15 days have elapsed following the
4 date of the notification.

5 (3) RESTRICTION.—The Secretary may not,
6 under the authority provided in paragraph (1), obli-
7 gate amounts for a purpose stated in any of para-
8 graphs (6) through (8) of subsection (a) in excess of
9 125 percent of the specific amount authorized for
10 such purpose.

11 **SEC. 1303. TEMPORARY AUTHORITY TO WAIVE LIMITATION**
12 **ON FUNDING FOR CHEMICAL WEAPONS DE-**
13 **STRUCTION FACILITY IN RUSSIA.**

14 Section 1303 of the Ronald W. Reagan National De-
15 fense Authorization Act for Fiscal Year 2005 (Public Law
16 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amend-
17 ed—

18 (1) in subsection (b), by striking “shall expire
19 on December 31, 2006, and no waiver shall remain
20 in effect after that date” and inserting “shall expire
21 upon completion of the Chemical Weapons Destruc-
22 tion Facility currently under construction at
23 Shchuch’ye in the Russian Federation, and no waiv-
24 er shall remain in effect after that date”; and

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

3 “(c) REPORT.—Not later than 30 days after comple-
4 tion of the facility referred to in subsection (b), the Sec-
5 retary of Defense shall submit to Congress a written noti-
6 fication that specifies the date of completion.”.

7 **SEC. 1304. NATIONAL ACADEMY OF SCIENCES STUDY.**

8 (a) STUDY REQUIRED.—The Secretary of Defense
9 shall enter into an arrangement with the National Acad-
10 emy of Sciences under which the Academy shall carry out
11 a study to analyze lessons learned, past and present chal-
12 lenges, and possible options in effectively managing and
13 facilitating threat reduction and nonproliferation projects
14 under the Cooperative Threat Reduction program. The
15 study shall cover all existing Cooperative Threat Reduc-
16 tion projects for securing or eliminating nuclear, chemical,
17 and biological weapons and related systems in the states
18 of the former Soviet Union.

19 (b) REPORT.—Not later than December 31, 2007,
20 the Secretary shall submit to Committee on Armed Serv-
21 ices of the Senate and the Committee on Armed Services
22 of the House of Representatives a report on the study car-
23 ried out under subsection (a). The report shall include a
24 review and evaluation of each of the following matters:

25 (1) Project management.

1 (2) Interagency interaction concerning threat
2 reduction and nonproliferation projects of other Fed-
3 eral departments or agencies.

4 (3) Public outreach and community involve-
5 ment.

6 (4) Cooperation of Russia and of other states of
7 the former Soviet Union (including site access, visa
8 approval, and contractor support).

9 (5) Legal frameworks.

10 (6) Transparency.

11 (7) Adequacy of funding from the United
12 States and any Cooperative Threat Reduction pro-
13 gram partner.

14 (8) Interaction with threat reduction and non-
15 proliferation projects of Global Partnership coun-
16 tries.

17 (c) FUNDING.—Of the amounts made available pur-
18 suant to the authorization of appropriations in section
19 301(19) for Cooperative Threat Reduction programs, not
20 more than \$2,000,000 shall be available only to carry out
21 this section.

22 **TITLE XIV—HOMELAND DE-**
23 **FENSE TECHNOLOGY TRANS-**
24 **FER**

Sec. 1401. Short title.

Sec. 1402. Findings.

Sec. 1403. Creation of Homeland Defense Technology Transfer Consortium.

1 **SEC. 1401. SHORT TITLE.**

2 This title may be cited as the “Homeland Defense
3 Technology Transfer Act of 2006”.

4 **SEC. 1402. FINDINGS.**

5 Congress finds the following:

6 (1) The Federal Government funds billions of
7 dollars for research each year that has the potential
8 to meet the needs of Federal, State, and local first
9 responders, yet examples of successful technology
10 transitions are few and far between.

11 (2) Congress has made repeated efforts to au-
12 thorize the Department of Defense to effectively
13 transfer its technologies to Federal, State, and local
14 first responders. However, while progress has been
15 made in implementing these authorities, this process
16 can be significantly improved.

17 (3) Although the Department of Defense Strat-
18 egy for Homeland Defense and Civil Support calls
19 for active participation in an interagency process
20 that improves interoperability and compatibility with
21 public safety technologies and initiatives, greater
22 participation is needed to ensure that all tech-
23 nologies used by the Department of Defense in their
24 homeland defense mission are interoperable and
25 compatible with standards being developed for public
26 safety technologies.

1 (4) Even when technologies with promise have
2 been identified, additional research and development
3 efforts are needed to adapt these technologies into
4 readily available, affordable products. No program
5 with a sense of urgency to quickly produce results
6 exists to bridge this gap.

7 (5) Tragedies such as Hurricanes Katrina and
8 Rita demonstrate the need for prompt, decisive ac-
9 tion by Congress to solve a problem that has eluded
10 attempts by the Department of Defense to solve.

11 (6) Legislation is needed to codify the process
12 for effectively moving and adapting needed tech-
13 nologies from the Department of Defense to Federal,
14 State, and local first responders so that the lives of
15 the American public and emergency responders are
16 protected to the maximum extent possible.

17 **SEC. 1403. CREATION OF HOMELAND DEFENSE TECH-**
18 **NOLOGY TRANSFER CONSORTIUM.**

19 (a) **AUTHORIZATION OF CONSORTIUM.**—In order to
20 improve the speed and effectiveness of identifying, evalu-
21 ating, deploying, and transferring to Federal, State, and
22 local first responders technology items and equipment in
23 support of homeland security as required by section 1401
24 of the Bob Stump National Defense Authorization Act for
25 Fiscal Year 2003 (Public Law 107–314; 50 U.S.C. 2312

1 note) and work towards interoperability and compatibility
2 of inter-agency homeland defense and security tech-
3 nologies, it is urgent that the technology adaptation and
4 transfer process be consistent within the Department of
5 Defense. Towards that end, the Secretary of Defense, in
6 coordination with the Secretary of Homeland Security, is
7 authorized to create a Homeland Defense–Homeland Se-
8 curity Technology Transfer Consortium.

9 (b) COMPOSITION OF CONSORTIUM.—To contribute
10 to the rapid development and adoption of new technologies
11 needed to ensure the safety of the United States public
12 and the welfare of emergency service providers, the Home-
13 land Defense–Homeland Security Technology Transfer
14 Consortium shall be composed of—

15 (1) organizations and entities working with the
16 Department of Defense;

17 (2) the Department of Homeland Security;

18 (3) Federal, State, and local first responders;

19 and

20 (4) other relevant Federal agencies with estab-
21 lished expertise in identifying, assessing, testing,
22 evaluating, and training emergency response and
23 other public safety entities.

24 (c) AUTHORITIES OF CONSORTIUM.—

1 (1) PROCESS IMPROVEMENTS.—The Homeland
2 Defense–Homeland Security Technology Transfer
3 Consortium shall systematize—

4 (A) the process for the identification, as-
5 sessment, adaptation, and transition of defense
6 technologies that have the potential to enhance
7 public safety and improve homeland security,
8 thereby assisting the Department of Defense in
9 meeting its statutory obligation to identify,
10 evaluate, deploy, and transfer to Federal, State,
11 and local first responders technology items and
12 equipment of homeland security; and

13 (B) the process of coordinating and acting
14 as liaison on behalf of the Department of De-
15 fense and the Department of Homeland Secu-
16 rity with other Federal agencies as appropriate
17 to collect and prioritize Federal, State, and
18 local first responder technology requirements al-
19 ready gathered by those entities.

20 (2) FUNDING RECOMMENDATIONS.—The Con-
21 sortium shall submit recommendations to the Sec-
22 retary of Defense and the Secretary of Homeland
23 Security for funding for the development, adapta-
24 tion, test and evaluation, or other needed activities
25 for any technology identified under paragraph (1)

1 with a high potential to benefit Federal, State, and
2 local first responders.

3 (3) TECHNOLOGY INTEGRATION.—The Consor-
4 tium may assist in the integration of new tech-
5 nologies into appropriate first responder training ex-
6 ercises to maximize their rapid adoption as well as
7 disseminating best practices in the profession.

8 (4) INTEROPERABILITY AND COMPATIBILITY.—
9 The Consortium, under the direction of the Sec-
10 retary of Defense and in coordination with the Sec-
11 retary of Homeland Security, shall act as liaison
12 with relevant Federal agencies, as well as Federal,
13 State, and local first responders where appropriate,
14 to work towards ensuring that technologies used by
15 the Department of Defense in its homeland defense
16 mission are interoperable and compatible with stand-
17 ards being developed for technologies used by Fed-
18 eral, State, and local first responders.

19 (d) ANNUAL REPORT OF THE CONSORTIUM.—The
20 Homeland Defense–Homeland Security Technology
21 Transfer Consortium shall submit to the President and
22 Congress an annual report on its activities. Each report
23 shall include, at a minimum—

24 (1) a listing of specific Department of Defense
25 and related technologies it has identified that appear

1 to meet needs of Federal, State, and local first re-
2 sponders;

3 (2) the results of any tests and evaluations con-
4 ducted on particular technologies, except that no
5 company proprietary information may be disclosed in
6 the report;

7 (3) a listing of any recommendations the Con-
8 sortium has made to the Department of Defense or
9 the Department of Homeland Security that develop-
10 mental, adaptive, test and evaluation, or other fund-
11 ing be provided related to the development and de-
12 ployment of technologies identified by the Consor-
13 tium of particular interest for meeting the needs of
14 emergency response providers;

15 (4) a listing of any technology development ac-
16 tivities undertaken under the authorities of sub-
17 section (c);

18 (5) a listing of any technologies that have been
19 subsequently used by Federal, State, and local first
20 responders as a result of activities of the Consor-
21 tium; and

22 (6) any recommendations determined appro-
23 priate by the Consortium on barriers to the prompt
24 deployment of technologies needed by Federal, State,
25 and local first responders.

1 (e) ANNUAL REPORT BY THE SECRETARY OF DE-
2 FENSE.—The Secretary of Defense, in coordination with
3 the Secretary of Homeland Security, shall submit to the
4 President and Congress an annual report on activities the
5 Department of Defense has taken to identify, test and
6 evaluate, or develop technologies with application to Fed-
7 eral, State, and local first responders. Each report shall
8 include, at a minimum, a description of the activities the
9 Department of Defense has taken pursuant to rec-
10 ommendations of the Homeland Defense–Homeland Secu-
11 rity Technology Transfer Consortium, including activities
12 to fund development or testing and evaluation of tech-
13 nologies created under programs of the Department.

14 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated \$2,500,000 for the Depart-
16 ment of Defense Office of Homeland Defense to fund the
17 activities of the Homeland Defense–Homeland Security
18 Technology Transfer Consortium in each of fiscal years
19 2007 and 2008, for carrying out the duties of the Consor-
20 tium under this section.

1 **TITLE XV—AUTHORIZATION FOR**
2 **INCREASED COSTS DUE TO**
3 **OPERATION IRAQI FREEDOM**
4 **AND OPERATION ENDURING**
5 **FREEDOM**

Sec. 1501. Purpose.

Sec. 1502. Army procurement.

Sec. 1503. Navy and Marine Corps procurement.

Sec. 1504. Air Force procurement.

Sec. 1505. Defense-wide activities procurement.

Sec. 1506. Research, development, test and evaluation.

Sec. 1507. Operation and maintenance.

Sec. 1508. Defense Health Program.

Sec. 1509. Classified programs.

Sec. 1510. Military personnel.

Sec. 1511. Treatment as additional authorizations.

Sec. 1512. Transfer authority.

Sec. 1513. Availability of funds.

6 **SEC. 1501. PURPOSE.**

7 The purpose of this title is to authorize estimated fu-
8 ture emergency supplemental appropriations for the De-
9 partment of Defense for fiscal year 2007 to provide funds
10 for additional costs due to Operation Iraqi Freedom and
11 Operation Enduring Freedom.

12 **SEC. 1502. ARMY PROCUREMENT.**

13 Funds are hereby authorized to be appropriated for
14 fiscal year 2007 for procurement accounts of the Army
15 in amounts as follows:

16 (1) For aircraft procurement, \$232,400,000.

17 (2) For ammunition procurement,
18 \$328,341,000.

1 (3) For weapons and tracked combat vehicles
2 procurement, \$1,029,672,000.

3 (4) For other procurement, \$2,183,430,000.

4 **SEC. 1503. NAVY AND MARINE CORPS PROCUREMENT.**

5 (a) NAVY.—Funds are hereby authorized to be appro-
6 priated for fiscal year 2007 for procurement accounts for
7 the Navy in amounts as follows:

8 (1) For weapons procurement, \$131,400,000.

9 (2) For other procurement, \$44,700,000.

10 (b) MARINE CORPS.—Funds are hereby authorized to
11 be appropriated for fiscal year 2007 for the procurement
12 account for the Marine Corps in the amount of
13 \$636,125,000.

14 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds
15 are hereby authorized to be appropriated for fiscal year
16 2007 for the procurement account for ammunition for the
17 Navy and the Marine Corps in the amount of
18 \$143,150,000.

19 **SEC. 1504. AIR FORCE PROCUREMENT.**

20 Funds are hereby authorized to be appropriated for
21 fiscal year 2007 for procurement accounts for the Air
22 Force in amounts as follows:

23 (1) For aircraft procurement, \$201,550,000.

24 (2) For missile procurement, \$32,650,000.

25 (3) For other procurement, \$62,650,000.

1 **SEC. 1505. DEFENSE-WIDE ACTIVITIES PROCUREMENT.**

2 Funds are hereby authorized to be appropriated for
3 fiscal year 2007 for the procurement account for Defense-
4 wide in the amount of \$140,200,000.

5 **SEC. 1506. RESEARCH, DEVELOPMENT, TEST AND EVALUA-**
6 **TION.**

7 Funds are hereby authorized to be appropriated for
8 fiscal year 2007 for the use of the Department of Defense
9 for research, development, test and evaluation as follows:

10 (1) For the Army, \$25,500,000.

11 (2) For Defense-wide activities, \$5,000,000.

12 (3) For the Air Force, \$7,000,000.

13 **SEC. 1507. OPERATION AND MAINTENANCE.**

14 Funds are hereby authorized to be appropriated for
15 fiscal year 2007 for the use of the Armed Forces for ex-
16 penses, not otherwise provided for, for operation and
17 maintenance, in amounts as follows:

18 (1) For the Army, \$22,396,986,000.

19 (2) For the Navy, \$1,834,560,000.

20 (3) For the Marine Corps, \$1,485,920,000.

21 (4) For the Air Force, \$2,822,998,000.

22 (5) For Defense-wide activities,
23 \$3,377,402,000.

24 (6) For the Army National Guard,
25 \$50,000,000.

26 (7) For the Air National Guard, \$15,400,000.

1 **SEC. 1508. DEFENSE HEALTH PROGRAM.**

2 Funds are hereby authorized to be appropriated for
3 the Department of Defense for fiscal year 2007 for ex-
4 penses, not otherwise provided for, the Defense Health
5 Program, in the amount of \$950,200,000 for operation
6 and maintenance.

7 **SEC. 1509. CLASSIFIED PROGRAMS.**

8 Funds are hereby authorized to be appropriated to
9 the Department of Defense for fiscal year 2007 for Classi-
10 fied Programs, in the amount of \$2,500,000,000.

11 **SEC. 1510. MILITARY PERSONNEL.**

12 There is hereby authorized to be appropriated to the
13 Department of Defense for military personnel accounts for
14 fiscal year 2007 a total of \$9,362,766,000.

15 **SEC. 1511. TREATMENT AS ADDITIONAL AUTHORIZATIONS.**

16 The amounts authorized to be appropriated by this
17 title are in addition to amounts otherwise authorized to
18 be appropriated by this Act.

19 **SEC. 1512. TRANSFER AUTHORITY.**

20 (a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

21 (1) AUTHORITY.—Upon determination by the
22 Secretary of Defense that such action is necessary in
23 the national interest, the Secretary may transfer
24 amounts of authorizations made available to the De-
25 partment of Defense in this title for fiscal year 2007
26 between any such authorizations for that fiscal year

1 (or any subdivisions thereof). Amounts of authoriza-
2 tions so transferred shall be merged with and be
3 available for the same purposes as the authorization
4 to which transferred.

5 (2) LIMITATION.—The total amount of author-
6 izations that the Secretary may transfer under the
7 authority of this section may not exceed
8 \$3,000,000,000. The transfer authority provided in
9 this section is in addition to any other transfer au-
10 thority available to the Secretary of Defense.

11 (b) LIMITATIONS.—The authority provided by this
12 section to transfer authorizations—

13 (1) may only be used to provide authority for
14 items that have a higher priority than the items
15 from which authority is transferred;

16 (2) may not be used to provide authority for an
17 item that has been denied authorization by Con-
18 gress; and

19 (3) may not be combined with the authority
20 under section 1001.

21 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A
22 transfer made from one account to another under the au-
23 thority of this section shall be deemed to increase the
24 amount authorized for the account to which the amount

1 is transferred by an amount equal to the amount trans-
2 ferred.

3 (d) NOTICE TO CONGRESS.—A transfer may be made
4 under the authority of this section only after the Secretary
5 of Defense—

6 (1) consults with the chairmen and ranking
7 members of the congressional defense committees
8 with respect to the proposed transfer; and

9 (2) after such consultation, notifies those com-
10 mittees in writing of the proposed transfer not less
11 than five days before the transfer is made.

12 **SEC. 1513. AVAILABILITY OF FUNDS.**

13 Funds in this title shall be made available for obliga-
14 tion to the Army, Navy, Marine Corps, Air Force, and
15 Defense-wide components by the end of the second quarter
16 of fiscal year 2007.

17 **DIVISION B—MILITARY CON-**
18 **STRUCTION AUTHORIZA-**
19 **TIONS**

20 **SEC. 2001. SHORT TITLE.**

21 This division may be cited as the “Joel Hefley Mili-
22 tary Construction Authorization Act for Fiscal Year
23 2007”.

24 **TITLE I—ARMY**

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.

Sec. 2103. Improvements to military family housing units.

Sec. 2104. Authorization of appropriations, Army.

1 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND**
 2 **ACQUISITION PROJECTS.**

3 (a) **INSIDE THE UNITED STATES.**—Using amounts
 4 appropriated pursuant to the authorization of appropria-
 5 tions in section 2104(a)(1), the Secretary of the Army
 6 may acquire real property and carry out military construc-
 7 tion projects for the installations or locations inside the
 8 United States, and in the amounts, set forth in the fol-
 9 lowing table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	\$4,300,000
Alaska	Fort Richardson	\$70,656,000
California	Fort Irwin	\$18,200,000
Colorado	Fort Carson	\$30,800,000
Georgia	Fort Gillem	\$15,000,000
	Fort Stewart/Hunter Army Air Field	\$95,300,000
Hawaii	Schofield Barracks	\$54,500,000
Kansas	Fort Leavenworth	\$23,200,000
	Fort Riley	\$37,200,000
Kentucky	Blue Grass Army Depot	\$3,500,000
	Fort Campbell	\$123,500,000
Louisiana	Fort Polk	\$6,100,000
Maryland	Fort Detrick	\$12,400,000
Missouri	Fort Leonard Wood	\$27,600,000
New Jersey	Picatinny Arsenal	\$9,900,000
New York	Fort Drum	\$218,600,000
North Carolina	Fort Bragg	\$89,000,000
	Sunny Point Military Ocean Terminal	\$46,000,000
Oklahoma	McAlester Army Ammunition Plant	\$3,050,000
Texas	Corpus Christi Army Depot	\$12,200,000
	Fort Bliss	\$8,200,000
	Fort Hood	\$93,000,000
Utah	Dugway Proving Ground	\$14,400,000
Virginia	Fort Lee	\$4,150,000
Washington	Fort Lewis	\$502,600,000

10 (b) **OUTSIDE THE UNITED STATES.**—Using amounts
 11 appropriated pursuant to the authorization of appropria-
 12 tions in section 2104(a)(2), the Secretary of the Army

1 may acquire real property and carry out military construc-
 2 tion projects for the installations or locations outside the
 3 United States, and in the amounts, set forth in the fol-
 4 lowing table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	\$157,632,000
	Vilseck	\$19,000,000
Italy	Vicenza	\$223,000,000
Japan	Camp Hansen	\$7,150,000
Korea	Camp Humphreys	\$77,000,000
	Yongpyong	\$7,400,000

5 (c) UNSPECIFIED WORLDWIDE.—Using amounts ap-
 6 propriated pursuant to the authorization of appropriations
 7 in section 2104(a)(3), the Secretary of the Army may ac-
 8 quire real property and carry out military construction
 9 projects for unspecified installations or locations in the
 10 amount set forth in the following table:

Army: Unspecified Worldwide

Location	Installation or Location	Amount
	Unspecified Worldwide	\$34,800,000

11 **SEC. 2102. FAMILY HOUSING.**

12 (a) CONSTRUCTION AND ACQUISITION.—Using
 13 amounts appropriated pursuant to the authorization of ap-
 14 propriations in section 2104(a)(6)(A), the Secretary of the
 15 Army may construct or acquire family housing units (in-
 16 cluding land acquisition and supporting facilities) at the
 17 installations or locations, in the number of units, and in
 18 the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Units	Amount
Alaska	Fort Richardson	162	\$70,000,000
	Fort Wainwright	234	\$132,000,000
Arizona	Fort Huachuca	119	\$32,000,000
Arkansas	Pine Bluff Arsenal	10	\$2,900,000
Wisconsin	Fort McCoy	13	\$4,900,000

1 (b) **PLANNING AND DESIGN.**—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2104(a)(6)(A), the Secretary of the Army may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of family housing units in an amount not
7 to exceed \$16,332,000.

8 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
9 **UNITS.**

10 Subject to section 2825 of title 10, United States
11 Code, and using amounts appropriated pursuant to the
12 authorization of appropriations in section 2104(6)(5)(A),
13 the Secretary of the Army may improve existing military
14 family housing units in an amount not to exceed
15 \$320,659,000.

16 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.**

17 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
18 are hereby authorized to be appropriated for fiscal years
19 beginning after September 30, 2006, for military con-
20 struction, land acquisition, and military family housing

1 functions of the Department of the Army in the total
2 amount of \$3,389,046,000 as follows:

3 (1) For military construction projects inside the
4 United States authorized by section 2101(a),
5 \$1,217,356,000.

6 (2) For military construction projects outside
7 the United States authorized by section 2101(b),
8 \$491,182,000.

9 (3) For military construction projects at un-
10 specified worldwide locations authorized by section
11 2101(c), \$34,800,000.

12 (4) For unspecified minor military construction
13 projects authorized by section 2805 of title 10,
14 United States Code, \$23,930,000.

15 (5) For architectural and engineering services
16 and construction design under section 2807 of title
17 10, United States Code, \$220,830,000.

18 (6) For military family housing functions:

19 (A) For construction and acquisition, plan-
20 ning and design, and improvement of military
21 family housing and facilities, \$578,791,000.

22 (B) For support of military family housing
23 (including the functions described in section
24 2833 of title 10, United States Code),
25 \$674,657,000.

1 (7) For the construction of increment 2 of a
2 barracks complex at Fort Drum, New York, author-
3 ized by section 2101(a) of the Military Construction
4 Authorization Act for Fiscal Year 2006 (division B
5 of Public Law 109–163; 119 Stat. 3485),
6 \$16,500,000.

7 (8) For the construction of increment 2 of a
8 barracks complex for the 2nd Brigade at Fort
9 Bragg, North Carolina, authorized by section
10 2101(a) of the Military Construction Authorization
11 Act for Fiscal Year 2006 (division B of Public Law
12 109–163; 119 Stat. 3485), \$31,000,000.

13 (9) For the construction of increment 2 of a
14 barracks complex for the 3rd Brigade at Fort
15 Bragg, North Carolina, authorized by section
16 2101(a) of the Military Construction Authorization
17 Act for Fiscal Year 2006 (division B of Public Law
18 109–163; 119 Stat. 3485), \$50,000,000.

19 (10) For the construction of increment 2 of a
20 barracks complex for divisional artillery at Fort
21 Bragg, North Carolina, authorized by section
22 2101(a) of the Military Construction Authorization
23 Act for Fiscal Year 2006 (division B of Public Law
24 109–163; 119 Stat. 3485), \$37,000,000.

1 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND**
 2 **ACQUISITION PROJECTS.**

3 (a) **INSIDE THE UNITED STATES.**—Using amounts
 4 appropriated pursuant to the authorization of appropria-
 5 tions in section 2204(a)(1), the Secretary of the Navy may
 6 acquire real property and carry out military construction
 7 projects for the installations or locations inside the United
 8 States, and in the amounts, set forth in the following
 9 table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	\$5,966,000
California	Marine Corps Air Station, Camp Pendleton	\$6,412,000
	Marine Corps Air Station, Miramar	\$2,968,000
	Marine Corps Base, Camp Pendleton	\$106,142,000
	Marine Corps Base, Twentynine Palms	\$27,217,000
	Naval Air Station, North Island	\$21,535,000
	Naval Support Activity, Monterey	\$7,380,000
Connecticut	Naval Submarine Base, New London	\$9,580,000
Florida	Naval Air Station, Pensacola	\$13,486,000
Georgia	Marine Corps Logistics Base, Albany	\$70,540,000
	Naval Submarine Base, Kings Bay	\$20,282,000
Hawaii	Naval Base, Pearl Harbor	\$48,338,000
	Naval Magazine, Pearl Harbor	\$6,010,000
Indiana	Naval Support Activity, Crane	\$6,730,000
Maryland	Naval Air Station, Patuxent River	\$16,316,000
	National Maritime Intelligence Center, Suitland	\$67,939,000
North Carolina	Marine Corps Air Station, Cherry Point	\$2,790,000
	Marine Corps Air Station, New River	\$21,500,000
	Marine Corps Base, Camp Lejeune	\$160,904,000
South Carolina	Marine Corps Air Station, Beaufort	\$25,575,000
	Marine Corps Base, Quantico	\$30,628,000
Virginia	Naval Shipyard, Norfolk	\$34,952,000
	Naval Station, Norfolk	\$12,062,000
	Naval Support Activity, Norfolk	\$41,712,000
	Naval Base, Kitsap	\$17,617,000
Washington	Naval Base, Kitsap	\$17,617,000
	Naval Air Station, Whidbey Island	\$67,303,000

10 (b) **OUTSIDE THE UNITED STATES.**—Using amounts
 11 appropriated pursuant to the authorization of appropria-
 12 tions in section 2204(a)(2), the Secretary of the Navy may
 13 acquire real property and carry out military construction

1 projects for the installations or locations outside the
 2 United States, and in the amounts, set forth in the fol-
 3 lowing table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	\$37,473,000
Italy	Naval Air Station, Sigonella	\$13,051,000

4 (c) UNSPECIFIED WORLDWIDE.—Using amounts ap-
 5 propriated pursuant to the authorization of appropriations
 6 in section 2204(a)(3), the Secretary of the Navy may ac-
 7 quire real property and carry out military construction
 8 projects for unspecified installations or locations in the
 9 amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Project	Amount
	Helicopter Support Facility	\$12,185,000

10 **SEC. 2202. FAMILY HOUSING.**

11 (a) CONSTRUCTION AND ACQUISITION.—Using
 12 amounts appropriated pursuant to the authorization of ap-
 13 propriations in section 2204(a)(6)(A), the Secretary of the
 14 Navy may construct or acquire family housing units (in-
 15 cluding land acquisition and supporting facilities) at the
 16 installations, in the number of units, and in the amounts
 17 set forth in the following table:

Navy: Family Housing

Location	Installation	Units	Amount
California	Marine Corps Log. Base, Barstow	74	\$27,851,000
Guam	Naval Station, Guam	176	\$98,174,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
2 priated pursuant to the authorization of appropriations in
3 section 2204(a)(6)(A), the Secretary of the Navy may
4 carry out architectural and engineering services and con-
5 struction design activities with respect to the construction
6 or improvement of military family housing units in an
7 amount not to exceed \$2,785,000.

8 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
9 **UNITS.**

10 Subject to section 2825 of title 10, United States
11 Code, and using amounts appropriated pursuant to the
12 authorization of appropriations in section 2204(a)(6)(A),
13 the Secretary of the Navy may improve existing military
14 family housing units in an amount not to exceed
15 \$180,146,000.

16 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds
18 are hereby authorized to be appropriated for fiscal years
19 beginning after September 30, 2006, for military con-
20 struction, land acquisition, and military family housing
21 functions of the Department of the Navy in the total
22 amount of \$2,037,953,000, as follows:

23 (1) For military construction projects inside the
24 United States authorized by section 2201(a),
25 \$764,572,000,000.

1 (2) For military construction projects outside
2 the United States authorized by section 2201(b),
3 \$50,524,000.

4 (3) For military construction projects at un-
5 specified worldwide locations authorized by section
6 2201(c), \$12,185,000.

7 (4) For unspecified minor military construction
8 projects authorized by section 2805 of title 10,
9 United States Code, \$8,939,000.

10 (5) For architectural and engineering services
11 and construction design under section 2807 of title
12 10, United States Code, \$72,857,000.

13 (6) For military family housing functions:

14 (A) For construction and acquisition, plan-
15 ning and design, and improvement of military
16 family housing and facilities, \$308,956,000.

17 (B) For support of military family housing
18 (including functions described in section 2833
19 of title 10, United States Code), \$509,126,000.

20 (7) For the construction of increment 2 of a
21 reclamation and conveyance project for Marine
22 Corps Base, Camp Pendleton, California, authorized
23 by section 2201(a) of the Military Construction Au-
24 thorization Act of Fiscal Year 2006 (division B of
25 Public Law 109–163; 119 Stat. 3490), \$33,290,000.

1 (8) For the construction of increment 2 of a
2 helicopter hangar replacement at Naval Air Station,
3 Jacksonville, Florida, authorized by section 2201(a)
4 of the Military Construction Authorization Act for
5 Fiscal Year 2006 (division B of Public Law 109–
6 163; 119 Stat. 3489), \$43,250,000.

7 (9) For the construction of increment 2 of re-
8 cruit training barracks infrastructure upgrades at
9 Recruit Training Command, Great Lakes, Illinois,
10 authorized by section 2201(a) of the Military Con-
11 struction Authorization Act for Fiscal Year 2006
12 (division B of Public Law 109–163; 119 Stat.
13 3490), \$23,589,000.

14 (10) For the construction of increment 2 of a
15 field house at the United States Naval Academy,
16 Annapolis, Maryland, authorized by section 2201(a)
17 of the Military Construction Authorization Act of
18 Fiscal Year 2006 (division B of Public Law 109–
19 163; 119 Stat. 3490), \$21,685,000.

20 (11) For the construction of increment 2 of the
21 replacement of Ship Repair Pier 3 at Naval Station,
22 Norfolk, Virginia, authorized by section 2201(a) of
23 the Military Construction Authorization Act of Fis-
24 cal Year 2006 (division B of Public Law 109–163;
25 119 Stat. 3490), \$30,939,000.

1 (12) For the construction of increment 2 of an
2 addition to Hockmuth Hall, Marine Corps Base,
3 Quantico, Virginia, authorized by section 2201(a) of
4 the Military Construction Authorization Act of Fis-
5 cal Year 2006 (division B of Public Law 109–163;
6 119 Stat. 3490), \$10,159,000.

7 (13) For the construction of increment 2 of
8 wharf upgrades at Naval Station Guam, Marianas
9 Islands, authorized by section 2201(b) of the Mili-
10 tary Construction Authorization Act for Fiscal Year
11 2006 (division B of Public Law 109–163; 119 Stat.
12 3490), \$29,772,000.

13 (14) For the construction of increment 2 of
14 wharf upgrades at Yokosuka, Japan, authorized by
15 section 2201(b) of the Military Construction Author-
16 ization Act of Fiscal Year 2006 (division B of Public
17 Law 109–163; 119 Stat. 3490), \$44,360,000.

18 (15) For the construction of increment 2 of
19 bachelor quarters at Naval Station, Everett, Wash-
20 ington, authorized by section 2201(a) of the Military
21 Construction Authorization Act of Fiscal Year 2006
22 (division B of Public Law 109–163; 119 Stat.
23 3490), \$20,917,000.

24 (16) For the construction of increment 3 of the
25 limited area production and storage complex at Stra-

1 tegic Weapons Facility Pacific, Bangor, Washington,
2 authorized by section 2201(a) of the Military Con-
3 struction Authorization Act for Fiscal Year 2005
4 (division B of Public Law 108–375; 118 Stat.
5 2105), as amended by section 2206 of this Act,
6 \$14,274,000.

7 (17) For the construction of the next increment
8 of the outlying landing field facilities at Wash-
9 ington County, North Carolina, authorized by sec-
10 tion 2201(a) of the Military Construction Authoriza-
11 tion Act for Fiscal Year 2004 (division B of Public
12 Law 108–136; 117 Stat. 1704), as amended by sec-
13 tion 2205(a) of this Act, \$7,926,000.

14 (18) For the construction of increment 4 of pier
15 11 replacement at Naval Station, Norfolk, Virginia,
16 authorized by section 2201(a) of the Military Con-
17 struction Authorization Act for Fiscal Year 2004
18 (division B of Public Law 108–136; 117 Stat.
19 1704), \$30,633,000.

20 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
21 PROJECTS.—Notwithstanding the cost variations author-
22 ized by section 2853 of title 10, United States Code, and
23 any other cost variation authorized by law, the total cost
24 of all projects carried out under section 2201 of this Act
25 may not exceed the sum of the following:

1 (1) The total amount authorized to be appro-
2 priated under paragraphs (1), (2), and (3) of sub-
3 section (a).

4 (2) \$56,159,000 (the balance of the amount au-
5 thorized under section 2201(a) for construction of
6 an addition to the National Maritime Intelligence
7 Center, Suitland, Maryland).

8 (3) \$31,153,000 (the balance of the amount au-
9 thorized under section 2201(a) to recapitalize Hang-
10 ar 5 at Naval Air Station, Whidbey Island, Wash-
11 ington).

12 **SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT**
13 **CERTAIN FISCAL YEAR 2004 AND 2005**
14 **PROJECTS.**

15 (a) FISCAL YEAR 2004 INSIDE THE UNITED STATES
16 PROJECT.—

17 (1) MODIFICATION.—The table in section
18 2201(a) of the Military Construction Authorization
19 Act for Fiscal Year 2004 (division B of Public Law
20 108–136; 117 Stat. 1704), as amended by section
21 2205 of the Military Construction Authorization Act
22 for Fiscal Year 2006 (division B of Public Law 109–
23 163; 119 Stat. 3492), is amended—

24 (A) at the end of the items relating to
25 North Carolina, by inserting a new item enti-

1 tled “Navy Outlying Landing Field, Wash-
2 ington County” in the amount of
3 “\$193,260,000”;

4 (B) by striking the item relating to Var-
5 ious Locations, CONUS; and

6 (C) by striking the amount identified as
7 the total in the amount column and inserting
8 “\$1,489,424,000”.

9 (2) CONFORMING AMENDMENTS.—Section
10 2204(b)(6) of that Act (117 Stat. 1706) is amend-
11 ed—

12 (A) by striking “\$28,750,000” and insert-
13 ing “\$165,650,000”; and

14 (B) by striking “outlying landing field fa-
15 cilities, various locations in the continental
16 United States” and inserting “an outlying land-
17 ing field in Washington County, North Caro-
18 lina”.

19 (b) FISCAL YEAR 2005 INSIDE THE UNITED STATES
20 PROJECT.—

21 (1) MODIFICATION.—The table in section
22 2201(a) of the Military Construction Authorization
23 Act for Fiscal Year 2005 (division B of Public Law
24 108–375; 118 Stat. 2105), as amended by section
25 2206 of the Military Construction Authorization Act

1 for Fiscal Year 2006 (division B of Public Law 109–
2 163; 119 Stat. 3493), is amended—

3 (A) by striking the item relating to Navy
4 Outlying Landing Field, Washington County,
5 North Carolina; and

6 (B) by striking the amount identified as
7 the total in the amount column and inserting
8 “\$825,479,000”.

9 (2) CONFORMING AMENDMENTS.—Section 2204
10 of that Act (118 Stat. 2107), as amended by section
11 2206 of the Military Construction Authorization Act
12 for Fiscal Year 2006 (division B of Public Law 109–
13 163; 119 Stat. 3493), is amended—

14 (A) in subsection (a)—

15 (i) in paragraph (1), by striking
16 “\$752,927,000” and inserting
17 “722,927,000”; and

18 (ii) by adding at the end the following
19 new paragraph:

20 “(10) For the construction of increment 2 of
21 the Navy outlying landing field in Washington Coun-
22 ty, North Carolina, authorized by section 2201(a) of
23 the Military Construction Authorization Act for Fis-
24 cal Year 2004 (division B of Public Law 108–136;
25 117 Stat. 1704), as amended by section 2205(a) of

1 the Military Construction Authorization Act for Fis-
 2 cal Year 2007, \$30,000,000.”; and

3 (B) in subsection (b), by striking para-
 4 graph (3).

5 **TITLE III—AIR FORCE**

Sec. 2301. Authorized Air Force construction and land acquisition projects.

Sec. 2302. Family housing.

Sec. 2303. Improvements to military family housing units.

Sec. 2304. Authorization of appropriations, Air Force.

6 **SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND** 7 **LAND ACQUISITION PROJECTS.**

8 (a) **INSIDE THE UNITED STATES.**—Using amounts
 9 appropriated pursuant to the authorization of appropria-
 10 tions in section 2304(a)(1), the Secretary of the Air Force
 11 may acquire real property and carry out military construc-
 12 tion projects for the installations or locations inside the
 13 United States, and in the amounts, set forth in the fol-
 14 lowing table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	\$38,300,000
	Elmendorf Air Force Base	\$56,100,000
Arizona	Davis-Monthan Air Force Base	\$11,800,000
Arkansas	Little Rock Air Force Base	\$9,800,000
California	Beale Air Force Base	\$28,000,000
	Travis Air Force Base	\$73,900,000
Colorado	Buckley Air Force Base	\$10,700,000
	Peterson Air Force Base	\$4,900,000
	Schriever Air Force Base	\$21,000,000
Delaware	Dover Air Force Base	\$26,400,000
Florida	Eglin Air Force Base	\$30,350,000
	Hurlburt Field	\$32,950,000
	MacDill Air Force Base	\$71,000,000
	Tyndall Air Force Base	\$8,200,000
Georgia	Robins Air Force Base	\$45,600,000
Hawaii	Hickam Air Force Base	\$28,538,000
Illinois	Scott Air Force Base	\$20,000,000
Kansas	McConnell Air Force Base	\$3,875,000
Kentucky	Fort Knox	\$3,500,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
Montana	Malmstrom Air Force Base	\$5,700,000
Nevada	Indian Springs Auxiliary Field	\$49,923,000
New Jersey	McGuire Air Force Base	\$28,500,000
Oklahoma	Altus Air Force Base	\$1,500,000
	Tinker Air Force Base	\$5,700,000
South Carolina	Shaw Air Force Base	\$31,500,000
South Dakota	Ellsworth Air Force Base	\$3,000,000
Texas	Fort Bliss	\$8,500,000
	Lackland Air Force Base	\$13,200,000
	Laughlin Air Force Base	\$12,600,000
	Sheppard Air Force Base	\$7,000,000
Utah	Hill Air Force Base	\$53,400,000
Virginia	Langley Air Force Base	\$57,700,000
Washington	Fairchild Air Force Base	\$4,250,000
Wyoming	Francis E. Warren Air Force Base	\$11,000,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
2 appropriated pursuant to the authorization of appropria-
3 tions in section 2304(a)(2), the Secretary of the Air Force
4 may acquire real property and carry out military construc-
5 tion projects for the installations or locations outside the
6 United States, and in the amounts, set forth in the fol-
7 lowing table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	\$53,150,000
Guam	Andersen Air Base	\$80,800,000
Korea	Kunsan Air Base	\$46,700,000
	Osan Air Base	\$2,156,000

8 (c) UNSPECIFIED WORLDWIDE.—Using amounts ap-
9 propriated pursuant to the authorization of appropriations
10 in section 2304(a)(3), the Secretary of the Air Force may
11 acquire real property and carry out military construction
12 projects for unspecified installations or locations in the
13 amount set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
	Unspecified Worldwide	\$35,677,000

1 **SEC. 2302. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using
 3 amounts appropriated pursuant to the authorization of ap-
 4 propriations in section 2304(a)(6)(A), the Secretary of the
 5 Air Force may construct or acquire family housing units
 6 (including land acquisition and supporting facilities) at the
 7 installations or locations, in the number of units, and in
 8 the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or Location	Units	Amount
Alaska	Eielson Air Force Base	129 ...	\$87,414,000
Idaho	Mountain Home Air Force Base ..	457 ...	\$107,800,000
Missouri	Whiteman Air Force Base	116 ...	\$39,270,000
Montana	Malmstrom Air Force Base	493 ...	\$140,252,000
North Carolina	Seymour Johnson Air Force Base	56	\$22,956,000
North Dakota	Minot Air Force Base	575 ...	\$171,188,000
Texas	Dyess Air Force Base	199 ...	\$49,215,000
Germany	Ramstein Air Base	101 ...	\$59,488,000
	Spangdahlem Air Base	60	\$39,294,000
United Kingdom	Royal Air Force Lakenheath	74	\$35,282,000

9 (b) PLANNING AND DESIGN.—Using amounts appro-
 10 priated pursuant to the authorization of appropriations in
 11 section 2304(a)(6)(A), the Secretary of the Air Force may
 12 carry out architectural and engineering services and con-
 13 struction design activities with respect to the construction
 14 or improvement of military family housing units in an
 15 amount not to exceed \$13,202,000.

1 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING**
2 **UNITS.**

3 Subject to section 2825 of title 10, United States
4 Code, and using amounts appropriated pursuant to the
5 authorization of appropriations in section 2304(a)(6)(A),
6 the Secretary of the Air Force may improve existing mili-
7 tary family housing units in an amount not to exceed
8 \$403,777,000.

9 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
10 **FORCE.**

11 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
12 are hereby authorized to be appropriated for fiscal years
13 beginning after September 30, 2006, for military con-
14 struction, land acquisition, and military family housing
15 functions of the Department of the Air Force in the total
16 amount of \$3,157,882,000, as follows:

17 (1) For military construction projects inside the
18 United States authorized by section 2301(a),
19 \$818,386,000.

20 (2) For military construction projects outside
21 the United States authorized by section 2301(b),
22 \$182,806,000.

23 (3) For military construction projects at un-
24 specified worldwide locations authorized by section
25 2301(c), \$35,677,000.

1 (4) For unspecified minor military construction
2 projects authorized by section 2805 of title 10,
3 United States Code, \$15,000,000.

4 (5) For architectural and engineering services
5 and construction design under section 2807 of title
6 10, United States Code, \$97,504,000.

7 (6) For military family housing functions:

8 (A) For construction and acquisition, plan-
9 ning and design, and improvement of military
10 family housing and facilities, \$1,169,138,000.

11 (B) For support of military family housing
12 (including functions described in section 2833
13 of title 10, United States Code), \$755,071,000.

14 (7) For the construction of increment 2 of the
15 C-17 maintenance complex at Elmendorf Air Force
16 Base, Alaska, authorized by section 2301(a) of the
17 Military Construction Authorization Act for Fiscal
18 Year 2006 (division B of Public Law 109-163; 119
19 Stat. 3494), \$30,000,000.

20 (8) For the construction of increment 2 of the
21 main base runway at Edwards Air Force Base, Cali-
22 fornia, authorized by section 2301(a) of the Military
23 Construction Authorization Act for Fiscal Year 2006
24 (division B of Public Law 109-163; 119 Stat.
25 3494), \$31,000,000.

- 1 projects for the installations or locations inside the United
 2 States, and in the amounts, set forth in the following ta-
 3 bles:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	\$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	\$8,715,000
California	Beale Air Force Base	\$9,000,000
Pennsylvania	Defense Distribution Depot, New Cum- berland.	\$8,900,000
Virginia	Fort Belvoir	\$5,500,000
Washington	Naval Air Station, Whidbey Island	\$26,000,000

National Security Agency

State	Installation or Location	Amount
Maryland	Fort Meade	\$4,517,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	\$24,400,000
Colorado	Fort Carson	\$26,100,000
Florida	Hurlburt Field	\$14,482,000
	MacDill Air Force Base	\$27,300,000
Kentucky	Fort Campbell	\$24,500,000
Mississippi	Stennis Space Center	\$10,200,000
North Carolina	Fort Bragg	\$67,044,000
	Marine Corps Base, Camp Lejeune	\$51,600,000
Virginia	Naval Air Base, Little Creek	\$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	\$37,200,000
California	Fort Irwin	\$6,050,000
Florida	MacDill Air Force Base	\$92,000,000
	Naval Hospital, Jacksonville	\$16,000,000
Hawaii	Naval Base, Pearl Harbor	\$7,700,000
Illinois	Naval Hospital, Great Lakes	\$20,000,000
Maryland	Fort Detrick	\$550,000,000
New York	Fort Drum	\$9,700,000
Texas	Fort Hood	\$18,000,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts
 2 appropriated pursuant to the authorization of appropria-
 3 tions in section 2405(a)(2), the Secretary of Defense may
 4 acquire real property and carry out military construction
 5 projects for the installations or locations outside the
 6 United States, and in the amounts, set forth in the fol-
 7 lowing tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Vicenza	\$47,210,000
Korea	Osan Air Base	\$4,589,000
Spain	Naval Station, Rota	\$23,048,000

Defense Logistics Agency

Country or Possession	Installation or Location	Amount
Japan	Okinawa	\$5,000,000
Wake Island	\$2,600,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid AB	\$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	\$52,000,000

8 **SEC. 2402. FAMILY HOUSING.**

9 (a) CONSTRUCTION AND ACQUISITION.—Using
 10 amounts appropriated pursuant to the authorization of ap-
 11 propriations in section 2405(a)(9)(A), the Secretary of
 12 Defense may construct or acquire family housing units
 13 (including land acquisition and supporting facilities) at the

1 location, in the number of units, and in the amount set
 2 forth in the following table:

Defense Logistics Agency: Family Housing

State	Location	Units	Amount
Virginia	Richmond International Airport ...	25	\$7,840,000

3 (b) PLANNING AND DESIGN.—Using amounts appro-
 4 priated pursuant to the authorization of appropriations in
 5 section 2405(a)(9)(A), the Secretary of Defense may carry
 6 out architectural and engineering services and construc-
 7 tion design activities with respect to the construction or
 8 improvement of military family housing units in an
 9 amount not to exceed \$200,000.

10 **SEC. 2403. ENERGY CONSERVATION PROJECTS.**

11 Using amounts appropriated pursuant to the author-
 12 ization of appropriations in section 2405(a)(6), the Sec-
 13 retary of Defense may carry out energy conservation
 14 projects under section 2865 of title 10, United States
 15 Code, in the amount of \$55,000,000.

16 **SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGN-**
 17 **MENT ACTIVITIES FUNDED THROUGH DE-**
 18 **PARTMENT OF DEFENSE BASE CLOSURE AC-**
 19 **COUNT 2005.**

20 (a) AUTHORIZED ACTIVITIES.—Using amounts ap-
 21 propriated pursuant to the authorization of appropriations
 22 in section 2405(a)(8), the Secretary of Defense may carry
 23 out base closure and realignment activities, including real

1 property acquisition and military construction projects, as
2 authorized by the Defense Base Closure and Realignment
3 Act of 1990 (part A of title XXIX of Public Law 101–
4 510; 10 U.S.C. 2687 note) and funded through the De-
5 partment of Defense Base Closure Account 2005 estab-
6 lished by section 2906A of such Act, in the amount of
7 \$5,902,723,000.

8 (b) CONFORMING AMENDMENTS TO FISCAL YEAR
9 2006 AUTHORIZATIONS.—

10 (1) AUTHORIZED ACTIVITIES.—Title XXIV of
11 the Military Construction Authorization Act for Fis-
12 cal Year 2006 (division B of Public Law 109–163;
13 119 Stat. 3496) is amended by adding at the end
14 the following new section:

15 **“SEC. 2404. AUTHORIZED BASE CLOSURE AND REALIGN-**
16 **MENT ACTIVITIES FUNDED THROUGH DE-**
17 **PARTMENT OF DEFENSE BASE CLOSURE AC-**
18 **COUNT 2005.**

19 “Using amounts appropriated pursuant to the au-
20 thorization of appropriations in section 2403(a)(7), the
21 Secretary of Defense may carry out base closure and re-
22 alignment activities, including real property acquisition
23 and military construction projects, as authorized by the
24 Defense Base Closure and Realignment Act of 1990 (part
25 A of title XXIX of Public Law 101–510; 10 U.S.C. 2687

1 note) and funded through the Department of Defense
2 Base Closure Account 2005 established by section 2906A
3 of such Act, in the amount of \$2,035,466,000.”.

4 (2) AUTHORIZATION OF APPROPRIATIONS AND
5 LIMITATIONS.—Section 2403 of that Act (119 Stat.
6 3499) is amended—

7 (A) in subsection (a)(7)—

8 (i) by striking “as authorized by the
9 Defense Base Closure and Realignment
10 Act of 1990 (part A of title XXIX of Pub-
11 lic Law 101–510; 10 U.S.C. 2687 note)”
12 and inserting “authorized by section 2404
13 of this Act”; and

14 (ii) by striking “section 2906 of such
15 Act” and inserting “section 2906A of the
16 Defense Base Closure and Realignment
17 Act of 1990 (part A of title XXIX of Pub-
18 lic Law 101–510; 10 U.S.C. 2687 note)”;

19 (B) by redesignating subsection (c) as sub-
20 section (d); and

21 (C) by inserting after subsection (b) the
22 following new subsection (c):

23 “(c) LIMITATION ON TOTAL COST OF BASE CLOSURE
24 AND REALIGNMENT ACTIVITIES.—Notwithstanding the
25 cost variations authorized by section 2853 of title 10,

1 United States Code, and any other cost variation author-
2 ized by law, the total cost of all base closure and realign-
3 ment activities, including real property acquisition and
4 military construction projects, carried out under section
5 2404 of this Act may not exceed the sum of the following:

6 “(1) The total amount authorized to be appro-
7 priated under subsection (a)(7).

8 “(2) \$531,000,000 (the balance of the amount
9 authorized under section 2404 for base closure and
10 realignment activities).”.

11 **SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DE-**
12 **FENSE AGENCIES.**

13 (a) IN GENERAL.—Funds are hereby authorized to
14 be appropriated for fiscal years beginning after September
15 30, 2006, for military construction, land acquisition, and
16 military family housing functions of the Department of
17 Defense (other than the military departments) in the total
18 amount of \$7,160,356,000, as follows:

19 (1) For military construction projects inside the
20 United States authorized by section 2401(a),
21 \$537,616,000.

22 (2) For military construction projects outside
23 the United States authorized by section 2401(b),
24 \$163,197,000.

1 (3) For unspecified minor military construction
2 projects under section 2805 of title 10, United
3 States Code, \$21,672,000.

4 (4) For contingency construction projects of the
5 Secretary of Defense under section 2804 of title 10,
6 United States Code, \$10,000,000.

7 (5) For architectural and engineering services
8 and construction design under section 2807 of title
9 10, United States Code, \$172,950,000.

10 (6) For energy conservation projects authorized
11 by section 2403 of this Act, \$55,000,000.

12 (7) For base closure and realignment activities
13 as authorized by the Defense Base Closure and Re-
14 alignment Act of 1990 (part A of title XXIX of
15 Public Law 101–510; 10 U.S.C. 2687 note) and
16 funded through the Department of Defense Base
17 Closure Account 1990 established by section 2906 of
18 such Act, \$191,220,000.

19 (8) For base closure and realignment activities
20 authorized by section 2404 of this Act and funded
21 through the Department of Defense Base Closure
22 Account 2005 established by section 2906A of the
23 Defense Base Closure and Realignment Act of 1990
24 (part A of title XXIX of Public Law 101–510; 10
25 U.S.C. 2687 note), \$5,236,223,000.

1 (9) For military family housing functions:

2 (A) For construction and acquisition, plan-
3 ning and design, and improvement of military
4 family housing and facilities, \$8,808,000.

5 (B) For support of military family housing
6 (including functions described in section 2833
7 of title 10, United States Code), \$48,506,000.

8 (C) For credit to the Department of De-
9 fense Family Housing Improvement Fund es-
10 tablished by section 2883(a)(1) of title 10,
11 United States Code, \$2,500,000

12 (10) For the construction of increment 2 of the
13 regional security operations center at Augusta, Geor-
14 gia, authorized by section 2401(a) of the Military
15 Construction Authorization Act of Fiscal Year 2006
16 (division B of Public Law 109–163; 119 Stat.
17 3497), as amended by section 2406 of this Act,
18 \$87,118,000.

19 (11) For the construction of increment 2 of the
20 regional security operations center at Kunia, Hawaii,
21 authorized by section 2401(a) of the Military Con-
22 struction Authorization Act of Fiscal Year 2006 (di-
23 vision B of Public Law 109–163; 119 Stat. 3497),
24 \$47,016,000.

1 (12) For the construction of increment 2 of the
2 classified material conversion facility at Fort Meade,
3 Maryland, authorized by section 2401(a) of the Mili-
4 tary Construction Authorization Act of Fiscal Year
5 2006 (division B of Public Law 109–163; 119 Stat.
6 3497), \$11,151,000.

7 (13) For the construction of increment 2 of an
8 operations building, Royal Air Force Menwith Hill
9 Station, United Kingdom, authorized by section
10 2401(b) of the Military Construction Authorization
11 Act of Fiscal Year 2006 (division B of Public Law
12 109–163; 119 Stat. 3498), as amended by section
13 2406 of this Act, \$46,386,000.

14 (14) For the construction of the second incre-
15 ment of certain base closure and realignment activi-
16 ties authorized by section 2404 of the Military Con-
17 struction Authorization Act of Fiscal Year 2006 (di-
18 vision B of Public Law 109–163; 119 Stat. 3500),
19 as added by section 2404(b) of this Act,
20 \$390,000,000.

21 (15) For the construction of increment 7 of a
22 munitions demilitarization facility at Blue Grass
23 Army Depot, Kentucky, authorized by section
24 2401(a) of the Military Construction Authorization
25 Act for Fiscal Year 2000 (division B of Public Law

1 106–65; 113 Stat. 835), as amended by section
2 2405 of the Military Construction Authorization Act
3 of 2002 (division B of Public Law 107–107; 115
4 Stat. 1298), and section 2405 of the Military Con-
5 struction Authorization Act for Fiscal Year 2003
6 (division B of Public Law 107–314; 116 Stat.
7 2698), \$89,157,000.

8 (16) For the construction of increment 8 of a
9 munitions demilitarization facility at Pueblo Chem-
10 ical Activity, Colorado, authorized by section
11 2401(a) of the Military Construction Authorization
12 Act for Fiscal Year 1997 (division B of Public Law
13 104–201; 110 Stat. 2775), as amended by section
14 2406 of the Military Construction Authorization Act
15 for Fiscal Year 2000 (division B of Public Law 106–
16 65; 113 Stat. 839), and section 2407 of the Military
17 Construction Authorization Act for Fiscal Year 2003
18 (division B of Public Law 107–314; 116 Stat.
19 2698), \$41,836,000.

20 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
21 PROJECTS.—Notwithstanding the cost variations author-
22 ized by section 2853 of title 10, United States Code, and
23 any other cost variation authorized by law, the total cost
24 of all projects carried out under section 2401 of this Act
25 may not exceed the sum of the following:

1 (1) The total amount authorized to be appro-
2 priated under paragraphs (1) and (2) of subsection
3 (a).

4 (2) \$46,400,000 (the balance of the amount au-
5 thorized under section 2401(a) for construction of a
6 health clinic at MacDill Air Force Base, Florida).

7 (3) \$521,000,000 (the balance of the amount
8 authorized under section 2401(a) for stage 1 of the
9 replacement of the Army Medical Research Institute
10 of Infectious Diseases at Fort Detrick, Maryland).

11 (c) LIMITATION ON TOTAL COST OF BASE CLOSURE
12 AND REALIGNMENT ACTIVITIES.—Notwithstanding the
13 cost variations authorized by section 2853 of title 10,
14 United States Code, and any other cost variation author-
15 ized by law, the total cost of all base closure and realign-
16 ment activities, including real property acquisition and
17 military construction projects, carried out under section
18 2404(a) of this Act may not exceed the sum of the fol-
19 lowing:

20 (1) The total amount authorized to be appro-
21 priated under subsection (a)(8).

22 (2) \$666,500,000 (the balance of the amount
23 authorized under section 2404(a) for base closure
24 and realignment activities).

1 (d) NOTICE AND WAIT REQUIREMENT APPLICABLE
2 TO OBLIGATION OF FUNDS FOR BASE CLOSURE AND RE-
3 ALIGNMENT ACTIVITIES.—Funds appropriated pursuant
4 to the authorization of appropriations in subsection (a)(8)
5 may not be obligated until—

6 (1) a period of 21 days has expired following
7 the date on which the Secretary of Defense submits
8 to the congressional defense committees a report de-
9 scribing the specific programs, projects, and activi-
10 ties for which the funds are to be obligated; or

11 (2) if over sooner, a period of 14 days has ex-
12 pired following the date on which a copy of the re-
13 port is provided in an electronic medium pursuant to
14 section 480 of title 10, United States Code.

15 **SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT**
16 **CERTAIN FISCAL YEAR 2006 PROJECTS.**

17 (a) MODIFICATION OF INSIDE THE UNITED STATES
18 NATIONAL SECURITY AGENCY PROJECTS.—The table re-
19 lating to the National Security Agency in subsection (a)
20 of section 2401 of the Military Construction Authorization
21 Act for Fiscal Year 2006 (division B of Public Law 109–
22 163; 119 Stat. 3497) is amended—

23 (1) in the item relating to Augusta, Georgia, by
24 striking “\$61,466,000” in the amount column and
25 inserting “\$340,836,000”; and

1 (2) in the item relating to Kunia, Hawaii, by
2 striking “\$305,000,000” in the amount column and
3 inserting “\$350,490,000”.

4 (b) MODIFICATION OF OUTSIDE THE UNITED
5 STATES NATIONAL SECURITY AGENCY PROJECT.—The
6 table relating to the National Security Agency in sub-
7 section (b) of such section (119 Stat. 3498) is amended
8 in the item relating to Menwith Hill, United Kingdom, by
9 striking “\$86,354,000” in the amount column and insert-
10 ing “\$87,752,000”.

11 (c) CONFORMING AMENDMENTS.—Section 2403(b)
12 of that Act (119 Stat. 3500) is amended—

13 (1) in paragraph (2), by striking
14 “\$12,500,000” and inserting “\$291,870,000”;

15 (2) in paragraph (3), by striking
16 “\$256,034,000” and inserting “\$301,524,000”; and

17 (3) in paragraph (5), by striking
18 “\$44,657,000” and inserting “\$46,055,000”.

19 **TITLE V—NORTH ATLANTIC**
20 **TREATY ORGANIZATION SE-**
21 **CURITY INVESTMENT PRO-**
22 **GRAM**

Sec. 2501. Authorized NATO construction and land acquisition projects.

Sec. 2502. Authorization of appropriations, NATO.

1 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND**
2 **ACQUISITION PROJECTS.**

3 The Secretary of Defense may make contributions for
4 the North Atlantic Treaty Organization Security Invest-
5 ment program as provided in section 2806 of title 10,
6 United States Code, in an amount not to exceed the sum
7 of the amount authorized to be appropriated for this pur-
8 pose in section 2502 and the amount collected from the
9 North Atlantic Treaty Organization as a result of con-
10 struction previously financed by the United States.

11 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

12 Funds are hereby authorized to be appropriated for
13 fiscal years beginning after September 30, 2006, for con-
14 tributions by the Secretary of Defense under section 2806
15 of title 10, United States Code, for the share of the United
16 States of the cost of projects for the North Atlantic Treaty
17 Organization Security Investment program authorized by
18 section 2501, in the amount of \$200,985,000.

19 **TITLE VI—GUARD AND RESERVE**
20 **FORCES FACILITIES**

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

21 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUC-**
22 **TION AND LAND ACQUISITION PROJECTS.**

23 Funds are hereby authorized to be appropriated for
24 fiscal years beginning after September 30, 2006, for the

1 costs of acquisition, architectural and engineering services,
2 and construction of facilities for the Guard and Reserve
3 Forces, and for contributions therefor, under chapter
4 1803 of title 10, United States Code (including the cost
5 of acquisition of land for those facilities), in the following
6 amounts:

- 7 (1) For the Department of the Army—
8 (A) for the Army National Guard of the
9 United States, \$518,403,000; and
10 (B) for the Army Reserve, \$169,487,000.
11 (2) For the Department of the Navy, for the
12 Navy Reserve and Marine Corps Reserve,
13 \$55,158,000.
14 (3) For the Department of the Air Force—
15 (A) for the Air National Guard of the
16 United States, \$212,788,000; and
17 (B) for the Air Force Reserve,
18 \$56,836,000.

19 **TITLE VII—EXPIRATION AND EX-**
20 **TENSION OF AUTHORIZA-**
21 **TIONS**

Sec. 2701. Expiration of authorizations and amounts required to be specified
by law.

Sec. 2702. Effective date.

1 **SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND**
2 **AMOUNTS REQUIRED TO BE SPECIFIED BY**
3 **LAW.**

4 (a) EXPIRATION OF AUTHORIZATIONS AFTER THREE
5 YEARS.—Except as provided in subsection (b), all author-
6 izations contained in titles XXI through XXVI for military
7 construction projects, land acquisition, family housing
8 projects and facilities, and contributions to the North At-
9 lantic Treaty Organization Security Investment program
10 (and authorizations of appropriations therefor) shall ex-
11 pire on the later of—

12 (1) October 1, 2009; or

13 (2) the date of the enactment of an Act author-
14 izing funds for military construction for fiscal year
15 2010.

16 (b) EXCEPTION.—Subsection (a) shall not apply to
17 authorizations for military construction projects, land ac-
18 quisition, family housing projects and facilities, and con-
19 tributions to the North Atlantic Treaty Organization Se-
20 curity Investment program (and authorizations of appro-
21 priations therefor), for which appropriated funds have
22 been obligated before the later of—

23 (1) October 1, 2009; or

24 (2) the date of the enactment of an Act author-
25 izing funds for fiscal year 2010 for military con-
26 struction projects, land acquisition, family housing

1 projects and facilities, or contributions to the North
 2 Atlantic Treaty Organization Security Investment
 3 program.

4 **SEC. 2702. EFFECTIVE DATE.**

5 Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI
 6 of this Act shall take effect on the later of—

7 (1) October 1, 2006; or

8 (2) the date of the enactment of this Act.

9 **TITLE VIII—MILITARY CON-**
 10 **STRUCTION GENERAL PROVI-**
 11 **SIONS**

Subtitle A—Military Construction Program and Military Family Housing
 Changes

- Sec. 2801. Increase in maximum annual amount authorized to be obligated for emergency military construction.
- Sec. 2802. Applicability of local comparability of room pattern and floor area requirements to construction, acquisition, and improvement to military unaccompanied housing.
- Sec. 2803. Authority to use proceeds from sale of military family housing to support military housing privatization initiative.
- Sec. 2804. Repeal of special requirement for military construction contracts on Guam.
- Sec. 2805. Congressional notification of cancellation ceiling for Department of Defense energy savings performance contracts.
- Sec. 2806. Expansion of authority to convey property at military installations to support military construction.
- Sec. 2807. Pilot projects for acquisition or construction of military unaccompanied housing.
- Sec. 2808. Consideration of alternative and more efficient uses for general officer and flag officer quarters in excess of 6,000 square feet.
- Sec. 2809. Repeal of temporary minor military construction program.
- Sec. 2810. One-year extension of temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.

Subtitle B—Real Property and Facilities Administration

- Sec. 2821. Consolidation of Department of Defense authorities regarding granting of easements for rights-of-way.
- Sec. 2822. Authority to grant restrictive easements in connection with land conveyances.

- Sec. 2823. Maximum term of leases for structures and real property relating to structures in foreign countries needed for purposes other than family housing.
- Sec. 2824. Consolidation of laws relating to transfer of Department of Defense real property within the department and to other Federal agencies.
- Sec. 2825. Congressional notice requirements in advance of acquisition of land by condemnation for military purposes.
- Sec. 2826. Defense access road program.

Subtitle C—Base Closure and Realignment

- Sec. 2831. Treatment of lease proceeds from military installations approved for closure or realignment after January 1, 2005.

Subtitle D—Land Conveyances

- Sec. 2841. Land conveyance, Naval Air Station, Barbers Point, Hawaii.
- Sec. 2842. Modification of land acquisition authority, Perquimans County, North Carolina.
- Sec. 2843. Land conveyance, Radford Army Ammunition Plant, Pulaski County, Virginia.
- Sec. 2844. Land conveyance, North Hills Army Reserve Center, Allison Park, Pennsylvania.
- Sec. 2845. Modifications to land conveyance authority, Engineering Proving Ground, Fort Belvoir, Virginia.
- Sec. 2846. Sense of Congress regarding land conveyance involving Army Reserve Center, Marshall, Texas.

Subtitle E—Other Matters

- Sec. 2851. Availability of community planning assistance relating to encroachment of civilian communities on military facilities used for training by the Armed Forces.
- Sec. 2852. Prohibitions against making certain military airfields or facilities available for use by civil aircraft.

1 **Subtitle A—Military Construction**
 2 **Program and Military Family**
 3 **Housing Changes**

4 **SEC. 2801. INCREASE IN MAXIMUM ANNUAL AMOUNT AU-**
 5 **THORIZED TO BE OBLIGATED FOR EMER-**
 6 **GENCY MILITARY CONSTRUCTION.**

7 Section 2803(c)(1) of title 10, United States Code,
 8 is amended by striking “\$45,000,000” and inserting
 9 “\$60,000,000”.

1 **SEC. 2802. APPLICABILITY OF LOCAL COMPARABILITY OF**
2 **ROOM PATTERN AND FLOOR AREA REQUIRE-**
3 **MENTS TO CONSTRUCTION, ACQUISITION,**
4 **AND IMPROVEMENT TO MILITARY UNACCOM-**
5 **PANIED HOUSING.**

6 (a) APPLICATION TO MILITARY UNACCOMPANIED
7 HOUSING.—Section 2826 of title 10, United States Code,
8 is amended—

9 (1) in subsection (a)—

10 (A) by inserting “or military unaccom-

11 panied housing” after “military family housing”

12 the first place it appears; and

13 (B) by striking “military family housing”

14 the second place it appears and inserting “such

15 housing”; and

16 (2) in subsection (b)—

17 (A) by striking “REQUESTS FOR AUTHOR-

18 ITY FOR MILITARY FAMILY HOUSING” and in-

19 serting “INFORMATION ON NET FLOOR AREAS

20 OF PROPOSED UNITS”;

21 (B) in paragraph (1)—

22 (i) by inserting “or military unaccom-

23 panied housing” after “military family

24 housing” the first place it appears; and

1 (ii) by striking “military family hous-
2 ing” the second place it appears and in-
3 serting “such housing”; and

4 (C) in paragraph (2), by striking “military
5 family housing unit” and inserting “unit of
6 military family housing or military unaccom-
7 panied housing”.

8 (b) WAIVER AUTHORITY.—Such section is further
9 amended by adding at the end the following new sub-
10 section:

11 “(c) WAIVER AUTHORITY.—The Secretary concerned
12 may waive the requirements of subsection (a) in the case
13 of the construction, acquisition, or improvement of mili-
14 tary unaccompanied housing on a case-by-case basis. The
15 Secretary shall include the reasons for the waiver in the
16 request submitted to Congress for authority to carry out
17 the construction, acquisition, or improvement project.”.

18 (c) CLERICAL AMENDMENTS.—

19 (1) SECTION HEADING.—The heading of such
20 section is amended to read as follows:

21 “§ 2826. **Local comparability of room patterns and**
22 **floor areas**”.

23 (2) TABLE OF SECTIONS.—The table of sections
24 at the beginning of subchapter II of chapter 169 of
25 such title is amended by striking the item relating

1 to section 2826 and inserting the following new
2 item:

“2826. Local comparability of room patterns and floor areas.”.

3 (d) REPEAL OF SUPERSEDED PROVISION.—

4 (1) REPEAL.—Section 2856 of such title is re-
5 pealed.

6 (2) CLERICAL AMENDMENT.—The table of sec-
7 tions at the beginning of subchapter III of chapter
8 169 of such title is amended by striking the item re-
9 lating to section 2856.

10 (e) CONFORMING AMENDMENTS REGARDING ALTER-
11 NATIVE ACQUISITION AND IMPROVEMENT AUTHORITY.—

12 Section 2880(b) of such title is amended—

13 (1) by striking “(1)”;

14 (2) by inserting “or military unaccompanied
15 housing” after “military family housing”; and

16 (3) by striking paragraph (2).

17 **SEC. 2803. AUTHORITY TO USE PROCEEDS FROM SALE OF**
18 **MILITARY FAMILY HOUSING TO SUPPORT**
19 **MILITARY HOUSING PRIVATIZATION INITIA-**
20 **TIVE.**

21 (a) TRANSFER FLEXIBILITY.—Section 2831 of title
22 10, United States Code, is amended—

23 (1) in subsection (b), by striking “There” and
24 inserting “Except as provided in subsection (e),
25 there”;

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

3 (3) by inserting after subsection (d) the fol-
4 lowing new subsection (e):

5 “(e) AUTHORITY TO TRANSFER CERTAIN PROCEEDS
6 TO SUPPORT MILITARY HOUSING PRIVATIZATION INITIA-
7 TIVE.—(1) The Secretary concerned may transfer family
8 housing proceeds referred to in subsection (b)(3) to the
9 Department of Defense Family Housing Improvement
10 Fund established under section 2883(a)(1) of this title.

11 “(2) A transfer of proceeds under paragraph (1) may
12 be made only after the end of the 30-day period beginning
13 on the date the Secretary concerned submits written notice
14 of, and justification for, the transfer to the appropriate
15 committees of Congress or, if earlier, the end of the 14-
16 day period beginning on the date on which a copy of the
17 notice and justification is provided in an electronic me-
18 dium pursuant to section 480 of this title.”.

19 (b) STYLISTIC AMENDMENTS.—Such section is fur-
20 ther amended—

21 (1) in subsection (a), by inserting “ESTABLISH-
22 MENT.—” after “(a)”;

23 (2) in subsection (b), by inserting “CREDITS TO
24 ACCOUNT.—” after “(b)”;

1 (3) in subsection (c), by inserting “AVAIL-
2 ABILITY OF AMOUNTS IN ACCOUNT.—” after “(c)”;
3 and

4 (4) in subsection (d), by inserting “USE OF AC-
5 COUNT.—” after “(d)”.

6 (c) CONFORMING AMENDMENT.—Section 2883(c)(1)
7 of such title is amended by adding at the end the following
8 new subparagraph:

9 “(G) Proceeds of the handling and the disposal
10 of family housing of a military department that the
11 Secretary concerned transfers to that Fund pursu-
12 ant to section 2831(e) of this title.”.

13 **SEC. 2804. REPEAL OF SPECIAL REQUIREMENT FOR MILI-**
14 **TARY CONSTRUCTION CONTRACTS ON GUAM.**

15 (a) REPEAL.—Section 2864 of title 10, United States
16 Code, is repealed.

17 (b) CLERICAL AMENDMENT.—The table of sections
18 at the beginning of subchapter III of chapter 169 of such
19 title is amended by striking the item relating to section
20 2864.

1 **SEC. 2805. CONGRESSIONAL NOTIFICATION OF CANCELLA-**
2 **TION CEILING FOR DEPARTMENT OF DE-**
3 **FENSE ENERGY SAVINGS PERFORMANCE**
4 **CONTRACTS.**

5 Section 2865 of title 10, United States Code, is
6 amended by adding at the end the following new sub-
7 section:

8 “(g) CONGRESSIONAL NOTIFICATION OF CANCELLA-
9 TION CEILING FOR ENERGY SAVINGS PERFORMANCE
10 CONTRACTS.—When a decision is made to award an en-
11 ergy savings performance contract that contains a clause
12 setting forth a cancellation ceiling in excess of \$7,000,000,
13 the Secretary of Defense shall submit to the appropriate
14 committees of Congress written notification of the pro-
15 posed contract and of the proposed cancellation ceiling for
16 the contract. The notification shall include the justifica-
17 tion for the proposed cancellation ceiling. The contract
18 may then be awarded only after the end of the 30-day
19 period beginning on the date the notification is received
20 by such committees or, if earlier, the end of the 15-day
21 period beginning on the date on which a copy of the notifi-
22 cation is provided in an electronic medium pursuant to
23 section 480 of this title.”.

1 **SEC. 2806. EXPANSION OF AUTHORITY TO CONVEY PROP-**
2 **ERTY AT MILITARY INSTALLATIONS TO SUP-**
3 **PORT MILITARY CONSTRUCTION.**

4 (a) INCLUSION OF ALL MILITARY INSTALLATIONS.—
5 Subsection (a) of section 2869 of title 10, United States
6 Code, is amended—

7 (1) by redesignating paragraphs (1) and (2) as
8 subparagraphs (A) and (B), respectively;

9 (2) by inserting “(1)” before “The Secretary
10 concerned”;

11 (3) by striking “located on a military installa-
12 tion that is closed or realigned under a base closure
13 law” and inserting “described in paragraph (2)”;
14 and

15 (4) by adding at the end the following new
16 paragraph:

17 “(2) Paragraph (1) applies with respect to real prop-
18 erty under the jurisdiction of the Secretary concerned
19 that—

20 “(A) is located on a military installation that is
21 closed or realigned under a base closure law; or

22 “(B) is determined to be excess to the needs of
23 the Department of Defense.”.

24 (b) USE OF AUTHORITY TO SUPPORT AGREEMENTS
25 TO LIMIT ENCROACHMENTS.—Subparagraph (A) of para-
26 graph (1) of subsection (a) of such section, as redesi-

1 nated and amended by subsection (a), is further amended
2 by striking “land acquisition” and inserting “land acquisi-
3 tion, including a land acquisition under an agreement en-
4 tered into under section 2684a of this title to limit en-
5 croachments and other constraints on military training,
6 testing, and operations”.

7 (c) ADVANCE NOTICE OF USE OF AUTHORITY; CON-
8 TENT OF NOTICE.—Subsection (d) of such section is
9 amended—

10 (1) in paragraph (1), by striking “closed or re-
11 aligned under the base closure laws is to be con-
12 veyed” and inserting “is proposed for conveyance”;

13 (2) by striking paragraph (2) and inserting the
14 following new paragraph:

15 “(2) The Secretary concerned may not enter into an
16 agreement under subsection (a) for the conveyance of real
17 property until—

18 “(A) the Secretary submits to Congress notice
19 of the conveyance, including—

20 “(i) a description of the military construc-
21 tion project, land acquisition, military family
22 housing, or military unaccompanied housing to
23 be carried out under the agreement in exchange
24 for the conveyance of the property; and

1 “(ii) the amount of any payment to be
2 made under subsection (b) or under section
3 2684a(d) of this title to equalize the fair mar-
4 ket values of the property to be conveyed and
5 the military construction project, land acquisi-
6 tion, military family housing, or military unac-
7 companied housing to be carried out under the
8 agreement in exchange for the conveyance of
9 the property; and

10 “(B) a period of 21 days has elapsed from the
11 date of receipt of the notice or, if over sooner, a pe-
12 riod of 14 days has elapsed from the date on which
13 a copy of the notice is provided in an electronic me-
14 dium pursuant to section 480 of this title.”.

15 (d) DEPOSIT AND USE OF FUNDS.—Subsection (e)
16 of such section is amended to read as follows:

17 “(e) DEPOSIT AND USE OF FUNDS.—(1) The Sec-
18 retary concerned shall deposit funds received under sub-
19 section (b) in the appropriation ‘Foreign Currency Fluc-
20 tuations, Construction, Defense’.

21 “(2) The funds deposited under paragraph (1) shall
22 be available, in such amounts as provided in appropriation
23 Acts, for the purpose of paying increased costs of overseas
24 military construction and family housing construction or
25 improvement associated with unfavorable fluctuations in

1 currency exchange rates. The use of such funds for this
2 purpose does not relieve the Secretary concerned from the
3 duty to provide advance notice to Congress under section
4 2853(c) of this title whenever the Secretary approves an
5 increase in the cost of an overseas project under such sec-
6 tion.”.

7 (e) ANNUAL REPORTS; EFFECT OF FAILURE TO
8 SUBMIT.—Subsection (f) of such section is amended—

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

11 (2) in subparagraph (C), as so redesignated, by
12 inserting before the period at the end the following:
13 “and of excess real property at military installa-
14 tions”;

15 (3) by striking “(f)” and all that follows
16 through “the following:” and inserting the following:

17 “(f) ANNUAL REPORTS; EFFECT OF FAILURE TO
18 SUBMIT.—(1) Not later than March 15 of each year, the
19 Secretary of Defense shall submit to Congress a report
20 detailing the following:”; and

21 (4) by adding at the end the following new
22 paragraph:

23 “(2) If the report for a year is not submitted to Con-
24 gress by the date specified in paragraph (1), the Secretary
25 concerned may not enter into an agreement under sub-

1 section (a) after that date for the conveyance of real prop-
2 erty until the date on which the report is finally sub-
3 mitted.”.

4 (f) CLERICAL AMENDMENTS.—

5 (1) SECTION HEADING.—The heading of such
6 section is amended to read as follows:

7 **“§ 2869. Conveyance of property at military installa-**
8 **tions to support military construction or**
9 **limit encroachment”.**

10 (2) TABLE OF SECTIONS.—The table of sections
11 at the beginning of subchapter III of chapter 169 of
12 such title is amended by striking the item relating
13 to section 2869 and inserting the following new
14 item:

“2869. Conveyance of property at military installations to support military con-
struction or limit encroachment.”.

15 (g) CONFORMING AMENDMENTS TO DEPARTMENT OF
16 DEFENSE HOUSING FUNDS.—Section 2883(c) of such
17 title is amended—

18 (1) in paragraph (1), by striking subparagraph
19 (F); and

20 (2) in paragraph (2), by striking subparagraph
21 (F).

22 (h) CONFORMING AMENDMENTS TO AUTHORITY TO
23 LIMIT ENCROACHMENTS.—Subsection (d)(3) of section
24 2684a of such title is amended—

1 (1) by redesignating subparagraphs (B) and
2 (C) as subparagraphs (C) and (D), respectively;

3 (2) in subparagraph (C), as so redesignated, by
4 striking “in the sharing of acquisition costs of real
5 property, or an interest in real property, under para-
6 graph (1)(B)” and inserting “under subparagraph
7 (A), either through the contribution of funds or ex-
8 cess real property, or both,”; and

9 (3) by inserting after subparagraph (A) the fol-
10 lowing new subparagraph (B):

11 “(B) In lieu of or in addition to making a monetary
12 contribution toward the cost of acquiring a parcel of real
13 property, or an interest therein, pursuant to an agreement
14 under this section, the Secretary concerned may convey,
15 using the authority provided by section 2869 of this title,
16 real property described in subsection (a)(2) of such sec-
17 tion.”.

18 **SEC. 2807. PILOT PROJECTS FOR ACQUISITION OR CON-**
19 **STRUCTION OF MILITARY UNACCOMPANIED**
20 **HOUSING.**

21 (a) **EXTENSION OF AUTHORITY TO CARRY OUT**
22 **PILOT PROJECTS.**—Subsection (f) of section 2881a of
23 title 10, United States Code, is amended by striking
24 “2007” and inserting “2011”.

1 (b) AUTHORIZED PROJECTS.—Subsection (a) of such
2 section is amended by striking “three pilot projects” and
3 inserting “six pilot projects”.

4 (c) NOTIFICATION OF FUNDING TRANSFERS.—Sub-
5 section (d)(2) of such section is amended by striking “90
6 days prior notification” and inserting “45 days prior noti-
7 fication, or 30 days if the notification is provided in an
8 electronic medium pursuant to section 480 of this title,”.

9 (d) REPORT SUBMISSION.—Subsection (e)(2) of such
10 section is amended by striking the second sentence and
11 inserting the following new sentence: “The Secretary may
12 then issue the contract solicitation or offer the conveyance
13 or lease after the end of the 45-day period beginning on
14 the date the report is received by the appropriate commit-
15 tees of Congress or, if earlier, the end of the 30-day period
16 beginning on the date on which a copy of the report is
17 provided in an electronic medium pursuant to section 480
18 of this title.”.

19 **SEC. 2808. CONSIDERATION OF ALTERNATIVE AND MORE**
20 **EFFICIENT USES FOR GENERAL OFFICER**
21 **AND FLAG OFFICER QUARTERS IN EXCESS OF**
22 **6,000 SQUARE FEET.**

23 (a) REPORTING REQUIREMENTS.—Paragraph (1) of
24 subsection (f) of section 2831 of title 10, United States

1 Code, as redesignated by section 2803(a)(2), is amend-
2 ed—

3 (1) in subparagraph (A), by striking “and” at
4 the end of the subparagraph;

5 (2) in subparagraph (B)—

6 (A) by striking “so identified” and insert-
7 ing “identified under subparagraph (A)”; and

8 (B) by striking the period at the end of the
9 subparagraph and inserting a semicolon; and

10 (3) by adding at the end the following new sub-
11 paragraphs:

12 “(C) identifying each family housing unit in ex-
13 cess of 6,000 square feet used, or intended for use,
14 as quarters for a general officer or flag officer;

15 “(D) for each family housing unit identified
16 under subparagraph (C), specifying any alternative
17 and more efficient use to which the unit could be
18 converted (which would include any costs necessary
19 to convert the unit) and containing an explanation
20 of the reasons why the unit is not being converted
21 to the alternative use; and

22 “(E) for each family housing unit identified
23 under subparagraph (C) for which costs under sub-
24 paragraph (A) or new construction costs are antici-
25 pated to exceed \$100,000 in the next fiscal year,

1 specifying any alternative use to which the unit
2 could be converted (which would include any costs
3 necessary to convert the unit) and an estimate of the
4 costs to demolish and rebuild the unit to private sec-
5 tor standards.”.

6 (b) CONFORMING AMENDMENT.—The heading of
7 such subsection is amended by striking “COST OF”.

8 **SEC. 2809. REPEAL OF TEMPORARY MINOR MILITARY CON-**
9 **STRUCTION PROGRAM.**

10 Section 2810 of the Military Construction Authoriza-
11 tion Act for Fiscal Year 2006 (division B of Public Law
12 109–163; 119 Stat. 3509) is repealed.

13 **SEC. 2810. ONE-YEAR EXTENSION OF TEMPORARY, LIMITED**
14 **AUTHORITY TO USE OPERATION AND MAIN-**
15 **TENANCE FUNDS FOR CONSTRUCTION**
16 **PROJECTS OUTSIDE THE UNITED STATES.**

17 Section 2808(a) of the Military Construction Author-
18 ization Act for Fiscal Year 2004 (division B of Public Law
19 108–136; 117 Stat. 1723), as amended by section 2810
20 of the Military Construction Authorization Act for Fiscal
21 Year 2005 (division B of Public Law 108–375; 118 Stat.
22 2128) and section 2809 of the Military Construction Au-
23 thorization Act for Fiscal Year 2006 (division B of Public
24 Law 109–163; 119 Stat. 3508), is further amended by
25 striking “and 2006” and inserting “through 2007”.

1 **Subtitle B—Real Property and**
2 **Facilities Administration**

3 **SEC. 2821. CONSOLIDATION OF DEPARTMENT OF DEFENSE**
4 **AUTHORITIES REGARDING GRANTING OF**
5 **EASEMENTS FOR RIGHTS-OF-WAY.**

6 (a) CONSOLIDATION.—Subsection (a) of section 2668
7 of title 10, United States Code, is amended—

8 (1) in the matter preceding paragraph (1)—

9 (A) by striking “he” both places it appears
10 and inserting “the Secretary”; and

11 (B) by striking “his control, to a State,
12 Commonwealth, or possession, or political sub-
13 division thereof, or to a citizen, association,
14 partnership, or corporation of a State, Com-
15 monwealth, or possession,” and inserting “the
16 Secretary’s control”;

17 (2) in paragraph (2), by striking “oil pipe
18 lines” and inserting “gas, water, sewer, and oil pipe
19 lines”; and

20 (3) in paragraph (13), by striking “he considers
21 advisable, except a purpose covered by section 2669
22 of this title” and inserting “the Secretary considers
23 advisable”.

24 (b) STYLISTIC AMENDMENTS.—Such section is fur-
25 ther amended—

1 (1) in subsection (a), by inserting “AUTHOR-
2 IZED TYPES OF EASEMENTS.—” after “(a)”;

3 (2) in subsection (b), by inserting “LIMITATION
4 ON SIZE OF EASEMENT.—” after “(b)”;

5 (3) in subsection (c), by inserting “TERMI-
6 NATION.—” after “(c)”;

7 (4) in subsection (d), by inserting “NOTICE TO
8 DEPARTMENT OF THE INTERIOR.—” after “(d)”;
9 and

10 (5) in subsection (e), by inserting “DISPOSI-
11 TION OF CONSIDERATION.—” after “(e)”.

12 (c) CONFORMING REPEAL.—Section 2669 of such
13 title is repealed.

14 (d) CLERICAL AMENDMENT.—The table of sections
15 at the beginning of chapter 159 of such title is amended
16 by striking the item related to section 2669.

17 **SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASE-**
18 **MENTS IN CONNECTION WITH LAND CONVEY-**
19 **ANCES.**

20 (a) RESTRICTIVE EASEMENTS.—Chapter 159 of title
21 10, United States Code, is amended by inserting after sec-
22 tion 2668 the following new section:

1 **“§ 2668a. Restrictive easements: granting easement in**
2 **connection with land conveyances**

3 “(a) AUTHORITY TO INCLUDE RESTRICTIVE EASE-
4 MENT.—In connection with the conveyance of real prop-
5 erty by the Secretary concerned under any provision of
6 law, the Secretary concerned may grant an easement re-
7 stricting future uses of the conveyed real property for a
8 conservation purpose consistent with section
9 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986
10 (26 U.S.C. 170(h)(4)(A)(iv)).

11 “(b) AUTHORIZED RECIPIENTS.—An easement under
12 subsection (a) may be granted only to a State or local gov-
13 ernment or a qualified organization, as that term is used
14 in section 170(h) of the Internal Revenue Code of 1986
15 (26 U.S.C. 170(h)).

16 “(c) LIMITATION ON USE OF CONSERVATION EASE-
17 MENTS.—An easement under subsection (a) may not be
18 granted unless—

19 “(1) the Secretary concerned determines that
20 the conservation purpose to be promoted by the
21 easement cannot be effectively achieved through the
22 application of State law by the State or a local gov-
23 ernment;

24 “(2) the Secretary consults with the local gov-
25 ernment whose jurisdiction encompasses the prop-
26 erty regarding the grant of the easement; and

1 “(3) the Secretary can give or assign to a third
2 party the responsibility for monitoring and enforcing
3 the easement.

4 “(d) ACREAGE LIMITATION.—No easement granted
5 under this section may include more land than is nec-
6 essary for the easement.

7 “(e) TERMS AND CONDITIONS.—The grant of an
8 easement under this section shall be subject to such terms
9 and conditions as the Secretary considers advisable.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 at the beginning of such chapter is amended by inserting
12 after the item relating to section 2668 the following new
13 item:

 “2668a. Restrictive easements: granting easement in connection with land con-
 veyances.”.

14 **SEC. 2823. MAXIMUM TERM OF LEASES FOR STRUCTURES**
15 **AND REAL PROPERTY RELATING TO STRUC-**
16 **TURES IN FOREIGN COUNTRIES NEEDED FOR**
17 **PURPOSES OTHER THAN FAMILY HOUSING.**

18 Section 2675(a) of title 10, United States Code, is
19 amended by striking “five years” and inserting “10
20 years”.

1 **SEC. 2824. CONSOLIDATION OF LAWS RELATING TO TRANS-**
2 **FER OF DEPARTMENT OF DEFENSE REAL**
3 **PROPERTY WITHIN THE DEPARTMENT AND**
4 **TO OTHER FEDERAL AGENCIES.**

5 (a) INCLUSION OF TRANSFER AUTHORITY BETWEEN
6 ARMED FORCES.—Section 2696 of title 10, United States
7 Code, is amended—

8 (1) by redesignating subsections (a) and (b) as
9 subsections (b) and (c), respectively; and

10 (2) by inserting before subsection (b), as so re-
11 designated, the following new subsection:

12 “(a) TRANSFERS BETWEEN ARMED FORCES.—If ei-
13 ther of the Secretaries concerned requests it and the other
14 approves, real property may be transferred, without com-
15 pensation, from one armed force to another. Section
16 2571(d) of this title shall apply to the transfer of real
17 property under this subsection.”.

18 (b) INCLUSION OF DEPARTMENT OF JUSTICE PRO-
19 GRAM.—The text of section 2693 of such title is amend-
20 ed—

21 (1) by redesignating paragraphs (1), (2), and
22 (3) of subsection (a) as subparagraphs (A), (B), and
23 (C), respectively;

24 (2) by redesignating paragraphs (1) and (2) of
25 subsection (b) as subparagraphs (A) and (B), re-
26 spectively, and in such subparagraph (B), as so re-

1 designated, by striking “this section” and inserting
2 “paragraph (1)”;

3 (3) by striking “(a) Except as provided in sub-
4 section (b)” and inserting “(f) DEPARTMENT OF
5 JUSTICE CORRECTIONAL OPTIONS PROGRAM.—(1)
6 Except as provided in paragraph (2)”;

7 (4) by striking “(b) The provisions of this sec-
8 tion” and inserting “(2) Paragraph (1)”;

9 (5) by transferring the text, as so redesignated
10 and amended, to appear as a new subsection (f) at
11 the end of section 2696 of such title.

12 (c) CONFORMING AMENDMENTS.—

13 (1) SECTION 2571.—Section 2571(a) of such
14 title is amended by striking “and real estate”.

15 (2) SECTION 2693.—Section 2693 of such title
16 is repealed.

17 (3) SECTION 2696.—Section 2696 of such title
18 is amended—

19 (A) in subsection (b), as redesignated by
20 subsection (a)(1), by striking “SCREENING RE-
21 QUIREMENT.—” and inserting “SCREENING
22 REQUIREMENTS FOR ADDITIONAL FEDERAL
23 USE.—”;

24 (B) in subsection (c)(1), as redesignated
25 by subsection (a)(1), by striking “subsection

1 (a)” in the first sentence and inserting “sub-
2 section (b)”;

3 (C) in subsection (d), by striking “sub-
4 section (b)(1)” and inserting “subsection
5 (c)(1)”; and

6 (D) in subsection (e), by striking “this sec-
7 tion” and inserting “subsection (b)”.

8 (d) CLERICAL AMENDMENTS.—

9 (1) SECTION 2571.—(A) The heading of section
10 2571 of such title is amended to read as follows:

11 **“§ 2571. Interchange of supplies and services”.**

12 (B) The table of sections at the beginning of
13 chapter 153 of such title is amended by striking the
14 item relating to section 2571 and inserting the fol-
15 lowing new item:

“2571. Interchange of supplies and services.”.

16 (2) SECTIONS 2693 AND 2696.—(A) The heading
17 of section 2696 of such title is amended to read as
18 follows:

19 **“§ 2696. Transfers and disposals: interchange among
20 armed forces and screening requirements
21 for other Federal use”.**

22 (B) The table of sections at the beginning of
23 chapter 159 of such title is amended—

24 (i) by striking the item relating to section
25 2693; and

1 (ii) by striking the item relating to section
2 2696 and inserting the following new item:

“2696. Transfers and disposals: interchange among armed forces and screening requirements for other Federal use.”.

3 **SEC. 2825. CONGRESSIONAL NOTICE REQUIREMENTS IN AD-**
4 **VANCE OF ACQUISITION OF LAND BY CON-**
5 **DEMNATION FOR MILITARY PURPOSES.**

6 (a) SENSE OF CONGRESS.—It is the sense of Con-
7 gress that the Secretary of Defense, when acquiring land
8 for military purposes, should make every effort to do so
9 by means of purchases from willing sellers and should em-
10 ploy condemnation, eminent domain, or seizure procedures
11 only as a measure of last resort in cases of compelling
12 national security requirements.

13 (b) CONGRESSIONAL NOTICE.—Section 2663(a) of
14 title 10, United States Code, is amended by adding at the
15 end the following new paragraph:

16 “(3) Before using condemnation, eminent domain, or
17 seizure procedures to acquire any interest in land, includ-
18 ing land for temporary use, under this subsection, the Sec-
19 retary of Defense or the Secretary of the military depart-
20 ment concerned shall submit to the congressional defense
21 committees a report that includes certification that the
22 Secretary has made every effort to acquire the property
23 without use of such procedures, explains the compelling
24 requirements for the acquisition and why alternative ac-

1 quision strategies, such as purchases of easements, are
2 inadequate, and describes the property for which the pro-
3 cedures will be employed. Proceedings may be brought
4 with respect to the land only after the end of the 14-day
5 period beginning on the date on which the report is re-
6 ceived by the committees or, if over sooner, a period of
7 10 days elapses from the date on which a copy of the re-
8 port is provided in an electronic medium pursuant to sec-
9 tion 480 of this title.”.

10 **SEC. 2826. DEFENSE ACCESS ROAD PROGRAM.**

11 Section 2837 of the Military Construction Authoriza-
12 tion Act for Fiscal Year 2006 (division B of Public Law
13 109–163; 119 Stat. 3522) is amended—

14 (1) in subsection (a), by inserting “and transit
15 systems” after “that roads”; and

16 (2) in subsection (b)—

17 (A) by striking “and” at the end of para-
18 graph (1); and

19 (B) by striking paragraph (2) and insert-
20 ing the following new paragraphs:

21 “(2) to determine whether the existing surface
22 transportation infrastructure, including roads and
23 transit at each installation identified under para-
24 graph (1) is adequate to support the increased traf-

1 fic associated with the increase in the number of de-
2 fense personnel described in that paragraph; and

3 “(3) to determine whether the defense access
4 road program adequately considers the complete
5 range of surface transportation options, including
6 roads and other means of transit, necessary to sup-
7 port the national defense.”.

8 **Subtitle C—Base Closure and** 9 **Realignment**

10 **SEC. 2831. TREATMENT OF LEASE PROCEEDS FROM MILI-** 11 **TARY INSTALLATIONS APPROVED FOR CLO-** 12 **SURE OR REALIGNMENT AFTER JANUARY 1,** 13 **2005.**

14 Paragraph (5) of section 2667(d) of title 10, United
15 States Code, is amended to read as follows:

16 “(5) Money rentals received by the United States
17 from a lease under subsection (f) at a military installation
18 to be closed or realigned under a base closure law shall
19 be deposited—

20 “(A) into the account established under section
21 2906(a) of the Defense Base Closure and Realign-
22 ment Act of 1990 (part A of title XXIX of Public
23 Law 101–510; 10 U.S.C. 2687 note), if the installa-
24 tion was approved for closure or realignment before
25 January 1, 2005; or

1 (c) DESCRIPTION OF PROPERTY.—The exact acreage
2 and legal description of real property to be conveyed under
3 subsection (a) shall be determined by a survey satisfactory
4 to the Secretary.

5 (d) ADDITIONAL TERMS AND CONDITIONS.—The
6 Secretary may require such additional terms and condi-
7 tions in connection with a conveyance under subsection (a)
8 as the Secretary considers appropriate to protect the inter-
9 ests of the United States.

10 **SEC. 2842. MODIFICATION OF LAND ACQUISITION AUTHOR-**
11 **ITY, PERQUIMANS COUNTY, NORTH CARO-**
12 **LINA.**

13 Section 2846 of the Military Construction Authoriza-
14 tion Act for Fiscal Year 2002 (division B of Public Law
15 107–107; 115 Stat. 1320), as amended by section 2865
16 of the Military Construction Authorization Act for Fiscal
17 Year 2005 (division B of Public Law 108–375; 118 Stat.
18 2149) is further amended by striking “840 acres” and in-
19 serting “1,540 acres”.

20 **SEC. 2843. LAND CONVEYANCE, RADFORD ARMY AMMUNI-**
21 **TION PLANT, PULASKI COUNTY, VIRGINIA.**

22 (a) CONVEYANCE AUTHORIZED.—The Secretary of
23 the Army may convey, without consideration, to the De-
24 partment of Veterans’ Services of the Commonwealth of
25 Virginia (in this section referred to as the “Department”)

1 all right, title, and interest of the United States in and
2 to a parcel of real property, including any improvements
3 thereon, consisting of approximately 85 acres at the
4 Radford Army Ammunition Plant in Pulaski County, Vir-
5 ginia, for the purpose of permitting the Department to
6 establish and operate a State-run cemetery for veterans
7 of the Armed Forces.

8 (b) REVERSIONARY INTEREST.—If the Secretary de-
9 termines at any time that the real property conveyed
10 under subsection (a) is not being used in accordance with
11 the purpose of the conveyance specified in such subsection,
12 all right, title, and interest in and to the property shall
13 revert, at the option of the Secretary, to the United States,
14 and the United States shall have the right of immediate
15 entry onto the property. Any determination of the Sec-
16 retary under this subsection shall be made on the record
17 after an opportunity for a hearing.

18 (c) PAYMENT OF COSTS OF CONVEYANCE.—

19 (1) PAYMENT REQUIRED.—The Secretary shall
20 require the Department to cover costs to be incurred
21 by the Secretary, or to reimburse the Secretary for
22 costs incurred by the Secretary, to carry out the
23 conveyance under subsection (a), including survey
24 costs, costs related to environmental documentation,
25 and other administrative costs related to the convey-

1 ance. If amounts are collected from the Department
2 in advance of the Secretary incurring the actual
3 costs, and the amount collected exceeds the costs ac-
4 tually incurred by the Secretary to carry out the
5 conveyance, the Secretary shall refund the excess
6 amount to the Department.

7 (2) TREATMENT OF AMOUNTS RECEIVED.—
8 Amounts received as reimbursement under para-
9 graph (1) shall be credited to the fund or account
10 that was used to cover the costs incurred by the Sec-
11 retary in carrying out the conveyance. Amounts so
12 credited shall be merged with amounts in such fund
13 or account and shall be available for the same pur-
14 poses, and subject to the same conditions and limita-
15 tions, as amounts in such fund or account.

16 (d) DESCRIPTION OF REAL PROPERTY.—The exact
17 acreage and legal description of the real property to be
18 conveyed under subsection (a) shall be determined by a
19 survey satisfactory to the Secretary.

20 (e) ADDITIONAL TERMS AND CONDITIONS.—The
21 Secretary may require such additional terms and condi-
22 tions in connection with the conveyance under subsection
23 (a) as the Secretary considers appropriate to protect the
24 interests of the United States.

1 **SEC. 2844. LAND CONVEYANCE, NORTH HILLS ARMY RE-**
2 **SERVE CENTER, ALLISON PARK, PENNSYLVANIA.**
3 **VANIA.**

4 (a) CONVEYANCE AUTHORIZED.—The Secretary of
5 the Army may convey to the North Allegheny School Dis-
6 trict (in this section referred to as the “School District”)
7 all right, title, and interest of the United States in and
8 to a parcel of real property consisting of approximately
9 11.15 acres and containing the North Hills Army Reserve
10 Center in Allison Park, Pennsylvania, for the purpose of
11 permitting the School District to use the property for edu-
12 cational and recreational purposes and for parking facili-
13 ties related thereto.

14 (b) CONSIDERATION.—The Secretary may waive any
15 requirement for consideration in connection with the con-
16 veyance under subsection (a) if the Secretary determines
17 that, were the conveyance of the property to be made
18 under subchapter III of chapter 5 of title 40, United
19 States Code, for the same purpose specified in subsection
20 (a), the conveyance could be made without consideration.

21 (c) REVERSIONARY INTEREST.—If the Secretary de-
22 termines at any time that the real property conveyed
23 under subsection (a) is not being used in accordance with
24 the purposes of the conveyance specified in such sub-
25 section, all right, title, and interest in and to all or any
26 portion of the property shall revert, at the option of the

1 Secretary, to the United States, and the United States
2 shall have the right of immediate entry onto the property.
3 Any determination of the Secretary under this subsection
4 shall be made on the record after an opportunity for a
5 hearing.

6 (d) PAYMENT OF COSTS OF CONVEYANCE.—

7 (1) PAYMENT REQUIRED.—The Secretary shall
8 require the School District to cover costs to be in-
9 curred by the Secretary, or to reimburse the Sec-
10 retary for costs incurred by the Secretary, to carry
11 out the conveyance under subsection (a), including
12 survey costs, costs related to environmental docu-
13 mentation, and other administrative costs related to
14 the conveyance. If amounts are collected from the
15 School District in advance of the Secretary incurring
16 the actual costs, and the amount collected exceeds
17 the costs actually incurred by the Secretary to carry
18 out the conveyance, the Secretary shall refund the
19 excess amount to the School District.

20 (2) TREATMENT OF AMOUNTS RECEIVED.—

21 Amounts received as reimbursement under para-
22 graph (1) shall be credited to the fund or account
23 that was used to cover the costs incurred by the Sec-
24 retary in carrying out the conveyance. Amounts so
25 credited shall be merged with amounts in such fund

1 or account, and shall be available for the same pur-
2 poses, and subject to the same conditions and limita-
3 tions, as amounts in such fund or account.

4 (e) DESCRIPTION OF PROPERTY.—The exact acreage
5 and legal description of the real property to be conveyed
6 under subsection (a) shall be determined by a survey satis-
7 factory to the Secretary.

8 (f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
9 retary may require such additional terms and conditions
10 in connection with the conveyance under subsection (a) as
11 the Secretary considers appropriate to protect the inter-
12 ests of the United States.

13 **SEC. 2845. MODIFICATIONS TO LAND CONVEYANCE AU-**
14 **THORITY, ENGINEERING PROVING GROUND,**
15 **FORT BELVOIR, VIRGINIA.**

16 (a) CONSTRUCTION OF SECURITY BARRIER.—Section
17 2836 of the Military Construction Authorization Act for
18 Fiscal Year 2002 (division B of Public Law 107–107; 115
19 Stat. 1314), as amended by section 2846 of the Military
20 Construction Authorization Act for Fiscal Year 2006 (di-
21 vision B of Public Law 109–163; 119 Stat. 3527), is fur-
22 ther amended—

23 (1) in subsection (b)(4), by striking
24 “\$3,880,000” and inserting “\$4,880,000”; and

25 (2) in subsection (d)—

1 (A) in paragraph (1), by inserting after
2 “Virginia,” the following: “and the construction
3 of a security barrier, as applicable,”; and

4 (B) in paragraph (2), by inserting after
5 “Building 191” the following: “and the con-
6 struction of a security barrier, as applicable”.

7 (b) AUTHORITY TO ENTER INTO ALTERNATIVE
8 AGREEMENT FOR DESIGN AND CONSTRUCTION OF FAIR-
9 FAX COUNTY PARKWAY PORTION.—Such section 2836 is
10 further amended—

11 (1) in subsection (b)—

12 (A) by amending paragraph (1) to read as
13 follows:

14 “(1) except as provided in subsection (f), design
15 and construct, at its expense and for public benefit,
16 the portion of the Fairfax County Parkway through
17 the Engineer Proving Ground (in this section re-
18 ferred to as the ‘Parkway portion’);” and

19 (B) in paragraph (2), by inserting after
20 “C514” the following: “, RW-214 (in this sec-
21 tion referred to as ‘Parkway project’)”;

22 (2) by redesignating subsection (f) as sub-
23 section (g);

24 (3) by inserting after subsection (e) the fol-
25 lowing new subsection:

1 “(f) ALTERNATE AGREEMENT FOR CONSTRUCTION
2 OF ROAD.—(1) The Secretary of the Army may, in con-
3 nection with the conveyance authorized under subsection
4 (a), enter into an agreement with the Commonwealth pro-
5 viding for the design and construction by the Department
6 of the Army or the United States Department of Trans-
7 portation of the Parkway portion and other portions of
8 the Fairfax County Parkway off the Engineer Proving
9 Ground that are necessary to complete the Parkway
10 project (in this subsection referred to as the ‘alternate
11 agreement’) if the Secretary determines that the alternate
12 agreement is in the best interests of the United States
13 to support the permanent relocation of additional military
14 and civilian personnel at Fort Belvoir pursuant to deci-
15 sions made as part of the 2005 round of defense base clo-
16 sure and realignment under the Defense Base Closure and
17 Realignment Act of 1990 (part A of title XXIX of Public
18 Law 101–510; 10 U.S.C. 2687 note).

19 “(2) If the Secretary of Defense certifies that the
20 Parkway portion is important to the national defense pur-
21 suant to section 210 of title 23, United States Code, the
22 Secretary of the Army may enter into an agreement with
23 the Secretary of Transportation to carry out the alternate
24 agreement under the Defense Access Road Program.

1 “(3) The Commonwealth shall pay to the Secretary
2 of the Army the costs of the design and construction of
3 the Parkway portion and any other portions of the Fairfax
4 County Parkway off the Engineer Proving Ground de-
5 signed and constructed under the alternate agreement.
6 The Secretary shall apply such payment to the design and
7 construction provided for in the alternate agreement.

8 “(4) Using the authorities available to the Secretary
9 under chapter 160 of title 10, United States Code, and
10 funds deposited in the Environmental Restoration Ac-
11 count, Army, established by section 2703(a) of such title
12 and appropriated for this purpose, the Secretary may
13 carry out environmental restoration activities on real prop-
14 erty under the jurisdiction of the Secretary in support of
15 the construction of the Parkway portion.

16 “(5) The alternate agreement shall be subject to the
17 following conditions:

18 “(A) The Commonwealth shall acquire and re-
19 tain all necessary right, title, and interest in any
20 real property not under the jurisdiction of the Sec-
21 retary that is necessary for construction of the Park-
22 way portion or for construction of any other portions
23 of the Fairfax County Parkway off the Engineer
24 Proving Ground that will be constructed under the
25 alternate agreement, and shall grant to the United

1 States all necessary access to and use of such prop-
2 erty for such construction.

3 “(B) The Secretary shall receive consideration
4 from the Commonwealth as required in subsections
5 (b)(2), (b)(3), and (b)(4) and shall carry out the ac-
6 ceptance and disposition of funds in accordance with
7 subsection (d).

8 “(6) The design of the Parkway portion under the
9 alternate agreement shall be subject to the approval of the
10 Secretary and the Commonwealth in accordance with the
11 Virginia Department of Transportation Approved Plan,
12 dated June 15, 2004, Project #R000-029-249, PE-108,
13 C-514, RW-214. For each phase of the design and con-
14 struction of the Parkway portion under the alternate
15 agreement, the Secretary may—

16 “(A) accept funds from the Commonwealth; or

17 “(B) transfer funds received from the Common-
18 wealth to the United States Department of Trans-
19 portation.

20 “(7) Upon completion of the construction of the
21 Parkway portion and any other portions of the Fairfax
22 County Parkway off the Engineer Proving Ground re-
23 quired under the alternate agreement, the Secretary shall
24 carry out the conveyance under subsection (a). As a condi-
25 tion of such conveyance carried out under the alternate

1 agreement, the Secretary shall receive a written commit-
2 ment, in a form satisfactory to the Secretary, that the
3 Commonwealth agrees to accept all responsibility for the
4 costs of operation and maintenance of the Parkway por-
5 tion upon conveyance to the Commonwealth of such real
6 property.”; and

7 (4) in subsection (g), as redesignated by para-
8 graph (2), by inserting “or the alternate agreement
9 authorized under subsection (f)” after “conveyance
10 under subsection (a)”.

11 **SEC. 2846. SENSE OF CONGRESS REGARDING LAND CON-**
12 **VEYANCE INVOLVING ARMY RESERVE CEN-**
13 **TER, MARSHALL, TEXAS.**

14 It is the sense of Congress that the Secretary of the
15 Army should consider the feasibility of conveying the
16 Army Reserve Center at 1209 Pinecrest Drive East in
17 Marshall, Texas, to the Marshall-Harrison County Vet-
18 erans Association for the purpose of assisting the efforts
19 of the Association in erecting a veterans memorial, cre-
20 ating a park, and establishing a museum recognizing and
21 honoring the sacrifices and accomplishments of veterans
22 of the Armed Forces.

1 **Subtitle E—Other Matters**

2 **SEC. 2851. AVAILABILITY OF COMMUNITY PLANNING AS-**
3 **SISTANCE RELATING TO ENCROACHMENT OF**
4 **CIVILIAN COMMUNITIES ON MILITARY FA-**
5 **CILITIES USED FOR TRAINING BY THE**
6 **ARMED FORCES.**

7 Section 2391(d)(1) of title 10, United States Code,
8 is amended by adding at the end the following new sen-
9 tence: “For purposes of subsection (b)(1)(D), the term
10 ‘military installation’ includes a military facility owned
11 and operated by any of the several States, the District
12 of Columbia, the Commonwealth of Puerto Rico, Guam,
13 or the Virgin Islands, even though the facility is not under
14 the jurisdiction of the Department of Defense, if the Sec-
15 retary of Defense determines that the military facility is
16 subject to significant use for training by the armed
17 forces.”.

18 **SEC. 2852. PROHIBITIONS AGAINST MAKING CERTAIN MILI-**
19 **TARY AIRFIELDS OR FACILITIES AVAILABLE**
20 **FOR USE BY CIVIL AIRCRAFT.**

21 (a) PROHIBITIONS.—The Secretary of the Navy may
22 not enter into any agreement concerning a military instal-
23 lation specified in subsection (b) that would—

24 (1) authorize civil aircraft to regularly use an
25 airfield or any other property at the installation;

1 (2) convey any real property at the installation,
2 including any airfield at the installation, for the pur-
3 pose of permitting the use of the property by civil
4 aircraft.

5 (b) COVERED INSTALLATIONS.—The prohibitions in
6 subsection (a) apply with respect to the following military
7 installations:

8 (1) Marine Corps Air Station, Camp Pendleton,
9 California.

10 (2) Marine Corps Air Station, Miramar, Cali-
11 fornia.

12 (3) Marine Corps Base, Camp Pendleton, Cali-
13 fornia.

14 (4) Naval Air Station, North Island, California.

15 (c) REPEAL OF EXISTING LIMITED PROHIBITION.—
16 Section 2894 of the Military Construction Authorization
17 Act for Fiscal Year 1996 (division B of Public Law 104–
18 106; 110 Stat. 592) is repealed.

1 **DIVISION C—DEPARTMENT OF**
 2 **ENERGY NATIONAL SECURITY**
 3 **AUTHORIZATIONS AND**
 4 **OTHER AUTHORIZATIONS**
 5 **TITLE XXXI—DEPARTMENT OF**
 6 **ENERGY NATIONAL SECURITY**
 7 **PROGRAMS**

Subtitle A—National Security Programs Authorizations

- Sec. 3101. National Nuclear Security Administration.
 Sec. 3102. Defense environmental cleanup.
 Sec. 3103. Other defense activities.
 Sec. 3104. Defense nuclear waste disposal.

Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3111. Plan for transformation of National Nuclear Security Administration nuclear weapons complex.
 Sec. 3112. Extension of Facilities and Infrastructure Recapitalization Program.
 Sec. 3113. Utilization of contributions to Global Threat Reduction Initiative.
 Sec. 3114. Utilization of contributions to Second Line of Defense program.
 Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
 Sec. 3116. National Academy of Sciences study of quantification of margins and uncertainty methodology for assessing and certifying the safety and reliability of the nuclear stockpile.
 Sec. 3117. Consolidation of counterintelligence programs of Department of Energy and National Nuclear Security Administration.

8 **Subtitle A—National Security**
 9 **Programs Authorizations**

10 **SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRA-**
 11 **TION.**

12 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds
 13 are hereby authorized to be appropriated to the Depart-
 14 ment of Energy for fiscal year 2007 for the activities of
 15 the National Nuclear Security Administration in carrying

1 out programs necessary for national security in the
2 amount of \$9,265,811,000 to be allocated as follows:

3 (1) For weapons activities, \$6,467,889,000.

4 (2) For defense nuclear nonproliferation activi-
5 ties, \$1,616,213,000.

6 (3) For naval reactors, \$795,133,000.

7 (4) For the Office of the Administrator for Nu-
8 clear Security, \$386,576,000.

9 (b) AUTHORIZATION OF NEW PLANT PROJECTS.—

10 From funds referred to in subsection (a) that are available
11 for carrying out plant projects, the Secretary of Energy
12 may carry out the following new plant projects:

13 (1) For weapons activities:

14 Project 07–D–140, project engineering and
15 design, various locations, \$4,977,000.

16 Project 07–D–220, Radioactive Liquid
17 Waste Treatment Facility upgrade, Los Alamos
18 National Laboratory, \$14,828,000.

19 Project 07–D–253, TA–1 Heating Systems
20 Modernization, Facilities and Infrastructure
21 Recapitalization Program, \$14,500,000.

22 (2) For defense nuclear nonproliferation activi-
23 ties:

1 Project 07–SC–05, Physical Sciences Fa-
2 cility, Pacific Northwest National Laboratory,
3 \$4,220,000.

4 (3) For naval reactors:

5 Project 07–D–190, project engineering and
6 design, Materials Research Technology Com-
7 plex, \$1,485,000.

8 **SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.**

9 Funds are hereby authorized to be appropriated to
10 the Department of Energy for fiscal year 2007 for defense
11 environmental cleanup activities in carrying out programs
12 necessary for national security in the amount of
13 \$5,440,312,000.

14 **SEC. 3103. OTHER DEFENSE ACTIVITIES.**

15 Funds are hereby authorized to be appropriated to
16 the Department of Energy for fiscal year 2007 for other
17 defense activities in carrying out programs necessary for
18 national security in the amount of \$717,788,000.

19 **SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.**

20 Funds are hereby authorized to be appropriated to
21 the Department of Energy for fiscal year 2007 for defense
22 nuclear waste disposal for payment to the Nuclear Waste
23 Fund established in section 302(c) of the Nuclear Waste
24 Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount
25 of \$388,080,000.

1 **Subtitle B—Program Authoriza-**
2 **tions, Restrictions, and Limita-**
3 **tions**

4 **SEC. 3111. PLAN FOR TRANSFORMATION OF NATIONAL NU-**
5 **CLEAR SECURITY ADMINISTRATION NU-**
6 **CLEAR WEAPONS COMPLEX.**

7 (a) PLAN REQUIRED.—Subtitle A of title XLII of the
8 Atomic Energy Defense Act (division D of Public Law
9 107–314) is amended by inserting after section 4213 (50
10 U.S.C. 2533) the following new section:

11 **“SEC. 4214. PLAN FOR TRANSFORMATION OF NATIONAL NU-**
12 **CLEAR SECURITY ADMINISTRATION NU-**
13 **CLEAR WEAPONS COMPLEX.**

14 “(a) PLAN REQUIRED.—The Secretary of Energy
15 and the Secretary of Defense shall develop a plan to trans-
16 form the nuclear weapons complex so as to achieve a re-
17 sponsive infrastructure by 2030. The plan shall be de-
18 signed to accomplish the following objectives:

19 “(1) To maintain the safety, reliability, and se-
20 curity of the United States nuclear weapons stock-
21 pile.

22 “(2) To continue Stockpile Life Extension Pro-
23 grams that the Nuclear Weapons Council considers
24 necessary.

1 “(3) To prepare to produce replacement war-
2 heads under the Reliable Replacement Warhead pro-
3 gram at a rate necessary to meet future stockpile re-
4 quirements, commencing with a first production unit
5 in 2012 and achieving steady-state production using
6 modern manufacturing processes by 2025.

7 “(4) To eliminate, within the nuclear weapons
8 complex, duplication of production capability except
9 to the extent required to ensure the safety, reli-
10 ability, and security of the stockpile.

11 “(5) To maintain the current philosophy within
12 the national security laboratories of peer review of
13 nuclear weapons designs while eliminating duplica-
14 tion of laboratory capabilities except to the extent
15 required to ensure the safety, reliability, and secu-
16 rity of the stockpile.

17 “(6) To maintain the national security mission,
18 and in particular the science-based Stockpile Stew-
19 ards Program, as the primary mission of the na-
20 tional security laboratories while optimizing the
21 work-for-others activities of those laboratories to
22 support other national security objectives in fields
23 such as intelligence and homeland security.

24 “(7) To consolidate to the maximum extent
25 practicable, and to provide for the ultimate disposi-

1 tion of, special nuclear material throughout the nu-
2 clear weapons complex, with the ultimate goal of
3 eliminating Category I and II special nuclear mate-
4 rial from the national security laboratories no later
5 than March 1, 2010, so as to further reduce the
6 footprint of the nuclear weapons complex, reduce se-
7 curity costs, and reduce transportation costs for spe-
8 cial nuclear material.

9 “(8) To employ a risk-based approach to ensure
10 compliance with Design Basis Threat security re-
11 quirements.

12 “(9) To expeditiously dismantle inactive nuclear
13 weapons to reduce the size of the stockpile to the
14 lowest level required by the Nuclear Weapons Coun-
15 cil.

16 “(10) To operate the nuclear weapons complex
17 in a more cost-effective manner.

18 “(b) REPORT.—Not later than February 1, 2007, the
19 Secretary of Energy and Secretary of Defense shall submit
20 to the congressional defense committees a report on the
21 transformation plan required by subsection (a). The report
22 shall address each of the objectives required by subsection
23 (c) and also include each of the following:

24 “(1) A comprehensive list of the capabilities, fa-
25 cilities, and project staffing that the National Nu-

1 clear Security Administration will need to have in
2 place at the nuclear weapons complex as of 2030 to
3 meet the requirements of the transformation plan.

4 “(2) a comprehensive list of the capabilities and
5 facilities that the National Nuclear Security Admin-
6 istration currently has in place at the nuclear weap-
7 ons complex that will not be needed as of 2030 to
8 meet the requirements of the transformation plan.

9 “(3) A plan for implementing the trans-
10 formation plan, including a schedule with incre-
11 mental milestones.

12 “(c) CONSULTATION.—The Secretary of Energy and
13 the Secretary of Defense shall develop the transformation
14 plan required by subsection (a) in consultation with the
15 Nuclear Weapons Council.

16 “(d) DEFINITION.—In this section, the term ‘national
17 security laboratory’ has the meaning given such term in
18 section 3281 of the National Nuclear Security Administra-
19 tion Act (50 U.S.C. 2471).”.

20 (b) INCLUSION IN FUTURE-YEARS NUCLEAR SECU-
21 RITY PROGRAM.—Section 3253 of the National Nuclear
22 Security Administration Act (50 U.S.C. 2453) is amended
23 in subsection (b) by adding at the end the following new
24 paragraph:

1 “(5) A statement of proposed budget authority,
2 estimated expenditures, and proposed appropriations
3 necessary to support the programs required to im-
4 plement the plan to transform the nuclear weapons
5 complex under section 4214 of the Atomic Energy
6 Defense Act, together with a detailed description of
7 how the funds identified for each program element
8 specified pursuant to paragraph (1) in the budget
9 for the Administration for each fiscal year during
10 that five-fiscal-year period will help ensure that
11 those programs are implemented. The statement
12 shall assume year-to-year funding profiles that ac-
13 count for increases only for projected inflation.”.

14 **SEC. 3112. EXTENSION OF FACILITIES AND INFRASTRUC-**
15 **TURE RECAPITALIZATION PROGRAM.**

16 Section 3114 of the National Defense Authorization
17 Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C.
18 2453 note), as amended by section 3113 of the Ronald
19 W. Reagan National Defense Authorization Act for Fiscal
20 Year 2005 (Public Law 108–375; 118 Stat. 2160), is
21 amended—

22 (1) in subsection (a)(3)(F), by striking “2011”
23 and inserting “2013”; and

24 (2) in subsection (b), by striking “2011” and
25 inserting “2013”.

1 **SEC. 3113. UTILIZATION OF CONTRIBUTIONS TO GLOBAL**
2 **THREAT REDUCTION INITIATIVE.**

3 Section 3132 of the Ronald W. Reagan National De-
4 fense Authorization Act for Fiscal Year 2005 (Public Law
5 108–375; 118 Stat. 2166; 50 U.S.C. 2569) is amended—

6 (1) by redesignating subsection (f) as sub-
7 section (g); and

8 (2) by adding after subsection (e) the following
9 new subsection:

10 “(f) PARTICIPATION BY OTHER GOVERNMENTS AND
11 ORGANIZATIONS.—

12 “(1) IN GENERAL.—The Secretary of Energy
13 may, with the concurrence of the Secretary of State,
14 enter into one or more agreements with any person
15 (including a foreign government, international orga-
16 nization, or multinational entity) that the Secretary
17 of Energy considers appropriate under which the
18 person contributes funds for purposes of the pro-
19 gram under this section.

20 “(2) RETENTION AND USE OF AMOUNTS.—The
21 Secretary of Energy may retain and use amounts
22 contributed under an agreement under paragraph
23 (1) for purposes of the program under this section.
24 Amounts so contributed shall be retained in a sepa-
25 rate fund established in the Treasury for such pur-

1 poses and shall be available until expended, without
2 further appropriation, for such purposes.”.

3 **SEC. 3114. UTILIZATION OF CONTRIBUTIONS TO SECOND**
4 **LINE OF DEFENSE PROGRAM.**

5 (a) IN GENERAL.—The Secretary of Energy may,
6 with the concurrence of the Secretary of State, enter into
7 one or more agreements with any person (including a for-
8 eign government, international organization, or multi-
9 national entity) that the Secretary of Energy considers ap-
10 propriate under which the person contributes funds for
11 purposes of the Second Line of Defense program of the
12 National Nuclear Security Administration.

13 (b) RETENTION AND USE OF AMOUNTS.—The Sec-
14 retary of Energy may retain and use amounts contributed
15 under an agreement under subsection (a) for purposes of
16 the Second Line of Defense program. Amounts so contrib-
17 uted shall be retained in a separate fund established in
18 the Treasury for such purposes and shall be available until
19 expended, without further appropriation, for such pur-
20 poses.

21 (c) TERMINATION OF AUTHORITY.—The authority to
22 accept contributions under subsection (a) terminates De-
23 cember 31, 2013.

1 **SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR AP-**
2 **POINTMENT OF CERTAIN SCIENTIFIC, ENGI-**
3 **NEERING, AND TECHNICAL PERSONNEL.**

4 Section 4601(c)(1) of the Atomic Energy Defense Act
5 (50 U.S.C. 2701(c)(1)) is amended by striking “Sep-
6 tember 30, 2006” and inserting “September 30, 2008”.

7 **SEC. 3116. NATIONAL ACADEMY OF SCIENCES STUDY OF**
8 **QUANTIFICATION OF MARGINS AND UNCER-**
9 **TAINTY METHODOLOGY FOR ASSESSING AND**
10 **CERTIFYING THE SAFETY AND RELIABILITY**
11 **OF THE NUCLEAR STOCKPILE.**

12 (a) **STUDY REQUIRED.**—The Secretary of Energy
13 shall, as soon as practicable and no later than 120 days
14 after the date of the enactment of this Act, enter into an
15 arrangement with the National Research Council of the
16 National Academy of Sciences for the Council to carry out
17 a study of the quantification of margins and uncertainty
18 methodology used by the national security laboratories for
19 assessing and certifying the safety and reliability of the
20 nuclear stockpile.

21 (b) **MATTERS INCLUDED.**—The study required by
22 subsection (a) shall evaluate the following:

23 (1) The use of the quantification of margins
24 and uncertainty methodology by the national secu-
25 rity laboratories, including underlying assumptions
26 of weapons performance and the ability of modeling

1 and simulation tools to predict nuclear explosive
2 package characteristics.

3 (2) The manner in which that methodology is
4 used to conduct the annual assessments of the nu-
5 clear weapons stockpile.

6 (3) How the use of that methodology compares
7 and contrasts between the national security labora-
8 tories.

9 (4) The process by which conflicts between the
10 national security laboratories in the application of
11 that methodology are resolved.

12 (5) An assessment of whether the application of
13 the quantification of margins and uncertainty used
14 for annual assessments and certification of the nu-
15 clear weapons stockpile can be applied to the
16 planned Reliable Replacement Warhead program so
17 as to carry out the objective of that program to re-
18 duce the likelihood of the resumption of under-
19 ground testing of nuclear weapons.

20 (c) REPORT.—

21 (1) IN GENERAL.—Not later than one year
22 after the date on which the arrangement required by
23 subsection (a) is entered into, the National Research
24 Council shall submit to the Secretary of Energy and
25 the congressional committees specified in paragraph

1 (2), a report on the study that addresses the matters
2 listed in subsection (b) and any other matters con-
3 sidered by the National Research Council to be rel-
4 evant to the use of the quantification of margins and
5 uncertainty methodology in assessing the current or
6 future nuclear weapons stockpile.

7 (2) SPECIFIED COMMITTEES.—The congres-
8 sional committees referred to in paragraph (1) are
9 the following:

10 (A) The Committee on Armed Services of
11 the Senate.

12 (B) The Committee on Armed Services of
13 the House of Representatives.

14 (d) PROVISION OF INFORMATION.—The Secretary of
15 Energy shall, in a timely manner, make available to the
16 National Research Council all information that the Na-
17 tional Research Council considers necessary to carry out
18 its responsibilities under this section.

19 (e) FUNDING.—Of the amounts made available to the
20 Department of Energy pursuant to the authorization of
21 appropriations in section 3101, \$2,000,000 shall be avail-
22 able only for carrying out the study required by this sec-
23 tion.

1 **SEC. 3117. CONSOLIDATION OF COUNTERINTELLIGENCE**
2 **PROGRAMS OF DEPARTMENT OF ENERGY**
3 **AND NATIONAL NUCLEAR SECURITY ADMIN-**
4 **ISTRATION.**

5 (a) TRANSFER OF FUNCTIONS.—The functions, per-
6 sonnel, funds, assets, and other resources of the Office of
7 Defense Nuclear Counterintelligence of the National Nu-
8 clear Security Administration are transferred to the Sec-
9 retary of Energy, to be administered (except to any extent
10 otherwise directed by the Secretary) by the Director of the
11 Office of Counterintelligence of the Department of En-
12 ergy.

13 (b) NNSA COUNTERINTELLIGENCE OFFICE ABOL-
14 ISHED.—

15 (1) IN GENERAL.—Section 3232 of the Na-
16 tional Nuclear Security Administration Act (50
17 U.S.C. 3232) is amended—

18 (A) by amending the heading to read as
19 follows:

20 **“SEC. 3232. OFFICE OF DEFENSE NUCLEAR SECURITY.”;**

21 (B) by striking subsection (a) and insert-
22 ing the following new subsection (a):

23 “(a) ESTABLISHMENT.—There is within the Admin-
24 istration an Office of Defense Nuclear Security, headed
25 by a Chief appointed by the Secretary of Energy. The Ad-

1 administrator shall recommend to the Secretary suitable can-
2 didates for such position.”;

3 (C) by striking subsection (b); and

4 (D) by redesignating subsection (c) as sub-
5 section (b).

6 (2) CONFORMING AMENDMENT.—The table of
7 sections at the beginning of the National Nuclear
8 Security Administration Act is amended by striking
9 the item relating to section 3232 and inserting the
10 following new item:

“Sec. 3232. Office of Defense Nuclear Security.”.

11 (c) COUNTERINTELLIGENCE PROGRAMS AT NNSA
12 FACILITIES.—Section 3233 of the National Nuclear Secu-
13 rity Administration Act (50 U.S.C. 2423) is amended—

14 (1) in each of subsections (a) and (b), by strik-
15 ing “The Administrator shall” and inserting “The
16 Secretary of Energy shall”; and

17 (2) in subsection (b), by striking “Office of De-
18 fense Nuclear Counterintelligence” and inserting
19 “Office of Counterintelligence of the Department of
20 Energy”.

21 (d) STATUS OF NNSA INTELLIGENCE AND COUN-
22 TERINTELLIGENCE PERSONNEL.—Section 3220 of the
23 National Nuclear Security Administration Act (50 U.S.C.
24 2410) is amended by adding at the end the following new
25 subsection:

1 “(e) STATUS OF INTELLIGENCE AND COUNTER-
2 INTELLIGENCE PERSONNEL.—Notwithstanding the re-
3 strictions of subsections (a) and (b), each officer or em-
4 ployee of the Administration, or of a contractor of the Ad-
5 ministration, who is carrying out activities related to intel-
6 ligence or counterintelligence shall, in carrying out those
7 activities, be subject to the authority, direction, and con-
8 trol of the Secretary of Energy or the Secretary’s dele-
9 gate.”.

10 (e) SERVICE FROM WHICH DOE INTELLIGENCE DI-
11 RECTOR AND COUNTERINTELLIGENCE DIRECTOR AP-
12 POINTED.—Section 215(b)(1) (42 U.S.C. 7144b(b)(1))
13 and section 216(b)(1) (42 U.S.C. 7144c(b)(1)) of the De-
14 partment of Energy Organization Act are each amended
15 by striking “which shall be a position in the Senior Execu-
16 tive Service” and inserting “who shall be an employee in
17 the Senior Executive Service, the Senior Intelligence Serv-
18 ice, the Senior National Intelligence Service, or any other
19 Service that the Secretary, in coordination with the Direc-
20 tor of National Intelligence, considers appropriate”.

21 (f) INTELLIGENCE EXECUTIVE COMMITTEE; BUDGET
22 FOR INTELLIGENCE AND COUNTERINTELLIGENCE.—Sec-
23 tion 214 of the Department of Energy Organization Act
24 (42 U.S.C. 7144a) is amended—

1 (1) by inserting “(a)” before “The Secretary
2 shall be responsible”; and

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

4 “(b)(1) There is within the Department an Intel-
5 ligence Executive Committee. The Committee shall consist
6 of the Deputy Secretary of Energy, who shall chair the
7 Committee, and each Under Secretary of Energy.

8 “(2) The Committee shall be staffed by the Director
9 of the Office of Intelligence and the Director of the Office
10 of Counterintelligence.

11 “(3) The Secretary shall use the Committee to assist
12 in developing and promulgating the counterintelligence
13 and intelligence policies, requirements, and priorities of
14 the Department.

15 “(c) In the budget justification materials submitted
16 to Congress in support of each budget submitted by the
17 President to Congress under title 31, United States Code,
18 the amounts requested for the Department for intelligence
19 functions and the amounts requested for the Department
20 for counterintelligence functions shall each be specified in
21 appropriately classified individual, dedicated program ele-
22 ments. Within the amounts requested for counterintel-
23 ligence functions, the amounts requested for the National
24 Nuclear Security Administration shall be specified sepa-

1 rately from the amounts requested for other elements of
2 the Department.”.

3 (g) REPORT.—Not later than 1 year after the date
4 of the enactment of this Act, the Inspector General of the
5 Department of Energy shall submit to Congress a report
6 on the implementation of this section and of the amend-
7 ments required by this section. The report shall include
8 the Inspector General’s evaluation of that implementation.

9 **TITLE XXXII—DEFENSE NU-**
10 **CLEAR FACILITIES SAFETY**
11 **BOARD**

Sec. 3201. Authorization.

12 **SEC. 3201. AUTHORIZATION.**

13 There are authorized to be appropriated for fiscal
14 year 2007, \$22,260,000 for the operation of the Defense
15 Nuclear Facilities Safety Board under chapter 21 of the
16 Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

17 **TITLE XXXIII—NATIONAL**
18 **DEFENSE STOCKPILE**

Sec. 3301. Authorized uses of National Defense Stockpile funds.

Sec. 3302. Revisions to required receipt objectives for previously authorized dis-
posals from National Defense Stockpile.

19 **SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE**
20 **STOCKPILE FUNDS.**

21 (a) OBLIGATION OF STOCKPILE FUNDS.—During fis-
22 cal year 2007, the National Defense Stockpile Manager
23 may obligate up to \$52,132,000 of the funds in the Na-

1 tional Defense Stockpile Transaction Fund established
2 under subsection (a) of section 9 of the Strategic and Crit-
3 ical Materials Stock Piling Act (50 U.S.C. 98h) for the
4 authorized uses of such funds under subsection (b)(2) of
5 such section, including the disposal of hazardous materials
6 that are environmentally sensitive.

7 (b) ADDITIONAL OBLIGATIONS.—The National De-
8 fense Stockpile Manager may obligate amounts in excess
9 of the amount specified in subsection (a) if the National
10 Defense Stockpile Manager notifies Congress that extraor-
11 dinary or emergency conditions necessitate the additional
12 obligations. The National Defense Stockpile Manager may
13 make the additional obligations described in the notifica-
14 tion after the end of the 45-day period beginning on the
15 date on which Congress receives the notification.

16 (c) LIMITATIONS.—The authorities provided by this
17 section shall be subject to such limitations as may be pro-
18 vided in appropriations Acts.

19 **SEC. 3302. REVISIONS TO REQUIRED RECEIPT OBJECTIVES**
20 **FOR PREVIOUSLY AUTHORIZED DISPOSALS**
21 **FROM NATIONAL DEFENSE STOCKPILE.**

22 (a) FISCAL YEAR 1999 DISPOSAL AUTHORITY.—Sec-
23 tion 3303(a) of the Strom Thurmond National Defense
24 Authorization Act for Fiscal Year 1999 (Public Law 105-
25 261; 50 U.S.C. 98d note), as amended by section 3302

1 of the Ronald W. Reagan National Defense Authorization
2 Act for Year 2005 (Public Law 108–375; 118 Stat. 2193)
3 and section 3302 of the National Defense Authorization
4 Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.
5 3545), is amended—

6 (1) by striking “and” at the end of paragraph
7 (5); and

8 (2) by striking the period at the end of para-
9 graph (6) and inserting “; and”; and

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

12 “(7) \$1,365,000,000 by the end of fiscal year
13 2014.”.

14 (b) FISCAL YEAR 1998 DISPOSAL AUTHORITY.—Sec-
15 tion 3305(a)(5) of the National Defense Authorization Act
16 for Fiscal Year 1998 (Public Law 105–85; 50 U.S.C. 98d
17 note), as amended by section 3305 of the National De-
18 fense Authorization Act for Fiscal Year 2002 (Public Law
19 107–107; 115 Stat. 1390), is amended by striking “2006”
20 and inserting “2008”.

21 (c) FISCAL YEAR 1997 DISPOSAL AUTHORITY.—Sec-
22 tion 3303 of the National Defense Authorization Act for
23 Fiscal Year 1997 (Public Law 104–201; 50 U.S.C. 98d
24 note), as amended by section 3402(f) of the National De-
25 fense Authorization Act for Year 2000 (Public Law 106–

1 65; 113 Stat. 973) and section 3304(c) of the National
2 Defense Authorization Act for 2002 (Public Law 107–
3 107; 115 Stat. 1390), is amended—

4 (1) in subsection (a), by striking paragraph (2)
5 and inserting the following new paragraph (2):

6 “(2) \$720,000,000 during the 12-fiscal year pe-
7 riod ending September 30, 2008.”; and

8 (2) in subsection (b)(2), by striking “the 10-fis-
9 cal year period” and inserting “the period”.

10 **TITLE XXXIV—NAVAL**
11 **PETROLEUM RESERVES**

Sec. 3401. Authorization of appropriations.

12 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) AMOUNT.—There are hereby authorized to be ap-
14 propriated to the Secretary of Energy \$18,810,000 for fis-
15 cal year 2007 for the purpose of carrying out activities
16 under chapter 641 of title 10, United States Code, relating
17 to the naval petroleum reserves.

18 (b) PERIOD OF AVAILABILITY.—Funds appropriated
19 pursuant to the authorization of appropriations in sub-
20 section (a) shall remain available until expended.

1 **TITLE XXXV—MARITIME**
2 **ADMINISTRATION**

3 **SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FIS-**
4 **CAL YEAR 2007.**

5 Funds are hereby authorized to be appropriated for
6 fiscal year 2007, to be available without fiscal year limita-
7 tion if so provided in appropriations Acts, for the use of
8 the Department of Transportation for the Maritime Ad-
9 ministration as follows:

10 (1) For expenses necessary for operations and
11 training activities, \$138,647,000, of which
12 \$19,500,000 shall be available only for paying reim-
13 bursement under section 3517 of the Maritime Secu-
14 rity Act of 2003 (46 U.S.C. 53101 note).

15 (2) For expenses to dispose of obsolete vessels
16 in the National Defense Reserve Fleet, including
17 provision of assistance under section 7 of Public
18 Law 92–402, \$25,740,000.

19 **SEC. 3502. LIMITATION ON TRANSFER OF MARITIME SECU-**
20 **RITY FLEET OPERATING AGREEMENTS.**

21 Section 53105(e) of title 46, United States Code, is
22 amended—

23 (1) by inserting “(1) IN GENERAL.—” before
24 the first sentence;

1 (2) by moving paragraph (1) (as designated by
2 the amendment made by paragraph (1) of this sub-
3 section) so as to appear immediately below the head-
4 ing for such subsection, and 2 ems to the right; and

5 (3) by adding at the end the following:

6 “(2) LIMITATION.—The Secretary of Defense
7 may not approve under paragraph (1) transfer of an
8 operating agreement to a person that is not a citizen
9 of the United States under section 2 of the Shipping
10 Act, 1916 (46 U.S.C. App. 802), unless the Sec-
11 retary of Defense determines that there is no person
12 who is a citizen under such section and is interested
13 in obtaining the operating agreement for a vessel
14 that is otherwise eligible to be included in the Fleet
15 under section 53102(b).”.

16 **SEC. 3503. APPLICABILITY TO CERTAIN MARITIME ADMIN-**
17 **ISTRATION VESSELS OF LIMITATIONS ON**
18 **OVERHAUL, REPAIR, AND MAINTENANCE OF**
19 **VESSELS IN FOREIGN SHIPYARDS.**

20 Section 11 of the Merchant Ship Sales Act of 1946
21 (50 U.S.C. App. 1744) is amended by inserting after sub-
22 section (c) the following:

23 “(d) APPLICABILITY OF LIMITATIONS ON OVERHAUL,
24 REPAIR, AND MAINTENANCE IN FOREIGN SHIPYARDS.—

1 “(1) APPLICATION OF LIMITATION.—The provi-
2 sions of section 7310 of title 10, United States
3 Code, shall apply to vessels specified in subsection
4 (b), and to the Secretary of Transportation with re-
5 spect to those vessels, in the same manner as those
6 provisions apply to vessels specified in subsection (b)
7 of such section, and to the Secretary of the Navy,
8 respectively.

9 “(2) COVERED VESSELS.—Vessels specified in
10 this paragraph are vessels maintained by the Sec-
11 retary of Transportation in support of the Depart-
12 ment of Defense, including any vessel assigned by
13 the Secretary of Transportation to the Ready Re-
14 serve Force that is owned by the United States.”.

15 **SEC. 3504. VESSEL TRANSFER AUTHORITY.**

16 The Secretary of Transportation may transfer or oth-
17 erwise make available without reimbursement to any other
18 department a vessel under the jurisdiction of the Depart-
19 ment of Transportation, upon request by the Secretary of
20 the department that receives the vessel.

1 **SEC. 3505. UNITED STATES MERCHANT MARINE ACADEMY**
2 **GRADUATES: ALTERNATE SERVICE REQUIRE-**
3 **MENTS.**

4 (a) SERVICE ON ACTIVE DUTY.—Section 1303(e) of
5 the Merchant Marine Act, 1936 (46 U.S.C. App.
6 1295b(e)) is amended by adding at the end the following:

7 “(6)(A) An individual who for the 5-year period fol-
8 lowing graduation from the Academy, serves as a commis-
9 sioned officer on active duty in an armed force of the
10 United States or as a commissioned officer in the National
11 Oceanic and Atmospheric Administration shall be excused
12 from the requirements of subparagraphs (C), (D), and (E)
13 of paragraph (1).

14 “(B) The Secretary may modify or waive any of the
15 terms and conditions set forth in paragraph (1) through
16 the imposition of alternative service requirements.”.

17 (b) APPLICATION.—Paragraph (6) of section 1303(e)
18 of the Merchant Marine Act, 1936 (46 U.S.C. App.
19 1295b(e)), as added by this subsection, applies only to an
20 individual who enrolls as a cadet at the United States Mer-
21 chant Marine Academy, and signs an agreement under
22 section paragraph (1) of that section, after the date of
23 the enactment of this Act.

1 **SEC. 3506. UNITED STATES MERCHANT MARINE ACADEMY**
2 **GRADUATES: SERVICE OBLIGATION PER-**
3 **FORMANCE REPORTING REQUIREMENT.**

4 (a) IN GENERAL.—Section 1303(e) of the Merchant
5 Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is further
6 amended by adding at the end the following:

7 “(7)(A) Subject to any otherwise applicable restric-
8 tions on disclosure in section 552a of title 5, United States
9 Code, the Secretary of Defense or the Secretary of the
10 department in which the Coast Guard is operating, and
11 the Administrator of the National Oceanic and Atmos-
12 pheric Administration—

13 “(i) shall report the status of obligated
14 service of an individual graduate of the Acad-
15 emy upon request of the Secretary; and

16 “(ii) may, in their discretion, notify the
17 Secretary of any failure of the graduate to per-
18 form the graduate’s duties, either on active
19 duty or in the Ready Reserve component of
20 their respective service, or as a commissioned
21 officer of the National Oceanic and Atmos-
22 pheric Administration, respectively.

23 “(B) A report or notice under subparagraph (A) shall
24 identify any graduate determined to have failed to comply
25 with service obligation requirements and provide all re-

1 quired information as to why such graduate failed to com-
2 ply.

3 “(C) Upon receipt of such a report or notice, such
4 graduate may be considered to be in default of the grad-
5 uate’s service obligations by the Secretary, and subject to
6 all remedies the Secretary may have with respect to such
7 a default.”.

8 (b) APPLICATION.—The amendment made by this
9 section does not apply with respect to an agreement en-
10 tered into under section 1303(e) of the Merchant Marine
11 Act, 1936 (46 U.S.C. 1295b(e)) before the date of the en-
12 actment of this Act.

13 **SEC. 3507. TEMPORARY AUTHORITY TO TRANSFER OBSO-**
14 **LETE COMBATANT VESSELS TO NAVY FOR**
15 **DISPOSAL.**

16 The Secretary of Transportation shall, subject to the
17 availability of appropriations and consistent with section
18 1535 of title 31, United States Code, popularly known as
19 the Economy Act, transfer to the Secretary of the Navy
20 during fiscal year 2006 for disposal by the Navy, no fewer
21 than 6 combatant vessels in the nonretention fleet of the
22 Maritime Administration that are acceptable to the Sec-
23 retary of the Navy.

1 **SEC. 3508. TEMPORARY REQUIREMENT TO MAINTAIN**
2 **READY RESERVE FORCE.**

3 (a) **REPORT TO CONGRESS.**—The Secretary of De-
4 fense, in consultation with the Secretary of Transpor-
5 tation, shall submit to Congress by not later than March
6 1, 2007, a report describing a five-year plan for maintain-
7 ing the capability of the Ready Reserve Force of the Na-
8 tional Defense Reserve Fleet necessary to support Depart-
9 ment of Defense wartime missions and support to civil au-
10 thority missions.

11 (b) **REQUIREMENT TO MAINTAIN THE READY RE-**
12 **SERVE FORCE AT CURRENT STRENGTH.**—The Secretary
13 of Transportation shall maintain 58 vessels in the Ready
14 Reserve Force of the National Defense Reserve Fleet until
15 the end of the 45-day period beginning on the date the
16 report required under subsection (a) is submitted to Con-
17 gress.

Passed the House of Representatives May 11, 2006.

Attest:

Clerk.

109TH CONGRESS
2^D SESSION

H. R. 5122

AN ACT

To authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.