

Public Law 99-661
99th Congress

An Act

Nov. 14, 1986
[S. 2638]

To authorize appropriations for fiscal year 1987 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, to improve the defense acquisition process, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

National
Defense
Authorization
Act for Fiscal
Year 1987.

SECTION 1. SHORT TITLE

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 1987".

SEC. 2. ORGANIZATION

This Act is divided into four divisions as follows:

- (1) Division A—Department of Defense Authorizations.
- (2) Division B—Military Construction Authorizations.
- (3) Division C—Other National Defense Authorizations.
- (4) Division D—Child Nutrition Programs.

Department of
Defense
Authorization
Act, 1987.

**DIVISION A—DEPARTMENT OF DEFENSE
AUTHORIZATIONS**

SEC. 100. SHORT TITLE; TABLE OF CONTENTS

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(b) **TABLE OF CONTENTS OF DIVISION.**—The table of contents of this division is as follows:

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TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

SEC. 101. ARMY

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for procurement for the Army as follows:

- (1) For aircraft, \$2,725,500,000.
- (2) For missiles, \$2,150,900,000.
- (3) For weapons and tracked combat vehicles, \$3,888,100,000.
- (4) For ammunition, \$2,126,100,000.
- (5) For other procurement, \$5,112,753,000, of which—
 - (A) \$787,200,000 is for tactical and support vehicles;
 - (B) \$3,083,953,000 is for communications and electronics equipment; and
 - (C) \$1,355,500,000 is for other support equipment.

(b) **LIMITATION ON OBLIGATIONS.**—The maximum amount that may be obligated from a procurement account of the Army for fiscal year 1987 is the amount authorized to be appropriated for such account under subsection (a).

SEC. 102. NAVY AND MARINE CORPS

(a) **AIRCRAFT.**—(1) Funds are hereby authorized to be appropriated for procurement of aircraft for the Navy for fiscal year 1987 in the amount of \$9,828,069,000.

(2) The maximum amount that may be obligated for procurement of aircraft for the Navy for fiscal year 1987 is the amount authorized to be appropriated under paragraph (1).

(b) **WEAPONS.**—(1) Funds are hereby authorized to be appropriated for fiscal year 1987 in the total amount of \$5,449,968,000 for procurement of weapons (including missiles and torpedoes) for the Navy.

(2) Funds appropriated or otherwise made available for procurement of weapons (including missiles and torpedoes) for the Navy for fiscal year 1987 may not be obligated in excess of the following amounts:

- (A) For missile programs, \$4,587,563,000.
- (B) For torpedo programs:
 - For the MK-48 torpedo program, \$254,770,000.
 - For the MK-46 torpedo program, \$97,861,000.
 - For the MK-60 CAPTOR mine program, \$30,000,000.
 - For the MK-50 torpedo program, \$94,937,000.
 - For the antisubmarine rocket (ASROC) program, \$13,597,000.
 - For the vertical Launched ASROC program, \$74,289,000.
 - For the modification of torpedoes and related equipment, \$97,705,000.
 - For the torpedo support equipment program, \$32,496,000.
 - For the antisubmarine warfare range support program, \$20,114,000.
- (C) For other weapons:
 - For the MK-15 close-in weapon system program, \$105,606,000.
 - For the MK-75 76-millimeter gun mount program, \$14,875,000.
 - For other weapons programs, \$72,721,000.
- (D) For spares and repair parts, \$150,734,000.

(c) SHIPBUILDING AND CONVERSION.—(1) Funds are hereby authorized to be appropriated for fiscal year 1987 for shipbuilding and conversion for the Navy in the total amount of \$10,607,100,000.

(2) Funds appropriated or otherwise made available for shipbuilding and conversion for fiscal year 1987 may not be obligated in excess of the following amounts:

For the Trident submarine program, \$1,446,400,000.

For the SSN-688 nuclear attack submarine program, \$2,250,800,000.

For the SSN-21 nuclear attack submarine program, \$454,300,000.

For the aircraft carrier service life extension program (SLEP), \$83,500,000.

For the CG-47 Aegis cruiser program, \$2,725,600,000.

For the DDG-51 guided missile destroyer program, \$2,470,100,000.

For the LHD-1 amphibious assault ship program, \$35,000,000.

For the TAO-187 fleet oiler program, \$259,000,000.

For the TAGOS ocean surveillance ship program, \$148,100,000.

For the AOE fast combat support ship program, \$499,000,000.

For the AO (Jumbo) conversion program, \$32,000,000.

For the oceanographic research ship program, \$33,000,000.

For the strategic sealift and sealift enhancement ready reserve program, \$48,500,000.

For the TACS auxiliary crane ship program, \$61,100,000.

For service craft and landing craft, \$58,900,000.

For ship contract design, \$69,400,000.

For outfitting and post delivery, \$393,900,000.

(d) OTHER PROCUREMENT, NAVY.—(1) Funds are hereby authorized to be appropriated for fiscal year 1987 for other procurement for the Navy in the amount of \$5,826,942,000.

(2) Funds appropriated or otherwise made available for other procurement for the Navy for fiscal year 1987 may not be obligated in excess of the following amounts:

(A) For the ship support equipment program, \$1,002,366,000.

(B) For the communications and electronics equipment program, \$1,944,630,000.

(C) For aviation support equipment, \$820,692,000.

(D) For the ordnance support equipment program, \$1,169,120,000.

(E) For civil engineering support equipment, supply support equipment, and command support equipment, \$708,442,000.

(F) For spares and repair parts, \$302,392,000.

(e) MARINE CORPS.—(1) Funds are hereby authorized to be appropriated for fiscal year 1987 for procurement for the Marine Corps in the amount of \$1,477,408,000.

(2) Funds appropriated or otherwise made available for procurement for the Marine Corps for fiscal year 1987 may not be obligated in excess of the amount authorized to be appropriated in paragraph (1).

(f) P-3 AIRCRAFT.—(1) Of the amount appropriated to the Navy for fiscal year 1987 for procurement of P-3C aircraft, not more than \$120,000,000 is available for modification of existing P-3 aircraft.

(2) From funds appropriated or otherwise made available to the Navy for procurement of aircraft for fiscal year 1987, the Secretary of the Navy may not obligate more than a total of \$359,400,000 for—

- (A) procurement of P-3C aircraft; and
 - (B) modifications to existing P-3 aircraft.
- (3) Of the P-3 aircraft procured by the Navy with funds appropriated to the Navy for procurement of aircraft for fiscal year 1986 or 1987, the Secretary of the Navy may use two such aircraft to carry out obligations of the United States under the classified Maritime Surveillance Agreement of 1986.

SEC. 103. AIR FORCE

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for procurement of aircraft and missiles and for other procurement for the Air Force as follows:

- (1) For aircraft, \$17,018,632,000.
 - (2) For missiles, \$7,570,472,000.
 - (3) For other procurement, \$9,180,923,000, of which—
 - (A) \$1,101,029,000 is for munitions and associated support equipment;
 - (B) \$300,196,000 is for vehicular equipment;
 - (C) \$2,461,159,000 is for electronics and telecommunications equipment; and
 - (D) \$5,588,539,000 is for other base maintenance and support equipment.
- (b) **LIMITATION ON OBLIGATIONS.**—The maximum amount that may be obligated from a procurement account of the Air Force for fiscal year 1987 is the amount authorized to be appropriated for such account under subsection (a) plus, in the case of the appropriation account "Other Procurement, Air Force", the amount of \$77,900,000.

SEC. 104. DEFENSE AGENCIES

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for the Defense Agencies in the amount of \$1,418,660,000.

(b) **LIMITATION OF OBLIGATION.**—Funds appropriated or otherwise made available for procurement for fiscal year 1987 for the Defense Agencies may not be obligated in excess of the amount authorized to be appropriated in subsection (a).

SEC. 105. RESERVE COMPONENTS

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for procurement of aircraft, vehicles, communications equipment, and other miscellaneous equipment for the reserve components of the Armed Forces as follows:

- For the Army National Guard, \$147,500,000.
- For the Air National Guard, \$50,000,000.
- For the Army Reserve, \$90,000,000.
- For the Naval Reserve, \$61,000,000.
- For the Air Force Reserve, \$150,000,000.
- For the Marine Corps Reserve, \$65,000,000.

(b) **AUTHORIZATIONS IN ADDITION TO OTHER AMOUNTS.**—The authorizations of appropriations contained in subsection (a) are in addition to any other amounts authorized to be appropriated by this or any other Act.

(c) **FY87 LIMITATION ON OBLIGATIONS FOR UNBUDGETED ITEMS.**—Of the amount appropriated or otherwise made available to the Department of Defense for fiscal year 1987 for procurement, not more than

\$563,500,000 may be obligated or expended for procurement of equipment for the reserve components of the Armed Forces (including the National Guard) for items not included in the President's budget for fiscal year 1987, as set forth in the budget justification documents submitted to Congress in support of the budget request for the Department of Defense.

(d) FUTURE BUDGET REQUESTS FOR GUARD AND RESERVE EQUIPMENT.—Section 114 of title 10, United States Code (as redesignated by section 101(a) and amended by section 110(b) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by adding at the end the following new subsection:

Ante, p. 1001.

“(f) In each budget submitted by the President to Congress under section 1105 of title 31, amounts requested for procurement of equipment for the reserve components of the armed forces (including the National Guard) shall be set forth separately from other amounts requested for procurement for the armed forces.”.

SEC. 106. EXTENSION OF CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

Effective on October 1, 1986, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended by striking out “fiscal year 1986” both places it appears and inserting in lieu thereof “fiscal year 1987”.

SEC. 107. MULTIYEAR CONTRACTS FOR FISCAL YEAR 1987

(a) ARMY.—Subject to subsections (d) and (e), the Secretary of the Army may enter into a multiyear contract under section 2306(h) of title 10, United States Code, for the following programs:

- (1) UH-60A Blackhawk airframe.
- (2) EH-60A Quick Fix airframe.
- (3) Patriot missile system.
- (4) Stinger air defense missile system.

(b) NAVY.—(1) Subject to subsection (d), the Secretary of the Navy may enter into a multiyear contract under section 2306(h) of title 10, United States Code, for the following programs:

- (A) HARM missile system.
- (B) MK-45 gun mounts.
- (C) MK-6 ammunition hoists.

(2) The Secretary of the Navy may not enter into a multiyear contract for the procurement of the F/A-18 aircraft.

(c) AIR FORCE.—Subject to subsection (d), the Secretary of the Air Force may enter into a multiyear contract under section 2306(h) of title 10, United States Code, for the Defense Support Program.

(d) LIMITATIONS ON AUTHORIZED MULTIYEAR PROCUREMENTS.—The Secretary concerned may not enter into a multiyear contract authorized by this section for a program unless the total anticipated cost for the program over the period of the contract is no more than 88 percent of the total anticipated cost of carrying out such program through annual contracts. In the case of the Defense Support Program, the preceding sentence shall be applied by substituting “80 percent” for “88 percent”.

(e) STINGER MISSILE.—(1) The Secretary of the Army may not enter into a contract for the multiyear procurement of the Stinger air defense missile until—

- (A) the Secretary—

(i) obtains and evaluates bids for a competitive second source for such missile; and

(ii) certifies to the Committees on Armed Services of the Senate and the House of Representatives that acquisition of such missile from more than one source would be more costly than a multiyear procurement program from a single source; and

(B) the Comptroller General of the United States evaluates the competitive proposals on the basis of which the Secretary made the decision referred to in subparagraph (A)(ii) and submits his evaluation of the estimates to such committees.

(2) The Comptroller General shall submit his evaluation under paragraph (1)(B) not later than 60 days after the date on which the certification of the Secretary under paragraph (1)(A) is received by such committees.

SEC. 108. AIR FORCE FIGHTER COMPETITION

(a) **MULTIYEAR CONTRACTS.**—Subject to provisions of appropriations Acts, the Secretary of the Air Force may award a multiyear contract, that employs economic order quantity procurement, for the purchase of Air Defense Aircraft in accordance with section 2306(h) of title 10, United States Code, without prior notice to Congress if the results of the competitive source selection demonstrate that—

(1) a multiyear contract will yield significant savings over the amount that would have resulted under an annual contract with the selected offeror; and

(2) those savings have a positive present value.

(b) **CANCELLATION CEILING.**—Subject to provisions of appropriations Acts, the cancellation ceiling associated with the first year of a multiyear contract under subsection (a) may be carried as an unfunded contingent liability subject to section 2306(h)(5) of title 10, United States Code.

PART B—ARMY PROGRAM LIMITATIONS

SEC. 121. TESTING OF BRADLEY FIGHTING VEHICLE

(a) **REQUIRED TESTING.**—The Secretary of Defense shall require that testing of the Bradley Fighting Vehicle (including live-fire testing and testing of the operational combat performance) and evaluation of that testing are carried out in accordance with this section.

(b) **TEST PLAN FOR SURVIVABILITY ENHANCEMENTS AND OPERATIONAL COMBAT PERFORMANCE.**—(1) The Secretary of Defense shall develop a plan for the testing and evaluation of the Bradley Fighting Vehicle required by subsection (a). The plan shall include testing of—

(A) a version of the vehicle configured to include the survivability enhancements for the vehicle proposed by the Army (hereinafter in this section referred to as the “Army vehicle”); and

(B) a version of the vehicle configured to include the concept of the so-called “minimum casualty vehicle” (hereinafter in this section referred to as the “minimum casualty vehicle”).

(2) The plan developed under paragraph (1) shall include the following:

(A) A plan for—

(i) live-fire testing of the survivability of the Army vehicle and testing of the operational combat performance of such vehicle; and

(ii) evaluation of such testing.

(B) A plan for—

(i) live-fire testing of the survivability of the minimum casualty vehicle and testing of the operational combat performance of such vehicle; and

(ii) evaluation of such testing.

(C) A plan for comparing the testing and evaluation under subparagraph (A) with the testing and evaluation under subparagraph (B).

(3) The plan under paragraph (1) shall be developed to ensure that the testing of the Bradley Fighting Vehicle is the most realistic and suitable testing, at a reasonable cost, for evaluation of both vehicles.

(4) The aspects of the plan developed under paragraph (1) relating to operational combat performance shall be developed in consultation with the Director of Operational Test and Evaluation of the Department of Defense. The aspects of the plan relating to survivability enhancements shall be developed in consultation the Director of Defense Research and Engineering and the National Academy of Sciences.

(c) **CERTIFICATION OF PLAN.**—(1) After developing the plan required by subsection (b), the Secretary shall certify to Congress that the plan for the testing of both versions of the Bradley Fighting Vehicle (including the conditions for the testing) is the most realistic and suitable plan, at a reasonable cost, for evaluation of the survivability and the likely operational combat performance of the Army vehicle and the minimum casualty vehicle.

(2) The Comptroller General shall—

(A) review all materials of the Department of Defense used to develop the plan with respect to which the certification under paragraph (1) is made; and

(B) submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report giving the assessment of the Comptroller General as to the realism and suitability of the plan (including the conditions for the testing set forth in the plan) for evaluation of the survivability and the likely operational combat performance of the Army vehicle and the minimum casualty vehicle.

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(d) **CONDUCT OF TESTING.**—The Secretary of the Army shall test both versions of the Bradley Fighting Vehicle in accordance with the plan (including the conditions for the testing set forth in the plan) with respect to which the certification was made.

(e) **REVIEW AND OVERSIGHT.**—(1) The Director of Operational Test and Evaluation of the Department of Defense shall review the results of the operational testing of the vehicle. The Director of Defense Research and Engineering shall review the results of the survivability testing of the vehicle.

(2) The Director of Operational Test and Evaluation, the Director of Defense Research and Engineering, and the Comptroller General (or members of their respective staffs) shall each observe the conduct of the testing.

(f) **REPORTS.**—(1) The Secretary of Defense shall submit to Congress a report on the results of the testing of the Bradley Fighting Vehicle under this section. The report shall include such findings and recommendations as the Secretary considers appropriate.

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(2) The Comptroller General shall submit to Congress a report on the testing of the Bradley Fighting Vehicle. The report shall include—

(A) the opinion of the Comptroller General on the adequacy of the testing and on the test results; and

(B) the opinion of the Comptroller General (to the extent appropriate) on the conclusions and recommendations of the Secretary set forth in the report under paragraph (1).

SEC. 122. OTHER LIMITATIONS ON ARMY PROCUREMENT

(a) 120-MILLIMETER MORTAR PROGRAM.—(1) Except as provided in paragraph (3), funds appropriated or otherwise available for procurement for the Army may not be obligated for procurement of 120-millimeter mortars manufactured or assembled outside the United States or for procurement of ammunition manufactured outside the United States for 120-millimeter mortars.

(2) Funds appropriated or otherwise made available for fiscal year 1987 for procurement for the Army may not be obligated for procurement of 120-millimeter mortars until the Secretary of the Army conducts a cost-effectiveness analysis of potential domestic sources for the manufacture of such mortars.

(3) Paragraph (1) does not apply to procurement of mortars required—

(A) for testing, evaluation, or type classification; or

(B) for equipping the Ninth Infantry Division.

(b) MOTORCYCLES.—Funds appropriated or otherwise made available for fiscal year 1987 for procurement for the Army may not be obligated for procurement of motorcycles until the Secretary of the Army certifies to Congress that the acquisition strategy of the Army for procurement of motorcycles includes consideration of—

(1) life-cycle costs;

(2) safety;

(3) maintenance; and

(4) durability.

(c) AIR-TO-AIR STINGER MISSILE.—Funds appropriated or otherwise made available for fiscal year 1987 for procurement of aircraft for the Army may not be obligated for the modification program for the air-to-air Stinger missile until the Secretary of the Army—

(1) establishes a comprehensive acquisition plan for procurement of air-to-air Stinger missiles for Army aircraft; and

(2) submits a report on such plan to the Committees on Armed Services of the Senate and House of Representatives.

(d) AQUILA REMOTELY PILOTED VEHICLE.—None of the funds appropriated to the Army pursuant to this title may be obligated or expended for the procurement of the Aquila Remotely Piloted Vehicle until—

(1) the Director of Operational Test and Evaluation of the Department of Defense completes a comprehensive assessment of the Aquila system; and

(2) the Secretary of the Army certifies to the Committees on Armed Services of the Senate and House of Representatives that—

(A) the Aquila system has satisfactorily demonstrated that it meets or exceeds all performance criteria established for the system by the Army; and

(B) the Secretary has negotiated a contract that—

(i) provides for procurement of the entire system, and

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(ii) limits the overall liability of the United States under the contract.

(e) **MOBILE SUBSCRIBER EQUIPMENT PROGRAM.**—The total program acquisition cost for the communications and electronics equipment program of the Army known as the Mobile Subscriber Equipment Program (as such program exists on the date of the enactment of this Act) may not exceed \$4,300,000,000. If the total program acquisition cost for such program (as it exists on the date of the enactment of this Act) is determined at any time to exceed such amount, the Secretary of the Army shall cancel the program.

PART C—NAVY PROGRAM LIMITATIONS

SEC. 131. REPEAL OF LIMITATION ON DDG-51 DESTROYER PROGRAM

Section 102(h) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2501), is repealed.

SEC. 132. BASIC POINT DEFENSE MISSILE SYSTEM ON AMPHIBIOUS VESSELS

The Secretary of the Navy shall maintain in an operational status the Basic Point Defense Missile System on any amphibious vessel equipped on the date of the enactment of this Act with such system until a follow-on system, of comparable capability, is available for immediate replacement of the system on such vessel. This section does not apply to a vessel that is retired.

SEC. 133. ROLLING AIRFRAME MISSILE PROGRAM

(a) **REQUIRED CERTIFICATION.**—(1) None of the funds appropriated or otherwise made available to the Navy for fiscal year 1987 for procurement may be obligated or expended in connection with procurement of the Rolling Airframe Missile program until the Secretary of Defense certifies in writing to the Committees on Armed Services of the Senate and House of Representatives that—

(A) the total amount expended by the Navy for research, development, test, and evaluation for such program will not exceed \$219,700,000; Research and development.

(B) the Secretary will terminate the program if at any time he determines that the total Navy research and development cost for the program will exceed the amount specified in subparagraph (A);

(C) the development contractor for the program has offered the Department of Defense a firm fixed-price contract option with no expiration date for an initial quantity of 500 missiles (integrated with the required Government-furnished components and tested to the complete missile level) which will result in a recurring missile unit flyaway cost that does not exceed \$145,000 (based on fiscal year 1986 dollars); Contracts.

(D) the recurring missile unit flyaway cost for a minimum of 4,900 missiles will not exceed \$100,000 (based on fiscal year 1986 dollars);

(E) the design of the Rolling Airframe Missile and its unique support equipment are complete and the system performance has not been degraded from the original development specifications (as contained in Navy Decision Coordinating Paper No. SO-167-AA);

Federal Republic
of Germany.

(F) the Director of Operational Test and Evaluation of the Department of Defense has approved a test and evaluation master plan for the Rolling Airframe Missile program; and

(G) the contractor for the production contract for the program has agreed to provide to the United States, at no additional cost to the United States or to the Federal Republic of Germany, a complete data package containing no manufacturing or proprietary data rights of the contractor in conjunction with a license to the United States under which rights are granted to enable a second source contractor designated by the United States to manufacture and sell to the United States or the Federal Republic of Germany on a royalty-free basis, and to enable the United States and the Federal Republic of Germany to use, on a royalty-free basis, the Ex-44 Guided Missile Round Pack consisting of guidance and control section, tail assembly, and canister.

Effective date.

(2) If the Secretary of Defense fails to make the certification described in paragraph (1) before April 1, 1987, the Secretary shall terminate the program effective on that date.

(b) REPEAL.—Subsection (d) of section 205 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 608), is repealed.

PART D—AIR FORCE PROGRAM LIMITATIONS

SEC. 141. ADVANCED TECHNOLOGY BOMBER

Reports.

(a) ACQUISITION STRATEGY.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report describing the acquisition strategy of the Secretary for the Advanced Technology Bomber program.

(2) Except as provided in subsection (b), the acquisition strategy described in the report shall include an analysis of alternatives for limiting program costs during production, including the following:

(A) Alternative sources for major systems of the Advanced Technology Bomber.

(B) Alternative sources for major subsystems of the bomber.

(C) Competition during the integration and assembly of the bomber.

(D) A limitation on the total program cost for 132 Advanced Technology Bomber aircraft.

(3) The report under paragraph (1) shall include the recommendations of the Secretary with respect to the choice and timing of such alternatives.

(4) The report under paragraph (1) shall be submitted not later than the date on which the President submits the budget to Congress for fiscal year 1988.

(b) EXCEPTION FOR COMPETITIVE ALTERNATIVE SOURCE REQUIREMENT.—(1) The Secretary of Defense need not recommend the implementation of any of the alternatives if the Secretary determines that the application of those alternatives to control program costs would—

(A) increase the total cost of the program;

(B) result in unacceptable delays in fulfilling the needs of the Department of Defense; or

(C) be adverse to the national security interests of the United States.

(2) If the Secretary makes a determination under paragraph (1), the report of the Secretary under subsection (a) shall include—

(A) a notice of such determination; and

(B) documentation in support of such determination, including comparative cost and schedule estimates and other background material.

(c) **LIMITATION ON AMOUNT AVAILABLE FOR FY87.**—The Secretary of Defense may not obligate funds appropriated for fiscal year 1987 for the Advanced Technology Bomber in an amount greater than the amount appropriated for such program for fiscal year 1986 until the Secretary submits the report described in subsection (a).

(d) **REVISIONS TO ACQUISITION STRATEGY.**—After the report required by subsection (a) is submitted, the Secretary of Defense may not implement a revision to the acquisition strategy described in the report until—

(1) the Secretary submits to the committees named in that subsection a report describing the proposed revision; and

(2) a period of 60 days passes after the date on which the report on the revision is received by the committees.

Reports.

(e) **FINANCIAL ANALYSIS.**—(1) In determining for purposes of subsection (a) the appropriate amount for a limitation on the total program cost for the development and production of 132 Advanced Technology Bomber aircraft, the Secretary of Defense shall conduct a detailed financial analysis on the projected cost of such development and production.

(2) Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report setting forth the results of the analysis required under paragraph (1), including the current estimate of the projected total cost for the development and production of 132 Advanced Technology Bomber aircraft.

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(3) The Secretary shall submit a copy of the report under paragraph (2) to the Comptroller General of the United States for review. The Secretary shall make available to the Comptroller General such additional data and information as the Comptroller General requires for the purposes of such review. A report by the Comptroller General concerning data and information provided under this paragraph may, consistent with the classification of such report, be provided to Congress. Any such report shall be prepared with due regard to the sensitivity of the information received from the Secretary in such manner as will avoid disclosure of data or information which could adversely affect ongoing contract negotiations or the national security.

Contracts.

SEC. 142. PROHIBITION ON USING FUNDS AUTHORIZED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE AND LIMITATION ON THE B-1B BOMBER FLEET TO 100 AIRCRAFT

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) the capabilities inherent in the technologies associated with the Advanced Technology Bomber and the Advanced Cruise Missile Program are a critical national security asset for maintaining an adequate and credible deterrent posture;

(2) such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States;

Union of Soviet
Socialist
Republics.

(3) such technologies and programs should be funded at the levels authorized in this Act; and

(4) all the funds appropriated for such programs should be fully used for such programs.

(b) **ATB AND ACM PROGRAMS.**—Funds appropriated to the Department of Defense for fiscal year 1987 to carry out the Advanced Technology Bomber Program may not be used for any other purpose. Funds appropriated to the Department of Defense for fiscal year 1987 to carry out the Advanced Cruise Missile Program may not be used for any other purpose.

(c) **B-1B AIRCRAFT.**—Funds appropriated to the Department of Defense may not be used for procurement (including procurement of long-lead items, materials, systems, or subsystems) of the B-1B bomber aircraft beyond the 100 such bombers authorized by law before the date of the enactment of this Act.

SEC. 143. C-17 AIRCRAFT PROGRAM

Of the funds appropriated to the Air Force for procurement of the C-17 aircraft for fiscal year 1987, not more than \$64,000,000 may be obligated before April 15, 1987.

SEC. 144. ADVANCED MEDIUM-RANGE AIR-TO-AIR MISSILE PROGRAM

(a) **CONDITIONS FOR LOW-RATE PRODUCTION.**—Funds appropriated or otherwise made available for fiscal year 1987 for procurement of missiles for the Air Force may not (except as provided under subsection (c)) be obligated for low-rate production procurement of the Advanced Medium-Range Air-to-Air Missile (AMRAAM) until—

(1) the Secretary of the Air Force evaluates the results of the flight tests of the performance of the missile in comparison with the Milestone IIIA Low Rate Initial Production Go-Ahead decision criteria contained in the November 27, 1985, Appendix 1 to Annex B of the AMRAAM Decision Coordinating Paper; and

(2) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report describing such test results and the Secretary's evaluation of such test results under paragraph (1).

(b) **TESTING OF PRODUCIBILITY ENHANCEMENTS.**—The Secretary of the Air Force shall test producibility enhancements for such missile before such enhancements are incorporated into production missiles.

(c) **LIMITATION ON LONG-LEAD PROCUREMENT.**—Of the amount described in subsection (a), not more than \$170,000,000 may be obligated for long-lead procurement of such missiles without regard to the limitation in such subsection.

(d) **TOTAL PROCUREMENT COST.**—The cost of procurement of such missile may not exceed \$7,000,000,000 (in fiscal year 1984 dollars), based upon procurement of 24,000 missiles. The amount of the limitation in the preceding sentence may be adjusted to reflect the effects of congressional funding actions on the established program. Notice of any such adjustment shall be provided to Congress in the next report submitted with respect to such missile program under section 2432 of title 10, United States Code, relating to Selected Acquisition Reports.

SEC. 145. T-46 AIRCRAFT PROGRAM

(a) **COMPETITION FOR TRAINER AIRCRAFT.**—(1) No funds may be obligated or expended for the procurement of the T-46 trainer

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aircraft until the Secretary of the Air Force conducts a competition evaluating the cost and performance of the following:

- (A) The proposed T-46A trainer aircraft.
- (B) The existing T-37 trainer aircraft.
- (C) An upgraded T-37 trainer aircraft.
- (D) Any other aircraft capable of meeting Air Force training requirements.

(2) The competition described in paragraph (1) shall include a fly-off between the T-37, T-46, and any other candidate aircraft for such competition.

(3) Any funds appropriated to the Air Force for fiscal year 1986 for the T-46 aircraft program and which remain available for obligation may be used for the purpose of conducting the competition referred to in paragraph (1).

(b) **LIMITATION ON FISCAL YEAR 1987 FUNDS.**—Funds appropriated to the Air Force for fiscal year 1987 may not be used for procurement of the T-46 aircraft.

PART E—CHEMICAL WEAPONS

SEC. 151. AUTHORIZATION OF APPROPRIATIONS FOR CHEMICAL DEMILITARIZATION PROGRAM

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1987 for the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 747), in the amount of \$120,100,000.

50 USC 1521.

(b) **LIMITATION OF OBLIGATION.**—Funds appropriated or otherwise made available for procurement for fiscal year 1987 for the program described in subsection (a) may not be obligated in excess of the amount authorized to be appropriated in that subsection.

SEC. 152. LIMITATION ON THE EXPENDITURE OF FUNDS FOR THE BIGEYE BINARY CHEMICAL BOMB

(a) **LIMITATION ON FISCAL YEAR 1987 FUNDS.**—Before October 1, 1987, funds appropriated for fiscal year 1987 for procurement of the BIGEYE binary chemical bomb may not be obligated—

- (1) for procurement (including procurement of components) of such bomb; or
- (2) for assembly of such bomb.

(b) **LIMITATION ON FINAL ASSEMBLY.**—Before October 1, 1988, funds appropriated or otherwise made available to the Department of Defense may not be obligated or expended for the final assembly of complete BIGEYE binary chemical bombs.

(c) **LIMITATION ON FISCAL YEAR 1986 FUNDS FOR PRODUCTION FACILITIES.**—(1) Of the funds appropriated for fiscal year 1986 for production facilities for the BIGEYE binary chemical bomb, not more than \$90,000,000 may be obligated or expended. None of such amount may be obligated or expended until the President certifies to Congress that—

President of U.S.
Defense and
national
security.

- (1) production of the BIGEYE binary chemical bomb is in the national security interests of the United States; and
- (2) the design, planning, and environmental requirements for such facilities have been satisfied.

(d) **GAO MONITORING AND REPORT.**—(1) The Secretary of Defense shall provide for the involvement of the Comptroller General in monitoring the operational testing of the BIGEYE bomb.

(2) After any such testing is completed, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on such testing. The report shall include an assessment of such testing and any comments the Comptroller General considers appropriate.

(e) **REPORT ON LONG-RANGE STANDOFF CHEMICAL MUNITIONS.**—(1) The Secretary of Defense shall submit to Congress a report on the military requirements for long-range standoff chemical weapons. The report shall address the military advantages and disadvantages of such weapons and the potential of such weapons to complement the currently planned binary chemical weapon systems.

(2) Such report shall be submitted not later than March 15, 1987.

SEC. 153. CHEMICAL WEAPONS, AGENTS, OR COMPONENTS AT LEXINGTON-BLUEGRASS DEPOT

Kentucky.

(a) **PROHIBITION ON SHIPMENTS TO DEPOT.**—No chemical weapons, agents, or components used in chemical weapons may be shipped into the Lexington-Bluegrass Depot in Richmond, Kentucky, for any purpose, including disposal.

(b) **PROHIBITION ON FUTURE USE OF DEPOT.**—After disposal of the chemical weapons stockpile stored at the Lexington-Bluegrass Depot, as required by section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99-145), the depot may not be used for assembly, construction, testing, storage, or disposal of any chemical or biological weapon.

50 USC 1521.

Defense and national security.

(c) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the provisions of subsection (a) or (b) if the Secretary determines that such a waiver is in the national security interest of the United States.

SEC. 154. REPORT ON CHEMICAL WEAPONS DEMILITARIZATION PROGRAM

(a) **REPORT REQUIREMENT.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the chemical weapons demilitarization program required by section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 747). The report shall describe—

50 USC 1521.

(1) methods for carrying out such program that would optimize safety considerations; and

(2) methods for carrying out such program that would optimize cost-effectiveness considerations.

(b) **DEADLINE FOR REPORT.**—The report required by subsection (a) shall be submitted not later than February 1, 1987.

SEC. 155. TECHNICAL AMENDMENT TO PUBLIC LAW 99-145 RELATING TO BINARY CHEMICAL MUNITIONS

Section 1411(b)(1) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), is amended by striking out "North Atlantic Council" and inserting in lieu thereof "Defense Planning Committee of the North Atlantic Treaty Organization meeting in permanent session".

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

PART A—AUTHORIZATION OF APPROPRIATIONS AND PROGRAM LIMITATIONS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for the use of the Armed Forces for research, development, test, and evaluation in amounts as follows:

- (1) For the Army, \$4,712,729,000.
- (2) For the Navy (including the Marine Corps), \$9,294,106,000.
- (3) For the Air Force, \$15,019,084,000.
- (4) For the Defense Agencies, \$7,189,633,000, of which—
 - (A) \$133,800,000 is authorized for the activities of the Deputy Under Secretary of Defense, Test and Evaluation; and
 - (B) \$11,300,000 is authorized for the Director of Operational Test and Evaluation.

(b) **LIMITATION ON OBLIGATIONS.**—The maximum amount that may be obligated from an account for which funds are authorized to be appropriated in subsection (a) is the amount authorized to be appropriated for such account under that subsection plus any amount authorized for such account under subsection (b) plus the following:

- (1) For the Army, \$5,830,000.
- (2) For the Navy, \$72,000.
- (3) For the Air Force, \$2,400,000.

SEC. 202. LIMITATION ON COPPERHEAD GUIDED PROJECTILE

(a) **REQUIREMENT FOR SECOND SOURCE.**—The Secretary of the Army may not enter into a contract for any product improvement or modification to the Copperhead Guided Projectile until the Secretary of Defense submits to Congress a written certification that—

- (1) a competition for a second source for production of such projectile has been conducted; and
- (2) a second source for production of such projectile has been selected.

(b) **PRODUCT IMPROVEMENT OR MODIFICATION.**—For purposes of subsection (a), a product improvement or modification is any change to the production configuration of the Copperhead Guided Projectile in effect on the date of the enactment of this Act.

(c) **EXPIRATION OF LIMITATION.**—The limitation in subsection (a) expires upon the enactment of a law making appropriations for the Department of Defense for fiscal year 1988.

SEC. 203. LIMITATIONS ON FUNDS FOR THE NAVY

(a) **V-22 OSPREY AIRCRAFT.**—Of the funds authorized in section 201 for the Navy, not more than \$386,871,000 is available for the V-22 Osprey aircraft. Not more than one-half of such amount may be obligated or expended until the Secretary of the Navy certifies to the Committees on Armed Services of the Senate and the House of Representatives in writing that—

- (1) such aircraft is capable of performing the antisubmarine warfare mission currently performed by the S-3A aircraft; and
- (2) such aircraft is the most cost effective aircraft to perform that mission.

Contracts.

(b) **MARINE CORPS PEGASUS ENGINE.**—Of the funds appropriated pursuant to authorizations in this title, not less than \$8,000,000 shall be used for safety and reliability improvements for the Marine Corps AV-8B aircraft Pegasus engine program.

Reports.

(c) **AVIONICS RACK FOR S-3 AIRCRAFT.**—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and the House of Representatives not later than 30 days after the date of the enactment of this Act a report on the manner in which the Navy proposes to correct whatever deficiencies exist in the avionics rack for the S-3 aircraft.

(d) **RANKINE CYCLE ENERGY RECOVERY (RACER) SYSTEM.**—Of the funds appropriated to the Navy for research, development, test, and evaluation for fiscal year 1987, the sum of \$20,000,000 shall be available to the Secretary of Defense for evaluation of the Rankine Cycle Energy Recovery (RACER) system and such testing as the Secretary determines necessary.

(e) **LOW-COST SEEKER MISSILE.**—Of the funds authorized in section 201 for the Navy, \$39,704,000 is available only for the Low-Cost Seeker Missile program.

(f) **TRIDENT II PROGRAM.**—None of the funds appropriated to the Department of Defense for fiscal year 1987 for the Trident II missile development program or for the procurement of Trident II missiles and related support equipment may be used for any other purpose. In achieving any undistributed reduction required to be made in programs, projects, or activities for which funds have been appropriated to the Department of Defense for fiscal year 1987, the Secretary of the Navy may not reduce the amount of funds available for the program and equipment described in the preceding sentence.

Reports.

(g) **FUNDS FOR LIBYAN LESSONS-LEARNED EQUIPMENT MODIFICATION.**—Of the amount appropriated for research, development, test, and evaluation for the Navy for fiscal year 1987, \$50,000,000 may be obligated or expended for programs directly related to the Libyan lessons-learned study, subject to the condition that none of the funds may be obligated or expended for such programs until 30 days after the date on which the Secretary of the Navy submits to the Committees on Armed Services of the Senate and House of Representatives a report explaining the purposes for which the funds are proposed to be used.

SEC. 204. LIMITATIONS ON FUNDS FOR THE AIR FORCE

Reports.

(a) **SHORT-RANGE ATTACK MISSILE.**—None of the funds appropriated to the Department of Defense for fiscal year 1987 for research, development, test, and evaluation may be obligated or expended for the purpose of full-scale development of a new or modified short-range attack missile (SRAM) until the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report concerning the short-range attack missile that includes the following:

(1) Data and other information sufficient to compare—

(A) the total program cost, and the effectiveness, of the minimum modification of the existing motors for such missile; with

(B) the total program cost, and the effectiveness, of the development of a new short-range attack missile;

(2) Data and other information sufficient to compare—

(A) the total program cost, and the effectiveness, of the modification of an existing warhead for the short-range attack missile; with

(B) the total program cost, and the effectiveness, of the development of an all new warhead for the short-range attack missile.

(3) The recommendation of the Secretary with respect to the most cost-effective missile and warhead configuration for the short-range attack missile.

(b) **LOW-COST SEEKER MISSILE.**—Of the funds authorized in section 201 for the Air Force, \$17,375,000 is available only for the Low-Cost Seeker Missile program.

(c) **SPACE DEFENSE SYSTEM.**—Of the amount authorized in section 201 for the Air Force, not more than \$200,000,000 is available for the Space Defense System. None of such amount may be used for the production verification of the Miniature Homing Vehicle.

(d) **PAVE TIGER/SEEK SPINNER SYSTEM.**—Of the funds authorized in section 201 for the Air Force, \$80,000,000 is available only for facilitization for production of the Pave Tiger/Seek Spinner System.

SEC. 205. LIMITATION ON FUNDS FOR DEFENSE AGENCIES

(a) **MEDICAL APPLICATION OF FREE ELECTRON LASER.**—Of the amount authorized in section 201 for the Defense Agencies (including the Strategic Defense Initiative Organization), \$15,000,000 may be used only for the application of Free-Electron Lasers for medical research and material.

(b) **LASER PANTOGRAPHY.**—Of the amount authorized to be appropriated in section 201 for the Defense Agencies for Microwave/Millimeter Wave Monolithic Integrated Circuit Technology efforts, \$4,000,000 is available only for the Laser Pantography project.

(c) **STRATEGIC TECHNOLOGY.**—Of the funds authorized in section 201 for the Defense Agencies, \$240,620,000 is available only for the Strategic Technology program. Of such amount, \$10,000,000 is available only for independent research in the field of ocean science and related fields to provide an assessment of the possibilities of nonacoustic detection of submarines.

SEC. 206. OTHER LIMITATIONS

(a) **ADVANCED FIELD ARTILLERY TACTICAL DATA SYSTEM/MARINE INTEGRATED FIRE AND AIR SUPPORT SYSTEMS, ARMY/NAVY.**—(1) Except as provided in paragraph (2), none of the funds appropriated or otherwise made available to the Department of Defense for fiscal year 1987 for research, development, test, and evaluation may be obligated or expended for the development of the Army Advanced Artillery Tactical Data System or the Marine Integrated Fire and Support System (MIFASS) until—

(A) a single program is selected for both the Army and the Marine Corps; or

(B) the Secretary of Defense certifies to Congress, before December 16, 1986, that continuation of both programs is operationally sound and less costly to the United States than the development of a common system for use by both the Army and Marine Corps.

(2) Of the funds referred to in paragraph (1), not more than \$3,000,000 may be obligated without regard to the limitation in such paragraph for operational testing of the Marine Integrated Fire and Support System.

(b) **ADVANCED TACTICAL AIRCRAFT AND ADVANCED TECHNOLOGY FIGHTER.**—(1) The Secretary of the Navy may not obligate funds for the full-scale development of the Navy Advanced Tactical Aircraft program until the Secretary of Defense certifies to Congress that the design selected for the aircraft will accommodate essential Air Force-peculiar requirements for such aircraft.

(2) The Secretary of the Air Force may not obligate funds for the full-scale development of the Air Force Advanced Technology Fighter program until the Secretary of Defense certifies to Congress that the design selected for the aircraft will accommodate essential Navy-peculiar requirements for such aircraft.

(3) After September 30, 1987, funds appropriated to the Department of Defense may not be obligated for the Advanced Tactical Aircraft program of the Navy or the Advanced Technology Fighter program of the Air Force unless the Secretary of Defense certifies to Congress that—

(A) the requirements for both such programs have been finalized; and

(B) such requirements, as finalized, have been agreed to by the Secretary of the Navy, the Secretary of the Air Force, and the Office of the Secretary of Defense.

SEC. 207. ADVANCED ANTI-ARMOR WEAPON SYSTEM

(a) **FEASIBILITY DEMONSTRATION OF CANDIDATE SYSTEMS.**—Of the funds authorized in section 201 for the Army, \$48,735,000 is authorized to be appropriated for the Advanced Anti-Armor Weapon System Medium (AAWS-M) program, but funds may be obligated for such program only if—

(1) the Secretary of the Army begins a prototype feasibility demonstration of not more than three candidate systems for such program, including a true fire-and-forget candidate;

(2) the feasibility demonstration for such a system is capable of being completed within 27 months after the date of the enactment of this Act;

(3) the official responsible for test planning and evaluation for the feasibility demonstration is the Director of Test and Evaluation of the Department of Defense; and

(4) the actual conduct of the feasibility demonstration is carried out jointly by the Army and the Marine Corps.

(b) **REQUIREMENT FOR SATISFACTION OF SERVICE ANTI-ARMOR REQUIREMENTS.**—The Secretary of Defense may not authorize the initiation of full-scale engineering development of the winning AAWS-M candidate until—

(1) the Secretary of the Army certifies to the Committees on Armed Services and Appropriations of the Senate and House of Representatives that the winning system meets the anti-armor requirement of the Army; and

(2) the Secretary of the Navy, upon recommendation of the Commandant of the Marine Corps, certifies to such Committees that the winning system meets the anti-armor requirement of the Marine Corps.

SEC. 208. ELECTRONIC WARFARE MASTER PLAN

(a) **ELECTRONIC WARFARE CONSOLIDATION.**—The Under Secretary of Defense for Acquisition shall prepare an Electronic Warfare Master Plan providing policy guidance in electronic warfare to the Secretaries of the military departments. The master plan shall be

coordinated with the policy and fiscal guidance of the Secretary of Defense. The Under Secretary shall submit the master plan to the Committees on Armed Services of the Senate and House of Representatives.

(b) **OBLIGATION LIMITATION.**—Not more than 80 percent of the amount appropriated to each of the military departments for fiscal year 1987 for research, development, test, and evaluation of electronic warfare systems may be obligated until the Under Secretary of Defense for Acquisition transmits to the committees the Electronic Warfare Master Plan prepared under subsection (a).

Research and development.

(c) **AMOUNTS AUTHORIZED.**—Of the amounts appropriated to the Department of Defense for research, development, test, and evaluation for fiscal year 1987, not less than \$100,000,000 shall be available to the Under Secretary of Defense for Acquisition for research, development, test, and evaluation of electronic warfare systems.

SEC. 209. LIMITATION ON TESTING ELECTROMAGNETIC PULSE

During fiscal year 1987, the Secretary of the Navy may not carry out a demonstration test of an electromagnetic pulse in the Chesapeake Bay, Maryland and Virginia, in connection with the Electromagnetic Pulse Radiation Environment Simulator Program for Ships.

PART B—STRATEGIC DEFENSE INITIATIVE

SEC. 211. FISCAL YEAR 1987 FUNDING LEVEL FOR STRATEGIC DEFENSE INITIATIVE

Of the amount authorized in section 201 for research, development, test, and evaluation for the Defense Agencies, not more than \$3,213,000,000 is available for the Strategic Defense Initiative (SDI) Program.

SEC. 212. JOINT DEVELOPMENT OF ANTITACTICAL BALLISTIC MISSILE SYSTEM

Of the funds available for the Strategic Defense Initiative under section 211, not more than \$50,000,000 shall be available for the joint development, on a matching fund basis, of an anti-tactical ballistic missile system for deployment with NATO allies and other countries that the United States has invited to participate in the Strategic Defense Initiative Program.

SEC. 213. LIMITATION ON ESTABLISHMENT OF A FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER FOR THE STRATEGIC DEFENSE INITIATIVE PROGRAM

10 USC 2431 note.

(a) **LIMITATION.**—The Secretary of Defense may not obligate or expend any funds for the purpose of operating a Federally funded research and development center that is established for the support of the Strategic Defense Initiative Program after the date of the enactment of this Act unless—

(1) the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report with respect to such proposed center that provides the information described in subsection (b); and

Report.

(2) funds are specifically authorized to be appropriated for such purpose after the date of the enactment of this Act in an Act other than—

(A) an appropriations Act; or

(B) a continuing resolution.

(b) CONTENT OF REPORT.—A report submitted under subsection (a)(1) with respect to a proposed center shall include a discussion of—

(1) the ability of existing Federally funded research and development centers, Federal research laboratories, and private contractors to perform the objectives of technological integration and evaluation required by the Strategic Defense Initiative Organization;

(2) the comparative cost of having the proposed work performed by—

(A) the Strategic Defense Initiative Organization;

(B) Federally funded research and development centers in existence on the date of the enactment of this Act;

(C) by Federal research laboratories;

(D) by private contractors; or

(E) by such center;

(3) whether such center is intended to be—

(A) primarily a study and analysis center; or

(B) primarily a system engineering/system integration center;

(4) whether such center will be required or authorized to enter into contracts under which research projects would be performed by other Federally funded research and development centers, Federal research laboratories, or private contractors;

(5) whether the contract to operate such center will be awarded on a competitive basis;

(6) whether proposals with respect to the operation of such center—

(A) will be considered by the appropriate Defense Agency; and

(B) will be subjected to review by persons to be elected by the National Academy of Sciences;

(7) whether such center will be designed to prevent even the possibility of an appearance of a conflict of interest—

(A) by prohibiting any officer, employee, or member of the governing body of such center from holding any position with—

(i) the Strategic Defense Initiative Organization; or

(ii) a private contractor that has a substantial interest in the development of the Strategic Defense Initiative; and

(B) by prohibiting more than one-half of the members of the governing body of the proposed Federally Funded Research Center from simultaneously holding any position with the Strategic Defense Initiative Advisory Committee or any similar body which provides technological, scientific, or strategic advice to the Department of Defense about the Strategic Defense Initiative;

(8) whether other actions will be taken to avoid possible conflict of interest situations within such center;

(9) the role of the Department of Defense in—

(A) the selection of the staff of such center; and

(B) the internal organization of such center; and

(10) whether a prescribed minimum percentage of the annual budget of such center will be set aside for research to be conducted independently of the Department of Defense.

Contracts.

(c) **COMPTROLLER GENERAL REPORT.**—The Comptroller General of the United States shall also submit a report to Congress providing an analysis of the items in subsection (b) as appropriate.

SEC. 214. REPORT ON PROJECTED COSTS OF SDI PROGRAM

Section 223(b) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613), is amended by adding at the end the following: "The Secretary shall include in such report the following information:

"(1) The cost goals or cost objectives for the production and deployment of a Strategic Defense Initiative System determined on the basis of capabilities expected to be developed in the future and the cost goals or cost objectives for the individual components of such system (determined on the basis of capabilities expected to be developed in the future).

"(2) The estimated cost for the production and deployment of the Strategic Defense Initiative System referred to in paragraph (1) and determined on the basis of prices in effect and capabilities in existence at the time of the preparation of the report and the estimated cost for the production and deployment of the individual components of such system (determined on the basis of prices in effect and capabilities in existence at the time of the preparation of the report)."

SEC. 215. REPORT ON STRATEGIC DEFENSE INITIATIVE DEPLOYMENT SCHEDULE

(a) **REPORT REQUIREMENT.**—The Secretary of Defense shall submit to Congress a report detailing what Strategic Defense Initiative technologies can be developed or deployed within the next 5 to 10 years to defend against significant military threats and help accomplish critical military missions. The missions to be considered include—

(1) defending United States Armed Forces abroad and United States allies against tactical ballistic missiles, particularly new and highly accurate Soviet shorter range ballistic missiles armed with conventional, chemical, or nuclear warheads;

(2) defending against a limited but militarily effective Soviet attack aimed at disrupting the National Command Authority and other valuable military assets;

(3) providing sufficient warning and tracking information to defend or effectively evade possible Soviet attacks against military satellites including those in high orbits; and

(4) providing early warning and attack assessment information and the necessary survivable command, control, and communication to defend against possible Soviet conventional or strategic attacks.

(b) **ADDITIONAL MATERIAL TO BE INCLUDED.**—The report shall—

(1) identify any other significant near-term military mission that the application of Strategic Defense Initiative technologies might help accomplish;

(2) list what specific program elements of the Strategic Defense Initiative are pertinent to these applications;

(3) estimate initial operating capability dates for the systems needed to accomplish these missions;

(4) estimate the level of funding necessary for each program to reach these operating capability dates; and

(5) estimate the survivability and cost effectiveness at the margin of these systems against current and projected Soviet threats.

(c) **DEADLINE FOR REPORT.**—The report under subsection (a) shall be submitted not later than March 15, 1987.

SEC. 216. EFFECT OF STRATEGIC DEFENSE INITIATIVE ON COMPLIANCE WITH THE ANTI-BALLISTIC MISSILE TREATY

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

(1) The President's Commission on Strategic Forces declared in its report to the President, dated March 21, 1984, that "One of the most successful arms control agreements is the Anti-Ballistic Missile Treaty of 1972".

(2) The Secretary of State has stated that the "ABM Treaty requires consultations, and the President has explicitly recognized that any ABM-related deployments arising from research into ballistic missile defenses would be a matter for consultations and negotiations between the Parties".

(3) The Secretary of State declared on October 14, 1985, that "our research program has been structured and, as the President has reaffirmed, will continue to be conducted in accordance with a restrictive interpretation of the treaty's obligations".

(4) The President has determined that the Krasnoyarsk radar is a violation of the ABM Treaty.

(5) The Krasnoyarsk radar therefore erodes the integrity of the ABM Treaty and is a matter of serious concern.

(b) **CONGRESSIONAL DECLARATIONS.**—The Congress therefore declares—

(1) that it fully supports the declared policy of the President that a principal objective of the United States in negotiations with the Soviet Union on nuclear and space arms is to reverse the erosion of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed on May 26, 1972 (commonly referred to as the "ABM Treaty"); and

(2) that action by the Congress in approving funds in this Act for research on the Strategic Defense Initiative—

(A) does not express or imply an intention on the part of Congress that the United States should abrogate, violate, or otherwise erode such treaty; and

(B) does not express or imply any determination or commitment on the part of Congress that the United States develop, test, or deploy ballistic missile strategic defense weaponry that would contravene such treaty.

SEC. 217. REPORT ON THE ANTI-BALLISTIC MISSILE TREATY

(a) **REPORT ON LESS RESTRICTIVE INTERPRETATION.**—The Secretary of Defense shall submit to Congress a report concerning the effect of the less restrictive interpretation of the Anti-Ballistic Missile Treaty on the Strategic Defense Initiative program.

(b) **MATTERS TO BE INCLUDED.**—The report shall include the following:

(1) An analysis of the ramifications of the less restrictive interpretation on the development under the Strategic Defense Initiative Program, of strategic defenses, including comprehensive strategic defense systems, and more limited defenses

23 UST 3435.

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designed to protect vital United States military and command and control assets, based on "other physical principles". This analysis should compare research and development programs pursued under both the restrictive and less restrictive interpretations of such treaty, including a comparative analysis of—

- (A) the overall cost of the research and development programs,
 - (B) the schedule of the research and development programs, and
 - (C) the level of confidence attained in the research and development programs with respect to supporting a full-scale engineering development decision in the early 1990's.
- (2) A list of options under the less restrictive interpretation of such treaty that meet one or more of the following objectives:
- (A) Reduction of the overall development cost.
 - (B) Advancement of the schedule for a full-scale engineering development decision.
 - (C) Increase in the level of confidence in the results of the research by the original full-scale development date.
- (c) **DEADLINE FOR REPORT.**—The report under subsection (a) shall be submitted not later than February 1, 1987.

PART C—BALANCED TECHNOLOGY INITIATIVE

SEC. 221. CONVENTIONAL DEFENSE INITIATIVE

(a) **IN GENERAL.**—In this Act, Congress commences a program of Conventional Defense Initiatives to provide an emphasis on improving the conventional weapons of the Armed Forces (and the testing of such weapons) and to enhance cooperation with the other member nations of the North Atlantic Treaty Organization. The initiative is intended to improve the fighting power and survivability of the combat forces of the United States and to raise the threshold for nuclear war.

(b) **AMOUNT AUTHORIZED.**—Of the amount authorized in section 201 for the Army, Navy, and Air Force, \$162,323,000 is available only for the Conventional Defense Initiatives program.

SEC. 222. BALANCED TECHNOLOGY INITIATIVE

(a) **EARMARKING FOR CERTAIN CONVENTIONAL PROGRAMS.**—(1) Of the amount authorized in section 201 for Defense Agencies, not less than \$300,000,000 shall be used to expand research on innovative concepts and methods of enhancing conventional defense capabilities. Such research and development efforts shall emphasize the following:

- (A) Armor/anti-armor initiatives.
- (B) Defenses against armed helicopters.
- (C) Hypervelocity missiles for ground combat use.
- (D) Defense against anti-ship missiles, including those with "stealth" characteristics.
- (E) "Smart" mines for both land and ocean warfare.
- (F) Lightweight, air transportable vehicles with anti-armor capabilities for rapid transport to remote areas.
- (G) Improved conventional anti-submarine warfare munitions.
- (H) "Smart" standoff munitions and submunitions for aircraft delivery outside of lethal air defense ranges.

(2) The amount specified in paragraph (1) is in addition to the amount specified for the Strategic Defense Initiative in section 211 and for the Conventional Defense Initiative Program under section 221 and is made available subject to the following conditions:

(A) That the Director of Defense Research and Engineering apportion the funds among the research, development, test, and evaluation accounts of the Army, the Navy, the Air Force, and the Defense Agencies on a merit basis, taking into consideration ongoing technology research and exploitation opportunities.

(B) That no portion of any undistributed reduction be applied against the funds appropriated for purposes of paragraph (1) and that no portion of any undistributed reduction be applied against any program, project, or activity for which additional funds are provided under subparagraph (A).

(C) That no portion of the funds provided for in paragraph (1) be applied to any program, project, or activity in support of the Strategic Defense Initiative.

(b) FUNDS FOR CONVENTIONAL DEFENSE TECHNOLOGY BASE.—Of the amount authorized in section 201 for Defense Agencies, not less than \$153,000,000 shall be applied to restoration of the conventional defense technology base. Such amount is in addition to the amounts specified in subsection (a) and in sections 211 and 221 and is made available subject to the following conditions:

(1) That the Director of Defense Research and Engineering apportion the funds among the research, development, test, and evaluation accounts of the Army, the Navy, the Air Force, and Defense Agencies on a merit basis, either to augment ongoing but underfunded basic and exploratory research or to establish new basic or exploratory research programs.

(2) That no portion of such funds be applied to any program, project, or activity in support of the Strategic Defense Initiative.

(3) That no portion of any undistributed reduction made in any research, development, test, and evaluation account be applied against the technology base activities of any military department or Defense Agency in a greater proportion than the share of that department's or Agency's technology base as a proportion of the total research, development, test, and evaluation funds made available to that department or Agency for fiscal year 1987.

(4) That no portion of any undistributed reduction be applied against any program, project, or activity which has received additional funds under this subsection.

(c) REPORT.—Within 90 days after the date of the enactment of this Act, the Director of Defense Research and Engineering shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report on the implementation of this section. Such report shall include—

(1) the allocation by project of the amounts specified in subsections (a)(1) and (b);

(2) the identification of other ongoing research and development projects that should be included in a balanced defense technology effort to improve conventional defenses;

(3) the identification of specific research projects which were funded in fiscal years before fiscal year 1987 by the Strategic Defense Initiative Organization which could significantly enhance the conventional defense capabilities of the United States (or command, control, communications, and intelligence

Research and
development.

capabilities associated with conventional defense capabilities) and which will no longer be funded by such office;

(4) for each program, project, or activity for which funds have been allocated under subsection (a)(1), or which is identified under clause (2) or (3) of this subsection, a five-year funding description sufficient to maintain significant progress in such program, project, or activity, including the major milestones and projected dates of accomplishment for such program, project, or activity; and

(5) the funding that would be required for each of the next five fiscal years to restore by the end of fiscal year 1992 the defense technology base to the proportion of total research, development, test, and evaluation that such base was, on average, during the period from 1971 through 1980, and the effect of implementing that funding on the research, development, test, and evaluation defense programs of the United States.

(d) **RESTRICTION ON OBLIGATION OF FUNDS.**—None of the funds provided under subsections (a)(1) and (b) may be obligated until—

(1) the report required by subsection (c) is submitted; and

(2) a period of 30 days has elapsed following the date on which the report is received by the committees.

PART D—MISCELLANEOUS

SEC. 231. LIMITATION ON TESTING OF ANTI-SATELLITE WEAPONS

(a) **ASAT TESTING MORATORIUM.**—The Secretary of Defense may not carry out a test of the Space Defense System (anti-satellite weapon) against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated anti-satellite weapon.

(b) **EXPIRATION.**—The prohibition in subsection (a) expires on October 1, 1987.

SEC. 232. ICBM MODERNIZATION

(a) **REPORT BY THE SECRETARY OF DEFENSE ON ICBM MODERNIZATION.**—At the same time the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives the report on the intercontinental ballistic missile (ICBM) modernization program required by section 1231(c) of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 614), the Secretary shall submit to such Committees a statement containing the basis of the Secretary's recommendation to the President, and any decisions of the President, regarding the following matters:

(1) The configuration of a small intercontinental ballistic missile in terms of weight, number of warheads, and production schedule.

(2) The selected options for more survivable follow-on basing modes and basing locations for MX (Peacekeeper) missiles.

(3) The advisability of going forward with one or more selected basing modes to a full scale engineering development decision.

(b) **LIMITATION ON DEPLOYMENT OF PEACEKEEPER (MX) MISSILE; DEVELOPMENT OF SMALL ICBM.**—The limitations contained in sections 206 and 1231 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 614), on the deployment of the MX

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Republics.
10 USC 2431
note.

97 Stat. 693.

97 Stat. 624, 693.

missile and the development of a small intercontinental ballistic missile shall cease to apply when full-scale engineering development of a small mobile intercontinental ballistic missile begins.

(c) **LIMITATIONS ON FUNDING.**—Of the amounts appropriated for fiscal year 1987 for the ICBM Modernization Program—

- (1) \$120,000,000 shall be available for research and development on follow-on basing options;
- (2) \$290,000,000 shall be available for research and development of the Peacekeeper (MX) missile; and
- (3) \$1,200,000,000 shall be available for research and development of a small mobile intercontinental ballistic missile and basing for such missile.

SEC. 233. RESTRICTION ON USE OF RESEARCH AND DEVELOPMENT FUNDS FOR GRANTS TO EDUCATIONAL INSTITUTIONS

The Secretary of Defense may not make a grant or contribution to any educational institution from funds appropriated to the Department of Defense for fiscal year 1987 for research, development, test, and evaluation unless the Secretary determines—

- (1) that the purpose of the grant or contribution has a potential relationship to a military function or operation; and
- (2) that the grant or contribution is based on the technical merit of the proposed research that best satisfies the requirements of the Department of Defense.

10 USC 2364
note.

SEC. 234. COORDINATION OF RESEARCH ACTIVITIES OF DEPARTMENT OF DEFENSE

(a) **PURPOSE.**—The purpose of this section is to strengthen coordination among Department of Defense research facilities and other organizations in the Department of Defense.

(b) **FINDINGS.**—The Congress finds that centralized coordination of the collection and dissemination of technological data among research facilities and other organizations within the Department of Defense is necessary—

- (1) to ensure that personnel of the Department are currently informed about emerging technology for defense systems; and
- (2) to avoid unnecessary and costly duplication of research staffs and projects.

(c) **IMPROVED COORDINATION AND COMMUNICATION OF DEFENSE RESEARCH ACTIVITIES.**—(1) Chapter 139 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2364.

“§ 2364. Coordination and communication of Defense research activities

“(a) **COORDINATION OF DEPARTMENT OF DEFENSE TECHNOLOGICAL DATA.**—The Secretary of Defense shall promote, monitor, and evaluate programs for the communication and exchange of technological data—

- “(1) among the Defense research facilities, combatant commands, and other organizations that are involved in developing for the Department of Defense the technological requirements for new items for use by combat forces; and
- “(2) among Defense research facilities and other offices, agencies, and bureaus in the Department that are engaged in related technological matters.

“(b) **FUNCTIONS OF DEFENSE RESEARCH FACILITIES.**—The Secretary of Defense shall ensure, to the maximum extent practicable—

"(1) that Defense research facilities are assigned broad mission requirements rather than specific hardware needs;

"(2) that appropriate personnel of such facilities are assigned to serve as consultants on component and support system standardization;

"(3) that the managers of such facilities have broad latitude to choose research and development projects;

"(4) that technology position papers prepared by Defense research facilities are readily available to all combatant commands and to contractors who submit bids or proposals for Department of Defense contracts; and

Contracts.

"(5) that, in order to promote increased consideration of technological issues early in the development process, any position paper prepared by a Defense research facility on a technological issue relating to a major weapon system, and any technological assessment made by such facility in the case of such component, is made a part of the records considered for the purpose of making milestone O, I, and II decisions.

"(c) DEFINITIONS.—In this section:

"(1) The term 'Defense research facility' means a Department of Defense facility which performs or contracts for the performance of—

"(A) basic research; or

"(B) applied research known as exploratory development.

"(2) The term 'milestone O decision' means a decision made within the Department of Defense that there is a mission need for a new major weapon system and that research and development is to begin to meet such need.

"(3) The term 'milestone I decision' means [a]/[the] selection by an appropriate official of the Department of Defense of a new major weapon system concept and a program for demonstration and validation of such concept.

"(4) The term 'milestone II decision' means approval by an appropriate official of the Department of Defense for the full-scale development of a new major weapon system."

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

"2364. Coordination and communication of Defense research activities."

SEC. 235. COOPERATIVE MEDICAL RESEARCH WITH VETERANS' ADMINISTRATION

(a) FUNDING.—Of the amount authorized in section 201 for the Defense Agencies, \$20,000,000 is available only for cooperative medical research to be administered by the Secretary of Defense and the Administrator of Veterans' Affairs.

(b) DEADLINE.—Not later than 30 days after the enactment of a law making appropriations for the Department of Defense for fiscal year 1987, the Secretary of Defense shall make available to the Administrator of Veterans' Affairs the amount referred to in subsection (a).

TITLE III—OPERATION AND MAINTENANCE**PART A—AUTHORIZATIONS OF APPROPRIATIONS****SEC. 301. OPERATION AND MAINTENANCE FUNDING**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

For the Army, \$20,025,891,000.
For the Navy, \$23,164,784,000.
For the Marine Corps, \$1,794,200,000.
For the Air Force, \$18,894,186,000.
For the Defense Agencies, \$7,979,380,000.
For the Army Reserve, \$770,300,000.
For the Naval Reserve, \$887,400,000.
For the Marine Corps Reserve, \$64,200,000.
For the Air Force Reserve, \$922,100,000.
For the Army National Guard, \$1,734,603,000.
For the Air National Guard, \$1,790,400,000.
For the National Board for the Promotion of Rifle Practice,
\$4,316,000.
For Defense Claims, \$144,400,000.
For the Court of Military Appeals, \$3,200,000.
For Environmental Restoration, Defense, \$385,900,000.

(b) **ADDITIONAL AUTHORIZATION FOR ARMY NATIONAL GUARD.**—In addition to the amounts authorized in subsection (a), there are authorized to be appropriated such sums as may be necessary for the Army National Guard for—

- (1) armory operating costs;
- (2) modification or repair of work space for fulltime National Guard personnel; and
- (3) partial Federal funding for major repair and renovation of National Guard facilities.

(c) **AUTHORIZATION UPON APPROPRIATION FOR HIGH PRIORITY PROGRAMS.**—Any amounts appropriated in excess of the amounts authorized in subsection (a) for high priority readiness programs are hereby authorized.

SEC. 302. WORKING CAPITAL FUNDS

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Funds are hereby authorized to be appropriated for fiscal year 1987 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working-capital funds in amounts as follows:

For the Army Stock Fund, \$230,138,000.
For the Navy Stock Fund, \$379,570,000.
For the Marine Corps Stock Fund, \$31,233,000.
For the Air Force Stock Fund, \$200,410,000.
For the Defense Stock Fund, \$66,949,000.

(b) **AUTHORIZATION UPON APPROPRIATION FOR HIGH PRIORITY PROGRAMS.**—Any amounts appropriated in excess of the amounts authorized in subsection (a) for high priority readiness programs are hereby authorized.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS FOR ASSISTANCE TO PAN AMERICAN GAMES

Funds are hereby authorized to be appropriated for fiscal year 1987 for assistance to the Tenth International Pan American Games in accordance with section 304 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 583), in the amount of \$15,000,000.

99 Stat. 616.

SEC. 304. TRANSPORTATION OF LIVESTOCK FEED

The Secretary of Defense may authorize the use during 1986 of National Guard equipment and personnel for transportation (including airlift) of livestock feed to drought-stricken areas of the United States.

SEC. 305. AUTHORITY FOR PAYMENTS TO NASA FOR SPACE SHUTTLE SERVICES

(a) **AUTHORITY.**—The Secretary of Defense may make payments during fiscal year 1987 to the National Aeronautics and Space Administration for space shuttle services in advance of the receipt of such services. Any such payments—

(1) may be made only from funds appropriated to the Air Force for operation and maintenance for fiscal year 1987 and only to the extent provided in appropriations Acts;

(2) may not be made until 30 days after the date on which the report required in subsection (b) is received by the Congress; and

(3) may not exceed \$268,800,000.

(b) **REPORT.**—Not later than December 31, 1986, the Secretary of Defense shall submit to the appropriate committees of the Congress a report containing a ten-year plan setting forth the schedule for planned payments by the Department of Defense to the National Aeronautics and Space Administration for space shuttle services and the schedule for the provision of such services.

PART B—PROGRAM CHANGES AND PERMANENT LAW CHANGES**SEC. 311. CONTRACT PERSONNEL TO BE INCLUDED IN BUDGET JUSTIFICATION**

Section 2203 of title 10, United States Code, is amended by adding at the end the following new sentences: "The Secretary of Defense shall provide that the budget justification documents for such budget include information on the number of employees of contractors estimated to be working on contracts of the Department of Defense during the fiscal year for which the budget is submitted. Such information shall be set forth in terms of employee-years or such other measure as will be uniform and readily comparable with civilian personnel of the Department of Defense."

SEC. 312. PROCUREMENT OF CERTAIN BAKERY AND DAIRY PRODUCTS OUTSIDE THE UNITED STATES

(a) **PROCUREMENT OF BAKERY AND DAIRY PRODUCTS.**—Chapter 143 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2422. **“§ 2422. Bakery and dairy products: procurement outside the United States**

“(a) The Secretary of Defense may authorize any element of the Department of Defense that procures bakery and dairy products for use by the armed forces outside the United States to procure any products described in subsection (b) through the use of procedures other than competitive procedures.

“(b) The products referred to in subsection (a) are bakery or dairy products produced by the Army and Air Force Exchange Service in a facility outside the United States that began operating before July 1, 1986.”.

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

“2422. Bakery and dairy products: procurement outside the United States.”.

SEC. 313. FUNCTIONS OF MILITARY COMMISSARIES; PURCHASE OF ALCOHOLIC BEVERAGES BY NONAPPROPRIATED FUND INSTRUMENTALITIES

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new sections:

10 USC 2486. **“§ 2486. Commissary stores: merchandise that may be sold; uniform surcharges**

“(a) Commissary stores are similar to commercial grocery stores and may sell merchandise similar to that sold in commercial grocery stores.

“(b) Merchandise sold in commissary stores may include items in the following categories:

- “(1) Health and beauty aids.
- “(2) Meat and poultry.
- “(3) Fish and seafood.
- “(4) Produce.
- “(5) Food and non-food grocery items.
- “(6) Bakery goods.
- “(7) Dairy products.
- “(8) Tobacco products.
- “(9) Delicatessen items.
- “(10) Frozen foods.
- “(11) Other categories designated in regulations prescribed by the Secretary of a military department and approved by the Secretary of Defense.

“(c) An adjustment of or surcharge on sales prices in commissary stores under section 2484(b) or 2685(a) of this title or for any other purpose shall be applied as a uniform percentage of the sales price of all merchandise sold in commissary stores.

10 USC 2487. **“§ 2487. Commissary stores: limitations on release of sales information**

“(a) In order to protect commercially valuable information, the Secretary of a military department, except as provided in subsection (b), may not release to the public those portions of computer data generated by electronic scanners used in military commissaries, and those portions of reports generated by such scanners, that contain the following information:

- “(1) The unit prices of items sold.

“(2) The number of units of items sold.

“(b) Information subject to subsection (a) may be released under a written agreement. Any such agreement shall require payment for such information and shall specify the amount of such payment.

“(c) Amounts received by the United States under an agreement described in subsection (b) with respect to a commissary shall be deposited in the Commissary Trust Revolving Fund of the military department under which the commissary is operated.

“§ 2488. Nonappropriated fund instrumentalities: purchase of alcoholic beverages 10 USC 2488.

“(a) The Secretary of Defense shall provide that—

“(1) covered alcoholic beverage purchases made for resale on a military installation located in the United States shall be made from the most competitive source, price and other factors considered, except that

“(2) in the case of malt beverages and wine purchased for resale on a military installation located in the contiguous States, such purchases shall be made from, and delivery shall be accepted from, a source within the State in which the military installation concerned is located.

State and local governments.

“(b) If a military installation located in the contiguous States is located in more than one State, a source of supply in any State in which the installation is located shall be considered for the purposes of subsection (a)(2) to be a source within the State in which the installation is located.

“(c) In this section:

“(1) The term ‘covered alcoholic beverage purchases’ means purchases of alcoholic beverages by a nonappropriated fund instrumentality of the Department of Defense with nonappropriated funds.

“(2) The term ‘State’ includes the District of Columbia.”

(b) EXEMPTION FROM WRITTEN NOTICE REQUIREMENTS.—Section 2305(b) of title 10, United States Code, is amended by adding at the end of paragraph (4) the following new subparagraph:

“(E) Subparagraph (D) does not apply with respect to the award of a contract for the acquisition of perishable subsistence items.”

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

“2486. Commissary stores: merchandise that may be sold; uniform surcharges.

“2487. Commissary stores: limitation on release of sales information.

“2488. Nonappropriated fund instrumentalities: purchase of alcoholic beverages.”

SEC. 314. AUTHORITY FOR SECRETARY OF DEFENSE TO ACCEPT GIFTS FOR THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

(a) IN GENERAL.—Chapter 155 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2605. Acceptance of gifts for defense dependents' education system 10 USC 2605.

“(a) The Secretary of Defense may accept, hold, administer, and spend any gift (including any gift of an interest in real property) made on the condition that it be used in connection with the operation or administration of the defense dependents' education system provided for under the Defense Dependents' Education Act of 1978 (20 U.S.C. 921 et seq.). The Secretary may pay all necessary

expenses in connection with the acceptance of a gift under this subsection.

“(b) There is established in the Treasury a fund to be known as the ‘Department of Defense Dependents’ Education Gift Fund’. Gifts of money, and the proceeds of the sale of property, received under subsection (a) shall be deposited in the fund. The Secretary may disburse funds deposited under this subsection for the benefit or use of the defense dependent’s education system, subject to the terms of the gift.

“(c) Subsection (c) of section 2601 of this title applies to property that is accepted under subsection (a) in the same manner that such subsection applies to property that is accepted under subsection (a) of that section.

“(d)(1) Upon request of the Secretary of Defense, the Secretary of the Treasury may—

Securities.

“(A) retain money, securities, and the proceeds of the sale of securities, in the Department of Defense Dependents’ Education Gift Fund; and

“(B) invest money and reinvest the proceeds of the sale of securities in that fund in securities of the United States or in securities guaranteed as to principal and interest by the United States.

“(2) The interest and profits accruing from those securities shall be deposited to the credit of the fund and may be disbursed as provided in subsection (b).

“(e) In this section, the term ‘gift’ includes a devise of real property or a bequest of personal property.

Regulations.

“(f) The Secretary of Defense shall prescribe regulations to carry out this section.”

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

“2605. Acceptance of gifts for defense dependents’ education system.”

SEC. 315. RENOVATION OF FACILITIES

(a) IN GENERAL.—Chapter 169 of title 10, United States Code, is amended by adding at the end of subchapter I the following new section:

10 USC 2810.

“§ 2810. Renovation of facilities

“(a) The Secretary concerned may carry out renovation projects that combine maintenance, repair, and minor construction projects for an entire single-purpose facility, or one or more functional areas of a multipurpose facility, using funds available for operations and maintenance.

“(b) The amount obligated on such a renovation project may not exceed the maximum amount specified by law for a minor construction project under section 2805 of this title.

“(c) Construction of new facilities or additions to existing facilities may not be carried out under the authority of this section.”

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

“2810. Renovation of facilities.”

SEC. 316. PROHIBITION OF PURCHASE OF ANGOLAN PETROLEUM PRODUCTS FROM COMPANIES PRODUCING OIL IN ANGOLA

10 USC 2304
note.

(a) **GENERAL RULE.**—The Secretary of Defense may not enter into a contract with a company for the purchase of petroleum products which originated in Angola if the company (or a subsidiary or partnership of the company) is engaged in the production of petroleum products in Angola.

Contracts.

(b) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the limitation in subsection (a) if the Secretary determines that such action is in the best interest of the United States.

(c) **PETROLEUM PRODUCT DEFINED.**—For purposes of this section, the term “petroleum product” means—

“(1) natural or synthetic crude;

“(2) blends of natural or synthetic crude; and

“(3) products refined or derived from natural or synthetic crude or from such blends.

(d) **EFFECTIVE DATE.**—This section shall take effect six months after the date of the enactment of this Act.

SEC. 317. PROHIBITION OF CONTRACTS FOR THE PERFORMANCE OF CERTAIN ARMY AMMUNITION ACTIVITIES

(a) **PROHIBITION OF CONTRACTING.**—The Secretary of Defense and the Secretary of the Army may not enter into a contract for the performance by contractor personnel of functions performed by employees of the Department of Defense at the Crane Army Ammunition Activity, Crane, Indiana, or the McAlester Army Ammunition Plant, McAlester, Oklahoma.

Indiana.
Oklahoma.

(b) **EXCEPTION.**—The prohibition in subsection (a) does not apply to a contract (or the renewal of a contract) for the performance of a function that on the date of the enactment of this Act is under contract for performance by contractor personnel.

SEC. 318. NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE

(a) **PERSONNEL SERVICES.**—Section 4308 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) The Secretary may provide personnel services (in addition to pay and non-travel related allowances for members of the armed forces) in carrying out the authority of the Secretary under this section and sections 4310 through 4312 of this title.”.

(b) **ALLOWANCES FOR COMPETITORS AT NATIONAL MATCHES.**—Section 4313 of such title is amended—

(1) by striking out “draw not more than” in subsection (a) and all that follows through the end of the subsection and inserting in lieu thereof “be paid a subsistence allowance in such amount as the Secretary of the Army shall prescribe.”; and

(2) by striking out “of five cents a mile” in subsection (b) and inserting in lieu thereof “in such amount as the Secretary of the Army shall prescribe”.

SEC. 319. PROHIBITION ON JOINT USE OF GRAY ARMY AIRFIELD WITH CIVIL AVIATION

The Secretary of the Army may not enter into an agreement to allow joint use of the Robert Gray Army Airfield at Fort Hood, Texas, with civil aviation.

Texas.

SEC. 320. REPORT ON PROPOSED REGULATIONS RELATING TO MOVEMENT OF HOUSEHOLD GOODS AND CARGO

(a) **REPORT REQUIREMENT.**—The regulations of the Military Traffic Management Command described in subsection (b) may not become effective until—

- (1) the Secretary of the Army submits to Congress a report with respect to such regulations that includes a discussion of—
 - (A) the cost savings expected as a result of implementation of such regulations; and
 - (B) the increased quality of services expected as a result of such implementation; and
- (2) 90 days of continuous session of Congress elapse after the report is received.

(b) **DESCRIPTION OF REGULATIONS.**—The regulations referred to in subsection (a) are the regulations contained in the International Through Government Bill of Lading Rate Solicitation, volume 54, that concern—

- (1) elimination of the so-called “me-too” rate filing cycle;
- (2) elimination of the rate cancellation cycles;
- (3) mandatory use of Government-owned containers; and
- (4) changes in storage-in-transit charges.

(c) **COMPUTATION OF TIME PERIOD.**—For purposes of subsection (a)(2)—

- (1) the continuity of a session of Congress is broken only by an adjournment of the Congress sine die; and
- (2) days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such 90-day period.

PART C—HUMANITARIAN AND OTHER ASSISTANCE

SEC. 331. EXTENSION OF AUTHORIZATION FOR HUMANITARIAN ASSISTANCE

(a) **TRANSPORTATION, ADMINISTRATION, AND DISTRIBUTION OF HUMANITARIAN RELIEF SUPPLIES TO AFGHAN REFUGEES.**—Section 305 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 617), is amended—

- (1) by inserting “(1)” before “There” in subsection (a);
- (2) by inserting “and for fiscal year 1987 the sum of \$10,000,000” after “sum of \$10,000,000” in subsection (a);
- (3) by adding at the end of subsection (a) the following new paragraph:

“(2) Of the funds appropriated by the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190; 99 Stat. 1189), for operation and maintenance for the Air Force, \$7,000,000 shall remain available for obligation until September 30, 1987, for the purpose described in paragraph (1) (including providing transportation of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of title 10, United States Code). Such funds shall be in addition to funds appropriated pursuant to the authorization in paragraph (1).”; and

- (4) by adding at the end the following new subsections:

“(d) **AUTHORITY TO TRANSFER FUNDS.**—The Secretary of Defense is authorized to transfer to the Secretary of State not more than \$3,000,000 of the funds appropriated pursuant to the authorization

in this section for fiscal year 1987 to provide for (1) paying administrative costs of providing the transportation described in subsection (a), and (2) providing for the acquisition of transportation assets for the distribution of supplies outside the United States to accomplish the purposes of this section.

“(e) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to the authorization in subsection (a) shall remain available until expended, to the extent provided in appropriation Acts.”.

(b) REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives two reports, one of which shall be submitted not later than 60 days after the date of the enactment of this Act and the other not later than June 1, 1987. Each such report shall contain (as of the date on which the report is submitted) the following information:

(1) The total amount of funds obligated for humanitarian relief under section 305 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 617) (as amended by subsection (a)).

(2) The number of scheduled and completed flights for purposes of providing humanitarian relief under section 305 of such Act.

(3) A description of any transfer (including to whom the transfer is made) of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of title 10, United States Code.

SEC. 332. EXTENSION OF AUTHORITY OF SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO CERTAIN COUNTRIES

Section 1540(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2637), is amended by striking out “fiscal years 1985 and 1986” and inserting in lieu thereof “fiscal year 1987”.

SEC. 333. HUMANITARIAN AND CIVIC ASSISTANCE PROVIDED IN CONJUNCTION WITH A MILITARY OPERATION

(a) IN GENERAL.—(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end the following new chapter:

“CHAPTER 20—HUMANITARIAN AND CIVIC ASSISTANCE PROVIDED IN CONJUNCTION WITH MILITARY OPERATIONS

“Sec.

“401. Armed forces participation in humanitarian and civic assistance activities.

“402. Approval of the Secretary of State.

“403. Payment of expenses.

“404. Annual report to Congress.

“405. Definition of humanitarian and civic assistance.

“406. Expenditure limitation.

“§ 401. Armed forces participation in humanitarian and civic assistance activities 10 USC 401.

“(a) Under regulations prescribed by the Secretary of Defense, the Secretary of a military department may carry out humanitarian and civic assistance activities in conjunction with authorized mili-

Defense and
national
security.

tary operations of the armed forces in a country if the Secretary concerned determines that the activities will promote—

“(1) the security interests of both the United States and the country in which the activities are to be carried out; and

“(2) the specific operational readiness skills of the members of the armed forces who participate in the activities.

“(b) Humanitarian and civic assistance activities carried out under this chapter shall complement, and may not duplicate, any other form of social or economic assistance which may be provided to the country concerned by any other department or agency of the United States. Such activities shall serve the basic economic and social needs of the people of the country concerned.

“(c) Humanitarian and civic assistance may not be provided under this chapter (directly or indirectly) to any individual, group, or organization engaged in military or paramilitary activity.

10 USC 402. **“§ 402. Approval of the Secretary of State**

“Humanitarian and civic assistance may not be provided under this chapter to any foreign country unless the Secretary of State specifically approves the provision of such assistance.

10 USC 403. **“§ 403. Payment of expenses**

“(a) Expenses incurred as a direct result of providing humanitarian and civic assistance under this chapter to a foreign country shall be paid for out of funds specifically appropriated for such purpose.

“(b) Nothing in this chapter may be interpreted to preclude the incurring of minimal expenditures by the Department of Defense for purposes of humanitarian and civic assistance out of funds other than funds appropriated pursuant to subsection (a).

10 USC 404. **“§ 404. Annual report to Congress**

“The Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and to the Committees on Armed Services and Foreign Affairs of the House of Representatives a report, not later than March 1 of each year, on activities carried out under this chapter during the preceding fiscal year. The Secretary shall include in each such report—

“(1) a list of the countries in which humanitarian and civic assistance activities were carried out during the preceding fiscal year;

“(2) the type and description of such activities carried out in each country during the preceding fiscal year; and

“(3) the amount expended in carrying out each such activity in each such country during the preceding fiscal year.

10 USC 405. **“§ 405. Definition of humanitarian and civic assistance**

“In this chapter, the term ‘humanitarian and civic assistance’ means—

“(1) medical, dental, and veterinary care provided in rural areas of a country;

“(2) construction of rudimentary surface transportation systems;

“(3) well drilling and construction of basic sanitation facilities; and

“(4) rudimentary construction and repair of public facilities.

“§ 406. Expenditure limitation

10 USC 406.

“Not more than \$16,400,000 may be obligated or expended for the purposes of this chapter during fiscal years 1987 through 1991.”

(2) The tables of chapters at the beginning of subtitle A of such title and at the beginning of part I of such subtitle are each amended by adding at the end the following new item:

“20. Humanitarian and Civic Assistance Provided in Conjunction With Military Operations..... 401”.

(b) EXPENDITURE LIMITATION FOR FISCAL YEAR 1987.—Not more than \$3,000,000 may be obligated or expended for the purposes of chapter 20 of title 10, United States Code (as added by subsection (a)), during fiscal year 1987.

TITLE IV—PERSONNEL AUTHORIZATIONS AND RELATED MATTERS

PART A—ACTIVE FORCES

SEC. 401. END STRENGTHS FOR ACTIVE FORCES

The Armed Forces are authorized strengths for active-duty personnel as of September 30, 1987, as follows:

- (1) The Army, 780,800.
- (2) The Navy, 587,000.
- (3) The Marine Corps, 199,600.
- (4) The Air Force, 606,850.

SEC. 402. QUALITY CONTROL ON ENLISTMENTS INTO THE ARMY

(a) PERMANENT REQUIREMENT FOR MINIMUM PERCENTAGE OF HIGH-SCHOOL GRADUATES.—Chapter 333 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 3262. Army: percentage of high-school graduates

10 USC 3262.

“Of the males with no prior military service who are enlisted or inducted into the Army during any fiscal year, the number who are not high-school graduates may not exceed, as of the end of the fiscal year, 35 percent of all such persons.”

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

“3262. Army: percentage of high-school graduates.”.

SEC. 403. STRENGTH OF ACTIVE DUTY OFFICER CORPS

10 USC 521 note.

(a) REDUCTION IN SIZE OF OFFICER CORPS.—On and after each of the dates set forth in column 1 of the following table, the total number of commissioned officers serving on active duty in the Army, Navy, Air Force, and Marine Corps (excluding officers in categories specified in subsection (b)) may not exceed the percentage, set forth in column 2 opposite such date, of the total number of commissioned officers serving on active duty as of September 30, 1986 (excluding officers in categories specified in subsection (b)):

Column 1	Column 2
On and after:	Percentage of total commissioned officers serving on active duty as of September 30, 1986:
September 30, 1987.....	99
September 30, 1988.....	97
September 30, 1989.....	94

(b) EXCLUSIONS.—In computing the authorized strength of commissioned officers under subsection (a), officers in the following categories shall be excluded:

(1) Reserve officers—

- (A) on active duty for training;
- (B) on active duty under section 265, 270(b), 672a, 3033, 3496, 5251, 5252, 8033, or 8496 of title 10, United States Code, or under section 708 of title 32, United States Code;
- (C) on active duty under section 672(d) of title 10, United States Code, in connection with organizing, administering, recruiting, instructing, or training the reserve components or the National Guard;
- (D) on active duty to pursue special work;
- (E) ordered to active duty under section 673b of title 10, United States Code; or
- (F) on full-time National Guard duty.

(2) Retired officers on active duty under a call or order to active duty for 180 days or less.

(3) Reserve or retired officers on active duty under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)) for the administration of the Selective Service System.

(c) APPORTIONMENT OF REDUCTIONS BY SECRETARY OF DEFENSE.—The Secretary of Defense shall apportion the reductions in the number of commissioned officers serving on active duty required by subsection (a) among the Army, Navy, Air Force, and Marine Corps. Not later than February 1 of each fiscal year in which reductions are required under subsection (a), the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the manner in which the reductions have been or are to be apportioned for that fiscal year and for the next fiscal year for which such reductions are required.

PART B—RESERVE FORCES

10 USC 261 note. SEC. 411. END STRENGTHS FOR SELECTED RESERVE

(a) IN GENERAL.—The Armed Forces are authorized strengths for selected reserve personnel of the reserve components as of September 30, 1987, as follows:

- (1) The Army National Guard of the United States, 452,681.
- (2) The Army Reserve, 318,011.
- (3) The Naval Reserve, 149,486.
- (4) The Marine Corps Reserve, 43,470.
- (5) The Air National Guard of the United States, 113,767.
- (6) The Air Force Reserve, 79,562.
- (7) The Coast Guard Reserve, 12,850.

(b) **WAIVER AUTHORITY.**—The Secretary of Defense may vary an end strength prescribed by subsection (a) by not more than 2 percent.

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

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

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

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

(c) **AMENDMENT TO SECTION 115 OF TITLE 10.**—Paragraph (1) of section 115(a) of title 10, United States Code (as designated by section 110 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended to read as follows:

Ante, p. 1001.

“(1) Congress shall authorize the end strength as of the end of each fiscal year for the Selected Reserve of each reserve component of the armed forces. No funds may be appropriated for any fiscal year to or for the use of the Selected Reserve of any reserve component of the armed forces unless the end strength for the Selected Reserve of that component for that fiscal year has been authorized by law.”

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

(a) **IN GENERAL.**—Within the end strengths prescribed in section 411, the reserve components of the Armed Forces are authorized, as of September 30, 1987, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, on full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components or the National Guard:

- (1) The Army National Guard of the United States, 24,731.
- (2) The Army Reserve, 12,407.
- (3) The Naval Reserve, 21,476.
- (4) The Marine Corps Reserve, 1,745.
- (5) The Air National Guard of the United States, 8,169.
- (6) The Air Force Reserve, 665.

(b) **COUNTING OF PERSONNEL IN CERTAIN RESERVE CALL-UP SITUATIONS.**—(1) Chapter 39 of title 10, United States Code, is amended by inserting after section 685 the following new section:

“§ 686. Reserves on active duty: duties; funding

10 USC 686.

“(a) During a period that members of a reserve component are serving on active duty pursuant to an order under section 673 or 673b of this title, members of reserve components serving on active duty may perform duties in connection with either such section.

“(b) Funds available for the pay and allowances of Reserves referred to section 678 of this title shall be available for the pay and allowances of such Reserves who perform duties in connection with section 673 or 673b of this title under the authority of subsection (a).”.

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

“686. Reserves on active duty: duties; funding.”.

SEC. 413. ACCOUNTING FOR CERTAIN AUTHORIZED RESERVE COMPONENT MEMBERS

Section 115(b) of title 10, United States Code (as designated by section 110(b) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

Ante, p. 1001.

(1) by striking out the text of paragraph (1)(A) and inserting in lieu thereof the following: “Congress shall authorize the end strength as of the end of each fiscal year for each component of the armed forces for (i) active-duty personnel who are to be paid from funds appropriated for active-duty personnel, and (ii) active-duty personnel and full-time National Guard duty personnel who are to be paid from funds appropriated for reserve personnel. Upon determination by the Secretary of Defense that such action is in the national interest, the end strength authorized pursuant to clause (i) of the preceding sentence for a fiscal year may be increased by a number equal to not more than 0.5 percent of the end strength authorized for such component for that fiscal year and the end strength authorized pursuant to clause (ii) of that sentence for a fiscal year may be increased by a number equal to not more than 2 percent of such end strength authorized for such component for that fiscal year. No funds may be appropriated to or for the use of active-duty personnel or full-time National Guard duty personnel of any component of the armed forces unless the end strength for such personnel of that component for that fiscal year has been authorized by law.”;

(2) in paragraph (1)(B)—

(A) by striking out “for 180 days or less” in clause (v); and

(B) by adding at the end the following new clause:

“(vii) members on full-time National Guard duty for 180 days or less.”; and

(3) in paragraph (3)(D)—

(A) by striking out “and” at the end of clause (iii);

(B) by striking out the period at the end of clause (iv) and inserting in lieu thereof “; and”; and

(C) by adding at the end the following new clause:

“(v) an analysis of the number of officers and enlisted members serving on active duty for training as of the last day of the preceding fiscal year under orders specifying an aggregate period in excess of 180 days and an estimate for the current fiscal year of the number that will be ordered to such duty, tabulated by the following categories:

“(I) Recruit and specialized training.

“(II) Flight training.

“(III) Professional training in military and civilian institutions.

“(IV) Officer acquisition training.”.

PART C—MILITARY TRAINING

SEC. 421. MILITARY TRAINING STUDENT LOADS

(a) **IN GENERAL.**—For fiscal year 1987, the components of the Armed Forces are authorized average military training student loads as follows:

- (1) The Army, 76,758.
- (2) The Navy, 72,483.
- (3) The Marine Corps, 19,433.
- (4) The Air Force, 43,911.
- (5) The Army National Guard of the United States, 18,262.
- (6) The Army Reserve, 15,858.
- (7) The Naval Reserve, 3,493.
- (8) The Marine Corps Reserve, 3,944.
- (9) The Air National Guard of the United States, 3,566.
- (10) The Air Force Reserve, 2,127.

(b) **ADJUSTMENTS.**—The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1987 shall be adjusted consistent with the personnel strengths authorized in parts A and B. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE V—DEFENSE PERSONNEL POLICY

PART A—ACTIVE FORCES

SEC. 501. ASSIGNMENT OF ACTIVE-DUTY MEMBERS OUTSIDE THE UNITED STATES

The text of section 671 of title 10, United States Code, is amended to read as follows:

“(a) A member of the armed forces may not be assigned to active duty on land outside the United States and its territories and possessions until the member has completed the basic training requirements of the armed force of which he is a member.

“(b) In time of war or a national emergency declared by Congress or the President, the period of required basic training (or its equivalent) may not be less than 12 weeks.”

SEC. 502. SERVICE OF MEMBERS ON STATE AND LOCAL JURIES

(a) **IN GENERAL.**—Chapter 49 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 982. Members: service on State and local juries

10 USC 982.

“(a) A member of the armed forces on active duty may not be required to serve on a State or local jury if the Secretary concerned determines that such service—

“(1) would unreasonably interfere with the performance of the member’s military duties; or

“(2) would adversely affect the readiness of the unit, command, or activity to which the member is assigned.

“(b) A determination by the Secretary concerned under this section is conclusive.

Regulations.

“(c) The Secretary concerned shall prescribe regulations for the administration of this section.

“(d) In this section, the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, and each territory of the United States.”

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

“982. Members: service on State and local juries.”

SEC. 503. EXTENSION OF EXPIRING AUTHORITY FOR SPOT PROMOTIONS OF NAVY LIEUTENANTS

Section 5721(f) of title 10, United States Code, is amended by striking out “September 30, 1986” and inserting in lieu thereof “September 30, 1987”.

10 USC 8251
note.

SEC. 504. REPEAL OF REQUIREMENT REGARDING ENLISTMENT OF WOMEN IN THE AIR FORCE DURING FISCAL YEAR 1987

Section 551(a) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2530), is amended by striking out “the period beginning on October 1, 1986” and all that follows through the end of the subsection and inserting in lieu thereof “fiscal year 1988, not less than 22 percent shall be women.”

SEC. 505. AUTHORITY TO EXEMPT PHYSICIANS AT UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES FROM REDUCTIONS IN RETIRED PAY

Section 2113(f) of title 10, United States Code, is amended—

(1) by inserting “(1)” after “(f)”; and

(2) by adding at the end the following:

“(2) The Board may exempt, at any time, a physician who is a member of the faculty from the restrictions in subsections (a), (b), and (c) of section 5532 of title 5, if the Board determines that such exemption is necessary to recruit or retain well-qualified physicians for the faculty of the University. An exemption granted under this paragraph shall terminate upon any break in employment with the University by a physician of three days or more. An exemption granted under this paragraph to a person shall apply to the retired pay of such person beginning with the first month after the month in which the exemption is granted. Not more than two exemptions may be in effect under this paragraph at any time.”

SEC. 506. TREATMENT OF EXCESS LEAVE UPON REENLISTMENT

(a) AUTHORITY TO CARRY OVER EXCESS LEAVE.—Section 701 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(h) A member who has taken leave in excess of that authorized by this section and who is being discharged or released from active duty for the purpose of accepting an appointment or a warrant in an armed force, or of entering into an enlistment or an extension of an enlistment in an armed force, may elect to have excess leave of up to 30 days or the maximum number of days of leave that could be earned in the new term of service, whichever is less, carried over to that new term of service to count against leave that will accrue on the new term of service. A member shall be required, at the time of his discharge or release from active duty, to pay for excess leave not carried over under this subsection.”

(b) **AUTHORIZATION FOR PAY AND ALLOWANCES FOR CARRIED OVER EXCESS LEAVE.**—Section 502(b) of title 37, United States Code, is amended by inserting “and section 701(h) of title 10” after “subsection (a) of this section”.

SEC. 507. TERMINATION OF GENDER-BASED DISTINCTIONS IN PROMOTIONS OF OFFICERS OF THE NAVAL RESERVE AND MARINE CORPS RESERVE

(a) **IN GENERAL.**—Chapter 549 of title 10, United States Code, is amended by striking out sections 5896 through 5899 and inserting in lieu thereof the following:

“§ 5896. Recommendations for promotion by selection boards

10 USC 5896.

“(a) A selection board convened under this chapter shall recommend for promotion to the next higher grade those officers considered by the board whom the board, giving due consideration to the needs of the Navy or Marine Corps for officers with particular skills, considers best qualified for promotion within each competitive category considered by the board.

“(b) A selection board convened under this chapter may not recommend an officer for promotion unless—

“(1) the officer receives the recommendation of a majority of the members of the board; and

“(2) a majority of the members of the board finds that the officer is fully qualified for promotion.

“(c) Except as otherwise provided by law, an officer of the Naval Reserve or the Marine Corps Reserve may not be promoted to a higher grade under this chapter unless the officer is considered and recommended for promotion to that grade by a selection board convened under this chapter.

“§ 5897. Reports of selection boards

10 USC 5897.

“Each selection board convened under this chapter shall submit to the Secretary of the Navy a written report, signed by each member of the board, containing a list of the names of the officers recommended for promotion and certifying (1) that the board has carefully considered the record of each officer whose name was furnished to the board under section 5895 of this title, and (2) that, in the opinion of a majority of the members of the board, the officers recommended for promotion by the board are best qualified for promotion to meet the needs of the Navy or the Marine Corps from among those officers whose names were furnished to the selection board.

“§ 5898. Action on reports of selection boards

10 USC 5898.

“(a) If, after reviewing the report of a selection board submitted under section 5897 of this title, the Secretary of the Navy determines that the board has acted contrary to law or regulation, the Secretary shall return the report to the board for further proceedings. Upon receipt of a report returned by the Secretary under this subsection, the selection board (or a subsequent selection board convened under this chapter for the same grade and competitive category) shall conduct such proceedings as may be necessary in order to revise the report and shall resubmit the report, as revised, to the Secretary in accordance with section 5897 of this title.

“(b) The Secretary of the Navy shall, after final review of the report, submit it, together with the Secretary’s recommendations, to

the Secretary of Defense for transmittal to the President for approval, modification, or disapproval.

President of U.S. “(c) The name of an officer recommended for promotion by a selection board may be removed from the report of the selection board only by the President. Such action may be taken at any time before the promotion of the officer.

“(d) Upon approval by the President of the report of a selection board, the names of the officers recommended for promotion by the selection board (other than any name removed by the President) may be disseminated to the armed force concerned. If those names have not been sooner disseminated, those names (other than the name of any officer whose promotion the Senate failed to confirm) shall be promptly disseminated to the armed force concerned upon confirmation by the Senate.

“(e) Except as authorized or required by this section, proceedings of a selection board convened under this chapter may not be disclosed to any person not a member of the board.

10 USC 5899. “§ 5899. Eligibility for consideration for promotion: running mates

“An officer is in the promotion zone and is eligible for consideration for promotion to the next higher grade by a selection board convened under this chapter when that officer’s running mate is in or above the promotion zone established for that officer’s present grade under chapter 36 of this title.”

10 USC 611 *et seq.*

(b) CLERICAL AND CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 549 of title 10, United States Code, is amended by striking out the items relating to sections 5896 through 5899 and inserting in lieu thereof the following:

“5896. Recommendations for promotion by selection boards.

“5897. Reports of selection boards.

“5898. Actions on reports of selection boards.

“5899. Eligibility for consideration for promotion: running mates.”

(2) Section 5903 of such title is amended—

(A) by striking out “(a)” at the beginning of such section; and
(B) by striking out subsection (b).

(3) Subsection (a) of section 5905 of such title is amended to read as follows:

“(a) The name of an officer recommended for promotion by a selection board may be removed from the report of the selection board only by the President. Such action may be taken at any time before the promotion of the officer.”

10 USC 5896
note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to selection boards convened on or after the date of the enactment of this Act.

SEC. 508. SENATE CONFIRMATION OF CERTAIN GENERAL AND FLAG OFFICER POSITIONS

(a) DEAN OF ACADEMIC BOARD OF UNITED STATES MILITARY ACADEMY.—Section 4335 of title 10, United States Code, is amended—

(1) by striking out the last sentence of subsection (b); and
(2) by adding at the end the following new subsection:

“(c) The Dean of the Academic Board has the grade of brigadier general while serving in such position, with the benefits authorized for regular brigadier generals of the Army, if appointed to that grade by the President, by and with the advice and consent of the

Senate. However, the retirement age of an officer so appointed is that of a permanent professor of the Academy.”.

(b) DEPUTY JUDGE ADVOCATE GENERAL AND ASSISTANT JUDGE ADVOCATES GENERAL OF THE NAVY.—Section 5149 of such title is amended—

(1) in subsection (a)—

(A) by striking out the first sentence and inserting in lieu thereof the following: “There is a Deputy Judge Advocate General of the Navy who is appointed by the President, by and with the advice and consent of the Senate, from among judge advocates of the Navy and Marine Corps who have the qualifications prescribed for the Judge Advocate General.”; and

(B) by striking out in the second sentence “rank and” and “rank or”;

(2) by striking out the second sentence of subsection (b) and inserting in lieu thereof the following: “While so serving, a judge advocate who holds a grade lower than rear admiral (lower half) shall hold the grade of rear admiral (lower half), if he is appointed to that grade by the President, by and with the advice and consent of the Senate.”; and

(3) by striking out the second sentence of subsection (c) and inserting in lieu thereof the following: “While so serving, a judge advocate who holds a grade lower than brigadier general shall hold the grade of brigadier general, if he is appointed to that grade by the President, by and with the advice and consent of the Senate.”.

(c) DEAN OF THE FACULTY OF THE UNITED STATES AIR FORCE ACADEMY.—Section 9335(b) of such title is amended to read as follows:

“(b) The Dean has the grade of brigadier general while serving in such position, with the benefits authorized for regular brigadier generals of the Air Force, if appointed to that grade by the President, by and with the advice and consent of the Senate. However, the retirement age of an officer so appointed is that of a permanent professor of the Academy.”.

(d) ATTENDING PHYSICIAN TO THE CONGRESS.—(1)(A) Chapter 34 of such title is amended by adding at the end the following new section:

“§ 600a. Attending Physician to the Congress

10 USC 600a.

“While serving as Attending Physician to the Congress, a Reserve who holds a reserve grade lower than major general or rear admiral shall hold the reserve grade of major general or rear admiral, as appropriate, if appointed to that grade by the President, by and with the advice and consent of the Senate.”.

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

“600a. Attending Physician to the Congress.”.

(2) Section 1374 of such title is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection (e):

“(e) Unless entitled to a higher grade under another provision of law, a reserve commissioned officer who is transferred to the Retired

Reserve after having served in the position of Attending Physician to the Congress is entitled to be placed on the retired list established by section 1376(a) of this title in the grade held by such officer while serving in such position.”

(e) **CONFORMING AMENDMENT.**—The second undesignated paragraph relating to the Office of the Attending Physician under the heading “JOINT ITEMS” in chapter V of the Supplemental Appropriations Act, 1973 (Public Law 92-607; 86 Stat. 1509), is repealed.

10 USC 600a
note.

(f) **EFFECTIVE DATE.**—The amendments made by this section shall apply only with respect to appointments or details made on or after the date of the enactment of this Act.

SEC. 509. POSITION OF STAFF JUDGE ADVOCATE TO THE COMMANDANT OF THE MARINE CORPS

(a) **IN GENERAL.**—(1) Chapter 506 of title 10, United States Code (as enacted by section 513 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by adding at the end the following new section:

Ante, p. 1051.

10 USC 5046.

“§ 5046. Staff Judge Advocate to the Commandant of the Marine Corps

“(a) An officer of the Marine Corps who is a judge advocate and a member of the bar of a Federal court or the highest court of a State or territory and who has had at least eight years of experience in legal duties as a commissioned officer may be detailed as Staff Judge Advocate to the Commandant of the Marine Corps. While so serving, a judge advocate who holds a grade lower than brigadier general shall hold the grade of brigadier general if appointed to that grade by the President, by and with the advice and consent of the Senate.

“(b) An officer retiring from the position of Staff Judge Advocate to the Commandant of the Marine Corps, after serving at least three years in that position, shall be retired in the highest grade in which that officer served on active duty satisfactorily, as determined by the Secretary of the Navy.”

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

“5046. Staff Judge Advocate to the Commandant of the Marine Corps.”

10 USC 5046
note.

(b) **EFFECTIVE DATE.**—Section 5046 of title 10, United States Code, as added by subsection (a), shall apply only with respect to appointments as Staff Judge Advocate to the Commandant of the Marine Corps made on or after the date of the enactment of this Act.

(d) **TRANSITION PROVISION.**—Notwithstanding section 1370(a)(2) of title 10, United States Code, an officer serving in the position of Staff Judge Advocate to the Commandant of the Marine Corps, or an equivalent position, on the day before the date of the enactment of this Act, if retired after having served in such position (or equivalent position) at least three years, including any service in such position (or its equivalent) before such date, shall be retired in the highest grade in which the officer served on active duty satisfactorily, as determined by the Secretary of the Navy.

Retirement.
10 USC 5046
note.

SEC. 510. TECHNICAL CORRECTION RELATING TO PERSONNEL ADMINISTRATION AT AIR FORCE INSTITUTE OF TECHNOLOGY

Section 9314(b)(2)(B) of title 10, United States Code, is amended by striking out “rates of basic”.

SEC. 511. TEMPORARY INCREASE IN THE NUMBER OF GENERAL AND FLAG OFFICERS AUTHORIZED TO BE ON ACTIVE DUTY IN THREE- AND FOUR-STAR GRADES 10 USC 525 note.

During fiscal year 1987, the numbers of officers authorized under section 525(b) of title 10, United States Code, to be on active duty in grades above major general and rear admiral are increased as follows:

(1) **AIR FORCE GENERALS.**—The number of officers of the Air Force authorized to be serving on active duty in the grade of general is increased by one.

(2) **NAVY VICE ADMIRALS.**—The number of officers of the Navy authorized to be serving on active duty in a grade above rear admiral is increased by three. None of the additional officers in grades above rear admiral by reason of this paragraph may be in the grade of admiral.

(3) **MARINE CORPS GENERAL OFFICERS.**—The number of officers of the Marine Corps authorized to be serving on active duty in grades above major general is increased by two. Only one additional officer in a grade above major general by reason of this paragraph may be in the grade of general.

SEC. 512. STUDY ON STAFFING OF CRITICAL WARTIME MEDICAL SPECIALITIES

(a) **STUDY.**—The Secretary of Defense shall conduct a study of possible actions which could be taken by the Department of Defense or by law to improve staffing of critical wartime medical specialities (including physician, nurse, and enlisted specialities) in both the active and reserve components. The study shall address the desirability of at least the following actions:

(1) Extending the mandatory retirement age of medical personnel in the active and reserve components.

(2) Extending the age limitations on enlistments and on officer accessions for medical personnel into the active and reserve components.

(3) Improving Department of Defense marketing techniques for attracting medical personnel in critical wartime medical specialities in the active and reserve components.

(4) Establishing alternative participation requirements for medical personnel in the reserve components.

(b) **REPORT.**—Not later than March 1, 1987, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the findings of the study conducted under subsection (a). The report shall include specific recommendations for legislative and administrative action with respect to the best methods for improving the staffing of critical wartime medical specialities in both the active and reserve components.

SEC. 513. STUDY OF REPRESENTATION OF RELIGIOUS FAITHS IN THE ARMED FORCES

(a) **STUDY.**—The Secretary of Defense shall carry out a study of the faith composition of the chaplains of the Armed Forces. Such study shall include the following:

(1) A statistical listing of the faith composition of the Armed Forces and of the Corps of Chaplains, to include an analysis of how the number of adherents to faith groups is determined.

(2) An analysis of the benefits and detriments to the Armed Forces of using the demographic distribution of faiths among members of the Armed Forces as a guide to the faith distribution within the Corps of Chaplains.

(3) An analysis of the time devoted by chaplains to such responsibilities as administrative tasks, conduct of religious services, and counseling, with particular emphasis on the time devoted to faith-specific tasks and to non-faith-specific tasks.

(4) An analysis of the personnel policies for managing the Corps of Chaplains (including the separation of chaplains for failure to achieve promotion), and the effect of these policies upon the faith composition of the Corps of Chaplains, to include a statistical analysis of the effect on the current faith distribution within the Armed Forces today if all those chaplains involuntarily released from duty during fiscal years 1980 through 1985 had been retained on active duty until fiscal year 1986.

(5) An analysis of the benefits and detriments of using grade retentions, continuation boards, and standby tours of duty for reserve chaplains for the purpose of altering the faith composition of the Corps of Chaplains.

(6) An explanation of the manner by which chaplains are recruited and the role of organized faith groups in assisting or retarding the recruitment or retention of chaplains.

(b) VIEWS OF FAITH GROUP OFFICES.—To the maximum extent possible, the Secretary shall seek the views of faith group offices that deal with chaplains. Any written comment received from any such office shall be appended to the report under subsection (c).

(c) REPORT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the study under subsection (a). The report shall include each of the matters described in paragraphs (1) through (6) of such subsection and shall be submitted no later than January 9, 1987.

PART B—RESERVE FORCES

SEC. 521. INCREASED PRESIDENTIAL AUTHORITY TO AUGMENT ACTIVE FORCES WITH THE SELECTED RESERVE

(a) NUMBER OF MEMBERS THAT MAY BE ORDERED TO ACTIVE DUTY INVOLUNTARILY.—Subsection (c) of section 673b of title 10, United States Code, is amended by striking out "100,000" and inserting in lieu thereof "200,000".

(b) AUTHORITY TO EXTEND PERIOD OF CALL-UP.—Such section is further amended by adding at the end the following new subsection:

"(i) When a unit of the Selected Reserve, or a member of the Selected Reserve not assigned to a unit organized to serve as a unit of the Selected Reserve, is ordered to active duty under this section and the President determines that an extension of the service of such unit or member on active duty is necessary in the interests of national security, he may authorize the Secretary of Defense and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy to extend the period of such order to active duty for a period of not more than 90 additional days. Whenever the President exercises his authority under this subsection, he shall immediately notify Congress of such action and shall include in the notification a statement of reasons

for the action. Nothing in this subsection shall be construed as limiting the authorities to terminate the service of units or members ordered to active duty under this section under subsection (g)."

(c) **TECHNICAL AMENDMENTS.**—Such section is further amended—

- (1) by striking out "Reserve component" in subsection (b) and inserting in lieu thereof "reserve component";
- (2) by striking out "Armed Forces" in subsection (e) and inserting in lieu thereof "armed forces";
- (3) by striking out "the Speaker" in subsection (f) and all that follows through "Senate" and inserting in lieu thereof "Congress"; and
- (4) by striking out "a concurrent resolution of the Congress" in subsection (g)(2) and inserting in lieu thereof "law".

SEC. 522. CONSENT OF GOVERNOR FOR CERTAIN ACTIVE DUTY OF NATIONAL GUARD

Section 672 of title 10, United States Code, is amended by adding at the end the following new subsection:

Infra.

"(f) The consent of a Governor described in subsections (b) and (d) may not be withheld (in whole or in part) with regard to active duty outside the United States, its territories, and its possessions, because of any objection to the location, purpose, type, or schedule of such active duty."

SEC. 523. TREATMENT OF SINGLE PARENTS ENLISTING IN RESERVE COMPONENTS OF THE ARMED FORCES

10 USC 510 note.

(a) **IN GENERAL.**—In determining under section 510 of title 10, United States Code, whether a person who is applying to enlist in a reserve component of the Armed Forces upon discharge or release from active duty is qualified for enlistment as a Reserve of an Armed Force, the Secretary concerned may not disqualify the person because the person is a single parent if—

- (1) the person is otherwise qualified for enlistment;
- (2) the person became a single parent while serving on active duty; and
- (3) the person's status as a single parent was not a factor in the person's discharge or release from active duty.

(b) **REQUIREMENTS NOT TO BE MORE STRINGENT.**—The Secretary concerned shall provide that requirements imposed on a person described in subsection (a) with respect to parenthood shall not be more stringent than those imposed on a member who becomes a single parent during the term of the member's enlistment. The Secretary concerned may include a requirement for an acceptable written agreement with respect to child care as a prerequisite to enlistment.

(c) **SINGLE PARENT DEFINED.**—In this section, the term "single parent" means a person who is not married and who has custody of a child under the age of 18 pursuant to a court order.

(d) **EXPIRATION.**—This section shall expire on September 30, 1988.

SEC. 524. ACTIVE-DUTY STATUS OF RESERVE COMPONENT MEMBERS IN A CAPTIVE STATUS

(a) **AUTHORITY FOR INVOLUNTARY CALL TO ACTIVE DUTY.**—Section 672 of title 10, United States Code (as amended by section 522), is amended by adding at the end the following new subsection:

"(g)(1) A member of a reserve component may be ordered to active duty without his consent if the Secretary concerned determines that

the member is in a captive status. A member ordered to active duty under this section may not be retained on active duty, without his consent, for more than 30 days after his captive status is terminated.

Regulations.

“(2) The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall apply uniformly among the armed forces under the jurisdiction of the Secretary. A determination for the purposes of this subsection that a member is in a captive status shall be made pursuant to such regulations.

“(3) In this section, the term ‘captive status’ means the status of a member of the armed forces who is in a missing status (as defined in section 551(2) of title 37) which occurs as the result of a hostile action and is related to the member’s military status.”

10 USC 672 note.

(b) EFFECTIVE DATE.—Section 672(g) of title 10, United States Code, as added by subsection (a), does not authorize a member of a reserve component to be ordered to active duty for a period before the date of the enactment of this Act.

PART C—CIVILIAN PERSONNEL

SEC. 531. WAIVER OF CIVILIAN PERSONNEL CEILINGS FOR FISCAL YEAR 1987

10 USC 115 note.

The provisions of section 115(b)(2) of title 10, United States Code (as designated and amended by section 110(b) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), shall not apply with respect to fiscal year 1987 or with respect to the appropriation of funds for that year.

Ante, p. 1001.

SEC. 532. PROHIBITION ON MANAGING CIVILIAN PERSONNEL BY END-STRENGTHS DURING FISCAL YEAR 1987

(a) PROHIBITION.—During fiscal year 1987, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an “end-strength”) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) FY87 REPORTS.—Not later than February 1, 1987, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the experience of the Department of Defense during fiscal years 1986 and 1987 (to the date of the report) concerning the management of civilian personnel of the Department without a congressionally imposed civilian end strength and with a statutory prohibition on the management during those fiscal years of such civilian personnel by end strength. Each such report shall include the views of the Secretary with respect to the desirability of managing such personnel in such a manner.

(c) REPORTS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives quarterly reports on the obligation of funds appropriated for civilian personnel of the Department of Defense for fiscal year 1987. Each report shall include—

(A) for each appropriation account, the amounts authorized and appropriated for such personnel for fiscal year 1987;

(B) for each appropriation account and for the entire Department—

(i) the actual number of such personnel employed, and the amount of funds obligated for such personnel, as of the

end of each month of the fiscal year quarter described in the report; and

(ii) the projected number of such personnel to be employed, and the amount of funds that will be obligated for such personnel, as of the end of fiscal year 1987.

SEC. 533. PROHIBITION ON CONTROLLING PERSONNEL NOT FUNDED BY GOVERNMENT

Section 129 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

Ante, p. 994.

(1) by inserting “(a)” at the beginning of the text of such section; and

(2) by adding at the end the following:

“(b) The number of, and the amount of funds available to be paid to, indirectly funded Government employees of the Department of Defense may not be—

“(1) subject to any constraint or limitation on the number of such personnel who may be employed on the last day of a fiscal year;

“(2) managed on the basis of any end-strength; or

“(3) controlled under any policy of the Secretary of a military department for control of civilian manpower resources.

“(c) In this section, the term ‘indirectly funded Government employees’ means civilian employees of the Department of Defense—

“(1) who are employed by industrial-type activities or commercial-type activities described in section 2208 of this title; and

“(2) whose salaries and benefits are funded from sources other than appropriated funds.”.

SEC. 534. REDUCTION IN NUMBER OF YEARS PERSON MUST BE OFF ACTIVE DUTY BEFORE APPOINTMENT AS SERVICE SECRETARY

Sections 3013(a)(2), 5013(a)(2), and 8013(a)(2) of title 10, United States Code (as added by sections 501, 511, and 521, respectively of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), are amended by striking out “10 years” and inserting in lieu thereof “five years”.

Ante, pp. 1034, 1042, 1055.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—PAY AND ALLOWANCES

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1987

(a) **WAIVER OF SECTION 1009 ADJUSTMENT.**—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1987 shall not be made.

37 USC 1009 note.

(b) **THREE PERCENT INCREASE IN BASIC PAY, BASIC ALLOWANCE FOR QUARTERS, AND BASIC ALLOWANCE FOR SUBSISTENCE.**—The rates of basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services are increased by 3 percent effective on January 1, 1987.

Effective date.

(c) **THREE PERCENT INCREASE IN CADET AND MIDSHIPMAN PAY.**—Effective January 1, 1987, section 203(c)(1) of title 37, United States Code, is amended by striking out “\$461.40” and inserting in lieu thereof “\$494.40”.

SEC. 602. AUTHORITY TO PAY ROTC MEMBERS IN ADVANCE FOR FIELD TRAINING

(a) **AUTHORITY.**—Section 1006 of title 37, United States Code, is amended by adding at the end the following new subsection:

“(j) Under regulations prescribed by the Secretary concerned, not more than one month’s pay may be paid in advance to a member of the Senior Reserve Officers’ Training Corps who is ordered to field training or a practice required under section 2109 of title 10.”.

37 USC 1006
note.

(b) **EFFECTIVE DATE.**—Subsection (j) of title 37, United States Code, as added by subsection (a), shall apply with respect to pay payable for months beginning after the date of the enactment of this Act.

SEC. 603. REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS

Effective date.

(a) **LIMITATION ON AMOUNT AVAILABLE FOR REIMBURSEMENTS DURING FISCAL YEARS 1987 THROUGH 1991.**—Effective as of October 1, 1986, section 7572(b)(3) of title 10, United States Code, is amended to read as follows:

“(3) The total amount of reimbursement under this subsection may not exceed \$1,421,000 for fiscal year 1986 and \$1,657,000 for each of the fiscal years 1987 through 1991.”.

Effective date.

(b) **EXTENSION OF AUTHORITY.**—Effective as of October 1, 1986, section 3 of Public Law 96-357 (10 U.S.C. 7572 note) is amended by striking out “September 30, 1986” and inserting in lieu thereof “September 30, 1991”.

SEC. 604. PAY, ALLOWANCES, AND BENEFITS FOR MEMBERS OF THE RESERVE COMPONENTS

(a) **MEDICAL AND DENTAL CARE.**—(1) Section 1074a of title 10, United States Code, is amended to read as follows:

10 USC 1074a.

“§ 1074a. Medical and dental care: members on duty other than active duty for a period of more than 30 days

“(a) Under joint regulations prescribed by the administering Secretaries, the following persons are entitled to the benefits described in subsection (b):

“(1) Each member of a uniformed service who incurs or aggravates an injury, illness, or disease in the line of duty while performing—

“(A) active duty for a period of 30 days or less; or

“(B) inactive-duty training.

“(2) Each member of a uniformed service who incurs or aggravates an injury, illness, or disease while traveling directly to or from the place at which that member is to perform or has performed—

“(A) active duty for a period of 30 days or less; or

“(B) inactive-duty training.

“(b) A person described in subsection (a) is entitled to—

“(1) the medical and dental care appropriate for the treatment of the injury, illness, or disease of that person until the resulting disability cannot be materially improved by further hospitalization or treatment; and

“(2) subsistence during hospitalization.

“(c) A member is not entitled to benefits under this section if the injury, illness, or disease, or aggravation of an injury, illness, or disease described in subsection (a)(2), is the result of the gross negligence or misconduct of the member.”

(2) The item relating to section 1074a in the table of sections at the beginning of chapter 55 of such title is amended to read as follows:

“1074a. Medical and dental care: members on duty other than active duty for a period of more than 30 days.”

(b) PAY AND ALLOWANCES FOR DISABLED MEMBERS.—Section 204 of title 37, United States Code, is amended as follows:

(1) Subsections (g) and (h) are amended to read as follows:

“(g) A member of a reserve component of a uniformed service is entitled to the pay and allowances provided by law or regulation for a member of a regular component of a uniformed service of corresponding grade and length of service whenever such member—

“(1) is called or ordered to active duty for a period of more than 30 days; and

“(2) is physically disabled in line of duty from injury, illness, or disease.

“(h)(1) A member of a reserve component of a uniformed service is entitled, upon request, to a portion of the monthly pay and allowances provided by law or regulation for a member of a regular component of a uniformed service of corresponding grade and length of service for each month for which the member demonstrates a loss of income from non-military compensation as a result of an injury, illness, or disease incurred or aggravated—

“(A) in line of duty while performing active duty for a period of 30 days or less;

“(B) in line of duty while performing inactive-duty training (other than work or study in connection with a correspondence course of an armed force or attendance in an inactive status at an educational institution under the sponsorship of an armed force or the Public Health Service); or

“(C) while traveling directly to or from that duty or training.

“(2)(A) Subject to subparagraphs (B) and (C), pay and allowances paid under paragraph (1) shall be in an amount which offsets the loss of income from non-military compensation.

“(B) Pay and allowances may not be paid under paragraph (1) to a member who is enrolled in any other income protection insurance plan to the extent that such payment would result in total benefits to the member of more than the demonstrated loss of income from non-military compensation.

“(C) The total amount of pay and allowances paid under paragraph (1) and compensation paid under section 206(a) of this title for any period may not exceed the amount of pay and allowances provided by law or regulation for a member of a regular component of a uniformed service of corresponding grade and length of service for that period.

“(3) Pay and allowances may be paid under paragraph (1)—

“(A) for a period of not more than six months; or

“(B) for a longer period, if the Secretary concerned determines that it is in the interests of fairness and equity to do so.

“(4) A member is not entitled to benefits under this subsection if the injury, illness, disease, or aggravation of an injury, illness, or

disease described in paragraph (1)(C) is the result of the gross misconduct of the member.

"(5) Regulations with respect to procedures for paying pay and allowances under paragraph (1) shall be prescribed—

"(A) by the Secretary of Defense for the armed forces under the jurisdiction of the Secretary; and

"(B) by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy."

(2) Subsection (i) is repealed.

(3) Subsection (j) is redesignated as subsection (i).

(c) **INACTIVE-DUTY TRAINING PAY FOR DISABLED MEMBERS.**—Section 206(a) of title 37, United States Code, is amended by striking out "entitled to basic pay" the second place it appears and all that follows and inserting in lieu thereof the following: "entitled to basic pay—

"(1) for each regular period of instruction, or period of appropriate duty, at which the member is engaged for at least two hours, including that performed on a Sunday or holiday;

"(2) for the performance of such other equivalent training, instruction, duty, or appropriate duties, as the Secretary may prescribe; or

"(3) for a regular period of instruction that the member is scheduled to perform but is unable to perform because of physical disability resulting from an injury, illness, or disease incurred or aggravated—

"(A) in line of duty while performing—

"(i) active duty for a period of 30 days or less; or

"(ii) inactive-duty training; or

"(B) while traveling directly to or from that duty or training (unless such injury, illness, disease, or aggravation of an injury, illness, or disease is the result of the gross negligence or misconduct of the member)."

(d) **RETIREMENT FOR DISABILITY.**—(1) Sections 1204 and 1206 of title 10, United States Code, are amended by striking out "resulting from an injury".

(2)(A) The heading of section 1204 of such title is amended to read as follows:

"§ 1204. Members on active duty for 30 days or less: retirement".

(2) The heading of section 1205 of such title is amended to read as follows:

"§ 1205. Members on active duty for 30 days or less: temporary disability retired list".

(3) The heading of section 1206 of such title is amended to read as follows:

"§ 1206. Members on active duty for 30 days or less: separation".

(4) The items relating to sections 1204, 1205, and 1206 in the table of sections at the beginning of chapter 61 of such title are amended to read as follows:

"1204. Members on active duty for 30 days or less: retirement.

"1205. Members on active duty for 30 days or less: temporary disability retired list.

"1206. Members on active duty for 30 days or less: separation."

(e) **DEATH BENEFITS.**—(1) Section 1475(a) of title 10, United States Code, is amended by striking out “from an injury incurred by him after December 31, 1956,” in paragraph (3).

(2) Section 1476 of such title is amended—

(A) by striking out subsection (a) and inserting in lieu thereof the following:

“(a)(1) Except as provided in section 1480 of this title, the Secretary concerned shall pay a death gratuity to or for the survivors prescribed in section 1477 of this title of each person who dies within 120 days after discharge or release from—

“(A) active duty; or

“(B) inactive-duty training (other than work or study in connection with a correspondence course of an armed force or attendance, in an inactive status, at an educational institution under the sponsorship of an armed force or the Public Health Service).

“(2) A death gratuity may be paid under paragraph (1) only if the Administrator of Veterans’ Affairs determines that the death resulted from an injury or disease incurred or aggravated during—

“(A) the active duty or inactive-duty training described in paragraph (1); or

“(B) travel directly to or from such duty.”;

(B) by striking out subsection (b); and

(C) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Section 1481(a) of such title is amended—

(A) by striking out paragraph (2) and inserting in lieu thereof the following:

“(2) a member of a reserve component of an armed force who dies while—

“(A) on active duty;

“(B) performing inactive-duty training;

“(C) performing authorized travel directly to or from active duty or inactive-duty training; or

“(D) hospitalized or undergoing treatment for an injury, illness, or disease incurred or aggravated while on active duty or performing inactive-duty training;”;

(B) by striking out paragraph (3).

(f) **TECHNICAL AND CONFORMING AMENDMENTS.**—(1) Title 10, United States Code, is amended as follows:

(A) Sections 3687, 3721, 3722, 6148, 8687, 8721, and 8722 are repealed.

(B)(i) The table of sections at the beginning of chapter 353 is amended by striking out the item relating to section 3687.

(ii) The table of sections at the beginning of chapter 355 is amended by striking out the items relating to sections 3721 and 3722.

(iii) The table of sections at the beginning of chapter 561 is amended by striking out the item relating to section 6148.

(iv) The table of sections at the beginning of chapter 853 is amended by striking out the item relating to section 8687.

(v) The table of sections at the beginning of chapter 855 is amended by striking out the items relating to sections 8721 and 8722.

(C) Sections 1076(a)(2)(B) and 1086(c)(2)(B) are amended by striking out “injury or illness” and inserting in lieu thereof “injury, illness, or disease”.

10 USC 3723,
8723.

(D) Sections 3723 and 8723 are amended by striking out "was injured, or contracted a disease," and inserting in lieu thereof "incurred an injury, illness, or disease,".

(2)(A) Sections 318, 319, 320, and 321 of title 32, United States Code, are repealed.

(B) The table of sections at the beginning of chapter 3 of such title is amended by striking out the items relating to sections 318, 319, 320, and 321.

10 USC 1074a
note.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to persons who, after the date of enactment of this Act, incur or aggravate an injury, illness, or disease or die.

PART B—TRAVEL AND TRANSPORTATION

SEC. 611. TRANSPORTATION OF MOTOR VEHICLES FOR MEMBERS MAKING PERMANENT CHANGES OF STATION

(a) IN GENERAL.—Subsection (a) of section 2634 of title 10, United States Code, is amended—

(1) by striking out "in the case of" and all that follows through "debarkation" in paragraph (4) and inserting in lieu thereof "by other surface transportation"; and

(2) by striking out ", or his designee," in the second sentence.

(b) REVISION TO DEFINITION OF CHANGE OF PERMANENT STATION.—Subsection (b) of such section is amended to read as follows:

"(b) In this section:

"(1) The term 'change of permanent station' means the transfer or assignment of a member of the armed forces from a permanent station inside the continental United States to a permanent station outside the continental United States or from a permanent station outside the continental United States to another permanent station. It also includes an authorized change in home port of a vessel, or a transfer or assignment between two permanent stations in the continental United States when the member cannot, because of injury or the conditions of the order, drive the motor vehicle between the permanent duty stations.

"(2) The term 'continental United States' does not include Alaska."

Armed Forces.

10 USC 113 note.

SEC. 612. COORDINATION OF PERMANENT CHANGE OF STATION MOVES WITH SCHOOL YEAR

The Secretary of each military department shall establish procedures to ensure that, to the maximum extent practicable within operational and other military requirements, permanent change of station moves for members of the Armed Forces under the jurisdiction of the Secretary who have dependents in elementary or secondary school occur at times that avoid disruption of the school schedules of such dependents.

SEC. 613. LIMITATION ON AMOUNT FOR PCS MOVES DURING FISCAL YEAR 1987

The total amount authorized to be appropriated to the Department of Defense for fiscal year 1987 for permanent change of station moves may not exceed \$2,533,760,000.

SEC. 614. REIMBURSEMENT FOR ACTUAL LODGING EXPENSES PLUS PER DIEM FOR MEMBERS ENTITLED TO TRAVEL ALLOWANCES

(a) **IN GENERAL.**—Section 404(d) of title 37, United States Code, is amended—

(1) by striking out “per diem in place of subsistence in an amount not more than \$50 determined by the Secretaries concerned to be sufficient” in paragraph (1)(B) and inserting in lieu thereof “payment in lieu of subsistence as provided in paragraph (2) of this subsection in an amount sufficient”;

(2) by striking out “to be” in paragraph (1)(B) after “travel is”; and

(3) by striking out paragraph (2) and inserting in lieu thereof the following:

“(2) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service entitled to travel and transportation allowances under subsection (a) of this section is entitled to any of the following:

“(A) A per diem allowance at a rate not to exceed that established by the Secretaries concerned.

“(B) Reimbursement for the actual and necessary expenses of official travel not to exceed an amount established by the Secretaries concerned.

“(C) A combination of payments described in subparagraphs (A) and (B) of this paragraph.

“(3) A per diem allowance or maximum amount of reimbursement established for purposes of paragraph (2) of this subsection shall be established, to the extent feasible, by locality.

“(4) For travel consuming less than a full day, the payment prescribed by regulation under paragraph (2) of this subsection shall be allocated in such manner as the Secretaries concerned prescribe.”.

(b) **EFFECTIVE DATE.**—(1) The amendments made by subsection (a) shall become effective on such date as the President makes a certification that payment of lodging expenses and per diem provided under such amendments would result in overall savings to the United States. If such amendments become effective, they shall apply with respect to travel performed on and after the date of the certification by the President.

(2) The President shall cause to be published in the Federal Register a certification made by him under paragraph (1).

37 USC 404 note.

Federal Register, publication.

SEC. 615. TRANSPORTATION AND TRAVEL ALLOWANCES FOR ESCORTS FOR CERTAIN DEPENDENTS

(a) **IN GENERAL.**—(1) Chapter 7 of title 37, United States Code, is amended by adding at the end the following new section:

“§ 431. Travel and transportation: members escorting certain dependents

37 USC 431.

“(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service may be provided round trip transportation and travel allowances for travel performed or to be performed under competent orders as an escort for the member’s dependent when travel by the dependent is authorized by competent authority and the dependent is incapable of traveling alone because of age, mental or physical incapacity, or other extraordinary circumstances.

“(b) Whenever possible, the Military Airlift Command or Military Sealift Command shall be used, on a space-required basis, for the travel authorized by this section.”

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

“431. Travel and transportation: members escorting certain dependents.”

37 USC 431 note.

(b) **EFFECTIVE DATE.**—Section 431 of title 37, United States Code, as added by subsection (a), shall apply with respect to travel performed after September 30, 1986.

SEC. 616. TRAVEL EXPENSES FOR OVERSEAS DEPENDENTS REQUIRING MEDICAL CARE IN CERTAIN CIRCUMSTANCES

(a) **IN GENERAL.**—Section 1040(a) of title 10, United States Code, is amended by striking out the comma after “attendants” and all that follows in the third sentence and inserting in lieu thereof a period and the following: “In addition to transportation of a dependent at the expense of the United States authorized under this subsection, reasonable travel expenses incurred in connection with the transportation of the dependent may be paid at the expense of the United States. Travel expenses authorized by this section may include reimbursement for necessary local travel in the vicinity of the medical facility involved. The transportation and travel expenses authorized by this section may be paid in advance.”

10 USC 1040 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply only to travel performed on or after the date of the enactment of this Act.

SEC. 617. PER DIEM FOR DEPENDENTS RECEIVING TRANSPORTATION ALLOWANCE

(a) **IN GENERAL.**—Section 406 of title 37, United States Code, is amended as follows:

(1) The first sentence of subsection (e) is amended by striking out “, as the case may be,” and inserting in lieu thereof the following: “(as the case may be), plus a per diem,”.

(2) Subsection (f) is amended by inserting after “member” the following: “, plus a per diem for the member’s dependents,”.

(3) Subsection (g)(1) is amended by inserting after “404(c) of this title” the following: “, and to a per diem for his dependents”.

(4) Subsection (j) is amended by inserting after “household effects,” the following: “plus a per diem for the member’s dependents,”.

37 USC 406 note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to travel performed after the date of the enactment of this Act.

SEC. 618. MODIFICATION OF FAMILY SEPARATION ALLOWANCE

(a) **DENIAL OF ALLOWANCE TO CERTAIN MEMBERS.**—(1) Section 427(b) of title 37, United States Code, is amended—

(1) by inserting “(1)” after “(b)”;

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

(3) by designating the second sentence as paragraph (2) and striking out “clause (2) or (3)” in that sentence and inserting in lieu thereof “subparagraph (B) or (C) of paragraph (1)”; and

(4) by adding at the end the following:

“(3) A member who elects to serve a tour of duty unaccompanied by his dependents at a permanent station to which the movement of his dependents is authorized at the expense of the United States under section 406 of this title is not entitled to an allowance under this subsection. The Secretary concerned may waive the preceding sentence in situations in which it would be inequitable to deny the allowance to the member because of unusual family or operational circumstances.”

Ante, p. 3880;
post, p. 3882.

(b) SAVINGS PROVISION.—Notwithstanding the amendments made by subsection (a), a member who on September 30, 1986, was assigned to a permanent station to which the movement of his dependents was authorized at the expense of the United States under section 406 of title 37, United States Code, and who elected to serve a tour of duty at that station unaccompanied by his dependents, shall, until he departs that station as a result of a change of permanent station, be entitled to receive the allowance authorized by section 427(b) of such title without regard to paragraph (3) of such section, as added by subsection (a).

37 USC 427 note.

SEC. 619. IMPROVED DISLOCATION ALLOWANCE

(a) IN GENERAL.—Section 407 of title 37, United States Code, is amended to read as follows:

“§ 407. Travel and transportation allowances: dislocation allowance

“(a) Except as provided in subsections (b), (c), and (d) of this section and under regulations prescribed by the Secretary concerned, a member of a uniformed service is entitled to a dislocation allowance equal to the basic allowance for quarters for two months as provided for the member’s pay grade and dependency status in section 403 of this title if—

“(1) the member’s dependents actually make an authorized move in connection with the member’s change of permanent station, including—

“(A) a move to join the member at the member’s duty station after an unaccompanied tour of duty when the member’s next tour of duty is an accompanied tour at the same station; and

“(B) a move to a location designated by the member after an accompanied tour of duty when the member’s next tour of duty is an unaccompanied tour at the same duty station;

“(2) the member’s dependents actually move pursuant to section 405a(a), 406(e), 406(h), or 554 of this title;

“(3) the member’s dependents actually move from their place of residence under circumstances described in section 406a of this title; or

“(4) the member is without dependents and—

“(A) actually moves to a new permanent station where not assigned to quarters of the United States; or

“(B) actually moves from a place of residence under circumstances described in section 406a of this title.

If a dislocation allowance is paid under clause (3) or (4)(B), the member is not entitled to a dislocation allowance under clause (1).

“(b) Under regulations prescribed by the Secretary concerned, whenever a member is entitled to a dislocation allowance under subsection (a)(3) or (a)(4)(B) of this section, the member is also entitled to a second dislocation allowance equal to the basic allow-

Ante, p. 3880.

37 USC 403.

ance for quarters for two months as provided for a member's pay grade and dependency status in section 403 of this title if, subsequent to the member or member's dependents actually moving from their place of residence under circumstances described in section 406a of this title, the member or member's dependents complete that move to a new location and then actually move from that new location to another location also under circumstances described in section 406a of this title. If a second dislocation allowance is paid under this subsection, the member is not entitled to a dislocation allowance under subsection (a)(1) of this section in connection with those moves.

"(c) A member is not entitled to more than one dislocation allowance during a fiscal year unless—

"(1) the Secretary concerned finds that the exigencies of the service require the member to make more than one change of permanent station during the fiscal year;

"(2) the member is ordered to a service school as a change of permanent station;

"(3) the member's dependents are covered by section 405a(a), 406(e), 406(h), or 554 of this title; or

"(4) the member or the member's dependents are covered by subsection (a)(3), (a)(4)(B), or (b) of this section.

This subsection does not apply in time of national emergency declared after April 1, 1975, or in time of war.

"(d) A member is not entitled to payment of a dislocation allowance when ordered from his home to the first duty station or from the last duty station to his home.

"(e) For purposes of this section, a member whose dependents may not make an authorized move in connection with a change of permanent station is considered a member without dependents."

Ante, p. 3880.

37 USC 407 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply only to moves which commence on or after that date.

SEC. 620. TRANSPORTATION AND STORAGE OF HOUSEHOLD GOODS

(a) ADMINISTRATION OF STORAGE OF EXCESS HOUSEHOLD GOODS.—Section 406(d) of title 37, United States Code, is amended by inserting after the second sentence the following new sentence: "In the event a member's baggage and household effects exceed such maximum weight limitation, the Secretary concerned, if requested to do so by the member, may pay the costs for the nontemporary storage of that excess weight and collect the amount paid from the member's pay and allowances, or collect the amount in such other manner as the Secretary concerned determines appropriate."

(b) EARLY RETURN SHIPMENT OF HOUSEHOLD GOODS AND PRIVATELY OWNED MOTOR VEHICLES FROM OVERSEAS.—(1) Section 406 of such title is amended—

(1) by redesignating subsection (l) as subsection (m); and

(2) by inserting after subsection (k) the following new subsection (l):

"(l) Under uniform regulations prescribed by the Secretaries concerned, a member with dependents who is ordered to make an overseas permanent change of station and who, in anticipation of his dependents accompanying him overseas, ships baggage and household effects to that overseas station, may be authorized a return shipment of the baggage and household effects if, after the shipment, the member's dependents are unable to accompany him over-

seas and the Secretary concerned determines that such inability was unexpected and uncontrollable.”

(2) Section 2634 of title 10, United States Code, as amended by section 611, is further amended by adding at the end the following new subsection:

“(f) When the Secretary concerned makes a determination under section 406(l) of title 37 that the dependents of a member on a permanent change of station are unable to accompany the member to an overseas duty station because of unexpected and uncontrollable circumstances, and the member shipped a motor vehicle pursuant to this section in anticipation of a dependent accompanying the member to the new duty station, the member may reshipe or transship such motor vehicle in accordance with this section.”

Ante, p. 3882.

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall apply to members whose baggage and household goods enter nontemporary storage on or after the date of the enactment of this Act.

37 USC 406 note.

(2) The amendments made by subsection (b) shall apply only with respect to members whose dependents are unable to accompany them to an overseas permanent duty station because of circumstances arising on or after the date of the enactment of this Act.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

SEC. 631. ENHANCED AVIATION OFFICER CONTINUATION PAY

(a) SERVICE FOR QUALIFYING.—Section 301b(e) of title 37, United States Code, is amended—

(1) by striking out “less than seven years” in the third sentence of paragraph (3), and inserting in lieu thereof “less than eight years”; and

(2) by striking out paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to payments made for periods beginning after the date of the enactment of this Act under agreements entered into under section 301b of title 37, United States Code.

37 USC 301b note.

SEC. 632. INCLUSION OF AVIATION CADETS UNDER AVIATION CAREER INCENTIVE PAY

(a) IN GENERAL.—(1) Section 301a(a)(6) of title 37, United States Code, is amended—

(A) by striking out “and” at the end of clause (A);

(B) by striking out the period at the end of clause (B) and inserting in lieu thereof a semicolon and “and”; and

(C) by inserting after clause (B) the following new clause: “(C) ‘officer’ includes an individual enlisted, and designated, as an aviation cadet under section 6911 of title 10.”

(2) Section 301a(b)(1) of such title is amended by striking out “an officer in pay grades O-1 through O-10” and inserting in lieu thereof “a member”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply only with respect to those members of the Armed Forces who are aviation cadets on or after the date of the enactment of this Act. Service as an aviation cadet before that date shall not be counted for any purpose under section 301a of title 37, United States Code.

37 USC 301a note.

SEC. 633. SPECIAL AUTHORITY RELATING TO THE PAYMENT OF SELECTED RESERVE ENLISTMENT BONUS

(a) **IN GENERAL.**—The Secretary concerned may pay an enlistment bonus under section 308c of title 37, United States Code, to any person who enlisted in the Selected Reserve of the Ready Reserve of an Armed Force during the period beginning on October 1, 1985, and ending on November 8, 1985, if such person—

(1) has not been paid an enlistment or reenlistment bonus under section 308c or 308b of title 37, United States Code, since that period; and

(2) enlisted in the good faith belief (as determined by the Secretary concerned) that he would be paid an enlistment bonus under section 308c of title 37, United States Code.

(b) **DEFINITION.**—As used in subsection (a), the term “Secretary concerned” has the meaning provided in section 101(5) of title 37, United States Code.

SEC. 634. SPECIAL PAY FOR MEMBERS PROFICIENT IN FOREIGN LANGUAGES

(a) **AUTHORITY FOR SPECIAL PAY.**—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

37 USC 316.

“§ 316. Special pay: foreign language proficiency pay

“(a) A member of the armed forces—

“(1) who is entitled to basic pay under section 204 of this title;

“(2) who has been certified by the Secretary concerned within the past 12 months to be proficient in a foreign language identified by the Secretary of Defense as being a language in which it is necessary to have personnel proficient because of national defense considerations; and

“(3) who—

“(A) is qualified in a military specialty requiring such proficiency;

“(B) received training, under regulations prescribed by the Secretary concerned, designed to develop such proficiency;

“(C) is assigned to military duties requiring such a proficiency; or

“(D) is proficient in a foreign language for which the Department of Defense may have a critical need (as determined by the Secretary of Defense),

may be paid special pay under this section in addition to any other pay or allowance to which the member is entitled.

“(b) The monthly rate for special pay under subsection (a) shall be determined by the Secretary concerned and may not exceed \$100.

“(c)(1) Under regulations prescribed by the Secretary concerned, when a member of a reserve component who is entitled to compensation under section 206 of this title meets the requirements for special pay authorized in subsection (a), except the requirement prescribed in subsection (a)(1), the member may be paid an increase in compensation equal to one-thirtieth of the monthly special pay authorized under subsection (b) for a member who is entitled to basic pay under section 204 of this title.

“(2) A member eligible for increased compensation under paragraph (1) shall be paid such increase—

Ante, p. 3875.

Ante, p. 3876.

“(A) for each regular period of instruction, or period of appropriate duty, in which he is engaged for at least two hours, including instruction received or duty performed on a Sunday or holiday; and

“(B) for each period of performance of such other equivalent training, instruction, duty, or appropriate duties, as the Secretary concerned may prescribe.

“(3) This subsection does not apply to a member who is entitled to basic pay under section 204 of this title.

Ante, p. 3875.

“(d) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when the Coast Guard is not operating as a service in the Navy.”

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

“316. Special pay: foreign language proficiency pay.”

(b) **EFFECTIVE DATE.**—Section 316 of title 37, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act, and shall apply with respect to pay periods beginning on or after that date.

37 USC 316 note.

(c) **LIMITATIONS ON OBLIGATIONS.**—Not more than \$7,300,000 may be obligated or expended for the payment of the special pay authorized by section 316 of title 37, United States Code (as added by this section), during fiscal year 1987, and not more than \$9,000,000 may be obligated or expended for such purpose during fiscal year 1988.

PART D—BENEFITS FOR SURVIVORS AND FORMER SPOUSES

SEC. 641. COURT-ORDERED SURVIVOR ANNUITIES FOR FORMER SPOUSES

(a) **GENERAL RULE.**—Paragraph (4) of section 1450(f) of title 10, United States Code, is amended to read as follows:

“(4) A court order may require a person to elect (or to enter into an agreement to elect) under section 1448(b) of this title to provide an annuity to a former spouse (or to both a former spouse and child).”

(b) **CONFORMING AMENDMENTS.**—

(1) Section 1448(b)(5) of such title is amended by inserting “(A) whether the election is being made pursuant to the requirements of a court order, or (B)” after “setting forth”.

(2) Paragraph (2) of section 1450(f) of such title is amended—

(A) by striking out “enters into” and all that follows through “pursuant to such agreement” and inserting in lieu thereof “is required by a court order to elect under section 1448(b) of this title to provide an annuity to a former spouse (or to both a former spouse and child), or who enters into a written agreement (whether voluntary or required by a court order) to make such an election, and who makes an election pursuant to such order or agreement.”;

(B) by striking out “in a case in which such agreement” at the beginning of subparagraph (A) and inserting in lieu thereof “in a case in which the election is required by a

court order, or in which an agreement to make the election”;

(C) by striking out “relating to the agreement to make such election” and inserting in lieu thereof “relating to such election, or the agreement to make such election,”; and

(D) by striking out “in which such agreement” at the beginning of subparagraph (B) and inserting in lieu thereof “of a written agreement that”.

(3) Paragraph (3)(A) of such section is amended—

(A) by striking out “voluntary” both places it appears;

(B) by inserting “or if such person is required by a court order to make such an election,” after “applicable State law” the first place it appears; and

(C) by inserting “requires such election or” after “on its face, which”.

(c) **EFFECTIVE DATE.**—The amendments made by this section apply to court orders issued on or after the date of the enactment of this Act.

10 USC 1450
note.

SEC. 642. ANNUITY FOR A DEPENDENT CHILD

(a) **REPEAL OF COMMON-ACCIDENT LIMITATION.**—(1) Subsection (d)(2) of section 1448 of title 10, United States Code, is amended by striking out “if the member and the member’s spouse die as a result of a common accident” and inserting in lieu thereof “if there is no surviving spouse or if the member’s surviving spouse subsequently dies”.

(2) Subsection (f)(2) of such section is amended by striking out “if the person and the person’s spouse die as a result of a common accident” and inserting in lieu thereof “if there is no surviving spouse or if the person’s surviving spouse subsequently dies”.

(b) **AMOUNT OF ANNUITY FOR DISABLED CHILD OVER AGE 62.**—(1) Subsection (a) of section 1451 of such title is amended—

(A) by inserting “or is a dependent child” in paragraphs (1)(A) and (2)(A) after “under 62 years of age”; and

(B) by inserting “(other than a dependent child)” in paragraphs (1)(B) and (2)(B) after “beneficiary”.

(2) Subsection (c)(1) of such section is amended—

(A) by inserting “or is a dependent child” in subparagraph (A) after “under 62 years of age”; and

(B) by inserting “(other than a dependent child)” in subparagraph (B) after “receiving the annuity”.

(c) **EFFECTIVE DATES.**—The amendments made by subsection (a) shall apply only to claims arising on or after March 1, 1986. The amendments made by subsection (b) shall apply to payments for periods after February 28, 1986.

10 USC 1448
note.

SEC. 643. AGE AT WHICH REMARRIAGE TERMINATES SPOUSE SURVIVOR BENEFIT

(a) **REDUCTION FROM AGE 60 TO AGE 55.**—Section 1450(b) of such title is amended by striking out “age 60” both places it appears and inserting in lieu thereof “age 55”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply with respect to remarriages that occur on or after the date of the enactment of this Act, but only with respect to payments for periods after the date of the enactment of this Act.

10 USC 1450.

10 USC 1450
note.

SEC. 644. REVISION OF DEFINITION OF DISPOSABLE RETIRED PAY FOR PURPOSES OF COURT ORDERS

(a) **IN GENERAL.**—Section 1408(a)(4) of such title is amended— 10 USC 1408.

(1) by striking out “(other than)” and all that follows through “title)” in the matter preceding subparagraph (A); and

(2) by striking out subparagraph (E) and inserting in lieu thereof the following:

“(E) in the case of a member entitled to retired pay under chapter 61 of this title, are equal to the amount of retired pay of the member under that chapter computed using the percentage of the member’s disability on the date when the member was retired (or the date on which the member’s name was placed on the temporary disability retired list); or” 10 USC 1201 et seq.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply with respect to court orders issued after the date of the enactment of this Act. 10 USC 1408 note.

SEC. 645. REVISION OF OPEN PERIOD TO ELECT FORMER SPOUSE AND CHILD COVERAGE 10 USC 1448 note.

Section 716(b) of the Survivor Benefit Plan Amendments of 1985 (title VII of Public Law 99-145; 99 Stat. 674) is amended—

(1) by striking out “the date of the enactment of this Act” and inserting in lieu thereof “March 1, 1986,”;

(2) by striking out “, within the one-year period beginning on that date of enactment,”; and

(3) by adding at the end the following new sentence: “Such an election must be made—

“(1) not later than March 1, 1987, in the case of a person who made the election to provide an annuity for a former spouse before November 8, 1985; and

“(2) not later than the end of the one-year period beginning on the date of the enactment of the Department of Defense Authorization Act, 1987, in the case of a person who made the election to provide an annuity for a former spouse during the period beginning on November 8, 1985, and ending on February 28, 1986.”.

SEC. 646. EXTENSION OF MEDICAL BENEFITS FOR CERTAIN FORMER SPOUSES 10 USC 1072 note.

Section 645(c) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2549), is amended by striking out “during the two-year period” and inserting in lieu thereof “until the later of (1) April 1, 1988, and (2) the last day of the two-year period”.

PART E—MISCELLANEOUS BENEFITS**SEC. 651. TUITION ASSISTANCE FOR ARMY RESERVE COMPONENT OFFICERS**

(a) **IN GENERAL.**—Section 2007 of title 10, United States Code, is amended—

(1) by inserting “on active duty” in subsection (a)(3) after “a commissioned officer”; and

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

“(c)(1) Subject to paragraphs (2) and (3), the Secretary of the Army may pay not more than 75 percent of the charges of an educational institution for the tuition or expenses of an officer in the Selected Reserve of the Army National Guard or the Army Reserve for

education or training of such officer in a program leading to a baccalaureate degree.

“(2) The Secretary may not pay charges under paragraph (1) for tuition or expenses of an officer unless the officer agrees to remain a member of the Selected Reserve for at least four years after completion of the education or training for which the charges are paid.

“(3) The Secretary may not pay charges under paragraph (1)—

“(A) for a warrant officer; or

“(B) for an officer on active duty or full-time National Guard duty.”

(b) **LIMITATION ON AMOUNT FOR FISCAL YEAR 1987.**—The total amount obligated by the Secretary of the Army under subsection (c) of section 2007 of title 10, United States Code, as added by subsection (a), during fiscal year 1987 may not exceed \$3,000,000.

(c) **EFFECTIVE DATE.**—Subsection (c) of section 2007 of title 10, United States Code, as added by subsection (a), shall take effect on the date of the enactment of this Act.

10 USC 2007
note.

SEC. 652. BENEFITS FOR DEPENDENTS OF CERTAIN SENTENCED, DISCHARGED, OR DISMISSED MEMBERS

(a) **TRAVEL AND TRANSPORTATION OF DEPENDENTS.**—Paragraph (2)(A) of section 406(a) of title 37, United States Code, is amended to read as follows:

“(2)(A) Except as provided in subparagraph (B) of this paragraph, a member who—

“(i) is separated from the service or released from active duty; and

“(ii) on the date of his separation from the service or release from active duty, has not served on active duty for a period of time equal to at least 90 percent of the period of time for which he initially enlisted or otherwise initially agreed to serve, may be provided transportation under this subsection for his dependents only by transportation in kind by the least expensive mode of transportation available or by a monetary allowance that does not exceed the cost to the Government of such transportation in kind.”

(b) **TRANSPORTATION OF HOUSEHOLD EFFECTS.**—Section 406(h) of such title is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following:

“(1) If the Secretary concerned determines that it is in the best interests of a member described in paragraph (2) or the member's dependents and the United States, the Secretary may, when orders directing a change of permanent station for the member concerned have not been issued, or when they have been issued but cannot be used as authority for the transportation of the member's dependents, baggage, and household effects—

“(A) authorize the movement of the member's dependents, baggage, and household effects at the station to an appropriate location in the United States or its possessions or, if the dependents are foreign nationals, to the country of the dependents' origin and prescribe transportation in kind, reimbursement therefor, or a monetary allowance in place thereof, as the case may be, plus a per diem, as authorized under subsection (a) or (b); and

“(B) in the case of a member described in paragraph (2)(A), authorize the transportation of one motor vehicle that is owned

by the member (or a dependent of the member) and is for his dependents' personal use to that location by means of transportation authorized under section 2634 of title 10." and

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

"(2) A member referred to in paragraph (1) is a member who—

"(A) is serving at a station outside the United States or in Hawaii or Alaska;

"(B) receives an administrative discharge under other than honorable conditions; or

"(C) is sentenced by a court-martial—

"(i) to be confined for a period of more than 30 days,

"(ii) to receive a dishonorable or bad-conduct discharge,

or

"(iii) to be dismissed from a uniformed service,

if the sentence is approved under section 860(c)(2) of title 10."

(c) **MEDICAL CARE AT DOD FACILITIES.**—Section 1076 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) Subject to paragraph (3), if—

"(A) a member of a uniformed service receives a dishonorable or bad-conduct discharge or is dismissed from a uniformed service as a result of a court-martial conviction for an offense involving abuse of a dependent of the member, as determined in accordance with regulations prescribed by the administering Secretary for such uniformed service; and

"(B) the abused dependent needs medical or dental care for an injury or illness resulting from the abuse,

the administering Secretary may, upon request of the abused dependent, furnish medical or dental care to the dependent for the treatment of such injury or illness in facilities of the uniformed services.

"(2) Subject to paragraph (3), upon request of any dependent of a member of a uniformed service punished for an abuse described in paragraph (1)(A), the administering Secretary for such uniformed service may furnish medical care in facilities of the uniformed services to the dependent for the treatment of any adverse health condition resulting from such dependent's knowledge of (A) the abuse, or (B) any injury or illness suffered by the abused person as a result of such abuse.

"(3) Medical and dental care furnished to a dependent of a member of the uniformed services in facilities of the uniformed services under paragraph (1) or (2)—

"(A) shall be limited to the health care prescribed by section 1077 of this title;

"(B) shall be subject to the availability of space and facilities and the capabilities of the medical and dental staff; and

"(C) shall terminate 1 year after the date on which the member is discharged or dismissed from a uniformed service as described in paragraph (1)(A)."

(d) **CHAMPUS.**—Section 1079 of such title is amended by adding at the end the following new subsection:

"(1)(1) Contracts entered into under subsection (a) shall also provide for medical care for dependents of former members of the uniformed services who are authorized to receive medical and dental care under section 1076(e) of this title in facilities of the uniformed services.

Hawaii.
Alaska.

Contracts.

Ante, p. 3889.

“(2) Except as provided in paragraph (3), medical care in the case of a dependent described in section 1076(e) shall be furnished under the same conditions and subject to the same limitations as medical care furnished under this section to spouses and children of members of the uniformed services described in the first sentence of subsection (a).

“(3) Medical care may be furnished to a dependent pursuant to paragraph (1) only for an injury, illness, or other condition described in section 1076(e) of this title.”

37 USC 406 note.

(e) **EFFECTIVE DATES.**—(1) The amendment made by subsection (a) shall apply only with respect to members discharged or released from active duty on or after the date of the enactment of this Act.

(2)(A) The amendments made by subsection (b) shall apply with respect to dependents about whom a determination by the Secretary concerned is made on or after the date of the enactment of this Act.

(B) In the case of a member described in section 406(h)(2)(c) of such title 37 (as added by subsection (b)), the benefits provided for the dependents of the member shall accrue on the date that the sentence is approved under section 860 of title 10, United States Code.

10 USC 1076 note.

(3) The amendment made by subsection (c) shall apply only with respect to dependents who request medical or dental care on or after the date of the enactment of this Act.

10 USC 1079 note.

(4) The amendment made by subsection (d) shall apply only with respect to care furnished under section 1079 of title 10, United States Code, on or after the date of the enactment of this Act.

SEC. 653. IMPROVED EMPLOYMENT OPPORTUNITIES FOR MILITARY SPOUSES

10 USC 113 note.

Section 806(b)(2) of the Military Family Act of 1985 (title VIII of Public Law 99-145; 99 Stat. 680) is amended by striking out “GS-7” and inserting in lieu thereof “GS-4”.

SEC. 654. RETIREMENT CREDIT FOR CERTAIN FORMER NATIONAL GUARD TECHNICIANS

32 USC 709 note.

(a) **CIVIL SERVICE RETIREMENT CREDIT.**—A period of service performed under section 709 of title 32, United States Code (or under a prior corresponding provision of law), before January 1, 1969, which would not otherwise be creditable under subchapter III of chapter 83 of title 5, United States Code, because of the antepenultimate sentence of section 8332(b) of such title, shall be considered creditable service under such subchapter, notwithstanding such sentence, in the case of an individual described in subsection (b).

5 USC 8331 et seq.

(b) **COVERED INDIVIDUALS.**—Subsection (a) applies in the case of an individual who—

(1) before the end of the 14-month period beginning on the date of the enactment of this Act, files appropriate written application with the Office of Personnel Management in accordance with regulations under subsection (c);

(2) at the time of filing application under paragraph (1), is employed by the United States and is subject to subchapter III of chapter 83 of title 5, United States Code (other than under section 8344 of such title); and

(3) before the date of the separation on which entitlement to an annuity under subchapter III of chapter 83 of title 5, United States Code, is based, makes an appropriate deposit under section 8334(c) of such title with respect to the period of service involved, based on the percentage of basic pay for such service

which would be required under such section if such service had been performed as an employee under such subchapter.

(c) REGULATIONS.—The Office of Personnel Management shall prescribe regulations to carry out subsection (a). Such regulations shall be prescribed not later than 60 days after the date of the enactment of this Act.

SEC. 655. MEAL REIMBURSEMENT FOR NONPROFIT YOUTH GROUPS RESIDING AT MILITARY INSTALLATIONS

Section 1011(b) of title 37, United States Code, is amended by inserting after "military installation" in the second sentence the following: "or when residing at a military installation pursuant to an agreement in effect on June 30, 1986,".

SEC. 656. PERIOD FOR USE OF COMMISSARIES BY MEMBERS OF SELECTED RESERVE

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1052. Period for use of commissary stores: eligibility attributable to active duty for training 10 USC 1052.

"(a) PERIOD FOR USE OF ELIGIBILITY.—If, under regulations establishing eligibility for use of commissary stores, a member of the armed forces accrues eligibility to use commissary stores of the Department of Defense by reason of the performance of active duty for training, the Secretary concerned shall authorize the member to have one year from the date on which the member performs active duty for training to use a day of eligibility for using commissary stores attributable to the performance of that duty.

"(b) LIMITATION.—A member may not use commissary stores by reason of this section for more than 14 days in any period of 365 days.

"(c) REGULATIONS.—The Secretary concerned shall prescribe regulations, subject to the approval of the Secretary of Defense, to carry out this section."

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

"1052. Period for use of commissary stores: eligibility attributable to active duty for training."

(b) REPEAL OF TEST PROGRAM.—Section 1013 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 665), is repealed.

(c) EFFECTIVE DATE.—Section 1052 of title 10, United States Code, as added by the amendments made by subsection (a), and the repeal made by subsection (b), shall apply only with respect to active duty for training performed on or after the date of the enactment of this Act.

10 USC 1052
note.

PART F—ADMINISTRATION OF PERSONNEL BENEFITS

SEC. 661. ENHANCED METHOD FOR DETERMINING TRUE COSTS OF MILITARY RETIREMENT

(a) USE OF DUAL PERCENTAGE DETERMINATIONS.—Section 1465(b)(1) of title 10, United States Code, is amended by striking out the second sentence and inserting in lieu thereof the following: "That amount shall be the sum of the following:

"(A) The product of—

“(i) the current estimate of the value of the single level percentage of basic pay to be determined under subsection (c)(1)(A) at the time of the next actuarial valuation under subsection (c); and

“(ii) the total amount of basic pay expected to be paid during that fiscal year to members of the armed forces (other than the Coast Guard) on active duty (other than active duty for training) or full-time National Guard duty (other than full-time National Guard duty for training only).

“(B) The product of—

“(i) the current estimate of the value of the single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) to be determined under subsection (c)(1)(B) at the time of the next actuarial valuation under subsection (c); and

“(ii) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37) expected to be paid during that fiscal year to members of the Ready Reserve of the armed forces (other than the Coast Guard and other than members on full-time National Guard duty other than for training) who are not otherwise described in subparagraph (A)(ii).”

Ante, p. 3876.

10 USC 1465.

(2) Section 1465(c)(1) of such title is amended by striking out the second sentence and inserting in lieu thereof the following: “Each actuarial valuation of such programs shall include—

“(A) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay for members of the armed forces (other than the Coast Guard) on active duty (other than active duty for training) or full-time National Guard duty (other than full-time National Guard duty for training only); and

“(B) a determination (using the aggregate entry-age normal cost method) of a single level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) for members of the Ready Reserve of the armed forces (other than the Coast Guard and other than members on full-time National Guard duty other than for training) who are not otherwise described by subparagraph (A).

Such single level percentages shall be used for the purposes of subsection (b) and section 1466(a) of this title.”

(b) PAYMENTS INTO MILITARY RETIREMENT FUND BASED ON DUAL DETERMINATIONS.—The first sentence of section 1466(a) of such title is amended by striking out “the amount that is” and all that follows in such sentence and inserting in lieu thereof “the amount that is the sum of the following:

“(1) The product of—

“(A) the level percentage of basic pay determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 1465(c)(1)(A) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

“(B) the total amount of basic pay paid that month to members of the armed forces (other than the Coast Guard)

on active duty (other than active duty for training) or full-time National Guard duty (other than full-time National Guard duty for training only).

“(2) The product of—

“(A) the level percentage of basic pay and of compensation (paid pursuant to section 206 of title 37) determined using all the methods and assumptions approved for the most recent (as of the first day of the current fiscal year) actuarial valuation under section 1465(c)(1)(B) of this title (except that any statutory change in the military retirement and survivor benefit systems that is effective after the date of that valuation and on or before the first day of the current fiscal year shall be used in such determination); and

Ante, p. 3876.

“(B) the total amount of basic pay and of compensation (paid pursuant to section 206 of title 37) paid that month to members of the Ready Reserve of the armed forces (other than the Coast Guard and other than members on full-time National Guard duty other than for training) who are not otherwise described in paragraph (1)(B).”

(c) DEVELOPMENT AND SUBMISSION OF DATA ON RESERVE COMPONENTS.—Not later than September 30, 1987, the Secretary of each military department shall develop the data required pursuant to Department of Defense Instruction Number 7730.54 (dated May 7, 1986) and submit such data to the Secretary of Defense. In accordance with such instruction, such data shall include the following with respect to each member of a reserve component:

- (1) Date of initial entry into military service.
- (2) Total days of active Federal military service.
- (3) Years creditable for Reserve retirement under chapter 67 of title 10, United States Code.
- (4) Reserve component accumulated total creditable retirement points earned during the member's most recently completed retirement year.
- (5) Reserve component accumulated paid points earned during the member's most recently completed retirement year.
- (6) Reserve component total accumulated creditable points toward retirement earned during the member's career.

10 USC 1331 *et seq.*

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to payments required to be made under section 1466(a) of title 10, United States Code, as amended by subsection (b), for months beginning on or after the date of the enactment of this Act.

10 USC 1465 note.

SEC. 662. AUTHORITY TO PAY BANK CHARGES IN THE EVENT OF GOVERNMENT ERROR IN MANDATORY DIRECT DEPOSIT OF MEMBERS' PAY

(a) IN GENERAL.—(1) Chapter 53 of title 10, United States Code (as amended by section 656), is amended by adding at the end the following new section:

“§ 1053. Relief for expenses because of error in mandatory direct deposit of pay

10 USC 1053.

“(a) A member of the armed forces who, by law or regulation, is required to participate in a program for the automatic deposit of pay to a financial institution may be reimbursed for overdraft charges levied by the financial institution when such charges result from an

administrative or mechanical error on the part of the Government that causes such member's pay to be deposited late or in an incorrect amount or manner.

"(b) Reimbursements under this section shall be made from appropriations available for the pay and allowances of members of the armed force concerned.

"(c) The Secretaries concerned shall prescribe regulations to carry out this section, including regulations for the manner in which reimbursement under this section is to be made.

"(d) In this section, the term 'financial institution' has the meaning given that term in section 3332 of title 31."

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

"1053. Relief for expenses because of error in mandatory direct deposit of pay."

10 USC 1053
note.

(c) **EFFECTIVE DATE.**—Section 1053 of title 10, United States Code, as added by subsection (a), shall apply only with respect to charges levied as a result of errors occurring on or after the date of the enactment of this Act.

37 USC 308 note.

SEC. 663. COST REDUCTIONS FOR FISCAL YEAR 1987

(a) **SELECTIVE REENLISTMENT BONUS.**—During fiscal year 1987, the Secretary concerned may not pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

(b) **RESERVE UNIT AND INDIVIDUAL TRAINING.**—During fiscal year 1987, the amount spent for reserve unit and individual training may not exceed \$5,084,500,000.

TITLE VII—HEALTH-CARE MANAGEMENT REFORM

SEC. 701. IMPROVEMENT OF MILITARY HEALTH-CARE DELIVERY SYSTEM

(a) **IN GENERAL.**—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end the following new sections:

10 USC 1096.

"§ 1096. Military-civilian health services partnership program

"(a) **RESOURCES SHARING AGREEMENTS.**—The Secretary of Defense may enter into an agreement providing for the sharing of resources between facilities of the uniformed services and facilities of a civilian health care provider or providers that the Secretary contracts with under section 1079, 1086, or 1097 of this title if the Secretary determines that such an agreement would result in the delivery of health care to which covered beneficiaries are entitled under this chapter in a more effective, efficient, or economical manner.

10 USC 1079,
1086, 1097.

"(b) **ELIGIBLE RESOURCES.**—An agreement entered into under subsection (a) may provide for the sharing of—

"(1) personnel (including support personnel);

"(2) equipment;

"(3) supplies; and

"(4) any other items or facilities necessary for the provision of health care services.

"(c) **COMPUTATION OF CHARGES.**—A covered beneficiary, with respect to care provided to such beneficiary in facilities of the uniformed services under a sharing agreement entered into under subsection (a), shall pay—

“(1) in the case of a dependent, the charges prescribed by section 1078 of this title; and

10 USC 1078.

“(2) in the case of a member or former member entitled to retired or retainer pay, the charges prescribed by section 1075 of this title.

10 USC 1075.

“§ 1097. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care

10 USC 1097.

“(a) IN GENERAL.—The Secretary of Defense, after consulting with the other administering Secretaries, may contract for the delivery of health care to which covered beneficiaries are entitled under this chapter. The Secretary may enter into a contract under this section with any of the following:

“(1) Health maintenance organizations.

“(2) Preferred provider organizations.

“(3) Individual providers, individual medical facilities, or insurers.

“(4) Consortiums of such providers, facilities, or insurers.

“(b) SCOPE OF COVERAGE UNDER HEALTH CARE PLANS.—A contract entered into under this section may provide for the delivery of—

“(1) selected health care services;

“(2) total health care services for selected covered beneficiaries; or

“(3) total health care services for all covered beneficiaries who reside in a geographical area designated by the Secretary.

“(c) CHARGES FOR HEALTH CARE.—The Secretary of Defense may prescribe by regulation a premium, deductible, copayment, or other charge for health care provided under this section.

“§ 1098. Incentives for participation in cost-effective health care plans

10 USC 1098.

“(a) WAIVER OF LIMITATIONS AND COPAYMENTS.—Subject to subsections (b) and (c), the Secretary of Defense, with respect to any plan contracted for under the authority of section 1079 or 1086 of this title, may waive, in whole or in part—

Contracts.

“(1) any limitation set out in the second sentence of section 1079(a) of this title; or

10 USC 1079, 1086.

“(2) any requirement for payment by the patient under section 1079(b) or 1086(b) of this title.

“(b) DETERMINATION AND REPORT.—(1) Subject to paragraph (3), the Secretary may waive a limitation or requirement as authorized by subsection (a) if the Secretary determines that during the period of the waiver such a plan will—

“(A) be less costly to the Government than a plan subject to such limitations or payment requirements; or

“(B) provide better services than those provided by a plan subject to such limitations or payment requirements at no additional cost to the Government.

“(2) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report with respect to a waiver under paragraph (1), including a comparison of costs of and benefits available under—

Reports.

“(A) a plan with respect to which the limitations and payment requirements are waived; and

“(B) a plan with respect to which there is no such waiver

“(3) A waiver under paragraph (1) may not take effect until the end of the 180-day period beginning on the date on which the

Secretary submits the report required by paragraph (2) with respect to such waiver.

10 USC 1099.

“§ 1099. Health care enrollment system

“(a) **ESTABLISHMENT OF SYSTEM.**—The Secretary of Defense, after consultation with the other administering Secretaries, shall establish a system of health care enrollment for covered beneficiaries who reside in the United States.

“(b) **DESCRIPTION OF SYSTEM.**—Such system shall—

“(1) allow covered beneficiaries to elect a health care plan from eligible health care plans designated by the Secretary of Defense; or

“(2) if necessary in order to ensure full use of facilities of the uniformed services in a geographical area, assign covered beneficiaries who reside in such area to such facilities.

“(c) **HEALTH CARE PLANS AVAILABLE UNDER SYSTEM.**—A health care plan designated by the Secretary of Defense under the system described in subsection (a) shall provide all health care to which a covered beneficiary is entitled under this chapter. Such a plan may consist of any of the following:

“(1) Use of facilities of the uniformed services.

“(2) The Civilian Health and Medical Program of the Uniformed Services.

Contracts.

“(3) Any other health care plan contracted for by the Secretary of Defense.

“(4) Any combination of the plans described in paragraphs (1), (2), and (3).

“(d) **REGULATIONS.**—The Secretary of Defense, after consultation with the other administering Secretaries, shall prescribe regulations to carry out this section.

10 USC 1100.

“§ 1100. Military Health Care Account

“(a) **ESTABLISHMENT OF ACCOUNT.**—(1) There is hereby established in the Department of Defense an account to be known as the ‘Military Health Care Account’. All sums appropriated to carry out the functions of the Secretary of Defense with respect to the Civilian Health and Medical Program of the Uniformed Services shall be appropriated to the account.

“(2) Amounts appropriated to the account shall remain available until obligated or expended under subsection (b) or (c).

Contracts.

“(b) **OBLIGATION OF AMOUNTS FROM ACCOUNT BY SECRETARY OF DEFENSE.**—The Secretary of Defense may obligate or expend funds from the account for purposes of entering into a contract under section 1079, 1086, 1092, or 1097 of this title to the extent amounts are available in the account.

10 USC 1079, 1086, 1092; ante, p. 3895.

“(c) **ALLOCATION OF AMOUNTS IN ACCOUNT FOR PROVISION OF MEDICAL CARE BY SERVICE SECRETARIES.**—(1) The Secretary of a military department shall, before the beginning of a fiscal year quarter, provide to the Secretary of Defense an estimate of the amounts necessary to pay for charges for benefits under the program for covered beneficiaries under the jurisdiction of the Secretary for that quarter.

“(2) The Secretary of Defense shall, subject to amounts provided in advance in appropriation Acts, make available to each Secretary of a military department the amount from the account that the Secretary of Defense determines is necessary to pay for charges for

benefits under the program for covered beneficiaries under the jurisdiction of such Secretary for that quarter.

“(d) EXPENDITURE OF AMOUNTS FROM ACCOUNT BY SERVICE SECRETARIES.—The Secretary of a military department shall provide medical and dental care to covered beneficiaries under the jurisdiction of the Secretary for a fiscal year quarter from amounts appropriated to the Secretary and from amounts from the account made available for that quarter to the Secretary by the Secretary of Defense. If the Secretary of a military department exhausts the amounts from the account made available to the Secretary for a fiscal year quarter, the Secretary shall transfer to the account from amounts appropriated to the Secretary an amount sufficient to provide medical and dental care to covered beneficiaries under the jurisdiction of the Secretary for the remainder of the fiscal year quarter.

“(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘account’ means the Military Health Care Account established in subsection (a).

“(2) The term ‘program’ means the Civilian Health and Medical Program of the Uniformed Services.

“§ 1101. Diagnosis-related groups

10 USC 1101.

“(a) ESTABLISHMENT OF DRGs.—The Secretary of Defense, after consultation with the other administering Secretaries, shall establish by regulation the use of diagnosis-related groups as the primary criteria for allocation of resources to facilities of the uniformed services.

“(b) EXCEPTION FOR MOBILIZATION MISSIONS.—Diagnosis-related groups shall not be used to allocate resources to the facilities of the uniformed services to the extent that such resources are required by such facilities for mobilization missions.

“(c) CONTENT OF REGULATIONS.—(1) Such regulations shall establish a system of diagnosis-related groups similar to the system established under section 1886(d)(4) of the Social Security Act (42 U.S.C. 1395ww(d)(4)). Such regulations shall include the following:

“(1) A classification of inpatient treatments by diagnosis-related groups and a similar classification of outpatient treatment.

“(2) A methodology for classifying specific treatments within such groups.

“(3) An appropriate weighting factor for each such diagnosis-related group which reflects the relative resources used by a facility of a uniformed service with respect to treatments classified within that group compared to treatments classified within other groups.”

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

“1096. Military-civilian health services partnership program.

“1097. Contracts for medical care for retirees, dependents, and survivors: alternative delivery of health care.

“1098. Incentives for participation in cost-effective health care plans.

“1099. Health care enrollment system.

“1100. Military Health Care Account.

“1101. Diagnosis-related groups.”

(b) DEFINITIONS.—Section 1072 of title 10, United States Code, is amended—

(1) by striking out “‘Uniformed services’ means” in paragraph (1) and inserting in lieu thereof “The term ‘uniformed services’ means”;

(2) by striking out “‘Dependent’, with respect to” in paragraph (2) and inserting in lieu thereof “The term ‘dependent’, with respect to”;

(3) by striking out “‘Administering Secretaries’ means” in paragraph (3) and inserting in lieu thereof “The term ‘administering Secretaries’ means”; and

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

“(4) The term ‘Civilian Health and Medical Program of the Uniformed Services’ means the program authorized under sections 1079 and 1086 of this title and includes contracts entered into under section 1091 or 1097 of this title and demonstration projects under section 1092 of this title.

“(5) The term ‘covered beneficiary’ means a beneficiary under this chapter other than a beneficiary under section 1074(a) of this title.”

(c) REPORTS TO CONGRESS.—(1) Not later than July 1, 1987, the Secretary of Defense shall submit to Congress a report detailing—

(A) any plans to establish or implement a system of health care enrollment (other than as required under section 702(a)(2)(C)) under section 1099(a) of title 10, United States Code (as added by subsection (a)(1)); and

(B) the plan of the Secretary for completing the implementation of such system.

(2) The Secretary shall submit to Congress—

(1) not later than May 1, 1987, a report on plans of the Secretary for establishing diagnosis-related groups for inpatient services under section 1100(a) of title 10, United States Code (as added by subsection (a)(1)); and

(2) not later than May 1, 1988, a report on plans of the Secretary for establishing diagnosis-related groups for outpatient services under such section.

(d) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the Secretary of Defense shall prescribe regulations as required by section 1099(d) of title 10, United States Code (as added by subsection (a)(1)) to implement the system of health care enrollment for covered beneficiaries—

(A) on October 1, 1987, with respect to—

(i) covered beneficiaries included in the demonstration project required under section 702; and

(ii) facilities of the uniformed services located in the geographical area covered by the demonstration project; and

(B) not later than September 30, 1990, for all other covered beneficiaries and facilities of the uniformed services.

(2) The Secretary may not assign covered beneficiaries to facilities of the uniformed services, as authorized by section 1099(b)(2) of such title (as added by subsection (a)(1)), before October 1, 1990.

(3) Section 1100 of such title (as added by subsection (a)(1)) shall take effect on October 1, 1987.

(4) The Secretary of Defense shall prescribe regulations as required by section 1101(a) of such title (as added by subsection (a)(1)) to take effect—

10 USC 1079,
1086.

10 USC 1091,
1097.

10 USC 1092.

10 USC 1074.

10 USC 1099
note.

10 USC 1100
note.

10 USC 1099
note.

Effective date.

10 USC 1100
note.

10 USC 1101
note.

(A) in the case of inpatient treatments, after September 30, 1987; and

(B) in the case of outpatient treatments, after September 30, 1988.

SEC. 702. CHAMPUS REFORM INITIATIVE

10 USC 1073
note.
Contracts.

(a) **DEMONSTRATION PROJECT.**—(1) The Secretary of Defense shall conduct a project designed to demonstrate the feasibility of improving the effectiveness of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) through the competitive selection of contractors to financially underwrite the delivery of health care services under the program.

(2) The demonstration project required by paragraph (1)—

(A) shall begin not later than September 30, 1988, and continue for not less than one year;

(B) shall include not more than one-third of covered beneficiaries; and

(C) shall include a health care enrollment system that meets the requirements specified in section 1099 of title 10, United States Code (as added by section 701(a)(1)).

(3)(A) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the development of the demonstration project required by paragraph (1). Such report shall include—

Reports.

(i) a description of the scope and structure of the project;

(ii) an estimate of the costs of the care to be provided under the project; and

(iii) a description of the health care enrollment system included in the project.

(B) The report required by subparagraph (A) shall be submitted—

(i) not later than 60 days before the initiation of the project, if the project is to be restricted to a contiguous area of the United States; or

(ii) not later than 60 days before a solicitation for bids or proposals with respect to such project is issued, if the project will not be restricted to a contiguous area of the United States.

(b) **STUDY OF HEALTH CARE ALTERNATIVES.**—(1) The demonstration project required by subsection (a)(1) shall include a study of—

(A) methods to guarantee the maintenance of competition among providers of health care to persons under the jurisdiction of the Secretary;

(B) the merits of the use of a voucher system or a fee schedule for provision of health care to such persons; and

(C) methods to guarantee that community hospitals are given equal consideration with other health care providers for provision of health care services under contracts with the Department of Defense.

Hospitals.
Contracts.

(2) The Secretary shall submit to Congress a report discussing the matters evaluated in the study required by paragraph (1) before the end of the 90-day period beginning on the date of the enactment of this Act.

Reports.

(c) **PHASED IMPLEMENTATION OF CHAMPUS REFORM INITIATIVE.**—(1) The Secretary of Defense may proceed with implementation of the CHAMPUS reform initiative, to be carried out in two phases during a period of not less than two years, if—

(A) the Secretary determines, based on the results of the demonstration project required by subsection (a)(1), that such initiative should be implemented;

(B) not less than one year elapses after the date on which the demonstration project required by subsection (a)(1) is initiated; and

(C) 90 days elapse after the date on which the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report that includes—

(i) a description of the results of the demonstration project;

(ii) a description of any changes the Secretary intends to make in the initiative during the proposed implementation; and

(iii) a comparison of the costs of providing health care under CHAMPUS with the costs of providing health care under the demonstration project and the estimated costs of providing health care under the CHAMPUS reform initiative if fully implemented.

(d) DEFINITIONS.—In this section:

(1) The term “CHAMPUS reform initiative” means the competitive selection of contractors to financially underwrite the delivery of health care services under the Civilian Health and Medical Program of the Uniformed Services.

(2) The term “Civilian Health and Medical Program of the Uniformed Services” has the meaning given such term in section 1072(4) of title 10, United States Code (as added by section 701(b)).

(3) The term “covered beneficiary” has the meaning given such term in section 1072(5) of title 10, United States Code (as added by section 701(b)).

SEC. 703. CHAMPUS CATCHMENT AREAS

Section 1079(a)(7) of title 10, United States Code, is amended by striking out “pays for at least 75 percent of the services” and inserting in lieu thereof “provides primary coverage for the services”.

SEC. 704. MEDICAL INFORMATION SYSTEMS ACQUISITION

(a) LIMITATION ON ACQUISITION OF MEDICAL INFORMATION SYSTEM.—(1) The Secretary of Defense may not acquire a medical information system for use in all military medical treatment facilities until—

(A) the testing required by subsection (b) is completed;

(B) the report required by subsection (d)(2) is submitted; and

(C) 30 days elapse after the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives the report described in paragraph (2).

(2) The report required by paragraph (1)(B) shall be submitted after the completion of the testing required by subsection (b) and shall include—

(A) an evaluation of the competing medical information systems, based on the extended benchmark test, operational test, and incremental price and delivery schedules described in subsection (b);

(B) an evaluation of the hospital management computer system of the Veterans' Administration known as the Veterans'

Administration Decentralized Hospital Computer Program based on the demonstration project described in subsection (c); and

(C) the decision of the Secretary with respect to acquiring a medical information system for use in all military medical treatment facilities.

(b) **TESTING OF MEDICAL INFORMATION SYSTEMS.**—(1) The Secretary shall carry out an extended benchmark test of competing medical information systems using the testing specifications described in Solicitation No. DAHC 26-85-R-0009 (relating to acquisition of the Composite Health Care System).

(2) The Secretary shall carry out an operational test of competing medical information systems. Such test shall—

(A) be conducted in medium-to-large military medical treatment facilities; and

(B) shall be not less than nine months and not more than one year in duration.

(3) Each vendor that submits a medical information system for testing under paragraphs (1) and (2) shall provide to the Secretary incremental price and delivery schedules for each function described in I, II, IID, and III of Solicitation No. DAHC26-85-R-0009. Such schedules shall be provided before the end of the one-year period beginning on the date on which the operational test described in paragraph (2) is initiated.

(c) **VETERANS' ADMINISTRATION DECENTRALIZED HOSPITAL COMPUTER PROGRAM.**—(1) The Secretary shall continue to carry out the demonstration project required by section 1203 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 718), with respect to the Veterans' Administration Decentralized Hospital Computer Program. Such project shall be completed not later than October 1, 1987.

(2) Section 1203(c) of the Department of Defense Authorization Act, 1986, is amended—

(A) by striking out "available"; and

(B) by inserting "that are available at least three months before the date on which the demonstration project is expected to be completed" after "software".

(d) **EVALUATION AND REPORT BY COMPTROLLER GENERAL.**—The Comptroller General shall—

(1) monitor the testing required by subsection (b); and

(2) submit to the Committees on Armed Services of the Senate and House of Representatives a report evaluating such testing before the end of the 30-day period beginning on the date that such testing is completed.

(e) **DEFINITIONS.**—In this section:

(1) The term "medical information system" means a computer-based information system that—

(A) receives data normally recorded concerning patients;

(B) creates and maintains from such data a computerized medical record for each patient; and

(C) provides access to data for patient care, hospital administration, research, and medical care resource planning.

(2) The term "military medical treatment facility" means a hospital, medical center, or clinic under the jurisdiction of the Secretary of a military department or the Secretary of Defense.

(3) The term "medium-to-large military medical treatment facility" means a military medical treatment facility with 150 or more beds.

(4) The term "Secretary" means the Secretary of Defense.

SEC. 705. CONFIDENTIALITY OF MEDICAL QUALITY ASSURANCE RECORDS

(a) **IN GENERAL.**—Chapter 55 of title 10, United States Code (as amended by section 701), is further amended by adding at the end the following new section:

10 USC 1102.

"§ 1102. Confidentiality of medical quality assurance records: qualified immunity for participants

"(a) **CONFIDENTIALITY OF RECORDS.**—Medical quality assurance records created by or for the Department of Defense as part of a medical quality assurance program are confidential and privileged. Such records may not be disclosed to any person or entity, except as provided in subsection (c).

"(b) **PROHIBITION ON DISCLOSURE AND TESTIMONY.**—(1) No part of any medical quality assurance record described in subsection (a) may be subject to discovery or admitted into evidence in any judicial or administrative proceeding, except as provided in subsection (c).

"(2) A person who reviews or creates medical quality assurance records for the Department of Defense or who participates in any proceeding that reviews or creates such records may not be permitted or required to testify in any judicial or administrative proceeding with respect to such records or with respect to any finding, recommendation, evaluation, opinion, or action taken by such person or body in connection with such records except as provided in this section.

"(c) **AUTHORIZED DISCLOSURE AND TESTIMONY.**—(1) Subject to paragraph (2), a medical quality assurance record described in subsection (a) may be disclosed, and a person referred to in subsection (b) may give testimony in connection with such a record, only as follows:

"(A) To a Federal executive agency or private organization, if such medical quality assurance record or testimony is needed by such agency or organization to perform licensing or accreditation functions related to Department of Defense health care facilities or to perform monitoring, required by law, of Department of Defense health care facilities.

"(B) To an administrative or judicial proceeding commenced by a present or former Department of Defense health care provider concerning the termination, suspension, or limitation of clinical privileges of such health care provider.

"(C) To a governmental board or agency or to a professional health care society or organization, if such medical quality assurance record or testimony is needed by such board, agency, society, or organization to perform licensing, credentialing, or the monitoring of professional standards with respect to any health care provider who is or was a member or an employee of the Department of Defense.

"(D) To a hospital, medical center, or other institution that provides health care services, if such medical quality assurance record or testimony is needed by such institution to assess the professional qualifications of any health care provider who is or was a member or employee of the Department of Defense and who has applied for or been granted authority or employment to provide health care services in or on behalf of such institution.

“(E) To an officer, employee, or contractor of the Department of Defense who has a need for such record or testimony to perform official duties.

“(F) To a criminal or civil law enforcement agency or instrumentality charged under applicable law with the protection of the public health or safety, if a qualified representative of such agency or instrumentality makes a written request that such record or testimony be provided for a purpose authorized by law.

“(G) In an administrative or judicial proceeding commenced by a criminal or civil law enforcement agency or instrumentality referred to in subparagraph (F), but only with respect to the subject of such proceeding.

“(2) With the exception of the subject of a quality assurance action, the identity of any person receiving health care services from the Department of Defense or the identity of any other person associated with such department for purposes of a medical quality assurance program that is disclosed in a medical quality assurance record described in subsection (a) shall be deleted from that record or document before any disclosure of such record is made outside the Department of Defense. Such requirement does not apply to the release of information pursuant to section 552a of title 5, United States Code.

“(d) DISCLOSURE FOR CERTAIN PURPOSES.—(1) Nothing in this section shall be construed as authorizing or requiring the withholding from any person or entity aggregate statistical information regarding the results of Department of Defense medical quality assurance programs.

“(2) Nothing in this section shall be construed as authority to withhold any medical quality assurance record from a committee of either House of Congress, any joint committee of Congress, or the General Accounting Office if such record pertains to any matter within their respective jurisdictions.

“(e) PROHIBITION ON DISCLOSURE OF RECORD OR TESTIMONY.—A person or entity having possession of or access to a record or testimony described by this section may not disclose the contents of such record or testimony in any manner or for any purpose except as provided in this section.

“(f) EXEMPTION FROM FREEDOM OF INFORMATION ACT.—Medical quality assurance records described in subsection (a) may not be made available to any person under section 552 of title 5.

“(g) LIMITATION ON CIVIL LIABILITY.—A person who participates in or provides information to a person or body that reviews or creates medical quality assurance records described in subsection (a) shall not be civilly liable for such participation or for providing such information if the participation or provision of information was in good faith based on prevailing professional standards at the time the medical quality assurance program activity took place.

“(h) APPLICATION TO INFORMATION IN CERTAIN OTHER RECORDS.—Nothing in this section shall be construed as limiting access to the information in a record created and maintained outside a medical quality assurance program, including a patient's medical records, on the grounds that the information was presented during meetings of a review body that are part of a medical quality assurance program.

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

“(j) DEFINITIONS.—In this section:

“(1) The term ‘medical quality assurance program’ means any activity carried out before, on, or after the date of the enactment of this section by or for the Department of Defense to assess the quality of medical care, including activities conducted by individuals, military medical or dental treatment facility committees, or other review bodies responsible for quality assurance, credentials, infection control, patient care assessment (including treatment procedures, blood, drugs, and therapeutics), medical records, health resources management review and identification and prevention of medical or dental incidents and risks.

“(2) The term ‘medical quality assurance record’ means the proceedings, records, minutes, and reports that emanate from quality assurance program activities described in paragraph (1) and are produced or compiled by the Department of Defense as part of a medical quality assurance program.

“(3) The term ‘health care provider’ means any military or civilian health care professional who, under regulations of a military department, is granted clinical practice privileges to provide health care services in a military medical or dental treatment facility or who is licensed or certified to perform health care services by a governmental board or agency or professional health care society or organization.

“(k) PENALTY.—Any person who willfully discloses a medical quality assurance record other than as provided in this section, knowing that such record is a medical quality assurance record, shall be fined not more than \$3,000 in the case of a first offense and not more than \$20,000 in the case of a subsequent offense.”

(2) The table of sections at the beginning of such chapter (as amended by sections 701 and 702) is amended by adding at the end the following new item:

“1102. Confidentiality of medical quality assurance records: qualified immunity for participants.”

10 USC 1102
note.

(b) EFFECTIVE DATE.—Section 1102 of title 10, United States Code, as added by subsection (a), shall apply to all records created before, on, or after the date of the enactment of this Act by or for the Department of Defense as part of a medical quality assurance program.

10 USC 1074
note.

(c) RESTRICTION ON USE OF INFORMATION OBTAINED DURING CERTAIN EPIDEMIOLOGIC-ASSESSMENT INTERVIEWS.—(1) Information obtained by the Department of Defense during or as a result of an epidemiologic-assessment interview with a serum-positive member of the Armed Forces may not be used to support any adverse personnel action against the member.

(2) For purposes of paragraph (1):

(A) The term “epidemiologic-assessment interview” means questioning of a serum-positive member of the Armed Forces for purposes of medical treatment or counseling or for epidemiologic or statistical purposes.

(B) The term “serum-positive member of the Armed Forces” means a member of the Armed Forces who has been identified as having been exposed to a virus associated with the acquired immune deficiency syndrome.

(C) The term “adverse personnel action” includes—

- (i) a court-martial;
- (ii) non-judicial punishment;

- (iii) involuntary separation (other than for medical reasons);
- (iv) administrative or punitive reduction in grade;
- (v) denial of promotion;
- (vi) an unfavorable entry in a personnel record;
- (vii) a bar to reenlistment; and
- (viii) any other action considered by the Secretary concerned to be an adverse personnel action.

SEC. 706. USE OF PUBLIC HEALTH SERVICE HOSPITALS AS FACILITIES OF THE UNIFORMED SERVICES

Section 1252(e) of the Department of Defense Authorization Act, 1984 (42 U.S.C. 248d(e)), is amended by striking out "December 31, 1987" in the first sentence and inserting in lieu thereof "December 31, 1988".

SEC. 707. LIMITATION ON DENTAL INSURANCE PROGRAM

(a) **AMOUNT OF PREMIUM.**—Subsection (b)(2) of section 1076a of title 10, United States Code, is amended to read as follows:

"(2) A member enrolled in a plan under this section shall pay a premium of not more than \$10 per month for the member and the family of the member."

(b) **ANNUAL COST OF PROGRAM.**—Such section is further amended by adding at the end the following new subsection:

"(h) The Secretary of Defense may not spend more than \$105,000,000 (in fiscal year 1986 dollars) for a plan under this section during any fiscal year."

(c) **AUTHORIZATION OF APPROPRIATIONS.**—Of amounts authorized to be appropriated for fiscal year 1987 for Operations and Maintenance, Defense Agencies, not more than \$18,000,000 may be used for the purpose of providing a dental insurance program under section 1076a of title 10, United States Code (as amended by this section).

TITLE VIII—UNIFORM CODE OF MILITARY JUSTICE

Military Justice
Amendments of
1986.

SEC. 801. SHORT TITLE; REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE

10 USC 801 note.

(a) **SHORT TITLE.**—This title may be cited as the "Military Justice Amendments of 1986".

(b) **REFERENCES TO UCMJ.**—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice).

10 USC 801 *et seq.*

SEC. 802. DEFENSE OF LACK OF MENTAL RESPONSIBILITY

10 USC 850a.

(a) **IN GENERAL.**—(1) Subchapter VII is amended by inserting after section 850 (article 50) the following new section (article):

"§ 850a. Art. 50a. Defense of lack of mental responsibility

"(a) It is an affirmative defense in a trial by court-martial that, at the time of the commission of the acts constituting the offense, the accused, as a result of a severe mental disease or defect, was unable to appreciate the nature and quality or the wrongfulness of the acts. Mental disease or defect does not otherwise constitute a defense.

“(b) The accused has the burden of proving the defense of lack of mental responsibility by clear and convincing evidence.

“(c) Whenever lack of mental responsibility of the accused with respect to an offense is properly at issue, the military judge, or the president of a court-martial without a military judge, shall instruct the members of the court as to the defense of lack of mental responsibility under this section and charge them to find the accused—

“(1) guilty;

“(2) not guilty; or

“(3) not guilty only by reason of lack of mental responsibility.

“(d) Subsection (c) does not apply to a court-martial composed of a military judge only. In the case of a court-martial composed of a military judge only, whenever lack of mental responsibility of the accused with respect to an offense is properly at issue, the military judge shall find the accused—

“(1) guilty;

“(2) not guilty; or

“(3) not guilty only by reason of lack of mental responsibility.

10 USC 852.

“(e) Notwithstanding the provisions of section 852 of this title (article 52), the accused shall be found not guilty only by reason of lack of mental responsibility if—

“(1) a majority of the members of the court-martial present at the time the vote is taken determines that the defense of lack of mental responsibility has been established; or

“(2) in the case of a court-martial composed of a military judge only, the military judge determines that the defense of lack of mental responsibility has been established.”.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 850 (article 50) the following new item:

“850a. 50a. Defense of lack of mental responsibility.”.

10 USC 850a
note.

(b) **EFFECTIVE DATE.**—Section 850a of title 10, United States Code, as added by subsection (a)(1), shall apply only to offenses committed on or after the date of the enactment of this Act.

SEC. 803. APPLICATION FOR ENLISTED MEMBERS TO SERVE ON COURT-MARTIAL

(a) **IN GENERAL.**—Section 825(c)(1) (article 25(c)(1)) is amended by striking out “has requested in writing” and inserting in lieu thereof “has requested orally on the record or in writing”.

10 USC 825 note.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply only to a case in which arraignment is completed on or after the effective date of this title.

SEC. 804. COURT-MARTIAL JURISDICTION OVER RESERVE MEMBERS

(a) **JURISDICTION OVER RESERVE MEMBERS UNDER CERTAIN CIRCUMSTANCES.**—(1) Paragraph (3) of section 802(a) (article 2(a)) is amended to read as follows:

“(3) Members of a reserve component while on inactive-duty training, but in the case of members of the Army National Guard of the United States or the Air National Guard of the United States only when in Federal service.”.

(2) Section 802 (article 2) is further amended by adding at the end the following new subsection:

“(d)(1) A member of a reserve component who is not on active duty and who is made the subject of proceedings under section 815 (article 15) or section 830 (article 30) with respect to an offense against this chapter may be ordered to active duty involuntarily for the purpose of—

“(A) investigation under section 832 of this title (article 32);

“(B) trial by court-martial; or

“(C) nonjudicial punishment under section 815 of this title (article 15).

“(2) A member of a reserve component may not be ordered to active duty under paragraph (1) except with respect to an offense committed while the member was—

“(A) on active duty; or

“(B) on inactive-duty training, but in the case of members of the Army National Guard of the United States or the Air National Guard of the United States only when in Federal service.

“(3) Authority to order a member to active duty under paragraph (1) shall be exercised under regulations prescribed by the President.

“(4) A member may be ordered to active duty under paragraph (1) only by a person empowered to convene general courts-martial in a regular component of the armed forces.

“(5) A member ordered to active duty under paragraph (1), unless the order to active duty was approved by the Secretary concerned, may not—

“(A) be sentenced to confinement; or

“(B) be required to serve a punishment consisting of any restriction on liberty during a period other than a period of inactive-duty training or active duty (other than active duty ordered under paragraph (1)).”.

(b) CONTINUED AMENABILITY TO JURISDICTION.—Section 803 (article 3) is amended by adding at the end the following new subsection:

“(d) A member of a reserve component who is subject to this chapter is not, by virtue of the termination of a period of active duty or inactive-duty training, relieved from amenability to the jurisdiction of this chapter for an offense against this chapter committed during such period of active duty or inactive-duty training.”.

(c) AUTHORITY TO ADMINISTER OATHS.—Section 936 (article 136) is amended by inserting “or performing inactive-duty training” in subsections (a) and (b) after “active duty”.

(d) ARTICLES TO BE EXPLAINED.—The text of section 937 (article 137) is amended to read as follows:

“(a)(1) The sections of this title (articles of the Uniform Code of Military Justice) specified in paragraph (3) shall be carefully explained to each enlisted member at the time of (or within six days after)—

“(A) the member's initial entrance on active duty; or

“(B) the member's initial entrance into a duty status with a reserve component.

“(2) Such sections (articles) shall be explained again—

“(A) after the member has completed six months of active duty or, in the case of a member of a reserve component, after the member has completed basic or recruit training; and

“(B) at the time when the member reenlists.

“(3) This subsection applies with respect to sections 802, 803, 807-815, 825, 827, 831, 837, 838, 855, 877-934, and 937-939 of this title (articles 2, 3, 7-15, 25, 27, 31, 37, 38, 55, 77-134, and 137-139).

“(b) The text of the Uniform Code of Military Justice and of the regulations prescribed by the President under such Code shall be made available to a member on active duty or to a member of a reserve component, upon request by the member, for the member’s personal examination.”

10 USC 802 note.

(e) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall apply only to an offense committed on or after the effective date of this title.

SEC. 805. STATUTE OF LIMITATIONS

(a) **REVISION OF STATUTES OF LIMITATION.**—Subsections (a), (b), and (c) of section 843 (article 43) are amended to read as follows:

“(a) A person charged with absence without leave or missing movement in time of war, or with any offense punishable by death, may be tried and punished at any time without limitation.

“(b)(1) Except as otherwise provided in this section (article), a person charged with an offense is not liable to be tried by court-martial if the offense was committed more than five years before the receipt of sworn charges and specifications by an officer exercising summary court-martial jurisdiction over the command.

“(2) A person charged with an offense is not liable to be punished under section 815 of this title (article 15) if the offense was committed more than two years before the imposition of punishment.

“(c) Periods in which the accused is absent without authority or fleeing from justice shall be excluded in computing the period of limitation prescribed in this section (article).”

(b) **TIME FOR REINSTATEMENT OF CHARGES.**—Such section is further amended by adding at the end the following new subsection:

“(g)(1) If charges or specifications are dismissed as defective or insufficient for any cause and the period prescribed by the applicable statute of limitations—

“(A) has expired; or

“(B) will expire within 180 days after the date of dismissal of the charges and specifications, trial and punishment under new charges and specifications are not barred by the statute of limitations if the conditions specified in paragraph (2) are met.

“(2) The conditions referred to in paragraph (1) are that the new charges and specifications must—

“(A) be received by an officer exercising summary court-martial jurisdiction over the command within 180 days after the dismissal of the charges or specifications; and

“(B) allege the same acts or omissions that were alleged in the dismissed charges or specifications (or allege acts or omissions that were included in the dismissed charges or specifications).”

10 USC 843 note.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to an offense committed on or after the date of the enactment of this Act.

SEC. 806. TIME FOR DEFENSE POST-TRIAL SUBMISSIONS

(a) **SIMPLIFICATION OF TIME FOR SUBMISSION.**—Subsection (b) of section 860 (article 60) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraph (2) as paragraph (3) and inserting a comma in that paragraph after “case”; and

(3) by striking out paragraph (1) and inserting in lieu thereof the following:

“(1) The accused may submit to the convening authority matters for consideration by the convening authority with respect to the findings and the sentence. Except in a summary court-martial case, such a submission shall be made within 10 days after the accused has been given an authenticated record of trial and, if applicable, the recommendation of the staff judge advocate or legal officer under subsection (d). In a summary court-martial case, such a submission shall be made within seven days after the sentence is announced.

“(2) If the accused shows that additional time is required for the accused to submit such matters, the convening authority or other person taking action under this section, for good cause, may extend the applicable period under paragraph (1) for not more than an additional 20 days.”

(b) **RECOMMENDATIONS OF STAFF JUDGE ADVOCATE.**—Subsection (c)(2) of such section is amended by striking out “and, if applicable, under subsection (d).”

(c) **CONFORMING AMENDMENTS.**—Subsection (d) of such section is amended—

(1) in the third sentence, by striking out “who shall have five days from the date of receipt in which to submit any matter in response” and inserting in lieu thereof “who may submit any matter in response under subsection (b)”;

(2) by striking out the fourth sentence.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply in cases in which the sentence is adjudged on or after the effective date of this title.

10 USC 860 note.

SEC. 807. DETAIL OF JUDGE ADVOCATES

(a) **REPRESENTATION OF UNITED STATES INTERESTS.**—Section 806 (article 6) is amended by adding at the end the following new subsection:

“(d)(1) A judge advocate who is assigned or detailed to perform the functions of a civil office in the Government of the United States under section 973(b)(2)(B) of this title may perform such duties as may be requested by the agency concerned, including representation of the United States in civil and criminal cases.

10 USC 973.

“(2) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations providing that reimbursement may be a condition of assistance by judge advocates assigned or detailed under section 973(b)(2)(B) of this title.”

Regulations.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a)—

10 USC 806 note.

(1) shall take effect on the date of the enactment of this Act; and

(2) may not be construed to invalidate an action taken by a judge advocate, pursuant to an assignment or detail under section 973(b)(2)(B) of title 10, United States Code, before the date of the enactment of this Act.

SEC. 808. EFFECTIVE DATE

10 USC 802 note.

Except as provided in sections 802(b), 805(c), and 807(b), this title and the amendments made by this title shall take effect on the earlier of—

10 USC 802, 805, 807.

(1) the last day of the 120-day period beginning on the date of the enactment of this Act; or

(2) the date specified in an Executive order for such amendments to take effect.

Defense
Acquisition
Improvement
Act of 1986.
10 USC 101 note.

TITLE IV—PROCUREMENT POLICY REFORM

SEC. 900. SHORT TITLE

This title may be cited as the "Defense Acquisition Improvement Act of 1986".

PART A—MANAGEMENT OF THE ACQUISITION PROCESS

SEC. 901. DUTIES AND PRECEDENCE OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION

Section 133 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended to read as follows:

"§ 133. Under Secretary of Defense for Acquisition

"(a) There is an Under Secretary of Defense for Acquisition, appointed from civilian life by the President, by and with the advice and consent of the Senate. The Under Secretary shall be appointed from among persons who have an extensive management background in the private sector.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Acquisition shall perform such duties and exercise such powers relating to acquisition as the Secretary of Defense may prescribe, including—

"(1) supervising Department of Defense acquisition;

"(2) establishing policies for acquisition (including procurement, research and development, logistics, developmental testing, and contract administration) for all elements of the Department of Defense;

"(3) establishing policies of the Department of Defense for maintenance of the defense industrial base of the United States; and

"(4) the authority to direct the Secretaries of the military departments and the heads of all other elements of the Department of Defense with regard to matters for which the Under Secretary has responsibility.

"(c) The Under Secretary—

"(1) is the senior procurement executive for the Department of Defense for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3));

"(2) is the Defense Acquisition Executive for purposes of regulations and procedures of the Department providing for a Defense Acquisition Executive; and

"(3) to the extent directed by the Secretary, exercises overall supervision of all personnel (civilian and military) in the Office of the Secretary of Defense with regard to matters for which the Under Secretary has responsibility, unless otherwise provided by law.

"(d)(1) The Under Secretary shall prescribe policies to ensure that audit and oversight of contractor activities are coordinated and carried out in a manner to prevent duplication by different elements of the Department.

"(2) In carrying out this subsection, the Under Secretary shall consult with the Inspector General of the Department of Defense.

Contracts.

“(3) Nothing in this subsection shall affect the authority of the Inspector General of the Department of Defense to establish audit policy for the Department of Defense under the Inspector General Act of 1978 and otherwise to carry out the functions of the Inspector General under that Act.

5 USC app.

“(e)(1) With regard to all matters for which he has responsibility by law or by direction of the Secretary of Defense, the Under Secretary of Defense for Acquisition takes precedence in the Department of Defense after the Secretary of Defense and the Deputy Secretary of Defense.

“(2) With regard to all matters other than matters for which he has responsibility by law or by direction of the Secretary of Defense, the Under Secretary takes precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, and the Secretaries of the military departments.”.

SEC. 902. ESTABLISHMENT OF POSITION OF DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) ESTABLISHMENT OF POSITION.—(1) Chapter 4 of title 10, United States Code (as amended by title I of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by inserting after section 133 the following new section:

“§ 133a. Deputy Under Secretary of Defense for Acquisition

10 USC 133a.

“(a) There is a Deputy Under Secretary of Defense for Acquisition, appointed from civilian life by the President, by and with the advice and consent of the Senate.

“(b) The Deputy Under Secretary of Defense for Acquisition shall assist the Under Secretary of Defense for Acquisition in the performance of his duties. The Deputy Under Secretary shall act for, and exercise the powers of, the Under Secretary when the Under Secretary is absent or disabled.”.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 133 the following new item:

“133a. Deputy Under Secretary of Defense for Acquisition.”

(b) PAY GRADE.—Section 5314 of title 5, United States Code, is amended by adding at the end the following:

“Deputy Under Secretary of Defense for Acquisition.”.

SEC. 903. OTHER SENIOR CIVILIAN ACQUISITION OFFICIALS

(a) PRECEDENCE OF UNDER SECRETARY FOR POLICY.—Section 134 of title 10, United States Code (as designated by section 105 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by inserting “the Under Secretary of Defense for Acquisition,” in subsection (c) after “Deputy Secretary of Defense,”.

Ante, p. 997.

(b) FUNCTIONS AND GRADE OF DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING.—(1) Section 135 of title 10, United States Code (as amended by section 105 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

Ante, p. 997.

(A) by striking out subsection (b) and inserting in lieu thereof the following:

“(b) Except as otherwise prescribed by the Secretary of Defense, the Director of Defense Research and Engineering shall perform

such duties relating to research and engineering as the Under Secretary of Defense for Acquisition may prescribe.”; and

(B) by striking out subsection (c).

(2)(A) Section 5314 of title 5, United States Code, is amended by striking out “Director of Defense Research and Engineering.”.

(B) Section 5315 of such title is amended by adding at the end the following:

“Director of Defense Research and Engineering.”.

(c) INDEPENDENCE AND STAFF OF DIRECTOR OF OPERATIONAL TEST AND EVALUATION.—Section 138 of title 10, United States Code (as redesignated by section 101(a), of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)) is amended—

(1) by inserting “and the Under Secretary of Defense for Acquisition” after “Secretary of Defense” in the first sentence of subsection (b);

(2) by inserting “and the Under Secretary of Defense for Acquisition” after “Secretary of Defense” in subsection (b)(2);

(3) by inserting “, to the Under Secretary of Defense for Acquisition,” in subsection (b)(5) after “Secretary of Defense”;

(4) by inserting “, to the Under Secretary of Defense for Acquisition,” in subsection (c) after “Secretary of Defense” the first place such term appears;

(5) by inserting “personally” in the first sentence of subsection (d) after “Secretary of Defense”;

(6) by inserting “, the Under Secretary of Defense for Acquisition,” in the second sentence of subsection (g)(1) after “Secretary of Defense”; and

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

“(i) The Director shall have sufficient professional staff of military and civilian personnel to enable the Director to carry out the duties and responsibilities of the Director prescribed by law.”.

(d) DIRECTOR OF OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION.—Section 15(k)(3) of the Small Business Act (15 U.S.C. 644(k)(3)) is amended by inserting “, except that in the case of the Department of Defense the Director of the Office of Small and Disadvantaged Business Utilization shall be responsible to, and report directly to, the Under Secretary of Defense for Acquisition”.

(e) CONFORMING AMENDMENT FOR ARMED FORCES POLICY COUNCIL MEMBERSHIP.—Section 171(a) of title 10, United States Code is amended—

(1) by redesignating paragraphs (3) through (11) as paragraphs (4), (5), (6), (7), (9), (10), (11), (12), and (13), respectively;

(2) by inserting after paragraph (2) the following new paragraph (3):

“(3) the Under Secretary of Defense for Acquisition;”;

(3) by striking out paragraph (7) (as so redesignated) and inserting in lieu thereof the following:

“(7) the Under Secretary of Defense for Policy;

“(8) the Deputy Under Secretary of Defense for Acquisition;”.

SEC. 904. ENHANCED PROGRAM STABILITY FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) PROGRAM STABILITY.—(1) Chapter 144 of title 10, United States Code, is amended by adding after section 2434 (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense

Reorganization Act of 1986 (Public Law 99-433)) the following new section:

"§ 2435. Enhanced program stability

10 USC 2435.

"(a) **BASELINE DESCRIPTION REQUIREMENT.**—(1) The Secretary of a military department shall establish a baseline description for a major defense acquisition program under the jurisdiction of such Secretary—

"(A) before such program enters full-scale engineering development; and

"(B) before such program enters full-rate production.

"(2) A baseline description required under paragraph (1) shall include the following:

"(A) In the case of the full-scale development stage—

"(i) a description of the performance goals for the weapons system to be acquired under the program;

"(ii) a description of the technical characteristics and configuration of such system;

"(iii) total development costs for such stage by fiscal year; and

"(iv) the schedule of development milestones.

"(B) In the case of the production stage—

"(i) a description of the performance of the weapons system to be acquired under the program;

"(ii) a description of the technical characteristics and configuration of such system;

"(iii) number of end items by fiscal year;

"(iv) the schedule of development milestones;

"(v) testing;

"(vi) initial training;

"(vii) initial provisioning; and

"(viii) total procurement costs for such stage (including the cost of all elements included in the baseline description) by fiscal year, which may not exceed the amount of the independent cost estimate for that program submitted to the Secretary of Defense under section 2434 of this title.

10 USC 2434.

"(b) **PROGRAM DEVIATION REPORTS.**—(1) The program manager of a major defense acquisition program shall immediately submit a program deviation report for such program to the Secretary of the military department concerned and to the senior procurement executive of such military department (designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3))) if such manager determines at any time during the full-scale engineering development stage or the production stage that there is reasonable cause to believe that—

"(A) the total cost of completion of the program will be more than the amount specified in the baseline description established under subsection (a) for such stage;

"(B) any milestone specified in such baseline description will not be completed as scheduled; or

"(C) the system to be acquired under the program will not fulfill the description of performance, technical characteristics, or configuration specified in such baseline description.

"(2) The Secretary of the military department concerned shall, with respect to any major defense acquisition program for which a program deviation report is received under paragraph (1)—

"(A) establish a review panel to review such program; and

“(B) submit a report containing the program deviation report and the results of such review to the Under Secretary of Defense for Acquisition before the end of the 45-day period beginning on the date that the program deviation report is submitted under paragraph (1).

10 USC 2432.

“(c) DEFINITION.—In this section, the term ‘major defense acquisition program’ has the meaning given that term in section 2432(a)(1) of this title.”.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2434 the following new item:

“2435. Enhanced program stability.”.

10 USC 2435
note.

(b) EFFECTIVE DATE.—Section 2435 of title 10, United States Code (as added by subsection (a)(1)), shall apply to major defense acquisition programs that enter full-scale engineering development or full-rate production after the date of the enactment of this Act.

SEC. 905. DEFENSE ENTERPRISE PROGRAMS

(a) IN GENERAL.—(1) Chapter 144 of title 10, United States Code, is amended by adding after section 2435 (as added by section 904) the following new section:

10 USC 2436.

“§ 2436. Defense enterprise programs

“(a) IN GENERAL.—The Secretary of Defense shall conduct, through the Secretaries of the military departments, a program with respect to increasing the efficiency of the management structure of defense acquisition programs by reducing the number of officials through whom a program manager reports to the senior procurement executive of the military department concerned.

“(b) DESIGNATION OF PARTICIPATING PROGRAMS.—The Secretary of a military department may designate any defense acquisition program under the jurisdiction of the Secretary to participate in the program described in subsection (a). A program designated under this subsection shall be known as a ‘defense enterprise program’.

“(c) GUIDELINES.—The Secretary of Defense shall issue guidelines governing the management of defense enterprise programs. Such guidelines shall include the following requirements:

“(1) The Secretary concerned shall designate a program executive officer for each program.

“(2) The program manager for each program shall report with respect to such program directly, without intervening review or approval, to the program executive officer for the program.

“(3) The program executive officer for a program shall report with respect to such program directly, without intervening review or approval, to the senior procurement executive of the military department concerned designated pursuant to section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

“(4) The program executive officer to whom a defense enterprise program manager reports shall evaluate the job performance of such manager on an annual basis. In conducting an evaluation under this paragraph, a program executive officer shall consider the extent to which the manager has achieved the objectives of the program for which the manager is responsible, including quality, timeliness, and cost objectives.

Reports.

"(5) The manager of a defense enterprise program shall be authorized staff positions for a technical staff, including experts in business management, contracting, auditing, engineering, testing, and logistics.

"(d) APPLICABLE RULES AND REGULATIONS.—(1) Except as specified by the senior procurement executive of the military department concerned, a defense enterprise program shall not be subject to any regulation, policy, directive, or administrative rule or guideline relating to the acquisition activities of the Department of Defense other than the Federal Acquisition Regulation and the Department of Defense supplement to the Federal Acquisition Regulation.

"(2) Paragraph (1) shall not be construed to limit or modify the application of Federal legislation relating to the acquisition activities of the Department of Defense.

"(3) In this subsection the term 'Federal Acquisition Regulation' has the meaning given such term in section 2320(a)(4) of this title."

10 USC 2320.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2435 (as added by section 904) the following new item:

"2436. Defense enterprise programs."

(b) The Secretary of each military department shall designate for fiscal year 1988 not less than three defense acquisition programs under the jurisdiction of the Secretary to participate in the program described in section 2436(a) of title 10, United States Code (as added by subsection (a)(1)).

10 USC 2436
note.

SEC. 906. MILESTONE AUTHORIZATION OF DEFENSE ENTERPRISE PROGRAMS

(a) IN GENERAL.—(1) Chapter 144 of title 10, United States Code, is amended by adding after section 2436 (as inserted by section 905) the following new section:

"§ 2437. Defense enterprise programs: milestone authorization

10 USC 2437.

"(a) DESIGNATION OF PARTICIPATING PROGRAMS.—(1) The Secretary of Defense may designate defense enterprise programs in each military department (as designated by the Secretary of the military department under section 2436 of this title) to be considered for milestone authorization under subsection (b).

"(2) The Secretary may designate a defense enterprise program under paragraph (1) only if the program—

"(A) is ready to proceed into the full-scale engineering development stage or the full-rate production stage; or

"(B) is in either of such stages.

"(b) SUBMISSION OF BASELINE DESCRIPTIONS.—Not later than the end of the 90-day period beginning on the date that a defense enterprise program is designated under subsection (a), the Secretary of Defense shall—

"(1) in the case of a program that is subject to section 2435(a) of this title, submit to the Committees on Armed Services of the Senate and House of Representatives the baseline description for the program required to be submitted under such section;

Ante, p. 3913.

"(2) in the case of a program that is not subject to such section—

"(A) establish a baseline description that meets the requirements of such section; and

“(B) submit the baseline description to such committees; and

“(3) request from Congress the authority to obligate funds in a single amount sufficient to carry out the stage for which the baseline description is submitted.

“(c) MILESTONE AUTHORIZATION.—Congress shall authorize funds for the full-scale engineering development stage or the full-rate production stage of a program designated by the Secretary of Defense under subsection (a) in a single amount sufficient to carry out that stage, but not for a period in excess of five years, if such program is approved by Congress to—

“(1) proceed into or complete the full-scale engineering development stage; or

“(2) proceed into or complete the full-rate production stage.

“(d) PROGRAM DEVIATIONS.—(1) If the Secretary of Defense receives a program deviation report under section 2435(b) of this title with respect to a defense enterprise program for which funds are authorized under subsection (b)—

“(A) the Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives of the receipt of such report before the end of the 15-day period beginning on the date on which the Secretary receives such report; and

“(B) except as provided in paragraph (2), after the end of the 45-day period beginning on the date on which the Secretary of Defense receives such report, the Secretary concerned may not obligate amounts appropriated or otherwise made available to the Department of Defense for purposes of carrying out the program.

“(2) Paragraph (1)(B) does not apply if the Secretary of Defense notifies Congress that the Secretary intends to—

“(A) convene a board to formally review the program; and

“(B) submit to Congress a revised baseline description for the program and the recommendations of the board convened under subparagraph (A) concurrent with the submission by the President of the budget for the next fiscal year under section 1105(a) of title 31.

“(3) The Secretary concerned may not obligate, for the purpose of carrying out a program described in paragraph (1) for which a program deviation report is received, amounts appropriated or otherwise made available to the Department of Defense for the fiscal year following the fiscal year during which the program deviation report was received unless such amounts are authorized to be appropriated after the date on which such report was received.”.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2436 (as inserted by section 905) the following new item:

“2437. Defense enterprise programs: milestone authorization.”.

(b) INITIAL DESIGNATION OF PARTICIPATING PROGRAMS.—The Secretary of Defense shall designate for fiscal year 1988 not less than three defense enterprise programs to be considered for milestone authorization under subsection (b). The Secretary shall make such designations as part of the budget submission of the Department of Defense for such fiscal year.

Ante, p. 3913.

10 USC 2437
note.

SEC. 907. PREFERENCE FOR NONDEVELOPMENTAL ITEMS

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2325. Preference for nondevelopmental items

10 USC 2325.

“(a) PREFERENCE.—The Secretary of Defense shall ensure that, to the maximum extent practicable—

“(1) requirements of the Department of Defense with respect to a procurement of supplies are stated in terms of—

“(A) functions to be performed;

“(B) performance required; or

“(C) essential physical characteristics;

“(2) such requirements are defined so that nondevelopmental items may be procured to fulfill such requirements; and

“(3) such requirements are fulfilled through the procurement of nondevelopmental items.

“(b) IMPLEMENTATION.—The Secretary of Defense shall carry out this section through the Under Secretary of Defense for Acquisition, who shall have responsibility for its effective implementation.

“(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.

“(d) DEFINITION.—In this section, the term ‘nondevelopmental item’ means—

“(1) any item of supply that is available in the commercial marketplace;

“(2) any previously-developed item of supply that is in use by a department or agency of the United States, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;

“(3) any item of supply described in paragraph (1) or (2) that requires only minor modification in order to meet the requirements of the procuring agency; or

“(4) any item of supply that is currently being produced that does not meet the requirements of paragraph (1), (2), or (3) solely because the item—

“(A) is not yet in use; or

“(B) is not yet available in the commercial marketplace.”.

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

“2325. Preference for nondevelopmental items.”.

(3) The Secretary of Defense shall prescribe regulations as required by section 2325(c) of title 10, United States Code (as added by subsection (a)(1)), before the end of the 180-day period beginning on the date of the enactment of this Act.

10 USC 2325
note.

(b) REMOVAL OF IMPEDIMENTS TO ACQUISITION OF NON-DEVELOPMENTAL ITEMS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report—

Reports.
10 USC 2325
note.

(A) identifying actions taken, including training of personnel and changes in regulations and procurement procedures, to implement the requirements of section 2325 of title 10, United States Code (as added by subsection (a)(1));

(B) identifying all statutes and regulations that are determined by the Secretary to impede the acquisition of nondevelopmental items by the Department of Defense; and

(C) recommending any legislation that the Secretary considers necessary or appropriate to promote maximum procurement of nondevelopmental items to fulfill the supply requirements of the Department of Defense.

(2) The Secretary shall take appropriate steps to remove any impediments identified by the Secretary under paragraph (1)(A) that are under the jurisdiction of the Secretary.

(3) The report required by paragraph (1) shall be submitted before the end of the one-year period beginning on the date of the enactment of this Act.

(c) **EVALUATION BY COMPTROLLER GENERAL.**—(1) The Comptroller General shall conduct an independent evaluation of the actions taken by the Secretary of Defense to carry out the requirements of section 2325 of title 10, United States Code (as added by subsection (a)(1)).

Reports.

(2) The Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the evaluation required by paragraph (1). Such report shall include—

(A) an analysis of the effectiveness of the actions taken by the Secretary to carry out the requirements of section 2325 of title 10, United States Code (as added by subsection (a)(1));

(B) a description of any programs conducted to notify acquisition personnel of the Department of Defense of the requirements of such section and to train such personnel in the appropriate procedures for carrying out such section;

(C) a description of each law, regulation, and procedure which prevents or restricts maximum practicable use of nondevelopmental items to fulfill the supply requirements of the Department of Defense; and

(D) such recommendations for additional legislation as the Comptroller General considers necessary or appropriate to promote maximum procurement of nondevelopmental items to fulfill the supply requirements of the Department of Defense.

(3) The report required by paragraph (2) shall be submitted before the end of the two-year period beginning on the date of the enactment of this Act.

(d) **DEFINITION.**—For the purposes of subsections (b) and (c), the term “nondevelopmental items” has the meaning given such term in section 2325(d) of title 10, United States Code (as added by subsection (a)(1)).

SEC. 908. REQUIREMENTS RELATING TO UNDEFINITIZED CONTRACTUAL ACTIONS

(a) **LIMITATION ON USE OF FUNDS FOR UNDEFINITIZED CONTRACTUAL ACTIONS.**—(1) On the last day of each six-month period described in paragraph (4), the Secretary of Defense (with respect to the Defense Logistics Agency) and the Secretary of each military department shall determine—

(A) the total amount of funds obligated for contractual actions during the six-month period;

(B) the total amount of funds obligated during the six-month period for undefinitized contractual actions; and

(C) the total amount of funds obligated during the six-month period for undefinitized contractual actions that are not definitized on or before the last day of such period.

10 USC 2326
note.

(2) On the last day of each six-month period described in paragraph (4), the amount of funds obligated for undefinitized contractual actions entered into by the Secretary of Defense (with respect to the Defense Logistics Agency) or the Secretary of a military department during the six-month period that are not definitized on or before such day may not exceed 10 percent of the amount of funds obligated for all contractual actions entered into by the Secretary during the six-month period.

(3) If on the last day of a six-month period described in paragraph (4) the total amount of funds obligated for undefinitized contractual actions under the jurisdiction of a Secretary that were entered into during the six-month period exceeds the limit established in paragraph (2), the Secretary—

(A) shall, not later than the end of the 45-day period beginning on the first day following the six-month period, submit to the defense committees an unclassified report concerning—

Reports.

(i) the amount of funds obligated for contractual actions under the jurisdiction of the Secretary that were entered into during the six-month period with respect to which the report is submitted; and

(ii) the amount of such funds obligated for undefinitized contractual actions; and

(B) except with respect to the six-month period described in paragraph (4)(A), may not enter into any additional undefinitized contractual actions until the date on which the Secretary certifies to Congress that such limit is not exceeded by the cumulative amount of funds obligated for undefinitized contractual actions under the jurisdiction of the Secretary that are not definitized on or before such date and were entered into—

(i) during the six-month period for which such limit was exceeded; or

(ii) after the end of such six-month period.

(4) This subsection applies to the following six-month periods:

(A) The period beginning on October 1, 1986, and ending on March 31, 1987.

(B) The period beginning on April 1, 1987, and ending on September 30, 1987.

(C) The period beginning on October 1, 1987, and ending on March 31, 1988.

(D) The period beginning on April 1, 1988, and ending on September 30, 1988.

(E) The period beginning on October 1, 1988, and ending on March 31, 1989.

(b) **OVERSIGHT BY INSPECTOR GENERAL.**—The Inspector General of the Department of Defense shall—

10 USC 2326
note.

(1) periodically conduct an audit of contractual actions under the jurisdiction of the Secretary of Defense (with respect to the Defense Logistics Agency) and the Secretaries of the military departments; and

(2) after each audit, submit to Congress a report on the management of undefinitized contractual actions by each Secretary, including the amount of contractual actions under the jurisdiction of each Secretary that is represented by undefinitized contractual actions.

Reports.

(c) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the application of this section for urgent and compelling considerations

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security.
10 USC 2326
note.

relating to national security or public safety if the Secretary notifies the Committees on Armed Services of the Senate and House of Representatives of such waiver before the end of the 30-day period beginning on the date that the waiver is made.

(d) **ESTABLISHMENT OF REQUIREMENTS WITH RESPECT TO UNDEFINITIZED CONTRACTUAL ACTIONS.**—(1)(A) Chapter 137 of title 10, United States Code, is amended by adding after section 2325 (as added by section 907) the following new section:

10 USC 2326.

“§ 2326. Undefinitized contractual actions: restrictions

“(a) **IN GENERAL.**—The head of an agency may not enter into an undefinitized contractual action unless the request to the head of the agency for authorization of the contractual action includes a description of the anticipated effect on requirements of the military department concerned if a delay is incurred for purposes of determining contractual terms, specifications, and price before performance is begun under the contractual action.

“(b) **LIMITATIONS ON OBLIGATION AND EXPENDITURE OF FUNDS.**—(1) A contracting officer of the Department of Defense may not enter into an undefinitized contractual action unless the contractual action provides for agreement upon contractual terms, specifications, and price by the earlier of—

“(A) the end of the 180-day period beginning on the date on which the contractor submits a qualifying proposal to definitize the contractual terms, specifications, and price; or

“(B) the date on which the amount of funds obligated or expended under the contractual action is equal to more than 50 percent of the negotiated overall ceiling price for the contractual action.

“(2) Except as provided in paragraph (3), the contracting officer for an undefinitized contractual action may not expend with respect to such contractual action an amount that is equal to more than 50 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

“(3) If a contractor submits a qualifying proposal (as defined in subsection (g)) to definitize an undefinitized contractual action before an amount equal to more than 50 percent of the negotiated overall ceiling price is expended on such action, the contracting officer for such action may not expend with respect to such contractual action an amount that is equal to more than 75 percent of the negotiated overall ceiling price until the contractual terms, specifications, and price are definitized for such contractual action.

“(4) This subsection does not apply to an undefinitized contractual action for the purchase of initial spares.

“(c) **INCLUSION OF NON-URGENT REQUIREMENTS.**—Requirements for spare parts and support equipment that are not needed on an urgent basis may not be included in an undefinitized contractual action for spare parts and support equipment that are needed on an urgent basis unless the head of the agency approves such inclusion as being—

“(1) good business practice; and

“(2) in the best interests of the United States.

“(d) **MODIFICATION OF SCOPE.**—The scope of an undefinitized contractual action under which performance has begun may not be modified unless the head of the agency approves such modification as being—

“(1) good business practice; and
 “(2) in the best interests of the United States.

“(e) ALLOWABLE PROFIT.—The head of an agency shall ensure that the profit allowed on an undefinitized contractual action for which the final price is negotiated after a substantial portion of the performance required is completed reflects—

“(1) the possible reduced cost risk of the contractor with respect to costs incurred during performance of the contract before the final price is negotiated; and

“(2) the reduced cost risk of the contractor with respect to costs incurred during performance of the remaining portion of the contract.

“(f) APPLICABILITY.—This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

“(g) DEFINITIONS.—In this section:

“(1) The term ‘undefinitized contractual action’ means a new procurement action entered into by the head of an agency for which the contractual terms, specifications, or price are not agreed upon before performance is begun under the action. Such term does not include contractual actions with respect to the following:

“(A) Foreign military sales.

“(B) Purchases of less than \$25,000.

“(C) Special access programs.

“(D) Congressionally-mandated long-lead procurement contracts.

“(2) The term ‘qualifying proposal’ means a proposal that contains sufficient information to enable the Department of Defense to conduct complete and meaningful audits of the information contained in the proposal and of any other information that the Department is entitled to review in connection with the contract, as determined by the contracting officer.”.

(B) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2325 (as added by section 907) the following new item:

“2326. Undefinitized contractual actions: restrictions.”.

(2) Section 2326 of title 10, United States Code (as added by subsection (d)(1)), applies to undefinitized contractual actions that are entered into after the end of the 180-day period beginning on the date of the enactment of this Act.

10 USC 2326
note.

(e) DEFINITION.—For purposes of this section, the term “undefinitized contractual action” has the meaning given such term in section 2325(g) of title 10, United States Code (as added by subsection (d)(1)).

10 USC 2326
note.

SEC. 909. COMPETITIVE PROTOTYPE STRATEGY REQUIREMENT FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) ESTABLISHMENT OF REQUIREMENT.—(1) Chapter 139 of title 10, United States Code, is amended by adding after section 2364 (as added by section 234) the following new section:

“§ 2365. Competitive prototype strategy requirement: major defense acquisition programs

10 USC 2365.

“(a) COMPETITIVE PROTOTYPE STRATEGY REQUIREMENT.—Except as provided in subsection (c), the Secretary of Defense shall require the

use of a competitive prototype program strategy in the development of a major weapons system (or a subsystem of such system).

Contracts.

“(b) **QUALIFYING STRATEGIES.**—An acquisition strategy qualifies as a competitive prototype strategy if it—

“(1) requires that contracts be entered into with not less than two contractors, using the same combat performance requirements, for the competitive design and manufacture of a prototype system or subsystem for developmental test and evaluation;

“(2) requires that all systems or subsystems developed under contracts described in paragraph (1) be tested in a comparative side-by-side test that is designed to—

“(A) reproduce combat conditions to the extent practicable; and

“(B) determine which system or subsystem is most effective under such conditions; and

“(3) requires that each contractor that develops a prototype system or subsystem, before the testing described in subparagraph (B) is begun, submit—

“(A) cost estimates for full-scale engineering development and the basis for such estimates; and

“(B) production estimates, whenever practicable.

“(c) **EXCEPTION.**—Subsection (a) shall not apply to the development of a major weapons system (or subsystem of such system) after—

“(1) the Secretary submits to Congress—

“(A) written notification that use of a competitive prototype program strategy is not practicable with respect to such system or subsystem; and

“(B) a report that fully explains why use of such a strategy is not practicable, including cost estimates (and the bases for such estimates) comparing the total program cost of the competitive prototype strategy with the total program cost of the alternative acquisition strategy; and

“(2) 30 days elapse after the Secretary submits the notification and report required by paragraph (1).

“(d) **DEFINITIONS.**—In this section:

“(1) The term ‘major weapons system’ means a major weapons system that is acquired under a program that is a major defense acquisition program.

“(2) The term ‘major defense acquisition program’ means a Department of Defense acquisition program that—

“(A) is not a highly sensitive classified program (as determined by the Secretary of Defense); and

“(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than \$200,000,000 (based on fiscal year 1980 constant dollars).

“(3) The term ‘subsystem of such system’ means a collection of components (such as the propulsion system, avionics, or weapon controls) for which the prime contractors, major subcontractors, or government entities have responsibility for system integration.”

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2364 (as added by section 234) the following new item:

Reports.

"2365. Competitive prototype strategy requirement: major defense acquisition programs."

(b) **EFFECTIVE DATE.**—Section 2365 of title 10, United States Code (as added by subsection (a)(1)), shall apply to major weapons systems (as defined in subsection (c)(1) of such section) that enter the advanced development stage after September 30, 1986.

10 USC 2365
note.

SEC. 910. TESTING OF CERTAIN WEAPON SYSTEMS AND MUNITIONS

(a) **SURVIVABILITY AND LETHALITY TESTING AND OPERATIONAL TESTING.**—(1) Chapter 139 of title 10, United States Code, is amended by adding after section 2365 (as added by section 909) the following new section:

"§ 2366. Major systems and munitions programs: survivability and lethality testing; operational testing

10 USC 2366.

"(a) **REQUIREMENTS.**—The Secretary of Defense shall provide that—

"(1) a covered system may not proceed beyond low-rate initial production until realistic survivability testing of the system is completed in accordance with this section;

"(2) a major munition program or a missile program may not proceed beyond low-rate initial production until realistic lethality testing of the program is completed in accordance with this section; and

"(3) a major defense acquisition program may not proceed beyond low-rate initial production until initial operational test and evaluation of the program is completed in accordance with this section.

"(b) **TEST GUIDELINES.**—(1) Survivability and lethality tests required under subsection (a) shall be carried out sufficiently early in the development phase of the system or program to allow any design deficiency demonstrated by the testing to be corrected in the design of the system, munition, or missile before proceeding beyond low-rate initial production.

"(2) In the case of a major defense acquisition program, no person employed by the contractor for the system being tested may be involved in the conduct of the operational test and evaluation required under subsection (a).

"(3) The costs of all tests required under that subsection shall be paid from funds available for the system being tested.

"(c) **WAIVER AUTHORITY.**—The Secretary of Defense may waive the application of the survivability and lethality tests of this section to a covered system, munitions program, or missile program if the Secretary, before the system or program enters full-scale engineering development, certifies to Congress that live-fire testing of such system or program would be unreasonably expensive and impractical.

"(d) **WAIVER IN TIME OF WAR OR MOBILIZATION.**—In time of war or mobilization, the President may suspend the operation of any provision of this section.

President of U.S.

"(e) **DEFINITIONS.**—In this section:

"(1) The term 'covered system' means a vehicle, weapon platform, or conventional weapon system—

"(A) that includes features designed to provide some degree of protection to users in combat; and

"(B) that is a major system within the meaning of that term in section 2303(5) of this title.

“(2) The term ‘major munitions program’ means—

“(A) a munition program for which more than 1,000,000 rounds are planned to be acquired; or

“(B) a conventional munitions program that is a major system within the meaning of that term in section 2302(5) of this title.

“(3) The term ‘major defense acquisition program’ means—

“(A) a conventional weapons system that is a major system within the meaning of that term in section 2302(5) of this title; and

“(B) is designed for use in combat.

“(4) The term ‘realistic survivability testing’ means, in the case of a covered system, testing for vulnerability and survivability of the system in combat by firing munitions likely to be encountered in combat (or munitions with a capability similar to such munitions) at the system configured for combat, with the primary emphasis on testing vulnerability with respect to potential user casualties and taking into equal consideration the operational requirements and combat performance of the system.

“(5) The term ‘realistic lethality testing’ means, in the case of a major munitions program or a missile program, testing for lethality by firing the munition or missile concerned at appropriate targets configured for combat.

“(6) The term ‘configured for combat’, with respect to a weapon system, platform, or vehicle, means loaded or equipped with all dangerous materials (including all flammables and explosives) that would normally be on board in combat.

“(7) The term ‘operational test and evaluation’ has the meaning given that term in section 138(a)(2)(A) of this title.”

10 USC 138.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2365 (as added by section 909) the following new item:

“2366. Major systems and munitions programs: survivability and lethality testing; operational testing.”

10 USC 2366
note.

(b) **EFFECTIVE DATE.**—Section 2366 of title 10, United States Code (as added by subsection (a)), shall apply with respect to any decision to proceed with a program beyond low-rate initial production that is made—

(1) after May 31, 1987, in the case of a decision referred to in subsection (a)(1) or (a)(2) of such section; or

(2) after the date of the enactment of this Act, in the case of a decision referred to in subsection (a)(3) of such section.

(c) **TIME FOR SUBMISSION OF ANNUAL REPORT OF DIRECTOR (OT&E).**—Subsection (g)(1) of section 138 of such title (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)) is amended by striking out “January 15” in the second sentence and all that follows through “is prepared” and inserting in lieu thereof “10 days after the transmission of the budget for the next fiscal year under section 1105 of title 31”.

Ante, p. 994.

SEC. 911. GOALS FOR INCREASED USE OF MULTIYEAR CONTRACTING AUTHORITY IN FISCAL YEAR 1988

(a) **IN GENERAL.**—The Secretary of Defense shall take appropriate actions to ensure that the Department of Defense increases the use of multiyear contracting authority in fiscal year 1988.

(b) **MULTIYEAR PROCUREMENT GOAL.**—The total amount obligated under multiyear contracts (authorized by section 2306(h) of title 10, United States Code) for Department of Defense procurement program eligible for multiyear contracting during fiscal year 1988 should be an amount that is not less than 10 percent of the total obligational authority used by the Department of Defense for procurement programs of the Department during such fiscal year.

(c) **APPORTIONMENT OF GOAL.**—The Secretary of Defense shall specify the percentage of obligational authority of each military department and Defense Agency that is to be used for multiyear contracts to achieve the goal prescribed in subsection (b).

(d) **BASELINE REPORT.**—Not later than January 1, 1987, the Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a written report which contains—

(1) a list of all procurement programs which the Secretary determines to be procurement programs eligible for multiyear contracting that are subject to the requirements of section 2432 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433));

(2) the Secretary's assessment of the feasibility and desirability of the multiyear procurement goal prescribed in subsection (b); and

(3) whether the Secretary expects to achieve the goal prescribed in subsection (b) for fiscal year 1988 and, if the Secretary does not expect to achieve such goal, the reasons why such goal will not be achieved.

(e) **DEFINITIONS.**—As used in this section the term "procurement program eligible for multiyear contracting" means a procurement program of the Department of Defense—

(1) which satisfies the conditions of clauses (A) through (F) of section 2306(h)(1) of title 10, United States Code; and

(2) under which production of fully configured end items is planned for a period exceeding three fiscal years.

SEC. 912. FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS

(a) **IN GENERAL.**—(1) Chapter 139 of title 10, United States Code, is amended by adding after section 2366 (as added by section 910) the following new section:

"§ 2367. Use of federally funded research and development centers

"(a) **LIMITATION ON USE OF CENTERS.**—Except as provided in subsection (b), the Secretary of Defense may not place work with a federally funded research and development center unless such work is within the purpose, mission, and general scope of effort of such center as established in the sponsoring agreement of the Department of Defense with such center.

"(b) **EXCEPTION FOR APPLIED SCIENTIFIC RESEARCH.**—This section does not apply to a federally funded research and development center that performs applied scientific research under laboratory conditions.

Ante, p. 994.

10 USC 2367.

“(c) LIMITATION ON CREATION OF NEW CENTERS.—(1) The head of an agency may not obligate or expend amounts appropriated to the Department of Defense for purposes of operating a federally funded research center that was not in existence before June 2, 1986, until—

Reports.

“(A) the head of the agency submits to Congress a report with respect to such center that describes the purpose, mission, and general scope of effort of the center; and

“(B) a period of 60 days beginning on the date such report is received by Congress has elapsed.

10 USC 2302.

“(2) In this subsection, the term ‘head of an agency’ has the meaning given such term in section 2302(1) of this title.”.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2366 (as added by section 910) the following new item:

“2367. Use of Federally funded research and development centers.”.

10 USC 2367
note.

(b) GAO STUDY.—The Comptroller General shall conduct a study of the national defense role of federally funded research and development centers. Such study shall consider the following:

(1) The effectiveness of procedures in effect on the date of the enactment of this Act in ensuring that such centers are established on the basis of the criteria set forth in Office of Federal Procurement Policy Circular 84-1.

(2) The effectiveness of such procedures in ensuring that work placed with such centers is within the purpose, mission, and general scope of effort of such center as established in the sponsoring agreement with such center.

(3) The growth in the size of such centers during fiscal years 1982 through 1986, measured—

(A) in dollar value of work placed with such centers; and

(B) in man-years of effort required to complete work placed with such centers.

Contracts.

(4) The effect of the exemption of contracts with such centers from the competitive procedures required by section 2304 of title 10, United States Code.

(5) The relationship of such centers to their sponsors.

(c) GAO REPORT.—(1) The Comptroller General shall submit to Congress a report on the study required by subsection (b). Such report shall include a discussion of each of the matters listed in subsection (b).

(2) The report required by paragraph (1) shall be submitted not later than one year after the date of the enactment of this Act.

PART B—REQUIREMENTS RELATING TO THE ACQUISITION PROCESS

SEC. 921. SMALL BUSINESS SET-ASIDES

(a) PROPORTION OF CONTRACTS SET ASIDE DETERMINED ON INDUSTRY CATEGORY BASIS.—Section 15(a) of the Small Business Act (15 U.S.C. 644(a)) is amended—

(1) by inserting “in each industry category” in paragraph (3) after “Government”, and

(2) by adding at the end the following new sentences: “For purposes of clause (3) of the first sentence of this subsection, an industry category is a discrete group of similar goods and services. Such groups shall be determined by the Admini-

stration in accordance with the four-digit standard industrial classification codes contained in the Standard Industrial Classification Manual published by the Office of Management and Budget, except that the Administration shall limit such an industry category to a greater extent than provided under such classification codes if the Administration receives evidence indicating that further segmentation for purposes of this paragraph is warranted due to special capital equipment needs or special labor or geographic requirements or to recognize a new industry. A market for goods or services may not be segmented under the preceding sentence due to geographic requirements unless the Government typically designates the area where work for contracts for such goods or services is to be performed and Government purchases comprise the major portion of the entire domestic market for such goods or services and, due to the fixed location of facilities, high mobilization costs, or similar economic factors, it is unreasonable to expect competition from business concerns located outside of the general areas where such concerns are located."

(b) **AWARDING OF CONTRACTS AT FAIR MARKET PRICES.**—(1) Section 15(a) of such Act (15 U.S.C. 644(a)) is further amended by adding at the end the following new sentence: "A contract may not be awarded under this subsection if the award of the contract would result in a cost to the awarding agency which exceeds a fair market price."

(2) Section 8(a)(1)(A) of such Act (15 U.S.C. 637(a)(1)(A)) is amended by striking out the semicolon at the end and adding in lieu thereof the following: ". A contract may not be awarded under this subsection if the award of the contract would result in a cost to the awarding agency which exceeds a fair market price;".

(c) **ASSURANCE AS TO COMPOSITION OF LABOR FORCE.**—(1) Section 8(a) of such Act (15 U.S.C. 637(a)) is amended by adding at the end the following new paragraph:

"(14)(A) A concern may not be awarded a contract under this subsection as a small business concern unless the concern agrees that—

"(i) in the case of a contract for services (except construction), at least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern; and

"(ii) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), the concern will perform work for at least 50 percent of the cost of manufacturing the supplies (not including the cost of materials).

"(B) The Administrator may change the percentage under clause (i) or (ii) of subparagraph (A) if the Administrator determines that such change is necessary to reflect conventional industry practices among business concerns that are below the numerical size standard for businesses in that industry category. A percentage established under the preceding sentence may not differ from a percentage established under section 15(n).

"(C) The Administration shall establish, through public rule-making, requirements similar to those specified in subparagraph (A) to be applicable to contracts for general and specialty construction and to contracts for any other industry category not otherwise subject to the requirements of such subparagraph. The percentage

applicable to any such requirement shall be determined in accordance with subparagraph (B), except that such a percentage may not differ from a percentage established under section 15(n) for the same industry category.”

Contracts.

(2) Section 15 of such Act (15 U.S.C 644) is amended by adding at the end the following new subsection:

“(o)(1) A concern may not be awarded a contract under this subsection as a small business concern unless the concern agrees that—

“(A) in the case of a contract for services (except construction), the concern will perform at least 50 percent of the cost of the contract with its own employees; and

“(B) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), the concern will perform work for at least 50 percent of the cost of manufacturing the supplies (not including the cost of materials).

“(2) The Administrator may change the percentage under subparagraph (A) or (B) of paragraph (1) if the Administrator determines that such change is necessary to reflect conventional industry practices among business concerns that are below the numerical size standard for businesses in that industry category.

“(3) The Administration shall establish, through public rule-making, requirements similar to those specified in paragraph (1) to be applicable to contracts for general and specialty construction and to contracts for any other industry category not otherwise subject to the requirements of such subparagraph.”

(d) EXPANSION OF ANNUAL PARTICIPATION GOALS.—Section 15(g) of such Act is amended—

(1) by striking out “having values of \$10,000 or more” in the first sentence; and

(2) by adding at the end the following: “For the purpose of establishing goals under this subsection, the head of each Federal agency shall make consistent efforts to annually expand participation by small business concerns from each industry category in procurement contracts of the agency, including participation by small business concerns owned and controlled by socially and economically disadvantaged individuals. The head of each Federal agency, in attempting to attain such participation, shall consider—

“(1) contracts awarded as the result of unrestricted competition; and

“(2) contracts awarded after competition restricted to eligible small business concerns under this section and under the program established under section 8(a).”

(e) DISCLOSURE OF INFORMATION CONCERNING APPLICANTS FOR PROCUREMENT SET-ASIDES.—Section 15 of such Act is further amended by adding at the end the following new subsection:

“(p)(1) Except as provided in paragraphs (2) and (3), the head of any Federal agency shall, within five days of the agency’s decision to set aside a procurement for small business concerns under this section, provide the names and addresses of the small business concerns expected to respond to the procurement to any person who requests such information.

“(2) The Secretary of Defense may decline to provide information under paragraph (1) in order to protect national security interests.

Disadvantaged persons.

Defense and national security.

“(3) The head of a Federal agency is not required to release any information under paragraph (1) that is not required to be released under section 552 of title 5, United States Code.”

(f) REVIEW OF SIZE STANDARDS.—Section 3 of the Small Business Act is amended—

15 USC 632.

(1) by inserting “(1)” after “SEC. 3. (a)”; and

(2) by adding at the end of subsection (a) the following:

“(2)(A) The Small Business Administration shall establish a program for the review of the size standards for eligibility of business concerns in the industry categories described in subparagraph (B) for a procurement restricted to small business concerns under section 8(a) or 15(a).

15 USC 637, 644.

“(B) Subparagraph (A) shall apply only to business concerns in the following industry categories:

“(i) Construction.

“(ii) Architectural and engineering services (including surveying and mapping services).

“(iii) Ship building and ship repair.

“(iv) Refuse systems and related services.

“(3) If the Administrator determines, on the basis of any such review, that contracts awarded under the set-aside programs under such sections exceed 30 percent of the dollar value of the total contract awards for that industry category, as determined under the last sentence of section 15(a)(3), the Administrator shall adjust the size standards for such industry category establishing eligibility for a set-aside program to a size that will likely reduce the number of contracts which may be set aside to approximately 30 percent of the value of contracts to be awarded under such sections.

Contracts.

“(4)(A) An interested person may petition the Administrator at any time to review an adjustment to a size standard made under paragraph (3) or any designation of an industry category made under section 15(a)(3) if the petitioner presents credible evidence that any such adjustment or designation—

“(i) is not likely to further the purposes of paragraph (3)(A) or section 15(a); and

“(ii) has caused the petitioner to suffer severe financial loss.

“(B) The Administrator shall render a final determination on any petition filed under subparagraph (A) before the end of the 30-day period beginning on the date that such petition is received by the Administration. Such determination shall be reviewable in the manner prescribed in chapter 7 of title 5, United States Code.

5 USC 701 *et seq.*
Regulations.

“(C) The Administrator shall prescribe regulations to carry out the provisions of this subsection.

“(5) The Administrator shall conduct a review under the program established under paragraph (2) at least once during every three years. Such review shall be completed and appropriate size standard adjustments made with the expiration of 180 days after each three-year review period.”

(g) EFFECTIVE DATES.—Except as otherwise provided in subsection (h), the amendments made by this section shall take effect on October 1, 1987.

15 USC 632 note.

(h) INITIAL REVIEW OF SIZE STANDARDS.—(1) Paragraph (2) of section 3(a) of the Small Business Act (as added by subsection (f)) shall take effect on the date of the enactment of this Act.

15 USC 632 note.

(2) The first review conducted by the Administrator under such paragraph shall review the periods beginning on October 1, 1983,

and ending on September 30, 1986, and shall be completed not later than 180 days after the date of the enactment of this Act.

Contracts.

15 USC 637, 644.

(3) If the Administrator of the Small Business Administration determines, on the basis of the review referred to in paragraph (2), that contracts awarded under the set-aside programs under sections 8(a) and 15(a) of the Small Business Act in any industry category subject to that review exceed 30 percent of the dollar value of the total contract awards for that industry category, as determined in accordance with the last sentence of section 15(a)(3) of such Act, the Administrator shall propose adjustments to the size standards for such industry category establishing eligibility for a set-aside program to a size that will likely reduce the number of contracts which may be set aside to approximately 30 percent of the value of contracts to be awarded under such sections. The Administrator shall publish such proposed adjustments in the Federal Register for public comment. The Administrator may not issue final regulations implementing revised size standards for an industry category under section 3(a)(3) of such Act (as added by subsection (f)) until October 1, 1987.

Federal Register, publication.

15 USC 632 note.

(i) **REPORT ON EFFECT OF AMENDMENTS MADE BY THIS SECTION.**—(1) The Administrator of the Small Business Administration shall submit to the Committees on Armed Services and the Committees on Small Business of the Senate and House of Representatives a report on the amendments made by this section. The report shall include the Administrator's views on the advisability and feasibility of implementing such amendments.

(2) The report shall also include—

(A) the Administrator's findings and determinations under the review of size standards for businesses that qualify as small businesses carried out pursuant to section 3(a)(2)(B) of the Small Business Act (as amended by subsection (f));

(B) a determination of whether or not the amendments made by subsection (f) will further the interests of the set-aside program; and

(C) recommendations for furthering the interests described in subparagraphs (A) and (B) in a more efficient or more effective manner than provided in such amendments.

(3) In preparing the report required by paragraph (1), the Administrator of the Small Business Administration shall seek the views of all affected agencies of the Government and the views of the public, including the views of business concerns of all sizes and of trade, business, and professional organizations. The views of such agencies, and a summary of the views of the public, shall be included in the report.

(4) The report shall be submitted not later than July 15, 1987.

Contracts.
Illinois.

(j) **LIMITATION RESPECTING GREAT LAKES NAVAL TRAINING CENTER.**—Of the total dollar amount of the contracts awarded for fiscal year 1987 for construction and refuse systems and related services at Great Lakes Naval Training Center, Illinois, not more than 30 percent of such dollar amount may be under contracts awarded through the so-called small business set-aside programs under sections 8 and 15 of the Small Business Act.

15 USC 637, 644.

SEC. 922. THRESHOLDS FOR CERTAIN REQUIREMENTS RELATING TO SMALL PURCHASES

(a) **SMALL BUSINESS ACT NOTICE THRESHOLDS.**—Section 8(e)(1) of the Small Business Act (15 U.S.C. 637(e)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking out “\$10,000” both places such term appears and inserting in lieu thereof “\$25,000”;

(B) by striking out “or” at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof “; or”;

(D) by inserting after clause (ii) the following new clause:
“(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed \$10,000, if there is not a reasonable expectation that at least two offers will be received from responsive and responsible offerors,”; and

(E) by striking out “subsection (b); and” and inserting in lieu thereof “subsection (f)”;

(2) by redesignating subparagraph (B) as subparagraph (C);
and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) an executive agency intending to solicit bids or proposals for a contract for property or services shall post, for a period of not less than ten days, in a public place at the contracting office issuing the solicitation a notice of solicitation described in subsection (f)—

“(i) in the case of an executive agency other than the Department of Defense, if the contract is for a price expected to exceed \$10,000, but not to exceed \$25,000; and

“(ii) in the case of the Department of Defense, if the contract is for a price expected to exceed \$5,000, but not to exceed \$25,000; and”.

(b) OFFICE OF FEDERAL PROCUREMENT POLICY ACT NOTICE THRESHOLDS.—Section 18(a)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(A)) is amended—

(1) in subparagraph (A)—

(A) by striking out “\$10,000” both places such term appears in and inserting in lieu thereof “\$25,000”;

(B) by striking out “or” at the end of clause (i);

(C) by striking out the comma at the end of clause (ii) and inserting in lieu thereof “; or”;

(D) by inserting after clause (ii) the following new clause:
“(iii) solicit bids or proposals for a contract for property or services for a price expected to exceed \$10,000, if there is not a reasonable expectation that at least two offers will be received from responsive and responsible offerors,”; and

(E) by striking out “and” at the end;

(2) by redesignating subparagraph (B) as subparagraph (C);
and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

“(B) an executive agency intending to solicit bids or proposals for a contract for property or services shall post, for a period of not less than ten days, in a public place at the contracting office issuing the solicitation a notice of solicitation described in subsection (f)—

“(i) in the case of an executive agency other than the Department of Defense, if the contract is for a price expected to exceed \$10,000, but not to exceed \$25,000; and

“(ii) in the case of the Department of Defense, if the contract is for a price expected to exceed \$5,000, but not to exceed \$25,000; and”.

Contracts.

Contracts.

(c) **SMALL BUSINESS SET-ASIDES.**—The first sentence of section 15(j) of the Small Business Act (15 U.S.C. 644(j)) is amended by striking out “\$10,000” and inserting in lieu thereof “\$25,000”.

15 USC 637.

(d) **CONFORMING AMENDMENTS.**—(1) Section 8(f) of the Small Business Act is amended by striking out “subsection (e)(1)(A)” and inserting in lieu thereof “subparagraph (A) or (B) of subsection (e)(1)”.

41 USC 416.

(2) Section 18(b) of the Office of Federal Procurement Policy Act is amended by striking out “subsection (a)(1)(A)” and inserting in lieu thereof “subparagraph (A) or (B) of subsection (a)(1)”.

SEC. 923. REQUIREMENTS RELATING TO PROCEDURES OTHER THAN COMPETITIVE PROCEDURES

(a) **LIMITED SOURCES.**—Section 2304(c)(1) of title 10, United States Code, is amended by inserting “or only from a limited number of responsible sources” after “only one responsible source”.

(b) **UNSOLICITED PROPOSALS FOR SERVICE.**—Subparagraph (A) of section 2304(d)(1) of such title is amended by striking out “a unique and innovative concept” and all that follows and inserting in lieu thereof “a concept—

“(i) that is unique and innovative or, in the case of a service, for which the source demonstrates a unique capability of the source to provide the service; and

“(ii) the substance of which is not otherwise available to the United States, and does not resemble the substance of a pending competitive procurement; and”.

(c) **FOLLOW-ON CONTRACTS.**—Subparagraph (B) of such section is amended—

(1) by inserting “, or the continued provision of highly specialized services, such property or services may be deemed to be available only from the original source and may be procured through procedures other than competitive procedures” after “highly specialized equipment”;

(2) by inserting a one-em dash after “would result in”;

(3) by paragraphing clauses (i) and (ii) and aligning their margins so as to be cut in four ems;

(4) by striking out the comma after “competition” at the end of clause (i) and inserting in lieu thereof a semicolon; and

(5) by striking out “, such property” and all that follows and inserting in lieu thereof a period.

(d) **EFFECTIVE DATES.**—(1) The amendment made by subsection (a) shall apply with respect to contracts for which solicitations are issued after the end of the 180-day period beginning on the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply with respect to contracts awarded on the basis of unsolicited research proposals after the end of the 180-day period beginning on the date of the enactment of this Act.

(3) The amendments made by subsection (c) shall apply with respect to follow-on contracts awarded after the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 924. EVALUATION FACTORS IN AWARD OF CONTRACTS

(a) **EVALUATION FACTORS.**—Subsection (a) of section 2305 of title 10, United States Code, is amended—

(1) in paragraph (2)(A)(i)—

(A) by striking out “(including price)”;

Contracts.
10 USC 2304
note.

(B) by inserting “(including price)” after “sealed bids”; and

(C) by inserting “(including cost or price)” after “competitive proposals”; and

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

“(3) In prescribing the evaluation factors to be included in each solicitation for competitive proposals, the head of an agency shall clearly establish the relative importance assigned to the quality of the services to be provided (including technical capability, management capability, and prior experience of the offeror).”

(b) **CONFORMING AMENDMENT.**—Subsection (b) of such section is amended by inserting “cost or” in paragraph (4)(B) before “price”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply with respect to solicitations for sealed bids or competitive proposals issued after the end of the 180-day period beginning on the date of the enactment of this Act.

10 USC 2305
note.

SEC. 925. COMPUTATION OF CONTRACT BID PRICES

(a) **IN GENERAL.**—Section 2301(a) of title 10, United States Code, is amended—

(1) by striking out “and” at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof “; and”; and

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

“(7) the head of an agency, in issuing a solicitation for a contract to be awarded using sealed-bid procedures, not include in such solicitation a clause providing for the evaluation of prices under the contract for options to purchase additional supplies or services under the contract unless the head of the agency has determined that there is a reasonable likelihood that the options will be exercised.”

(b) **EFFECTIVE DATE.**—Section 2301(a)(7) of title 10, United States Code (as added by subsection (a)), shall not apply to solicitations for sealed bids issued before the end of the 180-day period beginning on the date of the enactment of this Act.

10 USC 2301
note.

SEC. 926. PRICES FOR SPARE OR REPAIR PARTS SOLD COMMERCIALY

(a) **ESTABLISHMENT OF COMMERCIAL PRICING REQUIREMENT.**—(1) Section 2323 of title 10, United States Code, is amended to read as follows:

“§ 2323. Commercial pricing for spare or repair parts

“(a) **LIMITATION ON PRICE OF COMMERCIALY AVAILABLE PARTS.**— Except in the case of an offer submitted with a written statement under subsection (b)(2) and except as provided in subsection (c), if the head of an agency, using procedures other than competitive procedures, enters into a contract with a contractor for the purchase of spare or repair parts which the contractor also offers for sale to the general public, the price charged the United States for such parts under the contract may not exceed the lowest commercial price charged by the contractor in sales of such parts during a period described in subsection (b)(1).

Contracts.

“(b) **REQUIREMENTS FOR INCLUSION IN OFFER.**—The head of an agency, with respect to an offeror who submits an offer to the head of an agency to enter into a contract for the supply of spare or repair parts under a contract awarded using procedures other than

competitive procedures, and who also offers such parts for sale to the general public, shall require that the offeror—

“(1) certify in such offer that, to the best of the knowledge and belief of the offeror, the price proposed in the offer does not exceed the lowest commercial price at which such offeror sold such parts during the most recent regular monthly, quarterly, or other period for which sales data are reasonably available; or

“(2) submit with such offer a written statement—

“(A) specifying the amount of the difference between the price proposed in the offer and the lowest commercial price at which such offeror sold such parts during a period described in paragraph (1); and

“(B) providing a justification for that difference.

“(c) EXCEPTION TO LIMITATION.—Subsections (a) and (b) do not apply in the case of a contract with respect to which the contracting officer includes in the file on the contract a written determination by such officer that the use of the lowest commercial price with respect to such contract is not appropriate because of—

“(1) national security considerations; or

“(2) significant differences between the terms of the commercial sales of the parts to be acquired under such contract and the terms of such contract, including differences in—

“(A) quantity;

“(B) quality;

“(C) delivery requirements; or

“(D) other terms and conditions.

“(d) AUDITING.—(1) In order to verify any certification or statement made under subsection (b) with respect to a contract, the contracting officer who awards such contract (or any representative of the contracting officer who is an employee of the United States or a member of the armed forces), during the time period specified in paragraph (2), may examine and audit all records of sales (including contract terms and conditions) maintained by or for the contractor that are directly pertinent to sales by the contractor of spare or repair parts identical to those covered by the contract during the period covered by such certification or statement.

“(2) The head of an agency shall require an offeror who submits a certification or written statement under subsection (b) to make available the records, books, data, and documents described in paragraph (1) for examination, audit, or reproduction for the purposes of such paragraph during the three-year period beginning on the date that the offeror submits such certification or statement to such head of an agency.

“(3) The authority provided by this subsection is in addition to the authority of the head of an agency under section 2306a of this title.

“(e) REGULATIONS.—The Secretary of Defense, after consultation with the Secretary of Transportation and the Administrator of the National Aeronautics and Space Administration, shall prescribe regulations to carry out this section. Such regulations may not require the disclosure or submission of any data related to any element underlying the price of a commercial product not otherwise required by law.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘spare or repair part’ means any individual piece, part, subassembly, or component which is furnished for the logistic support or repair of an end item and not as an end item itself.

"(2) The term 'lowest commercial price' means the lowest price at which a sale was made to the general public of a particular part. Such term does not include the price at which a sale was made—

"(A) to any agency of the United States;

"(B) to any person for resale by such person after such person performs a service or function in connection with such part that increases the cost of the part, unless the agency procuring the part can demonstrate that the agency is procuring the part before such service or function has been performed by any such person;

"(C) to a subsidiary, affiliate, or parent business organization of the contractor, or any other branch of the same business entity;

"(D) to any person at a price that, for the purpose of making a donation, has been substantially discounted below the fair market value or regular price of such part; or

"(E) to a customer located outside the United States.

"(g) **APPLICABILITY.**—This section does not apply to a contract entered into using simplified small purchase procedures established under section 2304(g) of this title."

(2) The item relating to section 2323 at the beginning of chapter 137 is amended to read as follows:

"2323. Commercial pricing for spare or repair parts."

(b) **EFFECTIVE DATE.**—Regulations prescribed under section 2323(e) of title 10, United States Code (as amended by subsection (a)(1)), shall take effect on the date of the enactment of this Act.

10 USC 2323
note.

SEC. 927. ALLOCATION OF OVERHEAD TO PARTS TO WHICH CONTRACTOR HAS ADDED LITTLE VALUE

(a) **IN GENERAL.**—Section 2304 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) The Secretary of Defense shall prescribe by regulation the manner in which the Department of Defense negotiates prices for supplies to be obtained through the use of procedures other than competitive procedures, as defined in section 2302(2) of this title.

Regulations.

"(2) The regulations required by paragraph (1) shall—

"(A) specify the incurred overhead a contractor may appropriately allocate to supplies referred to in that paragraph; and

"(B) require the contractor to identify those supplies which it did not manufacture or to which it did not contribute significant value.

"(3) Such regulations shall not apply to an item of supply included in a contract or subcontract for which the price is based on established catalog or market prices of commercial items sold in substantial quantities to the general public."

(b) **DEADLINE.**—The Secretary of Defense shall prescribe the regulations required by section 2304(i) of such title (as added by subsection (a)) not later than 180 days after the date of the enactment of this Act.

10 USC 2304
note.

(c) **REPEAL.**—Section 1245 of the Department of Defense Authorization Act, 1985 (Public Law 98-525, 98 Stat. 2609), is repealed.

SEC. 928. CLARIFICATION OF REQUIREMENTS TO MARK SUPPLIES TO IDENTIFY SUPPLIERS AND SOURCES

(a) EXCEPTION FOR CERTAIN COMMERCIAL ITEMS.—Section 2384(b) of title 10, United States Code, is amended—

- (1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;
- (2) by inserting “(1)” after “(b)”;
- (3) by inserting “(other than a contract described in paragraph (2))” after “delivery of supplies”; and
- (4) by adding at the end the following new paragraph:

Contracts.

“(2) Paragraph (1) does not apply to a contract that requires the delivery of supplies that are commercial items sold in substantial quantities to the general public if the contract—

“(A) provides for the acquisition of such supplies by the Department of Defense at established catalog or market prices; or

“(B) is awarded through the use of competitive procedures.”.

10 USC 2384
note.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to contracts entered into after the end of the 180-day period beginning on the date of the enactment of this Act.

PART C—PROCUREMENT PERSONNEL POLICY

SEC. 931. CONFLICT-OF-INTEREST IN DEFENSE PROCUREMENT

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2397a the following new sections:

10 USC 2397b.

“§ 2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors

Contracts.

“(a)(1) Subject to subsections (c) and (d), a person who is a former officer or employee of the Department of Defense or a former or retired member of the armed forces may not accept compensation from a contractor during the two-year period beginning on the date of such person’s separation from service in the Department of Defense if—

“(A) on a majority of the person’s working days during the two-year period ending on the date of such person’s separation from service in the Department of Defense, the person performed a procurement function (relating to a contract of the Department of Defense) at a site or plant that is owned or operated by the contractor and that was the principal location of such person’s performance of that procurement function;

“(B) the person performed, on a majority of the person’s working days during such two-year period, procurement functions relating to a major defense system and, in the performance of such functions, participated personally and substantially, and in a manner involving decisionmaking responsibilities, with respect to a contract for that system through contact with the contractor; or

“(C) during such two-year period the person acted as a primary representative of the United States—

“(i) in the negotiation of a Department of Defense contract in an amount in excess of \$10,000,000 with the contractor; or

“(ii) in the negotiation of a settlement of an unresolved claim of the contractor in an amount in excess of \$10,000,000 under a Department of Defense contract.

“(2) In the application of paragraph (1) to a former officer or employee of the Department of Defense or a former or retired member of the armed forces, a person’s status as a contractor shall be determined as of the date of the separation from service in the Department of Defense of the officer or employee or member or former member involved.

“(b)(1) Any person who knowingly violates subsection (a)(1) shall be subject to a civil fine, in an amount not to exceed \$250,000, in a civil action brought by the United States in the appropriate district court of the United States.

“(2) Any person who knowingly offers or provides any compensation to another person, and who knew or should have known that the acceptance of such compensation is or would be in violation of subsection (a)(1), shall be subject to a civil fine, in an amount not to exceed \$500,000, in a civil action brought by the United States in the appropriate district court of the United States.

“(c) This section does not apply to any person with respect to—
“(1) duties described in clause (A) or (B) of subsection (a)(1) which were performed while such person was serving—

“(A) in a civilian position for which the rate of pay is less than the minimum rate of pay payable for grade GS-13 of the General Schedule; or

“(B) as a member of the armed forces in a pay grade below pay grade O-4; or

“(2) duties described in clause (C) of subsection (a)(1) which were performed while such person was serving—

“(A) in a civilian position for which the rate of pay is less than the minimum rate of pay payable for a Senior Executive Service position; or

“(B) as a member of the armed forces in a pay grade below pay grade O-7.

“(d) This section does not prohibit any person from accepting compensation from any contractor that, during the fiscal year preceding the fiscal year in which such compensation is accepted, was not a Department of Defense contractor or was a contractor under Department of Defense contracts in a total amount less than \$10,000,000.

“(e)(1) Any person may, before accepting any compensation, request the appropriate designated agency ethics official to advise such person on the applicability of this section to the acceptance of such compensation. For purposes of the preceding sentence, the appropriate designated agency ethics official is the designated agency ethics official of the agency in which such person was serving at the time such person separated from service in the Department of Defense.

“(2) A request for advice under paragraph (1) shall contain all information that is relevant to a determination by the designated agency ethics official on such request.

“(3) Not later than 30 days after the date on which a designated agency ethics official receives a request for advice under paragraph (1), such official shall issue a written opinion on the applicability of this section to the acceptance of compensation covered by the request.

“(4) If a designated agency ethics official, on the basis of a complete disclosure as required by paragraph (2), states in a written

opinion furnished to any person under this subsection that this section is inapplicable to the acceptance of compensation by such person from a contractor in a particular case, there shall be a conclusive presumption in favor of such person, for the purposes of this section, that the person's acceptance of such compensation in such case is not a violation of subsection (a)(1).

“(f) In this section:

“(1) The term ‘compensation’ includes any payment, gift, benefit, reward, favor, or gratuity—

“(A) which is provided, directly or indirectly, for services rendered by the person accepting such payment, gift, benefit, reward, favor, or gratuity; and

“(B) which is valued in excess of \$250 at the prevailing market price.

“(2)(A) The term ‘contractor’ means a person—

“(i) that contracts to supply the Department of Defense with goods or services;

“(ii) that controls or is controlled by a person described in clause (i); or

“(iii) that is under common control with a person described in clause (i).

“(B) Such term does not include—

“(i) an affiliate or subsidiary of a person described in subparagraph (A) that is clearly not engaged in the performance of a Department of Defense contract; or

“(ii) a State or local government.

“(3) The term ‘procurement function’ includes, with respect to a contract, any function relating to—

“(A) the negotiation, award, administration, or approval of the contract;

“(B) the selection of a contractor;

“(C) the approval of changes in the contract;

“(D) quality assurance, operational and developmental testing, the approval of payment, or auditing under the contract; or

“(E) the management of the procurement program.

“(4) The term ‘armed forces’ does not include the Coast Guard.

“(5) The term ‘major defense system’ has the meaning given the term ‘major system’ in section 2302(5) of this title.

“(g) For the purposes of this section, a person who is a retired member or a former member of the armed forces shall be considered to have been separated from service in the Department of Defense upon the date of the person's discharge or release from active duty.

10 USC 2397c.

“§ 2397c. Defense contractors: requirements concerning former Department of Defense officials

“(a)(1) Each contract for the procurement of goods or services in excess of \$100,000 entered into by the Department of Defense shall include a provision under which the contractor agrees not to provide compensation to a person if the acceptance of such compensation by such person would violate section 2397b(a)(1) of this title.

Ante, p. 3936.

“(2) Such a contract shall also provide that if the contractor knowingly violates a contract provision required by paragraph (1) the contractor shall pay to the United States, as liquidated damages under the contract, an amount equal to the greater of—

“(A) \$100,000; or

“(B) three times the amount of the compensation paid by the contractor to the person in violation of such contract provision.

“(b)(1)(A) Any contractor that was awarded one or more contracts by the Department of Defense during the preceding fiscal year in an aggregate amount of at least \$10,000,000 that is subject during a calendar year to a contract provision described in subsection (a) shall submit to the Secretary of Defense, not later than April 1 of the next year, a written report covering the preceding calendar year. Each such report shall list the name of each person (together with other information adequate for the Government to identify the person) who—

Reports.

“(i) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces; and

“(ii) during the preceding calendar year was provided compensation by that contractor, if such compensation was provided within two years after such officer, employee, or member left service in the Department of Defense.

“(B) In the case of each person named in a report submitted under subparagraph (A), the report shall—

“(i) identify the agency in which the person was employed or served on active duty during the last two years of the person's service with the Department of Defense;

“(ii) state the person's job title and identify each major defense system, if any, on which the person performed any work with the Department of Defense during the last two years of the person's service with the Department;

“(iii) contain a complete description of any work that the person is performing on behalf of the contractor; and

“(iv) identify each major defense system on which the person has performed any work on behalf of the contractor.

“(2) A person who knowingly fails to file a report required by paragraph (1) shall be subject to an administrative penalty, not to exceed \$10,000, imposed by the Secretary of Defense after an opportunity for an agency hearing on the record pursuant to regulations prescribed by the Secretary of Defense. The determinations of the Secretary shall be included in such record. The determinations of the Secretary shall be subject to judicial review under chapter 7 of title 5.

5 USC 701 *et seq.*

“(3) The Secretary of Defense shall review each report under paragraph (1) for the purposes of (A) assessing the accuracy and completeness of the report, and (B) identifying possible violations of section 2397b(a)(1) of this title or of a contract provision required by subsection (a). The Secretary shall report any such possible violation to the Attorney General.

Ante, p. 3936.

“(4) The Secretary shall make reports submitted under this subsection available to any Member of Congress upon request.

“(d) Subsection (g) of section 2397b of this title, and the definitions prescribed in subsection (f) of such section, apply to this section.”.

(2) The table of sections at the beginning of chapter 141 of title 10, United States Code, is amended by inserting after the item relating to section 2397a the following new items:

“2397b. Certain former Department of Defense procurement officials: limitations on employment by contractors.

“2397c. Defense contractors: requirements concerning former Department of Defense officials.”.

(b) **REPEAL.**—Section 921 of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 10 U.S.C. 2397a note) is repealed.

10 USC 2397b
note.

(c) **EFFECTIVE DATES.**—(1) Subject to paragraph (2), this section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2)(A) The amendments made by this section—

(i) do not preclude the continuation of employment that began before the effective date of this section or the acceptance of compensation for such employment; and

(ii) do not, except as provided in subparagraph (B), apply to a person whose service in the Department of Defense terminates before the effective date of this section.

(B) Subparagraph (A)(ii) does not preclude the application of the amendments made by this section to a person with respect to service in the Department of Defense by such person on or after the effective date of this section.

10 USC 1621
note.

SEC. 932. PLAN FOR ENHANCEMENT OF PROFESSIONALISM OF ACQUISITION PERSONNEL

(a) **DEVELOPMENT OF PLAN.**—The Secretary of Defense shall develop a plan for a personnel initiative designed to enhance the professionalism of, and career opportunities available to, acquisition personnel of the Department of Defense.

(b) **REQUIREMENTS FOR PLAN.**—The plan required to be developed under subsection (a) shall—

(1) include standards for the examination, appointment, classification, training, and assignment of acquisition personnel; and

(2) assess the feasibility and desirability of—

(A) the designation of certain acquisition positions of the Department of Defense as professional positions; and

(B) the establishment of an alternative personnel system that would—

(i) include acquisition positions that are designated as professional positions; and

(ii) include quality of performance as a factor in promotions for persons in such positions.

(c) **REPORT.**—(1) The Secretary shall submit to Congress a report—

(A) describing the plan developed under subsection (a); and

(B) recommending any changes in existing law that would facilitate the enhancement of the professionalism of, and career opportunities available to, acquisition personnel of the Department of Defense.

(2) The report required by subparagraph (A) shall be submitted not later than April 15, 1987.

(d) **EFFECTIVE DATE.**—The report required by subsection (c) shall be submitted not later than the end of the one-year period beginning on the date of the enactment of this Act.

SEC. 933. EDUCATIONAL REQUIREMENTS FOR ACQUISITION PERSONNEL

Section 1622(b)(1) of title 10, United States Code, is amended by striking out “attended” and inserting in lieu thereof “completed”.

SEC. 934. PLAN FOR COORDINATION OF DEFENSE ACQUISITION EDUCATIONAL PROGRAMS 10 USC 1621 note.

(a) **COORDINATION PLAN.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing a plan for the coordination of educational programs managed by the Department of Defense for acquisition personnel of the Department. Reports.

(b) **REQUIREMENTS FOR PLAN.**—The plan required by subsection (a) shall provide for—

(1) the education of acquisition personnel of the Department of Defense through programs offered by the Department or through educational courses offered by organizations other than the Department;

(2) the education of acquisition personnel of the Department in various acquisition specialties, including contracting, logistics, quality, program management, systems engineering, production, and manufacturing; and

(3) the elimination of duplication of functions and courses by schools of the Department that provide educational courses for acquisition personnel of the Department.

(c) **EFFECTIVE DATE.**—The report required by subsection (a) shall be submitted not later than the end of the one-year period beginning on the date of the enactment of this Act.

PART D—REQUIREMENTS RELATING TO DEFENSE CONTRACTORS

SEC. 941. CODIFICATION AND EXTENSION OF PROHIBITION ON PERSONS CONVICTED OF DEFENSE-CONTRACT RELATED FELONIES AND RELATED CRIMINAL PENALTY ON DEFENSE CONTRACTORS

(a) **IN GENERAL.**—(1) Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2408. **Prohibition on persons convicted of defense-contract related felonies and related criminal penalty on defense contractors** 10 USC 2408.

“(a) **PROHIBITION.**—A person who is convicted of fraud or any other felony arising out of a contract with the Department of Defense shall be prohibited from working in a management or supervisory capacity on any defense contract, or serving on the board of directors of any defense contractor, for a period, as determined by the Secretary of Defense, of not less than one year from the date of the conviction.

“(b) **CRIMINAL PENALTY.**—A defense contractor shall be subject to a criminal penalty of not more than \$500,000 if such contractor is convicted of knowingly—

“(1) employing a person under a prohibition under subsection (a); or

“(2) allowing such a person to serve on the board of directors of such contractor.”

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

“2408. Prohibition on persons convicted of defense-contract related felonies and related criminal penalty on defense contractors.”

10 USC 2304
note.

(b) **CONFORMING AMENDMENT.**—Section 932 of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 99 Stat. 699) is repealed.

10 USC 2408
note.

(c) **EFFECTIVE DATE.**—Section 2408 of title 10, United States Code (as added by subsection (a)(1)), shall apply with respect to employment or service on a board of directors after the date of the enactment of this Act.

SEC. 942. PROTECTION OF CONTRACTOR EMPLOYEES FROM REPRISAL FOR DISCLOSURE OF CERTAIN INFORMATION

(a) **IN GENERAL.**—(1) Chapter 141 of title 10, United States Code, is amended by adding after section 2408 (as added by section 941) the following new section:

10 USC 2409.

“§ 2409. Contractor employees: protection from reprisal for disclosure of certain information

“(a) **PROHIBITION OF REPRISALS.**—An employee of a defense contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a Member of Congress or an authorized official of the Department of Defense or the Department of Justice information relating to a substantial violation of law related to a defense contract (including the competition for or negotiation of a defense contract).

Reports.

“(b) **INVESTIGATION OF COMPLAINTS.**—A person who believes that the person has been subjected to a reprisal prohibited by subsection (a) may submit a complaint to the Inspector General of the Department of Defense. Unless the Inspector General determines that the complaint is frivolous, the Inspector General shall investigate the complaint and, upon completion of such investigation, submit a report of the findings of the investigation to the person, the contractor concerned, and the Secretary of Defense.

Discrimination,
prohibition.

“(c) **CONSTRUCTION.**—Nothing in this section may be construed to authorize the discharge of, demotion of, or discrimination against an employee for a disclosure other than a disclosure protected by subsection (a) or to modify or derogate from a right or remedy otherwise available to the employee.”

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2408 (as added by section 941) the following new item:

“2409. Contractor employees: protection from reprisal for disclosure of certain information.”

10 USC 2409
note.

(b) **EFFECTIVE DATE.**—Section 2409 of title 10, United States Code (as added by subsection (a)(1)), shall apply with respect to any reprisal action taken on or after the date of the enactment of this Act.

SEC. 943. REVISION OF WORK MEASUREMENT PROVISIONS

(a) **IN GENERAL.**—(1) Section 2406 of title 10, United States Code, is amended to read as follows:

“§ 2406. Availability of cost and pricing records

Contracts.

“(a) **REQUIREMENT.**—(1) The head of an agency shall require a contractor under a covered contract with that agency to make available in a timely manner to any authorized representative of the head of the agency records of the contractor's cost and pricing data

described in subsection (b) with respect to work under the covered contract.

“(2) The head of the agency (or the representative of the head of the agency) shall be entitled to have access to records in the form and manner maintained by the contractor.

“(b) COVERED RECORDS.—Records covered by subsection (a) include (for a covered contract and end items under such a contract) the following:

“(1) Work measurement system data (and any revision to such data), including records of labor content expressed in standard hours of work content for—

(A) the contractor's proposal for the contract; and

(B) the contract as negotiated.

“(2) The costs described in subsection (c)—

“(A) as proposed by the contractor;

“(B) as negotiated by the contractor with the head of the agency; and

“(C) as incurred by the contractor.

“(3) Bills of material.

“(c) COVERED COSTS.—Costs referred to in subsection (b)(2) are—

“(1) labor costs;

“(2) material costs;

“(3) subcontract costs;

“(4) overhead costs;

“(5) general and administrative costs; and

“(6) fee or profit.

“(d) NATURE OF RECORDS TO BE MAINTAINED.—Nothing in this section shall require a contractor under a covered contract to—

“(1) collect or maintain additional data not otherwise collected or maintained by the contractor, or

“(2) maintain data in a form or manner different from that in which the contractor maintains such data.

“(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall specify the period for which records shall be covered by this section, which shall not be less than three years after final payment under the contract to which the records pertain.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘head of an agency’ means the Secretary of Defense or the Secretary of a military department.

“(2) The term ‘covered contract’ means a manufacturing contract—

“(A) that is awarded under a major defense acquisition program (as such term is defined in 2432(a) of this title); and

“(B) that is subject to the provisions of section 2306a of this title.

“(3) The term ‘work measurement system data’ means—

“(A) data generated from time standard setting, time monitoring, and variance analysis; and

“(B) such data described in subparagraph (A) as included in planning, cost estimating, and productivity improvement.

“(4) The term ‘authorized representative’ means a representative of the head of an agency who is an employee of the United States or a member of the armed forces.”

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

10 USC 2432.

Post, p. 3946.

"2406. Availability of cost and pricing records."

10 USC 2406
note.

(b) **APPLICABILITY OF SECTION.**—Section 2406 of title 10, United States Code, as amended by subsection (a), shall apply with respect to—

(1) contracts entered into on or after the date of the enactment of this Act; and

(2) contracts entered into before such date that are not completed before such date.

10 USC 2406
note.

(c) **DEADLINE FOR REGULATIONS.**—The Secretary of Defense shall prescribe regulations as required by section 2406(e) of title 10, United States Code (as amended by subsection (a)(1)), not later than the end of the 180-day period beginning on the date of the enactment of this Act.

PART E—MISCELLANEOUS

SEC. 951. CONTRACTING WITH FIRMS OWNED OR CONTROLLED BY GOVERNMENTS THAT SUPPORT TERRORISM

(a) **CONSIDERATION OF NATIONAL INTERESTS WITH RESPECT TO DEFENSE CONTRACTS.**—(1) Chapter 137 of title 10, United States Code, is amended by adding after the item relating to section 2326 (as added by section 908) the following new section:

10 USC 2327.

"§ 2327. **Contracts: consideration of national security objectives**

"(a) **DISCLOSURE OF OWNERSHIP OR CONTROL BY A FOREIGN GOVERNMENT.**—The head of an agency shall require a firm or a subsidiary of a firm that submits a bid or proposal in response to a solicitation issued by the Department of Defense to disclose in that bid or proposal any significant interest in such firm or subsidiary (or, in the case of a subsidiary, in the firm that owns the subsidiary) that is owned or controlled (whether directly or indirectly) by a foreign government or an agent or instrumentality of a foreign government, if such foreign government is the government of a country that the Secretary of State determines under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. 2405(j)(1)(A)) has repeatedly provided support for acts of international terrorism.

"(b) **PROHIBITION ON ENTERING INTO CONTRACTS AGAINST THE INTERESTS OF THE UNITED STATES.**—Except as provided in subsection (c), the head of an agency may not enter into a contract with a firm or a subsidiary of a firm if—

"(1) a foreign government owns or controls (whether directly or indirectly) a significant interest in such firm or subsidiary (or, in the case of a subsidiary, in the firm that owns the subsidiary); and

"(2) such foreign government is the government of a country that the Secretary of State determines under section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. 2405(j)(1)(A)) has repeatedly provided support for acts of international terrorism.

"(c) **WAIVER.**—(1)(A) If the Secretary of Defense determines under paragraph (2) that entering into a contract with a firm or a subsidiary of a firm described in subsection (b) is not inconsistent with the national security objectives of the United States, the head of an agency may enter into a contract with such firm or subsidiary after the date on which such head of an agency submits to Congress a report on the contract.

"(B) A report under subparagraph (A) shall include the following:

“(i) The identity of the foreign government concerned.

“(ii) The nature of the contract.

“(iii) The extent of ownership or control of the firm or subsidiary concerned (or, if appropriate in the case of a subsidiary, of the firm that owns the subsidiary) by the foreign government concerned or the agency or instrumentality of such foreign government.

“(iv) The reasons for entering into the contract.

“(C) After the head of an agency submits a report to Congress under subparagraph (A) with respect to a firm or a subsidiary, such head of an agency is not required to submit a report before entering into any subsequent contract with such firm or subsidiary unless the information required to be included in such report under subparagraph (B) has materially changed since the submission of the previous report.

“(2) Upon the request of the head of an agency, the Secretary of Defense shall determine whether entering into a contract with a firm or subsidiary described in subsection (b) is inconsistent with the national security objectives of the United States. In making such a determination, the Secretary of Defense shall consider the following:

Defense and national security.

“(A) The relationship of the United States with the foreign government concerned.

“(B) The obligations of the United States under international agreements.

International agreements.

“(C) The extent of the ownership or control of the firm or subsidiary (or, if appropriate in the case of a subsidiary, of the firm that owns the subsidiary) by the foreign government or an agent or instrumentality of the foreign government.

“(D) Whether payments made, or information made available, to the firm or subsidiary under the contract could be used for purposes hostile to the interests of the United States.

“(d) **APPLICABILITY.**—This section does not apply to a contract for an amount less than \$100,000.

“(2) This section does not apply to the Coast Guard or the National Aeronautics and Space Administration.

“(e) **REGULATIONS.**—The Secretary of Defense, after consultation with the Secretary of State, shall prescribe regulations to carry out this section. Such regulations shall include a definition of the term ‘significant interest’.

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2326 (as added by section 908) the following new item:

“2327. Contracts: consideration of national security objectives.”.

(b) **CONFORMING AMENDMENT.**—Section 503 of the Military Retirement Reform Act of 1986 (Public Law 99-348; 100 Stat. 708) is repealed.

(c) **EFFECTIVE DATE.**—Section 2327 of title 10, United States Code (as added by subsection (a)(1)), shall apply to contracts entered into by the Secretary of Defense after the end of the 90-day period beginning on the date of the enactment of this Act.

10 USC 2327 note.

SEC. 952. TRUTH-IN-NEGOTIATIONS ACT AMENDMENTS

(a) **STRENGTHENING OF PREVENTION OF UNEARNED AND EXCESSIVE CONTRACTOR PROFITS.**—Chapter 137 of title 10, United States Code, is amended by inserting after section 2306 the following new section:

Contracts.
10 USC 2306a.

“§ 2306a. Cost or pricing data: truth in negotiations

“(a) REQUIRED COST OR PRICING DATA AND CERTIFICATION.—(1) The head of an agency shall require offerors, contractors, and subcontractors to make cost or pricing data available as follows:

“(A) An offeror for a prime contract under this chapter to be entered into using procedures other than sealed-bid procedures shall be required to submit cost or pricing data before the award of the contract if the price of the contract to the United States is expected to exceed \$100,000.

“(B) The contractor for a contract under this chapter shall be required to submit cost or pricing data before the pricing of a change or modification to the contract if the price adjustment is expected to exceed \$100,000 (or such lesser amount as may be prescribed by the head of the agency).

“(C) An offeror for a subcontract (at any tier) of a contract under this chapter shall be required to submit cost or pricing data before the award of the subcontract if—

“(i) the price of the subcontract is expected to exceed \$100,000; and

“(ii) the prime contractor and each higher-tier subcontractor have been required to make available cost or pricing data under this section.

“(D) The subcontractor for a subcontract covered by subparagraph (C) shall be required to submit cost or pricing data before the pricing of a change or modification to the subcontract if the price adjustment is expected to exceed \$100,000 (or such lesser amount as may be prescribed by the head of the agency).

“(2) A person required, as an offeror, contractor, or subcontractor, to submit cost or pricing data under paragraph (1) (or required by the head of the agency concerned to submit such data under subsection (c)) shall be required to certify that, to the best of the person’s knowledge and belief, the cost or pricing data submitted are accurate, complete, and current.

“(3) Cost or pricing data required to be submitted under paragraph (1) (or under subsection (c)), and a certification required to be submitted under paragraph (2), shall be submitted—

“(A) in the case of a submission by a prime contractor (or an offeror for a prime contract), to the contracting officer for the contract (or to a designated representative of the contracting officer); or

“(B) in the case of a submission by a subcontractor (or an offeror for a subcontract), to the prime contractor.

“(4) Except as provided under subsection (b), this section applies to contracts entered into by the head of an agency on behalf of a foreign government.

“(5) The head of the agency may waive the requirement under this subsection for a contractor, subcontractor, or offeror to submit cost or pricing data. For purposes of paragraph (1)(C)(ii), a contractor or subcontractor granted such a waiver shall be considered as having been required to make available cost or pricing data under this section.

“(b) EXCEPTIONS.—This section need not be applied to a contract or subcontract—

“(1) for which the price agreed upon is based on—

“(A) adequate price competition;

“(B) established catalog or market prices of commercial items sold in substantial quantities to the general public; or

“(C) prices set by law or regulation; or

“(2) in an exceptional case when the head of the agency determines that the requirements of this section may be waived and states in writing his reasons for such determination.

“(c) **AUTHORITY TO REQUIRE COST OR PRICING DATA.**—When cost or pricing data are not required to be submitted by subsection (a), such data may nevertheless be required to be submitted by the head of the agency if the head of the agency determines that such data are necessary for the evaluation by the agency of the reasonableness of the price of the contract or subcontract.

“(d) **PRICE REDUCTIONS FOR DEFECTIVE COST OR PRICING DATA.**—(1)(A) A prime contract (or change or modification to a prime contract) under which a certificate under subsection (a)(2) is required shall contain a provision that the price of the contract to the United States, including profit or fee, shall be adjusted to exclude any significant amount by which it may be determined by the head of the agency that such price was increased because the contractor (or any subcontractor required to make available such a certificate) submitted defective cost or pricing data.

“(B) For the purposes of this section, defective cost or pricing data are cost or pricing data which, as of the date of agreement on the price of the contract (or another date agreed upon between the parties), were inaccurate, incomplete, or noncurrent. If for purposes of the preceding sentence the parties agree upon a date other than the date of agreement on the price of the contract, the date agreed upon by the parties shall be as close to the date of agreement on the price of the contract as is practicable.

“(2) In determining for purposes of a contract price adjustment under a contract provision required by paragraph (1) whether, and to what extent, a contract price was increased because the contractor (or a subcontractor) submitted defective cost or pricing data, it shall be a defense that the United States did not rely on the defective data submitted by the contractor or subcontractor.

“(3) It is not a defense to an adjustment of the price of a contract under a contract provision required by paragraph (1) that—

“(A) the price of the contract would not have been modified even if accurate, complete, and current cost or pricing data had been submitted by the contractor or subcontractor because the contractor or subcontractor—

“(i) was the sole source of the property or services procured; or

“(ii) otherwise was in a superior bargaining position with respect to the property or services procured;

“(B) the contracting officer should have known that the cost and pricing data in issue were defective even though the contractor or subcontractor took no affirmative action to bring the character of the data to the attention of the contracting officer;

“(C) the contract was based on an agreement between the contractor and the United States about the total cost of the contract and there was no agreement about the cost of each item procured under such contract; or

“(D) the prime contractor or subcontractor did not submit a certification of cost and pricing data relating to the contract as required under subsection (a)(2).

"(4)(A) A contractor shall be allowed to offset an amount against the amount of a contract price adjustment under a contract provision required by paragraph (1) if—

"(i) the contractor certifies to the contracting officer (or to a designated representative of the contracting officer) that, to the best of the contractor's knowledge and belief, the contractor is entitled to the offset; and

"(ii) the contractor proves that the cost or pricing data were available before the date of agreement on the price of the contract (or price of the modification) and that the data were not submitted as specified in subsection (a)(3) before such date.

"(B) A contractor shall not be allowed to offset an amount otherwise authorized to be offset under subparagraph (A) if—

"(i) certification under subsection (a)(2) with respect to the cost or pricing data involved was known to be false when signed; or

"(ii) the United States proves that, had the cost or pricing data referred to in subparagraph (A)(ii) been submitted to the United States before the date of agreement on the price of the contract (or price of the modification), the submission of such cost or pricing data would not have resulted in an increase in that price in the amount to be offset.

"(e) INTEREST AND PENALTIES FOR CERTAIN OVERPAYMENTS.—(1) If the United States makes an overpayment to a contractor under a contract with the Department of Defense subject to this section and the overpayment was due to the submission by the contractor of defective cost or pricing data, the contractor shall be liable to the United States—

"(A) for interest on the amount of such overpayment, to be computed—

"(i) for the period beginning on the date the overpayment was made to the contractor and ending on the date the contractor repays the amount of such overpayment to the United States; and

"(ii) at the current rate prescribed by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1954; and

"(B) if the submission of such defective data was a knowing submission, for an additional amount equal to the amount of the overpayment.

"(2) Except as provided under subsection (d), the liability of a contractor under this subsection shall not be affected by the contractor's refusal to submit a certification under subsection (a)(2) with respect to the cost or pricing data involved.

"(f) RIGHT OF UNITED STATES TO EXAMINE CONTRACTOR RECORDS.—

(1) For the purpose of evaluating the accuracy, completeness, and currency of cost or pricing data required to be submitted by this section with respect to a contract or subcontract, the head of the agency, acting through any authorized representative of the head of the agency who is an employee of the United States or a member of the armed forces, shall have the right to examine all records of the contractor or subcontractor related to—

"(A) the proposal for the contract or subcontract;

"(B) the discussions conducted on the proposal;

"(C) pricing of the contract or subcontract; or

"(D) performance of the contract or subcontract.

"(2) The right of the head of an agency under paragraph (1) shall expire three years after final payment under the contract or subcontract.

"(3) In this subsection, the term 'records' includes books, documents, and other data.

"(g) COST OR PRICING DATA DEFINED.—In this section, the term 'cost or pricing data' means all information that is verifiable and that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived."

(b) CONFORMING AMENDMENTS.—(1) Subsection (f) of section 2306 of such title is amended to read as follows:

10 USC 2306.

"(f) So-called 'truth-in-negotiations' provisions relating to cost or pricing data to be submitted by certain contractors and subcontractors are provided in section 2306a of this title."

Ante, p. 3946.

(2) Section 934(a) of the Defense Procurement Improvement Act of 1985 (title IX of Public Law 99-145; 99 Stat. 700) is repealed.

10 USC 2304
note.

(c) CLERICAL AMENDMENTS.—(1) The heading of section 2306 of title 10, United States Code, is amended to read as follows:

"§ 2306. Kinds of contracts"

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking out the item relating to section 2306 and inserting in lieu thereof the following:

"2306. Kinds of contracts.

"2306a. Cost or pricing data: truth in negotiations."

(d) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), section 2306a of title 10, United States Code (as added by subsection (a)), and the amendment and repeal made by subsection (b), shall apply with respect to contracts or modifications on contracts entered into after the end of the 120-day period beginning on the date of the enactment of this Act.

10 USC 2306a
note.

(2) Subsection (e) of such section shall apply with respect to contracts or modifications on contracts entered into after November 7, 1985.

SEC. 953. RIGHTS IN TECHNICAL DATA

(a) RIGHTS IN TECHNICAL DATA.—Subsection (a) of section 2320 of title 10, United States Code, is amended to read as follows:

"(a)(1) The Secretary of Defense shall prescribe regulations to define the legitimate interest of the United States and of a contractor or subcontractor in technical data pertaining to an item or process. Such regulations shall be included in regulations of the Department of Defense prescribed as part of the Federal Acquisition Regulation. Such regulations may not impair any right of the United States or of any contractor or subcontractor with respect to patents or copyrights or any other right in technical data otherwise established by law.

Regulations.

"(2) Such regulations shall include the following provisions:

"(A) In the case of an item or process that is developed by a contractor or subcontractor exclusively with Federal funds, the United States shall have the unlimited right to—

“(i) use technical data pertaining to the item or process;
or

“(ii) release or disclose the technical data to persons outside the government or permit the use of the technical data by such persons.

“(B) Except as provided in subparagraphs (C) and (D), in the case of an item or process that is developed by a contractor or subcontractor exclusively at private expense, the contractor or subcontractor may restrict the right of the United States to release or disclose technical data pertaining to the item or process to persons outside the government or permit the use of the technical data by such persons.

“(C) Subparagraph (B) does not apply to technical data that—

“(i) constitutes a correction or change to data furnished by the United States;

“(ii) relates to form, fit, or function;

“(iii) is necessary for operation, maintenance, installation, or training (other than detailed manufacturing or process data); or

“(iv) is otherwise publicly available or has been released or disclosed by the contractor or subcontractor without restriction on further release or disclosure.

“(D) Notwithstanding subparagraph (B), the United States may release or disclose technical data to persons outside the Government, or permit the use of technical data by such persons, if—

“(i) such release, disclosure, or use—

“(I) is necessary for emergency repair and overhaul;
or

“(II) is a release or disclosure of technical data (other than detailed manufacturing or process data) to, or use of such data by, a foreign government that is in the interest of the United States and is required for evaluational or informational purposes;

“(ii) such release, disclosure, or use is made subject to a prohibition that the person to whom the data is released or disclosed may not further release, disclose, or use such data; and

“(iii) the contractor or subcontractor asserting the restriction is notified of such release, disclosure, or use.

“(E) In the case of an item or process that is developed in part with Federal funds and in part at private expense, the respective rights of the United States and of the contractor or subcontractor in technical data pertaining to such item or process shall be agreed upon as early in the acquisition process as practicable (preferably during contract negotiations), based upon consideration of all of the following factors:

“(i) The statement of congressional policy and objectives in section 200 of title 35, the statement of purposes in section 2(b) of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638 note), and the declaration of policy in section 2 of the Small Business Act (15 U.S.C. 631).

“(ii) The interest of the United States in increasing competition and lowering costs by developing and locating alternative sources of supply and manufacture.

“(iii) The interest of the United States in encouraging contractors to develop at private expense items for use by the Government.

“(F) A contractor or subcontractor (or a prospective contractor or subcontractor) may not be required, as a condition of being responsive to a solicitation or as a condition for the award of a contract, to sell or otherwise relinquish to the United States any rights in technical data except—

“(i) rights in technical data described in subparagraph (C); or

“(ii) under the conditions described in subparagraph (D).

“(G) The Secretary of Defense may—

“(i) negotiate and enter into a contract with a contractor or subcontractor for the acquisition of rights in technical data pertaining to an item or process developed by such contractor or subcontractor exclusively at private expense if necessary to develop alternative sources of supply and manufacture; or

“(ii) agree to restrict rights of the United States in technical data pertaining to an item or process developed entirely or in part with Federal funds if the United States receives a royalty-free license to use, release, or disclose the data for purposes of the United States (including purposes of competitive procurement).

“(3) The Secretary of Defense shall define the terms ‘developed’ and ‘private expense’ in regulations prescribed under paragraph (1).

“(4) For purposes of this subsection, the term ‘Federal Acquisition Regulation’ means the single system of Government-wide procurement regulations as defined in section 4(4) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(4)).”

(b) VALIDATION OF PROPRIETARY DATA RESTRICTIONS.—Subsections (a) and (b) of section 2321 of title 10, United States Code, are amended to read as follows:

“(a) A contract for supplies or services entered into by the Department of Defense which provides for the delivery of technical data shall provide that a contractor or subcontractor at any tier shall be prepared to furnish to the contracting officer a written justification for any restriction asserted by the contractor or subcontractor on the right of the United States to use such technical data.

“(b)(1) The Secretary of Defense shall ensure that there is a thorough review of the appropriateness of any restriction on the right of the United States to release or disclose technical data delivered under a contract to persons outside the Government, or to permit the use of such technical data by such persons. Such review shall be conducted before the end of the three-year period beginning on the date on which final payment is made on a contract under which technical data is required to be delivered, or the date on which the technical data is delivered under such contract, whichever is later.

“(2)(A) If the Secretary determines, at any time before the end of the three-year period beginning on the date on which final payment is made on a contract under which technical data is required to be delivered, or the date on which the technical data is delivered under such contract, whichever is later, that a challenge to a restriction is warranted, the Secretary shall provide written notice to the contractor or subcontractor asserting the restriction. Such a determination shall be based on a finding by the Secretary that reasonable grounds

exist to question the current validity of the asserted restriction and that the continued adherence to the asserted restriction by the United States would make it impracticable to procure the item competitively at a later time. Such notice shall—

“(i) state the specific grounds for challenging the asserted restriction;

“(ii) require a response within 60 days justifying the current validity of the asserted restriction; and

“(iii) state that evidence of a validation by the Department of Defense of a restriction identical to the asserted restriction within the three-year period preceding the challenge shall serve as justification for the asserted restriction if—

“(I) the validation occurred after a review of the validated restriction under this subsection; and

“(II) the validated restriction was asserted by the same contractor or subcontractor (or any licensee of such contractor or subcontractor) to which such notice is being provided.

“(B) Notwithstanding subparagraph (A), the United States may challenge a restriction on the release, disclosure, or use of technical data delivered under a contract at any time if such technical data—

“(i) is publicly available;

“(ii) has been furnished to the United States without restriction; or

“(iii) has been otherwise made available without restriction.”.

(c) CONFORMING AMENDMENTS.—Section 1202 of the Department of Defense Authorization Act, 1985 (10 U.S.C. 2301 note), is amended—

(1) by inserting “and” at the end of paragraph (4);

(2) by striking out “; and” at the end of paragraph (5) and inserting in lieu thereof a period; and

(3) by striking out paragraph (6).

(d) DEADLINE FOR REVISION OF REGULATIONS.—(1) Proposed regulations under section 2320(a)(1) of title 10, United States Code (as amended by subsection (a)), shall be published in the Federal Register for comment not later than 90 days after the date of the enactment of this Act.

(2) Proposed final regulations under such section shall be published in the Federal Register not later than 180 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to contracts for which solicitations are issued after the end of the 210-day period beginning on the date of the enactment of this Act.

SEC. 954. RECOVERY OF COSTS TO PROVIDE TECHNICAL DATA

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by adding after section 2327 (as added by section 951) the following new section:

“§ 2328. Release of technical data

“(a) IN GENERAL.—(1) The Secretary of Defense shall, if required to release technical data under section 552 of title 5 (relating to the Freedom of Information Act), release technical data to a person requesting such a release if the person pays all reasonable costs attributable to search and duplication.

10 USC 2320
note.

Federal
Register,
publication.

Federal
Register,
publication.

10 USC 2320
note.

10 USC 2328.

“(2) The Secretary of Defense shall prescribe regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees under this section.

Regulations.

“(b) DISPOSITION OF COSTS.—An amount received under this section—

“(1) shall be retained by the Department of Defense or the element of the Department of Defense receiving the amount; and

“(2) shall be merged with and available for the same purpose and the same time period as the appropriation from which the costs incurred in complying with requests for technical data were paid.

“(c) WAIVER.—The Secretary of Defense shall waive the payment of costs required by subsection (a) which are in an amount greater than the costs that would be required for such a release of information under section 552 of title 5 if—

“(1) the request is made by a citizen of the United States or a United States corporation, and such citizen or corporation certifies that the technical data requested is required to enable such citizen or corporation to submit an offer or determine whether it is capable of submitting an offer to provide the product to which the technical data relates to the United States or a contractor with the United States (except that the Secretary may require the citizen or corporation to pay a deposit in an amount equal to not more than the cost of complying with the request, to be refunded upon submission of an offer by the citizen or corporation);

Contracts.

“(2) the release of technical data is requested in order to comply with the terms of an international agreement; or

“(3) the Secretary determines, in accordance with section 552(a)(4)(A) of title 5, that such a waiver is in the interests of the United States.”

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2327 (as added by section 971) the following new item:

“2328. Release of technical data.”

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act.

10 USC 2328 note.

SEC. 955. COMPARABLE BUDGETING FOR SIMILAR SYSTEMS

10 USC 113 note.

(a) MATTERS TO BE INCLUDED IN ANNUAL DEFENSE BUDGETS.—In preparing the defense budget for any fiscal year, the Secretary of Defense shall—

(1) specifically identify each common procurement weapon system included in the budget;

(2) take all feasible steps to minimize variations in procurement unit costs for any such system as shown in the budget requests of the different armed forces requesting procurement funds for the system; and

(3) identify and justify in the budget all such variations in procurement unit costs for common procurement weapon systems.

(b) ASSISTANT SECRETARY (COMPTROLLER).—The Secretary of Defense shall carry out this section through the Assistant Secretary of Defense (Comptroller).

(c) **DEFINITIONS.**—In this section:

(1) The term “defense budget” means the budget of the Department of Defense included in the President’s budget submitted to Congress under section 1105 of title 31 United States Code, for a fiscal year.

(2) The term “common procurement weapon system” means a weapon system for which two or more of the Army, Navy, Air Force, and Marine Corps request procurement funds in a defense budget.

SEC. 956. FUNDING OF PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS SERVING DISTRESSED AREAS

(a) **DEFINITIONS.**—Section 2411 of title 10, United States Code, is amended to read as follows:

“§ 2411. Definitions

“In this chapter:

“(1) The term ‘eligible entity’ means any of the following:

“(A) A State.

“(B) A local government.

“(C) A private, nonprofit organization.

“(2) The term ‘distressed area’ means the area of a unit of local government (or such area excluding the area of any defined political jurisdiction within the area of such unit of local government) that—

“(A) has a per capita income of 80 percent or less of the State average; or

“(B) has an unemployment rate that is one percent greater than the national average for the most recent 24-month period for which statistics are available.

“(3) The term ‘Secretary’ means the Secretary of Defense acting through the Director of the Defense Logistics Agency.

“(4) The terms ‘State’ and ‘local government’ have the meaning given those terms in section 6302 of title 31.”.

(b) **SERVICE AREAS.**—Section 2413(b) of such title is amended—

(1) by inserting “sponsor programs to” after “agree to”;

(2) by inserting “under such programs” after “cost of furnishing such assistance”;

(3) by striking out “an eligible entity that is a distressed entity” and inserting in lieu thereof “a program sponsored by such an entity that provides services solely in a distressed area”; and

(4) by inserting “with respect to such program” before the period.

SEC. 957. SUBCONTRACTOR INFORMATION TO BE PROVIDED TO PROCUREMENT OUTREACH CENTERS

(a) **CONTRACTORS TO FURNISH INFORMATION.**—(1) Chapter 142 of title 10, United States Code, is amended—

(A) by redesignating section 2416 as section 2417; and

(B) by inserting after section 2415 the following new section:

“§ 2416. Subcontractor information

“(a) The Secretary of Defense shall require that any defense contractor in any year shall provide to an eligible entity with which the Secretary has entered into a cooperative agreement under this

10 USC 2411 *et seq.*

10 USC 2416.

chapter, on the request of such entity, the information specified in subsection (b).

“(b) Information to be provided under subsection (a) is a listing of the name of each appropriate employee of the contractor who has responsibilities with respect to entering into contracts on behalf of such contractor that constitute subcontracts of contracts being performed by such contractor, together with the business address and telephone number and area of responsibility of each such employee.

“(c) A defense contractor need not provide information under this section to a particular eligible entity more frequently than once a year.

“(d) In this section, the term ‘defense contractor’, for any year, means a person awarded a contract with the Department of Defense in that year for an amount in excess of \$500,000.”.

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 2416 and inserting in lieu thereof the following new items:

“2416. Subcontractor information.

“2417. Regulations.”.

(b) EFFECTIVE DATE.—Section 2416 of title 10, United States Code, as added by subsection (a), shall take effect on January 1, 1987. 10 USC 2416 note.

PART F—MISCELLANEOUS REPORTS

SEC. 961. SELECTED ACQUISITION REPORTS

(a) REVISION OF REPORTING REQUIREMENTS.—Section 2432 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

Ante, p. 994.

(1) by adding at the end of subsection (a)(3) the following new sentence: “If for any fiscal year the funds appropriated, or the number of fully-configured end items to be purchased, differ from those programmed, the procurement unit cost shall be revised to reflect the appropriated amounts and quantities.”;

(2) by striking out “\$2,000,000” in subsection (a)(4) and inserting in lieu thereof “\$40,000,000”;

(3) by striking out “three-month” in subsection (b)(2)(B) and inserting in lieu thereof “six-month”;

(4) by striking out paragraph (2) of subsection (c) and inserting in lieu thereof the following:

“(2) Each Selected Acquisition Report for the first quarter of a fiscal year shall be designed to provide to the Committees on Armed Services of the Senate and House of Representatives the information such Committees need to perform their oversight functions. A change in the content of the Selected Acquisition Report for the first quarter of a fiscal year from the content as reported for the first quarter of the previous fiscal year may not be made until appropriate officials of the Department of Defense consult with such Committees regarding the proposed changes.”;

(5) by inserting “that is produced at a rate of six units or more per year” in subsection (c)(3)(C) after “report” in the matter preceding clause (i); and

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

“(h)(1) Total program reporting under this section shall apply to a major defense acquisition program when funds have been appro-

appropriated for such and the Secretary of Defense has decided to proceed to full-scale engineering development of such program. Reporting may be limited to the development program as provided in paragraph (2) before a decision is made by the Secretary of Defense to proceed to full-scale engineering development if the Secretary notifies the Committees on Armed Services of the Senate and House of Representatives of the intention to submit a limited report under this subsection not less than 15 days before a report is due under this section.

"(2) A limited report under this subsection shall include the following:

"(A) The same information, in detail and summarized form, as is provided in reports submitted under subsections (c)(1) and (c)(3) of section 2431 of this title.

10 USC 2431.

"(B) Reasons for any change in the development cost and schedule.

"(C) The major contracts under the development program and the reasons for any cost or schedule variances under those contracts since the last Selected Acquisition Report.

"(D) The completion status of the development program expressed—

"(i) as the percentage that the number of years for which funds have been appropriated for the development program is of the number of years for which it is planned that funds will be appropriated for the program; and

"(ii) as the percentage that the amount of funds that have been appropriated for the development program is of the total amount of funds which it is planned will be appropriated for the program.

"(E) Program highlights since the last Selected Acquisition Report.

"(F) Other information as the Secretary of Defense considers appropriate.

"(3) The submission requirements for a limited report under this subsection shall be the same as for quarterly Selected Acquisition Reports for total program reporting."

(b) UNIT COST REPORTS.—Section 2433 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended—

Ante, p. 994.

(1) in subsection (b), by inserting "(excluding Saturdays, Sundays, and legal public holidays)" after "days" both places such term appears in the second sentence; and

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

"(h) Reporting under this section shall not apply if a program has received a limited reporting waiver under section 2432(h) of this title."

Ante, p. 3955.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 1987.

10 USC 2432 note.

SEC. 962. REPORT ON EFFORTS TO INCREASE DEFENSE CONTRACT AWARDS TO INDIAN-OWNED BUSINESSES

(a) REPORT.—The Secretary of Defense shall submit to Congress a report on the efforts by the Department of Defense during fiscal years 1986 and 1987 to increase awards of defense contracts to Indian-owned businesses in accordance with the memorandum of understanding between the Department of Defense and the Small

Business Administration of September 29, 1983. Such report shall include, to the maximum extent practicable, any data regarding the number and value of prime contracts awarded by the Department of Defense during such fiscal years to such businesses.

(b) **DEADLINE.**—The report required by subsection (a) shall be submitted no later than March 31, 1988.

(c) **INDIAN-OWNED BUSINESS DEFINED.**—For purposes of this section, the term “Indian-owned business” means a firm owned and controlled by American Indians, including a tribally owned for-profit entity.

SEC. 963. REPORT ON INCREASED GEOGRAPHIC DISTRIBUTION OF DEFENSE CONTRACTORS

(a) **IN GENERAL.**—(1) The Secretary of Defense shall submit to Congress a report on the actions taken by the Department of Defense during fiscal years 1985 and 1986 to increase contract competition and the national defense industrial base by increasing the participation in defense contracts of contractors in all geographic areas of the United States.

(2) Such report shall be submitted not later than March 31, 1987.

(b) **CONTENTS OF REPORTS.**—The report required by subsection (a)(1)—

(1) shall include a description of the use of procurement technical assistance centers, procurement conferences sponsored or supported by the Department of Defense, and any other Department of Defense programs conducted for the purpose of expanding the base of defense contractors; and

(2) shall categorize, by State and other appropriate geographic region, the actions described in the report.

TITLE X—ARMS CONTROL MATTERS

SEC. 1001. SENSE OF THE CONGRESS RELATING TO SALT II COMPLIANCE

(a) **CONTINUED ADHERENCE TO SALT II NUMERICAL SUBLIMITS.**—It is the sense of the Congress that it is in the national security interests of the United States to continue voluntary compliance with the central numerical sublimits of the SALT II Treaty as long as the Soviet Union complies with such sublimits.

Defense and national security. Union of Soviet Socialist Republics.

(b) **DEFINITION.**—For purposes of this section, the central numerical sublimits of the SALT II Treaty include prohibitions on the deployment of the following:

(1) Launchers for more than 820 intercontinental ballistic missiles carrying multiple independently-targetable reentry vehicles.

(2) Launchers for an aggregate of more than 1,200 intercontinental ballistic missiles carrying multiple independently-targetable reentry vehicles and submarine-launched ballistic missiles carrying multiple independently-targetable reentry vehicles.

(3) An aggregate of more than 1,320 launchers described in paragraph (2) and heavy bombers equipped for air-launched cruise missiles capable of a range in excess of 600 kilometers.

SEC. 1002. SENSE OF THE CONGRESS ON NUCLEAR TESTING

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

(1) The United States is committed in the Limited Test Ban Treaty of 1963 and in the Non-Proliferation Treaty of 1968 to

14 UST 1313.
21 UST 483.

seek to achieve the discontinuance of all test explosions of nuclear weapons for all time.

(2) A comprehensive test ban treaty would promote the security of the United States by constraining the United States-Soviet nuclear arms competition and by strengthening efforts to prevent the proliferation of nuclear weapons.

(3) The Threshold Test Ban Treaty was signed in 1974 and the Peaceful Nuclear Explosions Treaty was signed in 1976, and both have yet to be considered by the full Senate for its advice and consent to ratification.

(4) The entry into force of the Peaceful Nuclear Explosions Treaty and the Threshold Test Ban Treaty will ensure full implementation of significant new verification procedures and so make completion of a comprehensive test ban treaty more probable.

(5) A comprehensive test ban treaty must be adequately verifiable, and significant progress has been made in methods for detection of underground nuclear explosions by seismological and other means.

(6) At present, negotiations are not being pursued by the United States and the Soviet Union toward completion of a comprehensive test ban treaty.

(7) The past five administrations have supported the achievement of a comprehensive test ban treaty.

President of U.S.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that, at the earliest possible date, the President should—

(1) request the advice and consent of the Senate to ratification (with a report containing any plans the President may have to negotiate supplemental verification procedures, or if the President believes it necessary, any understanding or reservation on the subject of verification which should be attached to the treaty) of the Threshold Test Ban and Peaceful Nuclear Explosions Treaties, signed in 1974 and 1976, respectively; and

(2) propose to the Soviet Union the immediate resumption of negotiations toward conclusion of a verifiable comprehensive test ban treaty.

In accordance with international law, the United States shall have no obligation to comply with any bilateral arms control agreement with the Soviet Union that the Soviet Union is violating.

SEC. 1003. REPORT BY THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF ON UNITED STATES NON-COMPLIANCE WITH EXISTING STRATEGIC OFFENSIVE ARMS AGREEMENTS

(a) **IN GENERAL.**—The Chairman of the Joint Chiefs of Staff shall submit to Congress a report containing a detailed assessment of—

(1) the military consequences to the United States of a policy decision by the United States to discontinue compliance with the major provisions of existing strategic offensive arms limitations agreements (including central numerical sublimits on strategic nuclear delivery vehicles in the SALT II accord) would have on the security of the United States; and

(2) the likely military responses of the Soviet Union to such a policy decision.

(b) **MATTERS TO BE CONSIDERED.**—The assessment required by subsection (a) shall focus on what the likely Soviet military responses would be during the period between 1987 and 1996. In

making such assessment, the Chairman shall specifically consider the following:

(1) The effect on the ability of United States strategic forces to accomplish their nuclear deterrent mission (including the effect on the survivability of United States strategic forces and on the ability of United States strategic forces to achieve required damage expectancies against Soviet targets) of any expansion of Soviet military capabilities undertaken in response to a United States decision to abandon compliance with existing strategic offensive arms agreements.

(2) The additional cost to the United States, above currently projected military expenditures for those periods for which such budget projections are available, of research, development, production, deployment, and annual operations and support for any additional strategic forces required to counter any expansion in Soviet military capabilities undertaken in response to a United States decision to abandon compliance with existing strategic offensive arms agreements.

(3) Under average annual real growth projections in defense spending of 0 percent, 1 percent, 2 percent, and 3 percent, the percent of the annual defense budget in each year between fiscal year 1987 and fiscal year 1996 which would be consumed by increased United States strategic forces needed to counter the Soviet force expansions.

(4) The military effect on United States national security of the diversion the funds identified under paragraph (2) away from nonstrategic defense programs and to strategic programs to counter expanded Soviet strategic capabilities, including the military effect of such a diversion on the ability of United States conventional forces to meet the specific non-nuclear defense commitments of the United States as a member of the North Atlantic Treaty Organization and under the 1960 Treaty of Mutual Cooperation and Security with Japan.

(5) The military implications for the United States of Soviet violations of offensive arms control agreements that have been determined.

(c) REPORT REQUIREMENTS.—(1) The Chairman shall—

(A) include in the report required under subsection (a) the individual views of the other members of the Joint Chiefs of Staff; and

(B) submit such report in both classified and unclassified form.

(2) The report required by subsection (a) shall be submitted not later than December 19, 1986.

(e) RESTRICTION ON OBLIGATION OF FUNDS.—If the Chairman of the Joint Chiefs of Staff fails to submit the report required by subsection (a) before December 20, 1986, no funds may be obligated or expended, directly or indirectly, on or after such date by the Organization of the Joint Chiefs of Staff for any study or analysis to be conducted by a civilian contractor until such report is received by Congress.

SEC. 1004. SENSE OF CONGRESS EXPRESSING SUPPORT FOR A CENTRAL ROLE FOR NUCLEAR RISK REDUCTION CENTERS

(a) CONGRESSIONAL STATEMENTS.—The Congress—

(1) has expressed its prior support for the establishment of nuclear risk reduction centers; and

11 UST 1632.

(2) supports the President's willingness to negotiate an agreement with the Soviet Union to establish such centers in each nation.

(b) SENSE OF CONGRESS.—It is the sense of Congress that if an agreement on nuclear risk reduction centers is signed, the United States center should—

(1) be assigned the responsibility to serve as the center of activity for United States risk reduction activities under the agreement; and

(2) make recommendations to the Assistant to the President for National Security Affairs regarding additional risk reduction arrangements that might be proposed to the Soviet Union.

TITLE XI—MATTERS RELATING TO NATO AND OTHER ALLIES

SEC. 1101. MODERNIZATION OF DEFENSE CAPABILITIES OF COUNTRIES OF NATO'S SOUTHERN FLANK

Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.) is amended by adding at the end the following new section:

22 USC 2321j.

“SEC. 516. MODERNIZATION OF DEFENSE CAPABILITIES OF COUNTRIES OF NATO'S SOUTHERN FLANK.

“(a) AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.—Notwithstanding any other provision of law and subject to subsection (b), during the fiscal years 1987 and 1988 the President may transfer to those member countries of the North Atlantic Treaty Organization (NATO) on the southern flank of NATO which are eligible for United States security assistance and which are integrated into NATO's military structure such defense articles as the President determines necessary to help modernize the defense capabilities of such countries. Such articles may be transferred without cost to the recipient countries.

President of U.S.

“(b) LIMITATIONS ON TRANSFERS.—The President may transfer defense articles under this section only if—

“(1) the equipment is drawn from existing stocks of the Department of Defense;

“(2) no funds available to the Department of Defense for the procurement of defense equipment are expended in connection with the transfer; and

“(3) the President determines that the transfer of the excess defense articles will not have an adverse impact on the military readiness of the United States.

“(c) NOTIFICATION TO COMMITTEES OF CONGRESS.—The President may not transfer defense articles under this section until 30 days after he has notified the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives of the proposed transfer. This notification shall include a certification of the need for the transfer and an assessment of the impact of the transfer on the military readiness of the United States.

22 USC 2392.

“(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DOD EXPENSES.—Section 632(d) shall not apply with respect to transfers of defense articles under this section.

“(e) DEFINITION.—As used in subsection (a), the term ‘member countries of the North Atlantic Treaty Organization (NATO) on the

southern flank of NATO' means Greece, Italy, Portugal, Spain, and Turkey.".

SEC. 1102. NATO COOPERATIVE LOGISTIC SUPPORT AGREEMENTS

10 USC 2407
note.

(a) **GENERAL AUTHORITY.**—The Secretary of Defense may enter into bilateral or multilateral Weapon System Partnership Agreements (as defined in subsection (g)) with one or more governments of other member countries of the North Atlantic Treaty Organization (NATO) for the purpose of providing cooperative logistics support for the armed forces of the countries which are parties to the agreements. Such agreements may include provision for the transfer of logistics support, supplies, and services by the United States to the NATO Maintenance and Supply Organization and for the acquisition of logistics support, supplies, and services by the United States from such Organization.

(b) **AUTHORITY OF SECRETARY OF DEFENSE.**—Under the terms of a Weapon System Partnership Agreement entered into under subsection (a), the Secretary of Defense may—

(1) agree that the NATO Maintenance and Supply Organization may make contracts for supply and acquisition of logistics support in Europe for requirements of the United States, to the extent the Secretary determines that the procedures of such Organization governing such supply and acquisition are appropriate; and

Contracts.

(2) share the costs of set-up charges of facilities for use by the NATO Maintenance and Supply Organization to provide cooperative logistics support and share in the costs of establishing a revolving fund for initial acquisition and replenishment of supply stocks to be used by the NATO Maintenance and Supply Organization to provide cooperative logistics support.

(c) **SHARING OF ADMINISTRATIVE EXPENSES.**—Each Weapon System Partnership Agreement shall provide for joint management by the participating countries and for the equitable sharing of the administrative costs incident to such agreement.

(d) **APPLICATION OF CHAPTER 137.**—Except as provided in this section, the provisions of chapter 137 of title 10, United States Code, shall apply to contracts entered into by the Secretary of Defense for the acquisition of logistics support under a Weapon System Partnership Agreement.

Contracts.
Ante, p. 3952.

(e) **APPLICATION OF ARMS EXPORT CONTROL ACT.**—The transfer of defense articles or defense services to member countries of the North Atlantic Treaty Organization and the NATO Maintenance and Supply Organization for the purposes of a Weapon System Partnership Agreement shall be carried out in accordance with the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(f) **SUPPLEMENTAL AUTHORITY.**—The authority of the Secretary of Defense under this section is in addition to the authority of the Secretary under chapter 138 of title 10, United States Code, and any other provision of law.

10 USC 2321 et
seq.

(g) **DEFINITION.**—For the purpose of this section, the term "Weapon System Partnership Agreement" means an agreement between the United States and one or more other NATO countries participating in the operation of the NATO Maintenance and Supply Organization that—

(1) is entered into pursuant to the terms of the charter of the NATO Maintenance and Supply Organization; and

(2) is for the common logistic support of a specific weapon system common to the participating countries.

SEC. 1103. COOPERATIVE PROJECTS

(a) ARMS EXPORT CONTROL ACT.—(1) Section 27 of the Arms Export Control Act (22 U.S.C. 2767) is amended—

(A) in subsection (b)—

(i) by inserting “, in the case of an agreement with the North Atlantic Treaty Organization or with one or more member countries of that Organization,” after “project” in paragraph (1);

(ii) by striking out “and” at the end of paragraph (1);

(iii) by redesignating paragraph (2) as paragraph (3); and

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

“(2) the term ‘cooperative project’, in the case of an agreement entered into under subsection (j), means a jointly managed arrangement, described in a written agreement among the parties, which is undertaken in order to enhance the ongoing multinational effort of the participants to improve the conventional defense capabilities of the participants and which provides—

“(A) for one or more of the other participants to share with the United States the costs of research on and development, testing, evaluation, or joint production (including follow-on support) of certain defense articles;

“(B) for concurrent production in the United States and in the country of another participant of a defense article jointly developed in accordance with subparagraph (A); or

“(C) for procurement by the United States of a defense article or defense service from another participant to the agreement; and”;

(B) in subsection (f)(3), by inserting after “Government” the following: “, including an estimate of the costs as a result of waivers of section 21(e)(1)(A) and 43(b) of this Act,”;

(C) in subsection (g), by striking out “Section” and inserting in lieu thereof the following: “In the case of a cooperative project with a North Atlantic Treaty Organization country, section,”; and

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

“(j)(1) The President may enter into a cooperative project agreement with any friendly foreign country not a member of the North Atlantic Treaty Organization under the same general terms and conditions as the President is authorized to enter into such an agreement with one or more member countries of the North Atlantic Treaty Organization if the President determines that the cooperative project agreement with such country would be in the foreign policy or national security interests of the United States.

“(2) Not later than January 1 of each year, the President shall submit to the Committees on Armed Services and Foreign Relations of the Senate and to the Committees on Armed Services and Foreign Affairs of the House of Representatives a report specifying (A) the countries eligible for participation in such a cooperative project agreement under this subsection, and (B) the criteria used to determine the eligibility of such countries.”.

22 USC 2761,
2792.

President of U.S.
Reports.

(2) The heading for such section is amended to read as follows: "AUTHORITY OF PRESIDENT TO ENTER INTO COOPERATIVE PROJECTS WITH FRIENDLY FOREIGN COUNTRIES.—".

(b) TITLE 10, UNITED STATES CODE.—(1) Section 2407 of title 10, United States Code, is amended—

(A) by striking out "North Atlantic Treaty Organization (NATO)" in subsection (a)(1);

(B) by striking out "NATO" in subsection (c)(2); and

(C) by striking out "NATO" each place it appears in paragraphs (1) and (2) of subsection (e).

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

"§ 2407. Acquisition of defense equipment under cooperative projects".

(B) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2407. Acquisition of defense equipment under cooperative projects."

SEC. 1104. ACQUISITION AND CROSS-SERVICING AGREEMENTS

(a) AUTHORITY TO ENTER INTO AGREEMENTS WITH COUNTRIES OUTSIDE EUROPE.—Sections 2341 and 2342 of title 10, United States Code, are amended to read as follows:

"§ 2341. Authority to acquire logistic support, supplies, and services for elements of the armed forces deployed outside the United States

"Subject to section 2343 of this title and subject to the availability of appropriations, the Secretary of Defense may—

"(1) acquire from the Governments of North Atlantic Treaty Organization countries and from North Atlantic Treaty Organization subsidiary bodies logistic support, supplies, and services for elements of the armed forces deployed in Europe and adjacent waters; and

"(2) acquire from any government not a member of the North Atlantic Treaty Organization in which elements of the armed forces are deployed (or are to be deployed) logistic support, supplies, and services for elements of the armed forces deployed (or to be deployed) in such country or in the military region in which such country is located if that country—

"(A) has a defense alliance with the United States;

"(B) permits the stationing of members of the armed forces in such country or the homeporting of naval vessels of the United States in such country;

"(C) has agreed to preposition materiel of the United States in such country; or

"(D) serves as the host country to military exercises which include elements of the armed forces or permits other military operations by the armed forces in such country.

Maritime affairs.

"§ 2342. Cross servicing agreements

"(a) Subject to section 2343 of this title and to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into any of the following agreements:

"(1) An agreement with the government of a North Atlantic Treaty Organization country (or with a North Atlantic Treaty Organization subsidiary body) under which—

"(A) the United States agrees to provide logistic support, supplies, and services to military forces of such country (or subsidiary body) deployed in Europe and adjacent waters, in return for

"(B) the reciprocal provision of logistic support, supplies, and services by such country (or subsidiary body) to elements of the armed forces deployed in Europe and adjacent waters.

"(2) An agreement with the government of a country designated by the Secretary of Defense which is not a member of the North Atlantic Treaty Organization under which—

"(A) the United States agrees to provide logistic support, supplies, and services to the military forces of such country, in return for

"(B) the reciprocal provision of logistic support, supplies, and services by such country to elements of the armed forces deployed in such country or in the military region in which such country is located.

"(3) An agreement with the government of a country referred to in paragraph (1) or (2) under which—

"(A) the United States agrees to provide logistic support, supplies, and services to the military forces of such country, in return for

"(B) the reciprocal provision of support, supplies, and services for the armed forces from such country while the military forces of such country are stationed in North America or are performing military exercises or training in North America.

"(b) The Secretary of Defense may not designate a country for an agreement under this section—

"(1) unless the Secretary, after consultation with the Secretary of State, determines that the designation of such country for such purpose is in the interest of the national security of the United States; and

"(2) in the case of a country which is not a member of the North Atlantic Treaty Organization, notifies the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives at least 30 days before the date on which such country is designated by the Secretary under subsection (a).

"(c) The Secretary of Defense may not use the authority of this chapter to procure from any foreign government as a routine or normal source any goods or services reasonably available from United States commercial sources.

"(d) The Secretary shall prescribe regulations to ensure that contracts entered into under this chapter are free from self-dealing, bribery, and conflict of interests."

(b) METHODS OF PAYMENT.—Section 2344(b) of such title is amended—

(1) by inserting "or other foreign country" after "country" in the material preceding subparagraph (A) of paragraph (1); and

(2) by inserting "or other foreign country" in paragraph (3) after "country".

Defense and
national
security.

Regulations.
Contracts.

10 USC 2344.

(c) LIQUIDATION OF ACCRUED CREDITS AND LIABILITIES.—Section 2345 of such title is amended—

10 USC 2345.

(1) by inserting “(a)” before “Credits” at the beginning of such section; and

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

“(b) Payment-in-kind or exchange entitlements accrued as a result of acquisitions and transfers of logistic support, supplies, and services under authority of this chapter shall be satisfied within 12 months after the date of the delivery of the logistic support, supplies, or services.”

(d) LIMITATIONS ON AMOUNTS THAT MAY BE OBLIGATED OR ACCRUED BY THE UNITED STATES.—(1) Subsection (a) of section 2347 of such title is amended—

(A) by inserting “(1)” after “(a)”; and

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

“(2) Except during a period of active hostilities in the military region affecting a country which is not a member of the North Atlantic Treaty Organization, but with which the United States has one or more acquisition or cross-servicing agreements, the total amount of reimbursable liabilities that the United States may accrue under this chapter (before the computation of offsetting balances) with such country may not exceed \$10,000,000 in any fiscal year, and of such amount not more than \$2,500,000 in liabilities may be accrued for the acquisition of supplies (other than petroleum, oils, and lubricants). The \$10,000,000 limitation specified in this paragraph is in addition to the limitation specified in paragraph (1).”

(2) Subsection (b) of such section is amended—

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

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

“(2) Except during a period of active hostilities in the military region affecting a country referred to in paragraph (1), the total amount of reimbursable credits that the United States may accrue under this chapter from such country (before computation of offsetting balances) may not exceed \$10,000,000 in any fiscal year. Such limitation specified in this paragraph is in addition to the limitation specified in paragraph (1).”

(e) INVENTORIES OF SUPPLIES NOT TO BE INCREASED.—Section 2348 of such title is amended by striking out “to military forces of any North Atlantic Treaty Organization country or any North Atlantic Treaty Organization subsidiary body”.

(f) DEFINITION.—Section 2350 of such title is amended by adding at the end the following new paragraph:

“(3) ‘Military region’ means the geographical area of responsibility assigned to the commander of a unified combatant command (excluding Europe and adjacent waters).”

(g) CLERICAL AMENDMENT.—The item relating to section 2341 in the table of sections at the beginning of chapter 138 of such title is amended to read as follows:

“2341. Authority to acquire logistic support, supplies, and services for elements of the armed forces deployed outside the United States.”

SEC. 1105. COOPERATIVE RESEARCH AND DEVELOPMENT WITH MAJOR NON-NATO ALLIES

22 USC 2767a.

(a) FINDINGS.—The Congress finds—

(1) that the North Atlantic Treaty Organization Cooperative Research and Development program instituted during fiscal

year 1986 has served to increase cooperation in research and development among member countries of the North Atlantic Treaty Organization; and

(2) that additional benefits of cooperation in research and development might ensue from an extension of the program to include major non-NATO allies of the United States.

(b) **CONGRESSIONAL REQUEST FOR COOPERATION ON RESEARCH AND DEVELOPMENT.**—The Congress urges and requests the President and the Secretary of Defense to pursue diligently opportunities for the United States and major non-NATO allies of the United States to cooperate—

(1) in research and development on defense equipment and munitions; and

(2) in the production of defense equipment.

(c) **FUNDS FOR COOPERATIVE PROJECTS.**—Of the funds appropriated pursuant to the authorizations of appropriations in section 201, up to \$40,000,000 shall be available for cooperative research and development projects with major non-NATO allies.

(d) **RESTRICTIONS.**—(1) A memorandum of understanding (or other formal agreement) to conduct a cooperative research and development project under this section may not be entered into unless the Secretary of Defense determines that the proposed project enhances the ongoing multinational effort to improve conventional defense capabilities through the application of emerging technology.

(2) Each such cooperative project shall require sharing of the costs of research between the participants on an equitable basis.

(3) The Secretary may not delegate the authority to make a determination under paragraph (1) except to the Deputy Secretary of Defense or the Under Secretary of Defense for Acquisition.

(e) **RESTRICTIONS ON PROCUREMENT OF EQUIPMENT AND SERVICES.**—

(1) In order to assure substantial participation on the part of major non-NATO allies in cooperative research and development projects, funds made available under subsection (c) for such projects may not be used to procure equipment or services from any foreign government, foreign research organization, or other foreign entity.

(2) A major non-NATO ally may not use any United States military or economic assistance grants, loans, or other funds for the purpose of making its contribution to a cooperative research and development program entered into with the United States under this section.

(f) **NOTICE TO CONGRESS.**—Not later than January 1 of each year, the Secretary of Defense and the Secretary of State shall jointly submit to the Committees on Armed Services and Foreign Relations of the Senate and to the Committees on Armed Services and Foreign Affairs of the House of Representatives a report—

(1) enumerating those countries eligible for participation with the United States in a cooperative research and development program authorized by this section; and

(2) specifying the criteria used in determining eligibility for the participation of such countries.

(g) **DEFINITIONS.**—As used in this section:

(1) The term “major non-NATO ally” means a country designated as a major non-NATO ally for the purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

(2) The term “cooperative research and development project” means a project involving joint participation by the United

Reports.

States and one or more major non-NATO allies under a memorandum of understanding (or other formal agreement) to carry out a joint research and development program—

(A) to develop new conventional equipment and munitions; or

(B) to modify existing military equipment to meet United States military requirements.

TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—MANAGEMENT OF CERTAIN PROCUREMENT MATTERS

SEC. 1201. CONTRACTS FOR OVERHAUL, REPAIR, AND MAINTENANCE OF NAVAL VESSELS

(a) **IN GENERAL.**—Section 7299a of title 10, United States Code (relating to construction of combatant and escort vessels and assignment of naval vessel projects), is amended by adding at the end the following new subsections:

“(c) In evaluating bids or proposals for a contract for the overhaul, repair, or maintenance of a naval vessel, the Secretary of the Navy shall, in determining the cost or price of work to be performed in an area outside the area of the homeport of the vessel, consider foreseeable costs of moving the vessel and its crew from the homeport to the outside area and from the outside area back to the homeport at the completion of the contract.

“(d)(1) Notwithstanding subsections (b) and (c), the Secretary may award a contract for short-term work for the overhaul, repair, or maintenance of a naval vessel only to a contractor that is able to perform the work at the homeport of the vessel, if the Secretary determines that adequate competition is available among firms able to perform the work at the homeport of the vessel.

“(2) In this subsection, the term ‘short-term work’ means work that will be for a period of six months or less.”

(b) **REPEAL OF LIMITATION ON FY86 FUNDS.**—Section 8104 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1221)), is repealed.

SEC. 1202. HANDLING OF HAZARDOUS WASTE GENERATED DURING REPAIR OR MAINTENANCE OF NAVAL VESSELS

(a) **REQUIRED CONTRACT PROVISIONS.**—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 7311. **Repair or maintenance of naval vessels: handling of hazardous waste** 10 USC 7311.

“(a) **CONTRACTUAL PROVISIONS.**—The Secretary of the Navy shall ensure that a contract entered into for repair or maintenance of a naval vessel includes the following provisions:

“(1) **IDENTIFICATION OF HAZARDOUS WASTES.**—Provisions identifying the type and amounts of hazardous wastes that are expected to be generated during the performance of the repair or maintenance.

“(2) **COMPENSATION.**—Provisions specifying that the contractor shall be compensated under the contract for work performed by the contractor for duties of the contractor specified under paragraph (3).

“(3) **STATEMENT OF WORK.**—Provisions mutually acceptable to the Navy and the contractor specifying the responsibilities of the Navy and of the contractor, respectively, for the removal, handling, storage, transportation, and disposal of hazardous wastes generated during the performance of the repair or maintenance.

“(b) **RENEGOTIATION OF CONTRACT.**—The Secretary of the Navy shall renegotiate a contract described in subsection (a) if—

“(1) the contractor, during the performance of repair or maintenance under the contract, discovers hazardous wastes different in type or amount from those identified in the contract; and

“(2) such hazardous wastes originated on the naval vessel on which the repair or maintenance is being performed.”.

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

“7311. Repair or maintenance of naval vessels: handling of hazardous waste.”.

SEC. 1203. LIMITATION ON TRANSFER OF CERTAIN TECHNICAL DATA PACKAGES

(a) **TECHNICAL DATA PACKAGES FOR PRODUCTION OF LARGE-CALIBER CANNON.**—(1) Chapter 433 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 4542.

“§ 4542. **Technical data packages for large-caliber cannon: prohibition on transfers to foreign countries; exception**

“(a) **GENERAL RULE.**—Funds appropriated to the Department of Defense may not be used—

“(1) to transfer to a foreign country a technical data package for a defense item being manufactured or developed in an arsenal; or

“(2) to assist a foreign country in producing such a defense item.

“(b) **EXCEPTION.**—The Secretary of the Army may use funds appropriated to the Department of Defense to transfer a technical data package, or to provide assistance, described in subsection (a) if—

“(1) the transfer or provision of assistance is to a friendly foreign country (as determined by the Secretary of Defense in consultation with the Secretary of State);

“(2) the Secretary of the Army determines that such action—
“(A) would have a clear benefit to the preservation of the production base for the production of cannon at the arsenal concerned; and

“(B) would not transfer technology (including production techniques) considered unique to the arsenal concerned; and

“(3) the Secretary of Defense enters into an agreement with the country concerned described in subsection (c).

“(c) **COPRODUCTION AGREEMENTS.**—An agreement under this subsection shall be in the form of a Government-to-Government Memorandum of Understanding and shall include provisions that—

“(1) prescribe the content of the technical data package or assistance to be transferred to the foreign country participating in the agreement;

"(2) require that production by the participating foreign country of the defense item to which the technical data package or assistance relates be shared with the arsenal concerned;

"(3) subject to such exceptions as may be approved under subsection (d), prohibit transfer by the participating foreign country to a third party or country of—

"(A) any defense article, technical data package, technology, or assistance provided by the United States under the agreement; and

"(B) any defense article produced by the participating foreign country under the agreement; and

"(4) require the Secretary of Defense to monitor compliance with the agreement and the participating foreign country to report periodically to the Secretary of Defense concerning the agreement.

"(d) TRANSFERS TO THIRD PARTIES.—A transfer described in subsection (b)(3) may be made if—

"(1) the defense article, technical data package, or technology to be transferred is a product of a cooperative research and development program in which the United States and the participating foreign country were partners; or

"(2) the President—

President of U.S.

"(A) complies with all requirements of section 3(d) of the Arms Export Control Act (22 U.S.C. 2753(d)) with respect to such transfer; and

"(B) certifies to Congress, before the transfer, that the transfer would provide a clear benefit to the production base of the United States for large-caliber cannon.

"(e) NOTICE AND REPORTS TO CONGRESS.—(1) The Secretary of the Army shall submit to Congress a notice of each agreement entered into under this section.

Reports.

"(2) The Secretary shall submit to Congress a semi-annual report on the operation of this section and of agreements entered into under this section.

"(f) ARSENAL DEFINED.—In this section, the term 'arsenal' means a Government-owned, Government-operated defense plant that manufactures large-caliber cannon."

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

"4542. Technical data packages for large-caliber cannon: prohibition on transfers to foreign countries; exception."

(b) EFFECTIVE DATE.—Section 4542 of title 10, United States Code, as added by subsection (a), shall apply with respect to funds appropriated for fiscal years after fiscal year 1986.

10 USC 4542 note.

SEC. 1204. REQUIREMENTS CONCERNING TRANSPORTATION OF MEMBERS OF THE ARMED FORCES BY CHARTERED AIRCRAFT

(a) IN GENERAL.—(1) Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2640. Charter air transportation of members of the armed forces

Contracts.
10 USC 2640.

"(a) REQUIREMENTS.—(1) The Secretary of Defense may not enter into a contract with an air carrier for the charter air transportation of members of the armed forces unless the air carrier—

“(A) meets, at a minimum, the safety standards established by the Secretary of Transportation under title VI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1421 et seq.);

“(B) has at least 12 months of experience operating services in air transportation that are substantially equivalent to the service sought by the Department of Defense; and

“(C) undergoes a technical safety evaluation.

“(2) For purposes of paragraph (1)(C), a technical safety evaluation—

“(A) shall include inspection of a representative number of aircraft; and

“(B) shall be conducted in accordance with regulations prescribed by the Secretary, after consultation with the Secretary of Transportation.

“(b) INSPECTIONS.—The Secretary shall provide for inspections of each air carrier that contracts with the Department of Defense for the charter air transportation of members of the armed forces. The inspections shall be conducted in accordance with standards established by the Secretary, after consultation with the Secretary of Transportation, and shall include, at a minimum, the following:

“(1) An on-site capability survey of the air carrier conducted at least once every two years.

“(2) A performance evaluation of the air carrier conducted at least once every six months.

“(3) A preflight safety inspection of each aircraft conducted at any time during the operation of, but not more than 72 hours before, each internationally scheduled charter mission departing the United States.

“(4) A preflight safety inspection of each aircraft used for domestic charter missions conducted to the greatest extent practical.

“(5) Operational check-rides on aircraft conducted periodically.

“(c) COMMERCIAL AIRLIFT REVIEW BOARD.—The Secretary shall establish a Commercial Airlift Review Board within the Department of Defense. The Board shall consist of personnel from the Department of Defense and other Government personnel as may be appropriate. The duties of the Board shall be—

“(1) to make recommendations to the Secretary on suspension and reinstatement of air carriers under subsection (d);

“(2) to make recommendations to the Secretary on waivers under subsection (g); and

“(3) to carry out such other duties and make recommendations on such other matters as the Secretary considers appropriate.

“(d) SUSPENSION AND REINSTATEMENT.—(1) The Secretary shall establish guidelines for the suspension of air carriers under contract with the Department of Defense for the charter air transportation of members of the armed forces and for the reinstatement of air carriers that have been so suspended. The guidelines—

“(A) shall require the immediate determination of whether to suspend an air carrier if an aircraft of the air carrier is involved in a fatal accident; and

“(B) may require the suspension of an air carrier—

“(i) if the carrier is in violation of any order, rule, regulation, or standard prescribed under title VI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1421 et seq.); or

“(ii) if an aircraft of the air carrier is involved in a serious accident.

“(2) The Commercial Airlift Review Board shall make recommendations to the Secretary on suspension and reinstatement under this subsection.

“(3) The Secretary shall include in each contract subject to this section the provisions on suspension and reinstatement established under this subsection.

“(e) **AUTHORITY TO LEAVE UNSAFE AIRCRAFT.**—A representative of the Military Airlift Command, the Military Traffic Management Command, or such other agency as may be designated by the Secretary of Defense (or if there is no such representative reasonably available, the senior officer on board a chartered aircraft) may order members of the armed forces to leave a chartered aircraft if the representative (or officer) determines that a condition exists on the aircraft which may endanger the safety of the members.

“(f) **FAA INFORMATION.**—The Secretary shall request the Secretary of Transportation to provide to the Secretary a report on each inspection performed by Federal Aviation Administration personnel, and the status of corrective actions taken, on each aircraft of an air carrier under contract with the Department of Defense for the charter air transportation of members of the armed forces.

Reports.

“(g) **WAIVER.**—After considering recommendations by the Commercial Airlift Review Board, the Secretary may waive any provision of this section in an emergency.

“(h) **REGULATIONS.**—The Secretary shall prescribe regulations to carry out this section, including requirements and identification of inspecting personnel with respect to preflight safety inspections required by subsection (b)(3).

“(i) **DEFINITIONS.**—In this section:

“(1) The terms ‘air carrier’, ‘aircraft’, ‘air transportation’, and ‘charter air transportation’ have the meanings given such terms by sections 101(3), 101(5), 101(10), and 101(15), respectively, of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301(3), 1301(5), 1301(10), and 1301(15)).

“(2) The term ‘members of the armed forces’ means members of the Army, Navy, Air Force, and Marine Corps.”.

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

“2640. Charter air transportation of members of the armed forces.”.

(b) **DEADLINE FOR REGULATIONS.**—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the regulations required by section 2640 of title 10, United States Code, as added by subsection (a).

10 USC 2640
note.

(c) **EFFECTIVE DATE.**—Section 2640 of title 10, United States Code, as added by subsection (a), shall apply only to contracts which are entered into on or after the date on which the regulations required by subsection (b) are prescribed.

10 USC 2640
note.

SEC. 1205. FUEL SOURCES FOR HEATING SYSTEMS ON MILITARY INSTALLATIONS; PROHIBITION ON CONVERTING CERTAIN HEATING FACILITIES

(a) **REQUIREMENT AND RESTRICTION.**—(1) Section 2690 of title 10, United States Code, is amended to read as follows:

“§ 2690. Fuel sources for heating systems; prohibition on converting certain heating facilities

“(a)(1) The Secretary of the military department concerned shall provide that the primary fuel source to be used in any new heating system constructed on lands under the jurisdiction of the military department is the most cost effective fuel for that heating system over the life cycle of the system.

Regulations.

“(2) The Secretary of Defense shall prescribe regulations for the determination of the life-cycle cost effectiveness of a fuel for the purposes of paragraph (1).

“(b) The Secretary of a military department may not convert a heating facility at a United States military installation in Europe from a coal-fired facility to an oil-fired facility, or to any other energy source facility, unless the Secretary—

“(1) determines that the conversion (A) is required by the government of the country in which the facility is located, or (B) is cost effective over the life cycle of the facility; and

“(2) submits to Congress notification of the proposed conversion and a period of 30 days has elapsed following the date on which Congress receives the notice.”.

10 USC 2661 et seq.

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

“2690. Fuel sources for heating systems.”.

(b) REPEAL OF CERTAIN REQUIREMENTS AND RESTRICTIONS.—Sections 8022, 8070, and 8110 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190; 99 Stat. 1207, 1214, and 1222), are repealed.

SEC. 1206. REVIEW OF THE SECURITY ADMINISTRATION IN DEFENSE INDUSTRY OF DEPARTMENT OF DEFENSE SPECIAL ACCESS PROGRAMS

(a) REVIEW.—The Secretary of Defense shall direct the Director of the Defense Investigative Service to conduct a review of the security administration of Department of Defense special access programs at all Department of Defense contractors involved in such programs. The review shall include a review of the frequency and adequacy of security inspections of such contractors conducted by the Department of Defense.

(b) REPORT.—(1) The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth the results of the review under subsection (a).

(2) The report shall—

(A) identify any shortcoming found to exist in security administration of Department of Defense special access programs at Department of Defense contractors involved in such programs and the actions being taken to correct each such shortcoming;

(B) include recommendations for improvement of Department of Defense oversight of special access programs, if the Secretary considers such improvement necessary; and

(C) include recommendations for such legislation as the Secretary determines is required to correct such deficiencies.

(3) The report shall be submitted in an unclassified form. It shall be submitted not later than May 1, 1987.

(c) **DIS SECURITY INVESTIGATIONS.**—After consulting with the Secretary of Defense, the Director of the Defense Investigative Service may conduct such security inspections of special access programs as the Director considers appropriate, unless otherwise directed by the Secretary of Defense.

SEC. 1207. CONTRACT GOAL FOR MINORITIES

10 USC 2301
note.

(a) **GOAL.**—Except as provided in subsection (d), a goal of 5 percent of the amount described in subsection (b) shall be the objective of the Department of Defense in each of fiscal years 1987, 1988, and 1989 for the total combined amount obligated for contracts and subcontracts entered into with—

(1) small business concerns, including mass media, owned and controlled by socially and economically disadvantaged individuals (as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and regulations issued under such section), the majority of the earnings of which directly accrue to such individuals;

Disadvantaged
persons.

(2) historically Black colleges and universities; or

(3) minority institutions (as defined by the Secretary of Education pursuant to the General Education Provisions Act (20 U.S.C. 1221 et seq.)).

Schools and
colleges.

(b) **AMOUNT.**—The requirements of subsection (a) for any fiscal year apply to the combined total of the following amounts:

(1) Funds obligated for contracts entered into with the Department of Defense for such fiscal year for procurement.

(2) Funds obligated for contracts entered into with the Department of Defense for such fiscal year for research, development, test, and evaluation.

Research and
development.

(3) Funds obligated for contracts entered into with the Department of Defense for such fiscal year for military construction.

(4) Funds obligated for contracts entered into with the Department of Defense for operation and maintenance.

(c) **TECHNICAL ASSISTANCE.**—To attain the goal of subsection (a), the Secretary of Defense shall provide technical assistance services to potential contractors described in subsection (a). Such technical assistance shall include information about the program, advice about Department of Defense procurement procedures, instruction in preparation of proposals, and other such assistance as the Secretary considers appropriate. If Department of Defense resources are inadequate to provide such assistance, the Secretary of Defense may enter into contracts with minority private sector entities with experience and expertise in the design, development, and delivery of technical assistance services to eligible individuals, business firms and institutions, defense acquisition agencies, and defense prime contractors. Department of Defense contracts with such entities shall be awarded annually, based upon, among other things, the number of minority small business concerns, historically Black colleges and universities, and minority institutions that each such entity brings into the program.

(d) **APPLICABILITY.**—Subsection (a) does not apply—

(1) to the extent to which the Secretary of Defense determines that compelling national security considerations require otherwise; and

(2) if the Secretary making such a determination notifies Congress of such determination and the reasons for such determination.

(e) **COMPETITIVE PROCEDURES AND ADVANCE PAYMENTS.**—To attain the goal of subsection (a)—

(1) The Secretary of Defense shall exercise his utmost authority, resourcefulness, and diligence.

(2) To the extent practicable and when necessary to facilitate achievement of the 5 percent goal described in subsection (a), the Secretary of Defense shall make advance payments under section 2307 of title 10, United States Code, to contractors described in subsection (a).

(3) To the extent practicable and when necessary to facilitate achievement of the 5 percent goal described in subsection (a), the Secretary of Defense may enter into contracts using less than full and open competitive procedures (including awards under section 8(a) of the Small Business Act), but shall pay a price not exceeding fair market cost by more than 10 percent in payment per contract to contractors or subcontractors described in subsection (a).

(4) To the extent practicable, the Secretary of Defense shall maximize the number of minority small business concerns, historically Black colleges and universities, and minority institutions participating in the program.

(f) **PENALTIES FOR MISREPRESENTATION.**—Whoever for the purpose of securing a contract or subcontract under subsection (a) misrepresents the status of any concern or person as a small business concern owned and controlled by a minority (as described in subsection (a)), shall be punished by a fine of not less than \$10,000, or by imprisonment for not more than one year, or both.

(g) **ANNUAL REPORTS.**—(1) Between May 1 and May 30 of each year, the Secretary of Defense shall submit to Congress a report on the progress toward meeting the goal of subsection (a) during the current fiscal year.

(2) Between October 1 and October 10 of each year, the Secretary of Defense shall submit to Congress a final report on the progress of the Secretary with the goal of subsection (a) during the preceding fiscal year.

(3) The reports described in paragraphs (1) and (2) shall each include the following:

(A) A full explanation of any progress toward attaining the goal of subsection (a).

(B) A plan to achieve the goal, if necessary.

(C) A description of the percentage of contracts (actions), the total dollar amount (size of action), and the number of different entities relative to the attainment of the goal of subsection (a), separately for Black Americans, Native Americans, Hispanic Americans, Asian Pacific Americans, and other minorities.

(4) The reports required under paragraph (2) shall also include the following:

(A) The aggregate differential between the fair market price of all contracts awarded pursuant to subsection (e)(3) and the estimated fair market price of all such contracts had such contracts been entered into using full and open competitive procedures.

(B) Detailed information on failure to perform in accordance with contract cost and technical requirements by entities awarded contracts pursuant to subsection (a).

(C) An analysis of the impact that subsection (a) shall have on the ability of small business concerns not owned and controlled

15 USC 637.

Schools and colleges.

by socially and economically disadvantaged individuals to compete for contracts with the Department of Defense.

(5) The first report required by this subsection shall be submitted between May 1 and May 30, 1987.

(h) EFFECTIVE DATE.—This section applies to each of fiscal years 1987, 1988, and 1989.

SEC. 1208. MANPOWER ESTIMATES FOR MAJOR DEFENSE ACQUISITION PROGRAMS

(a) REQUIREMENT OF MANPOWER ESTIMATES.—Subsection (a) of section 2434 of title 10, United States Code (as redesignated by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986), is amended to read as follows:

“(a) REQUIREMENT FOR APPROVAL.—The Secretary of Defense may not approve the full-scale engineering development, or the production and deployment, of a major defense acquisition program unless—

“(1) an independent estimate of the cost of the program is first submitted to (and considered by) the Secretary; and

“(2) the Secretary submits a manpower estimate of the program to the Committees on Armed Services of the Senate and the House of Representatives at least 90 days in advance of such approval.”.

(b) DEFINITIONS.—Subsection (b) of such section is amended—

(1) by inserting “DEFINITIONS.—” before “In this section”;

(2) by striking out “(1) ‘Major’” and inserting in lieu thereof “(1) The term ‘major’”;

(3) by striking out “(2) ‘Independent’” and inserting in lieu thereof “(2) The term ‘independent’”;

(4) by striking out “(3) ‘Cost’” and inserting in lieu thereof “(3) The term ‘cost’”; and

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

“(4) The term ‘manpower estimate’ means, with respect to a major defense acquisition program, an estimate of—

“(A) the total number of personnel (including military, civilian, and contractor personnel), expressed both in total personnel and man-years, that will be required to operate, maintain, and support the program upon full operational deployment and to train personnel to operate, maintain, and support the program upon full operational deployment;

“(B) the increases in military and civilian personnel end strengths that will be required for full operational deployment of the program above the end strengths authorized in the fiscal year in which such an estimate is submitted and the fiscal year or years in which such increases will be required; and

“(C) the manner in which such a program would be operationally deployed if no increases in military and civilian end strengths were authorized above the strengths authorized for the fiscal year in which such estimate is submitted.”.

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2434. Independent cost estimates; operational manpower requirements".

(2) The item relating to such section in the table of sections at the beginning of chapter 144 of such title (as enacted by section 101(a) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986) is amended to read as follows:

"2434. Independent cost estimates; operational manpower requirements."

10 USC 2434
note.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to approvals of full-scale engineering development and to approvals of production and deployment of major defense acquisition programs made after December 31, 1986.

PART B—ECONOMY AND EFFICIENCY

SEC. 1221. INCREASE IN THRESHOLD APPLICABLE TO STATUTORY CONTRACTING-OUT PROCEDURES

Section 502(d) of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended by striking out "40 or fewer" and inserting in lieu thereof "45 or fewer".

SEC. 1222. PROHIBITION ON CONTRACTS FOR PERFORMANCE OF FIRE-FIGHTING AND SECURITY FUNCTIONS

(a) **FIREFIGHTING PROHIBITION.**—(1) Chapter 159 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2693.

"§ 2693. Prohibition on contracts for performance of firefighting functions

"(a) Except as provided in subsection (b), funds appropriated to the Department of Defense may not be obligated or expended for the purpose of entering into a contract for the performance of firefighting functions at any military installation or facility.

"(b) The prohibition in subsection (a) does not apply—

"(1) to a contract to be carried out at a location outside the United States (including its commonwealths, territories, and possessions) at which members of the armed forces would have to be used for the performance of the function described in subsection (a) at the expense of unit readiness;

"(2) to a contract to be carried out on a Government-owned but privately operated installation; or

"(3) to a contract (or the renewal of a contract) for the performance of a function under contract or September 24, 1983."

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

"2693. Prohibition on contracts for performance of firefighting functions."

10 USC 2304
note.

(b) **ONE-YEAR SECURITY-GUARD PROHIBITION.**—(1) Except as provided in paragraph (2), funds appropriated to the Department of Defense may not be obligated or expended before October 1, 1987, for the purpose of entering into a contract for the performance of security-guard functions at any military installation or facility.

(2) The prohibition in paragraph (1) does not apply—

(A) to a contract to be carried out at a location outside the United States (including its commonwealths, territories, and possessions) at which military personnel would have to be used for the performance of the function described in paragraph (1) at the expense of unit readiness;

(B) to a contract to be carried out on a Government-owned but privately operated installation;

(C) to a contract (or the renewal of a contract) for the performance of a function under contract on September 24, 1983; or

(D) to a contract for the performance of security-guard functions if (i) the requirement for the functions arises after the date of the enactment of this Act, and (ii) the Secretary of Defense determines the functions can be performed by contractor personnel without adversely affecting installation security, safety, or readiness.

(c) **REPEAL.**—Section 1233 of the Department of Defense Authorization Act, 1986 (Public Law 99-145, 99 Stat. 734), is hereby repealed.

10 USC 2304
note.

SEC. 1223. CONTRACTING OUT THE PERFORMANCE OF DEPARTMENT OF DEFENSE SUPPLY AND SERVICE FUNCTIONS

10 USC 2304
note.

(a) **IN GENERAL.**—Except as otherwise provided by law, the Secretary of Defense shall procure each supply or service necessary for or beneficial to the accomplishment of the authorized functions of the Department of Defense (other than functions which the Secretary of Defense determines must be performed by military or government personnel) from a source in the private sector if such a source can provide such supply or service to the Department at a cost that is lower (after including any cost differential required by law, executive order, or regulation) than the cost at which the Department can provide the same supply or service.

(b) **COST COMPARISONS.**—For the purpose of determining whether to contract with a source in the private sector for the performance of any Department of Defense function on the basis of a comparison of the costs of procuring supplies or services from such a source with the costs of providing the same supplies or services by the Department of Defense, the Secretary of Defense shall ensure that all costs considered, including the costs of quality assurance, technical monitoring of the performance of such function, liability insurance, employee retirement and disability benefits, and all other overhead costs, are realistic and fair.

SEC. 1224. REPORTS ON SAVINGS OR COSTS FROM INCREASED USE OF CIVILIAN PERSONNEL

10 USC 2304
note.

(a) **IN GENERAL.**—Whenever during a fiscal year to which this section applies the performance of any commercial or industrial type activity of the Department of Defense that is being performed by 50 or more employees of a private contractor is changed to performance by civilian employees of the Department of Defense, the Secretary of Defense shall maintain data in which a comparison is made of the estimated costs of (1) continued performance of such activity by private contractor employees, and (2) performance of such activity by civilian employees of the Department of Defense.

(b) **SEMI-ANNUAL REPORT ON COSTS AND SAVINGS.**—As soon as practicable after the end of the first six months, and after the end of the second six months, of a fiscal year to which this section applies, the Secretary of Defense shall submit to the Committees on Armed

Services of the Senate and House of Representatives a report showing the estimated savings or loss to the United States, during the preceding six month period, that is reflected in the data maintained under subsection (a).

(c) **APPLICABILITY OF SECTION.**—This section shall apply only with respect to a fiscal year during which there is no statutory limit (commonly known as an “end strength”) on the number of civilian employees that may be employed by the Department of Defense as of the last day of that fiscal year.

TITLE XIII—GENERAL PROVISIONS

PART A—FINANCIAL MATTERS

SEC. 1301. TRANSFER AUTHORITY

(a) **AUTHORITY TO TRANSFER AUTHORIZATIONS.**—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division between any such authorizations (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary of Defense may transfer under the authority of this section may not exceed \$2,000,000,000.

(b) **LIMITATIONS.**—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) **EFFECT ON OBLIGATION LIMITATIONS.**—A transfer made under the authority of this section—

(1) increases by the amount of the transfer the obligation limitation provided in this division on the account (or other amount) to which the transfer is made; and

(2) decreases by the amount of the transfer the obligation limitation provided in this division on the account (or other amount) from which the transfer is made.

(d) **NOTICE TO CONGRESS.**—The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1302. AUTHORIZATION OF APPROPRIATIONS FOR CIVILIAN PAY AND CONTINGENCIES

There are authorized to be appropriated to the Department of Defense for fiscal year 1987, in addition to other amounts authorized to be appropriated in this Act, such sums as may be necessary—

(1) for unbudgeted increases in fuel costs;

(2) for unbudgeted increases as a result of inflation in the cost of activities authorized in this Act; and

(3) for unbudgeted amounts for salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in this Act.

SEC. 1303. AUTHORIZATION OF APPROPRIATIONS FOR FOREIGN CURRENCY PURCHASES

There is hereby authorized to be appropriated for fiscal year 1987 the amount of \$3,500,000 for the purchase of foreign currencies from the Treasury Department to pay expenses incurred in carrying out programs of the Department of Defense.

SEC. 1304. SPECIAL DEFENSE ACQUISITION FUND

(a) **INCREASE IN SIZE OF FUND.**—Section 114(c) of title 10, United States Code (as redesignated by section 110(b) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)), is amended by striking out “\$1,000,000,000” and inserting in lieu thereof “\$1,070,000,000”.

Ante, p. 1001.

(b) **BUDGET ACT LIMITATION.**—New spending authority (as defined in section 401(c)(2) of the Congressional Budget Act of 1974) provided by the amendment made by subsection (a) shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

10 USC 114 note.
2 USC 651.

SEC. 1305. LIMITATION ON OBLIGATION OF FISCAL YEAR 1985 AND FISCAL YEAR 1986 FUNDS

(a) **LIMITATIONS.**—Subject to subsection (b), funds appropriated for fiscal years 1985 and 1986 and remaining available for obligation may not be obligated as follows:

Account	Fiscal year 1985 amount	Fiscal year 1986 amount
Aircraft Procurement, Army.....	\$21,000,000	\$110,800,000
Missile Procurement, Army.....	\$21,400,000	\$91,900,000
Procurement of Weapons and Tracked Combat Vehicles, Army.....	\$43,900,000	\$211,400,000
Procurement of Ammunition, Army.....	\$3,900,000	\$30,300,000
Other Procurement, Army.....	\$15,600,000	\$123,600,000
Aircraft Procurement, Navy.....	\$86,300,000	\$446,100,000
Weapons Procurement, Navy.....	\$48,800,000	\$215,600,000
Shipbuilding and Conversion, Navy.....	\$168,700,000	\$367,500,000
Other Procurement, Navy.....	\$16,100,000	\$117,100,000
Procurement, Marine Corps.....	\$18,200,000	\$52,000,000
Aircraft Procurement, Air Force.....	\$212,500,000	\$714,500,000
Missile Procurement, Air Force.....	\$53,400,000	\$326,400,000
Other Procurement, Air Force.....	\$19,100,000	\$181,100,000
National Guard and Reserve Equipment.....	\$900,000	\$17,900,000
Procurement, Defense Agencies.....	\$4,000,000	\$31,000,000
Research, Development, Test and Evaluation, Army.....	\$1,900,000	\$71,200,000
Research, Development, Test and Evaluation, Navy.....	\$2,800,000	\$71,900,000
Research, Development, Test and Evaluation, Air Force.....	\$6,000,000	\$176,400,000
Research, Development, Test and Evaluation, Defense Agencies.....	\$1,400,000	\$84,700,000
Director of Test and Evaluation, Defense.....	\$0	\$700,000
Military Construction, Army.....	\$6,800,000	\$64,400,000
Military Construction, Navy.....	\$6,800,000	\$45,200,000
Military Construction, Air Force.....	\$6,300,000	\$43,200,000
Military Construction, Defense Agencies.....	\$1,900,000	\$5,300,000
Military Construction, Army National Guard.....	\$0	\$2,500,000
Military Construction, Air National Guard.....	\$200,000	\$3,300,000
Military Construction, Army Reserve.....	\$0	\$1,800,000
Military Construction, Naval Reserve.....	\$0	\$1,200,000
Military Construction, Air Force Reserve.....	\$200,000	\$1,800,000
North Atlantic Treaty Organization Infrastructure.....	\$0	\$8,000,000
Family Housing, Army.....	\$900,000	\$19,400,000
Family Housing, Navy and Marine Corps.....	\$400,000	\$8,800,000
Family Housing, Air Force.....	\$2,400,000	\$12,300,000

(b) **COORDINATION WITH RESCISSIONS.**—A limitation contained in subsection (a) shall apply only to the extent, and in the amount by which, the amount of the limitation is greater than amounts rescinded (on an account-year basis) in laws appropriating funds for the Department of Defense for fiscal year 1987 that are enacted before December 31, 1986.

SEC. 1306. APPLICABILITY OF LIMITATIONS ON FISCAL YEAR 1987 OBLIGATIONS

The limitations in sections 101(b), 102(a)(2), 102(b)(2), 102(c)(1), 102(c)(2), 102(d)(2), 102(e)(2), 103(b), 104(b), 106(b), and 201(c)—

- (1) apply only to funds directly appropriated and funds transferred by provisions in appropriations Acts that specifically identify the funds transferred; and
- (2) do not apply to obligations from an account that would be reimbursed from another account or from a source outside the Government.

SEC. 1307. REPORTS ON UNOBLIGATED BALANCES AND ON INFLATION BUDGETING

(a) **PERIODIC REPORTS.**—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new sections:

10 USC 2215.

“§ 2215. Reports on unobligated balances

“(a) **REQUIRED REPORTS.**—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives reports (at the times specified under subsection (d)) containing an estimate of the amount of funds in each appropriation account of the Department of Defense that at the time of the report—

- “(1) is available for obligation; and
- “(2) is in excess of the amount needed to carry out the programs for which the funds were appropriated.

“(b) **MATTERS TO BE INCLUDED.**—Each report under subsection (a) shall include, set forth separately for each account, estimates of amounts attributable to—

- “(1) inflation savings;
- “(2) foreign currency savings;
- “(3) excess working capital fund cash; and
- “(4) all other savings.

“(c) **UNANTICIPATED COST INCREASES.**—Each such report shall also identify unanticipated cost increases resulting from adverse economic trends.

“(d) **SUBMISSION OF REPORTS.**—A report shall be submitted to Congress under this section not later than February 1, not later than April 25, and not later than August 15 of each year.

10 USC 2216.

“§ 2216. Annual report on budgeting for inflation

“(a) **REPORT ON VARIANCES.**—(1) As part of the report required under section 2215 of this title to be submitted not later than February 1 of each year, the Secretary of Defense shall, in the case of each budget account, include a comparison of—

“(A) the amounts appropriated to the Department of Defense to offset anticipated inflation, and

“(B) the amounts estimated, as of the date the report is submitted, to be necessary to offset anticipated inflation.

"(2) In making such estimate, the Secretary shall take into account actual inflation as of the date of such report.

"(b) REQUIREMENT FOR EXPLANATION OF VARIANCES.—The Secretary shall include in the report, in the case of each budget account, the following:

"(1) A discussion of the reasons for any variance between the amounts appropriated to offset anticipated inflation and the amounts estimated, as of the date of such report, to be necessary to carry out the programs for which the appropriations were made.

"(2) An identification of the sources of funds used or proposed to be used to offset any deficiency in the amount appropriated to offset anticipated inflation.

"(3) A description of the disposition or proposed disposition of any amount by which the amount appropriated to offset anticipated inflation exceeds the amount needed for such purpose.

"(c) FISCAL YEARS COVERED BY REPORT.—The comparison and discussion required by this section shall apply to funds available to or for the use of the Department of Defense in the fiscal year during which the report is submitted and in each of the two fiscal years preceding that fiscal year."

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

"2215. Reports on unobligated balances.

"2216. Annual report on budgeting for inflation."

(b) REPEAL.—Section 1407 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 745), is repealed.

10 USC 113 note.

(c) EFFECTIVE DATE.—(1) The first comparison and discussion under section 2216 of title 10, United States Code (as added by subsection (a)), shall be included in the first report under section 2215 of such title submitted in 1988 and shall include information relating only to fiscal year 1987.

10 USC 2215 note.

(2) The comparison and discussion included in the first report under section 2215 of such title submitted in 1989 shall include information relating only to fiscal years 1987 and 1988.

Ante, p. 3980.

SEC. 1308. REPORT ON DEFENSE BUDGETING AND CONTRACT PROCEDURES FOR INFLATION

(a) REPORT ON ECONOMIC PRICE ADJUSTMENT CLAUSES.—The Secretary of Defense shall submit to Congress a report on the current practice of the Department of Defense of including in contracts entered into by the Department of Defense to carry out all or a portion of a program for which a Selected Acquisition Report is required an economic price adjustment clause to provide for adjustments in contract prices to compensate for inflation.

(b) INFORMATION TO BE INCLUDED IN REPORT.—The Secretary shall include in the report required by subsection (a) the following information:

(1) The number of contracts that were entered into by the Department of Defense during fiscal year 1986 to carry out all or a portion of a program for which a Selected Acquisition Report was required for any quarter during such fiscal year and that included an economic price adjustment clause referred to in subsection (a).

(2) A description of the different types of such contracts that were entered into during such fiscal year that included an economic price adjustment clause referred to in subsection (a).

(3) A description of the different types of economic price adjustment clauses used by the Department of Defense in such contracts and the reasons for using a particular type of such clause for a particular type of contract.

(c) **OTHER MATTERS TO BE REPORTED.**—The Secretary shall also include in the report required by subsection (a) the following:

(1) An explanation of the methodology used by the Department of Defense for determining the inflation index to be used in calculating the inflation rate for various budget accounts of the Department of Defense and items within those accounts.

(2) The feasibility of providing to Congress an annual report on actual rates of inflation experienced under contracts of the Department of Defense that are entered into to carry out all or a portion of a program for which a Selected Acquisition Report is required at any time and that include an economic price adjustment clause to provide adjustments in contract prices to compensate for inflation.

(3) A discussion of the relationship between the rate of actual inflation experienced under contracts referred to in clause (2) and the rate of inflation determined under the methodology referred to in clause (1) for determining the inflation index to be used in calculating the inflation rate for major weapon system accounts.

(d) **DEADLINE FOR REPORT.**—The report required under this section shall be submitted not later than February 1, 1987.

(e) **DEFINITION.**—For purposes of this section, the term “Selected Acquisition Report” means a report referred to in section 2432 of title 10, United States Code (as redesignated by section 101 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)).

Ante, p. 994.

SEC. 1309. DEBT COLLECTION

(a) **IN GENERAL.**—Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2780. Debt collection

“(a)(1) Subject to paragraph (2), the Secretary of Defense shall enter into one or more contracts with a person for collection services to recover indebtedness owed to the United States (arising out of activities related to Department of Defense) that is delinquent by more than three months.

“(2) The authority of the Secretary to enter into a contract under this section for any fiscal year is subject to the availability of appropriations.

“(3) Any such contract shall provide that the person submit to the Secretary a status report on the person’s success in collecting such debts at least once each six months. Section 3718 of title 31 shall apply to any such contract, to the extent not inconsistent with this subsection.

“(b) The Secretary shall disclose to consumer reporting agencies, in accordance with paragraph (1) of section 3711(f) of title 31, information concerning any debt described in subsection (a) of more than \$100 that is delinquent by more than 31 days.”

Contracts.
10 USC 2780.

Reports.

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

“2780. Debt collection.”

SEC. 1310. CONTINGENT REDUCTION OF AUTHORIZATION OF APPROPRIATIONS

(a) CONTINGENCY.—Notwithstanding any other provision of this Act, the amounts authorized to be appropriated by this Act are reduced by the amounts specified in subsection (b) unless a law appropriating funds to or for the military functions of the Department of Defense for fiscal year 1987 provides—

- (1) that basic pay, basic allowance for quarters, and basic allowance for subsistence of members of the uniformed services are to be paid on the first day of the month following the month for which the pay and allowances are accrued; or
- (2) a reduction in progress payments paid to Department of

Contracts.

Defense contractors.
 (b) AUTHORIZATIONS TO BE REDUCED.—The amounts authorized to be appropriated in the title of this Act specified in the following table in the left-hand column are reduced by the amount specified opposite such title in the right-hand column:

Authorizations in Which Reductions Are To Be Made	Amount of Reduction
Division A	
Title I (Procurement).....	\$3,008,000,000
Title II (Research, Development, Test, and Evaluation).....	\$1,174,000,000
Title III (Operations and Maintenance).....	\$1,602,000,000
Division B	
Title VI.....	\$166,000,000
Division C	
Title I (Department of Energy National Security Programs).....	\$167,000,000

(c) CONTINGENT REDUCTION IN PAY INCREASE.—Subject to the condition specified in subsection (a), the percentage of the increase in basic pay, basic allowance for quarters, and basic allowance for subsistence for members of the uniformed services, and the increase in pay for cadets and midshipmen, specified in sections 601(b) and 601(c), respectively, of this Act is hereby reduced from 3 percent to 2 percent.

37 USC 1009
note.

PART B—SPECIAL OPERATIONS MATTERS

SEC. 1311. SPECIAL OPERATIONS FORCES

(a) ASSISTANT SECRETARY OF DEFENSE.—Section 136(b) of title 10, United States Code (as amended by section 106 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986), is amended by adding at the end the following new paragraph:

Ante, p. 997.

“(4) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. He shall have as his principal duty the overall supervision (including oversight of policy and resources) of special operations activities (as defined in section 167(j) of this title) and low intensity conflict activities of the Department of Defense.”

(b) UNIFIED COMBATANT COMMAND.—(1) Chapter 6 of such title (as added by section 211 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433)) is amended by adding at the end the following new section:

Ante, p. 1011.

10 USC 167.

“§ 167. Unified combatant command for special operations forces*Ante*, p. 1012.

“(a) **ESTABLISHMENT.**—With the advice and assistance of the Chairman of the Joint Chiefs of Staff, the President, through the Secretary of Defense, shall establish under section 161 of this title a unified combatant command for special operations forces (hereinafter in this section referred to as the ‘special operations command’). The principal function of the command is to prepare special operations forces to carry out assigned missions.

“(b) **ASSIGNMENT OF FORCES.**—Unless otherwise directed by the Secretary of Defense, all active and reserve special operations forces of the armed forces stationed in the United States shall be assigned to the special operations command.

“(c) **GRADE OF COMMANDER.**—The commander of the special operations command shall hold the grade of general or, in the case of an officer of the Navy, admiral while serving in that position, without vacating his permanent grade. The commander of such command shall be appointed to that grade by the President, by and with the advice and consent of the Senate, for service in that position.

“(d) **COMMAND OF ACTIVITY OR MISSION.**—(1) Unless otherwise directed by the President or the Secretary of Defense, a special operations activity or mission shall be conducted under the command of the commander of the unified combatant command in whose geographic area the activity or mission is to be conducted.

“(2) The commander of the special operations command shall exercise command of a selected special operations mission if directed to do so by the President or the Secretary of Defense.

Ante, p. 1013.

“(e) **AUTHORITY OF COMBATANT COMMANDER.**—(1) In addition to the authority prescribed in section 164(c) of this title, the commander of the special operations command shall be responsible for, and shall have the authority to conduct, all affairs of such command relating to special operations activities, including the following functions:

“(A) Developing strategy, doctrine, and tactics.

“(B) Training assigned forces.

“(C) Conducting specialized courses of instruction for commissioned and noncommissioned officers.

“(D) Validating requirements.

“(E) Establishing priorities for requirements.

“(F) Ensuring combat readiness.

“(G) Developing and acquiring special operations-peculiar equipment and acquiring special operations-peculiar material, supplies, and services.

“(H) Ensuring the interoperability of equipment and forces.

“(I) Formulating and submitting requirements for intelligence support.

“(J) Monitoring the promotions, assignments, retention, training, and professional military education of special operations forces officers.

“(2) The commander of such command shall be responsible for monitoring the preparedness of special operations forces assigned to other unified combatant commands to carry out assigned missions.

“(f) **BUDGET.**—In addition to the activities of a combatant command for which funding may be requested under section 166(b) of this title, the budget proposal of the special operations command shall include requests for funding for—

Ante, p. 1016.

“(1) development and acquisition of special operations-peculiar equipment; and

“(2) acquisition of other material, supplies, or services that are peculiar to special operations activities.

“(g) INTELLIGENCE AND SPECIAL ACTIVITIES.—This section does not constitute authority to conduct any activity which, if carried out as an intelligence activity by the Department of Defense, would require—

“(1) a finding under section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422); or

“(2) a notice to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives under section 501(a)(1) of the National Security Act of 1947 (50 U.S.C. 413).

“(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the activities of the special operations command. Such regulations shall include authorization for the commander of such command to provide for operational security of special operations forces and activities.

“(i) IDENTIFICATION OF SPECIAL OPERATIONS FORCES.—(1) Subject to paragraph (2), for the purposes of this section special operations forces are those forces of the armed forces that—

“(A) are identified as core forces or as augmenting forces in the Joint Chiefs of Staff Joint Strategic Capabilities Plan, Annex E, dated December 17, 1985;

“(B) are described in the Terms of Reference and Conceptual Operations Plan for the Joint Special Operations Command, as in effect on April 1, 1986; or

“(C) are designated as special operations forces by the Secretary of Defense.

“(2) The Secretary of Defense, after consulting with the Chairman of the Joint Chiefs of Staff and the commander of the special operations command, may direct that any force included within the description in paragraph (1)(A) or (1)(B) shall not be considered as a special operations force for the purposes of this section.

“(j) SPECIAL OPERATIONS ACTIVITIES.—For purposes of this section, special operations activities include each of the following insofar as it relates to special operations:

“(1) Direct action.

“(2) Strategic reconnaissance.

“(3) Unconventional warfare.

“(4) Foreign internal defense.

“(5) Civil affairs.

“(6) Psychological operations.

“(7) Counterterrorism.

“(8) Humanitarian assistance.

“(9) Theater search and rescue.

“(10) Such other activities as may be specified by the President or the Secretary of Defense.”

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

“167. Unified combatant command for special operations forces.”

(c) MAJOR FORCE PROGRAM CATEGORY.—The Secretary of Defense shall create for the special operations forces a major force program category for the Five-Year Defense Plan of the Department of

Defense. The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, with the advice and assistance of the commander of the special operations command, shall provide overall supervision of the preparation and justification of program recommendations and budget proposals to be included in such major force program category.

(d) PROGRAM AND BUDGET EXECUTION.—To the extent that there is authority to revise programs and budgets approved by Congress for special operations forces, such authority may be exercised only by the Secretary of Defense, after consulting with the commander of the special operations command.

(e) GRADE FOR COMMANDERS OF CERTAIN AREA SPECIAL OPERATIONS COMMANDS.—The commander of the special operations command of the United States European Command, the United States Pacific Command, and any other unified combatant command that the Secretary of Defense may designate for the purposes of this section shall be of general or flag officer grade.

(f) BOARD FOR LOW INTENSITY CONFLICT.—Section 101 of the National Security Act of 1947 (50 U.S.C. 402) is amended by adding at the end the following new subsection:

President of U.S. “(f) The President shall establish within the National Security Council a board to be known as the ‘Board for Low Intensity Conflict’. The principal function of the board shall be to coordinate the policies of the United States for low intensity conflict.”.

(g) DEPUTY ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS FOR LOW INTENSITY CONFLICT.—It is the sense of Congress that the President should designate within the Executive Office of the President a Deputy Assistant to the President for National Security Affairs to be the Deputy Assistant for Low Intensity Conflict.

(h) REPORTS.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the plans of the Secretary for implementation of this section, including a description of the progress made on such implementation.

10 USC 167 note. (2) Not later than one year after the date of the enactment of this Act, the President shall transmit to Congress a report on the capabilities of the United States to conduct special operations and engage in low intensity conflicts. The report shall include a description of the following:

(A) Deficiencies in such capabilities.

(B) Actions being taken throughout the executive branch to correct such deficiencies.

(C) The principal low intensity conflict threats to the interests of the United States.

(D) The actions taken and to be taken to implement this section.

10 USC 167 note. (i) EFFECTIVE DATE.—Section 167 of title 10, United States Code (as added by subsection (b)), shall be implemented not later than 180 days after the date of the enactment of this Act.

(j) FUNDING FOR FISCAL YEAR 1987.—The Secretary of Defense may spend unobligated funds appropriated to the Department of Defense for fiscal years before fiscal year 1987 in such sums as necessary in order to carry out this section and section 167 of title 10, United States Code (as added by subsection (b)), during fiscal year 1987.

SEC. 1312. SPECIAL OPERATIONS AIRLIFT

(a) MODIFICATION OF EXISTING AIRCRAFT.—Of the funds appropriated for fiscal year 1987 for modification of Air Force aircraft, \$106,500,000 shall be available only for the modification of CH/HH-53 airframes to the "PAVE LOW" enhanced configuration.

(b) DEVELOPMENT OF HELICOPTER VARIANTS.—(1) The Secretary of the Army shall proceed, through full and open competition, with development of an MH-47 variant of the CH-47 helicopter. The Secretary shall be designated as the executive agent for a joint services development program for a special operations/combat rescue variant of the HH/MH-60 helicopter.

(2) In conducting such development under paragraph (1), the Secretary shall ensure—

(A) that there is developed one baseline H-60 aircraft capable of operations from both land and shipboard;

(B) that there is maximum practicable logistics commonality among those aircraft to be procured by either the Army, Navy, or Air Force and that the contract for acquisition of the joint services aircraft assures maximum economic-order quantity benefits to the United States; and

(C) that there is maximum practicable commonality between the avionics architecture selected for the HH/MH-60 variant aircraft and the MH-47 variant aircraft.

(3) Upon successful development and test of the MH-47 aircraft, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on such development and testing. Such report shall include the Secretary's recommendation as to whether the replacement for the HH-53 aircraft as the long-range, strategic rotary-wing aircraft for the Armed Forces should be the MH-47 aircraft or a special operations/combat rescue variant of the CV-22A aircraft (or another advanced-technology aircraft). If the recommendation of the Secretary is in favor of the CV-22A aircraft (or another advanced-technology aircraft), the Secretary of the Army may justify in the budget planning process procurement of the MH-47 aircraft as necessary to fill immediately the heavy-lift mission requirements of the Special Operations Aviation Brigade of the Army.

(4) Upon successful development and test of the HH/MH-60 helicopter under paragraph (1), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing a detailed acquisition strategy for such helicopter. Such acquisition strategy shall—

(A) provide for timely and adequate procurement of the HH/MH-60 aircraft for the Special Operations Aviation Brigade of the Army and for aviation detachments assigned to individual Special Forces groups;

(B) provide for timely and adequate procurement of the HH/MH-60 aircraft for support of naval special warfare units and for fleet combat search and rescue missions; and

(C) provide for timely and adequate replacement for theater special operations/combat search and rescue HH-3 helicopters of the Air Force with the HH/MH-60 helicopter.

(c) REQUIREMENTS OF SPECIAL OPERATIONS COMMANDER.—(1) The commander of the unified combatant command established pursuant to section 167 of title 10, United States Code (as added by section

Contract.

Report.

Report.

1311), shall develop a plan to meet the immediate strategic special operations airlift requirements.

Reports.

(2) The Secretary of Defense, after consultation with the commander of such command, shall submit to Congress a report, no later than June 1, 1987, setting forth the funding requirements necessary to implement during fiscal year 1988 the plan developed under paragraph (1).

PART C—AUTHORIZATION OF PAYMENT OF CERTAIN EXPENSES WITH RESPECT TO DEVELOPING COUNTRIES

SEC. 1321. AUTHORITY TO PAY EXPENSES OF DEVELOPING COUNTRIES FOR PARTICIPATION IN COMBINED MILITARY EXERCISES

(a) **AUTHORITY TO PAY EXPENSES.**—(1) Chapter 101 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 2010.

“§ 2010. Participation of developing countries in combined exercises: payment of incremental expenses

“(a) The Secretary of Defense, after consultation with the Secretary of State, may pay the incremental expenses of a developing country that are incurred by that country as the direct result of participation in a bilateral or multilateral military exercise if—

“(1) the exercise is undertaken primarily to enhance the security interests of the United States; and

“(2) the Secretary of Defense determines that the participation by such country is necessary to the achievement of the fundamental objectives of the exercise and that those objectives cannot be achieved unless the United States provides the incremental expenses incurred by such country.

Reports.

“(b) The Secretary of Defense shall submit to Congress a report each year, not later than March 1, containing—

“(1) a list of the developing countries for which expenses have been paid by the United States under this section during the preceding year; and

“(2) the amounts expended on behalf of each government.

Regulations.

“(c) The Secretary of Defense shall establish by regulation such accounting procedures as may be necessary to ensure that funds expended under this section are properly expended.

“(d) In this section, the term ‘incremental expenses’ means the reasonable and proper cost of the goods and services that are consumed by a developing country as a direct result of that country’s participation in a bilateral or multilateral military exercise with the United States, including rations, fuel, training ammunition, and transportation. Such term does not include pay, allowances, and other normal costs of such country’s personnel.

“(e) Not more than \$13,400,000 may be obligated or expended for the purposes of this section during fiscal years 1987 through 1991.”.

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

“2010. Participation of developing countries in combined exercises: payment of incremental expenses.”.

(b) **EXPENDITURE LIMITATION FOR FISCAL YEAR 1987.**—Not more than \$1,600,000 may be obligated or expended for the purposes of

section 2010 of title 10, United States Code (as added by subsection (a)), during fiscal year 1987.

SEC. 1322. AUTHORITY TO PAY CERTAIN EXPENSES OF DEFENSE PERSONNEL OF DEVELOPING COUNTRIES

(a) **IN GENERAL.**—Chapter 53 of title 10, United States Code, is amended by inserting after section 1050 the following new section:

“§ 1051. Bilateral or regional cooperation programs: payment of personnel expenses 10 USC 1051.

“(a) The Secretary of Defense may pay the travel, subsistence, and similar personal expenses of defense personnel of developing countries in connection with the attendance of such personnel at a bilateral or regional conference, seminar, or similar meeting if the Secretary determines that the attendance of such personnel at such conference, seminar, or similar meeting is in the national security interests of the United States. Defense and national security.

“(b)(1) Except as provided in paragraph (2), expenses authorized to be paid under subsection (a) may be paid on behalf of personnel from a developing country only in connection with travel within the area of responsibility of the unified combatant command (as such term is defined in section 161(c) of this title) in which the developing country is located.

Ante, p. 1012.

“(2) In a case in which the headquarters of a unified combatant command is located within the United States, expenses authorized to be paid under subsection (a) may be paid in connection with travel of personnel to the United States to attend a bilateral or regional conference, seminar, or similar meeting.

“(3) Expenses authorized to be paid under subsection (a) may not, in the case of any individual, exceed the amount that would be paid under chapter 7 of title 37 to a member of the armed forces of the United States (of a comparable grade) for authorized travel of a similar nature. 37 USC 401 et seq.

“(c) In addition to the expenses authorized to be paid under subsection (a), the Secretary of Defense may pay such other expenses in connection with any such conference, seminar, or similar meeting as the Secretary considers in the national security interests of the United States.

“(d) The authority to pay expenses under this section is in addition to the authority to pay certain expenses and compensation of officers and students of Latin American countries under section 1050 of this title. 10 USC 1050.

“(e) Not later than March 1 each year, the Secretary of Defense shall submit to Congress a report containing— Reports.

“(1) a list of the developing countries for which expenses have been paid under this section during the preceding fiscal year and

“(2) the amount paid by the United States in the case of each such country.

“(f) During each of fiscal years 1987, 1988, and 1989, not more than \$800,000 may be obligated or expended under this section.

“(g) The authority of the Secretary of Defense under this section shall expire on September 30, 1989.”

(b) **CLERICAL AMENDMENT.**—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1050 the following new item:

"1051. Bilateral or regional cooperation programs: payment of personnel expenses."

PART D—MISCELLANEOUS REPORTS

SEC. 1331. ARMY NATIONAL GUARD REPORTING

The Secretary of Defense shall require the Chief of the National Guard Bureau to develop and implement procedures to monitor the backlog of maintenance and repair projects of Army National Guard armories.

SEC. 1332. SUBMARINE OVERHAUL STUDY

(a) **STUDY.**—The Secretary of the Navy shall conduct a detailed study and investigation on the desirability and feasibility of applying production line techniques for the overhaul of Los Angeles-class submarines.

(b) **REPORT.**—Not later than May 1, 1987, the Secretary shall submit to Congress a report on the results of such study and investigation, together with such comments and recommendations as the Secretary considers appropriate.

SEC. 1333. REPORT ON LANDING AREA FOR AV-8B HARRIER AIRCRAFT ON IOWA-CLASS BATTLESHIP

Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the feasibility and possible benefits of removing the rear turret from an Iowa-class battleship to create a landing area for AV-8B Harrier aircraft.

SEC. 1334. REPORT ON CLEANUP OF NATIONAL PRESTO INDUSTRIES

Wisconsin.

The Secretary of Defense shall investigate and report to the Committees on Armed Services of the Senate and the House of Representatives by January 1, 1987, on the sources, dates of origin, and responsibility for hazardous waste contamination at the National Presto Industries Plant near Eau Claire, Wisconsin.

PART E—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1341. TECHNICAL CORRECTION TO DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1985

37 USC 403 note.

(a) **CORRECTION OF BAQ SAVE-PAY.**—Section 602(a)(2) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2534), is amended—

(1) by striking out "During the period" and all that follows through "paragraph (1)" and inserting in lieu thereof "(A) During the period described in subparagraph (B)";

(2) by striking out "on or after January 1, 1985, and before the date of any such change" and inserting in lieu thereof "during such period"; and

(3) by adding at the end the following:

"(B) The period referred to in subparagraph (A) is the period beginning on January 1, 1985, and ending on the effective date of a change made by law in the rates of basic allowance for quarters that increases the rates for such allowance to a level not less than 7 percent greater than the rates in effect on January 1, 1985."

37 USC 403 note.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect on October 1, 1986, or the date of the enactment of this Act, whichever is later.

SEC. 1342. TECHNICAL CORRECTIONS TO PROVISIONS ENACTED BY DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1986

(a) AVIATION PAY.—Paragraph (1) of section 301(a) of title 37, United States Code (as amended by section 635(a)(1)(A) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 647)), is amended to read as follows:

“(1) involving frequent and regular participation in aerial flight as a crew member, as determined by the Secretary concerned, except for a member who is entitled to incentive pay under section 301a of this title;”

(b) CLARIFICATION OF VHA SAVE PAY.—Section 602(f)(2) of the Department of Defense Authorization Act, 1985 (Public Law 98-525) (as amended by section 603(b) of the Department of Defense Authorization Act, 1986 (99 Stat. 637)), is amended—

(1) by striking out “departs that station as a result of” in subparagraph (B)(i) and inserting in lieu thereof “changes residence in conjunction with”; and

(2) in subparagraph (C)—

(A) by striking out “Any member” and inserting in lieu thereof “A member”; and

(B) by striking out “under paragraph” and all that follows and inserting in lieu thereof “, except that such a member serving an unaccompanied tour of duty in Alaska or Hawaii may be paid a variable housing allowance based on the residence of the member’s dependents in another State.”

(c) DENTAL OFFICERS’ SAVE PAY.—Section 639(d) of the Department of Defense Authorization Act, 1986 (99 Stat. 651), is amended—

(1) by striking out “shall be entitled to such pay in an annual amount that is not less than” and inserting in lieu thereof “may (notwithstanding the provisions of such section and in the discretion of the Secretary concerned) be paid such pay, in order to prevent inequities, in an annual amount equal to”; and

(2) by striking out “was entitled on September 30, 1985.” and inserting in lieu thereof “would have been entitled on September 30, 1985, in accordance with the status of the officer (as determined by the Secretary concerned) during the period for which the pay is paid. Notwithstanding the preceding sentence, an officer may not be paid special pay by reason of this paragraph in an amount greater than the amount of special pay to which the officer was entitled under such sections on September 30, 1985.”

(d) RESERVE MEDICAL OFFICERS’ SPECIAL PAY.—Subparagraph (B) of section 302(h)(1) of title 37, United States Code (as amended by section 640 of the Department of Defense Authorization Act, 1986 (99 Stat. 652)), is amended to read as follows:

“(B) who is on active duty under a call or order to active duty for a period of less than one year;”

(e) REPEAL OF DUPLICATIVE AMENDMENTS.—Subsection (a) of section 1102 of the Department of Defense Authorization Act, 1986 (99 Stat. 708), and the amendments made by that subsection are repealed, and the Arms Export Control Act shall apply as if that subsection had not been enacted.

(f) CORRECTION OF SECTION REFERENCE.—Section 719(h)(1) of the Defense Production Act of 1950 (50 U.S.C. App. 2169(h)(1)), as

37 USC 403a
note.

Alaska.
Hawaii.

37 USC 302b
note.

22 USC 2752,
2752 note, 2753,
2767, 2791.

22 USC 2751
note.

50 USC app.
2168.

99 Stat. 700.

50 USC app.

1215.

10 USC 3851.

amended by section 934(b) of the Department of Defense Authorization Act, 1986, is amended by striking out "Public Law 92-41" in the third sentence and inserting in lieu thereof "section 105(b)(2) of the Renegotiation Act of 1951".

(g) CORRECTION OF SECTION AMENDED.—Section 522(a)(2) of Department of Defense Authorization Act, 1986 (99 Stat. 631), is amended by striking out "Section 3851(c)" and inserting in lieu thereof "Section 3851(d)", and the subsection inserted by the amendment made by that section is redesignated as subsection (d).

(h) EFFECTIVENESS OF AMENDMENTS.—

37 USC 301 note.

(1) The amendments made by subsections (a) through (d) shall take effect on October 1, 1986, or the date of the enactment of this Act, whichever is later.

50 USC app. 2168 note.

(2) The amendments made by subsections (f) and (g) shall apply as if included in the enactment of the Department of Defense Authorization Act, 1986 (Public Law 99-145).

99 Stat. 583.

SEC. 1343. CLERICAL AMENDMENTS

(a) AMENDMENTS TO TITLE 10.—Title 10, United States Code, is amended as follows:

(1) The text of section 775 (as redesignated by section [502]) is amended to read as follows:

"This chapter applies in—

"(1) the United States;

"(2) the territories, commonwealths, and possessions of the United States; and

"(3) all other places under the jurisdiction of the United States."

(2) Section 976(a)(1) is amended by striking out the second comma before "(B)".

(3) Section 1035 is amended by striking out "armed force" in subsection (a) and inserting in lieu thereof "armed forces".

(4) Section 1087(b)(2) is amended by striking out "title XVIII" and all that follows and inserting in lieu thereof "title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.)."

(5) Section 1094(d) is amended by realigning paragraph (2) so as to be indented two ems (rather than four ems).

(6) Section 1208(a)(2)(A) is amended by striking out "after February 2, 1901".

(7) Section 1216(d) is amended by striking out "who is in pay grade" and all that follows through "Air Force" and inserting in lieu thereof "who is a general officer or flag officer or is a medical officer".

(8)(A) Section 1447(2)(A) is amended by striking out "or retainer" both places it appears.

(B) Section 1448(a)(5) is amended by striking out "an annuity by virtue of eligibility under paragraph (1)(B)" in the fourth sentence and inserting in lieu thereof "a reserve-component annuity".

(C) Section 1450(c) is amended by inserting "dependency and indemnity" before "compensation" the first place it appears in the first sentence.

(D) Section 1451(a)(1)(A) is amended by striking out "subsection" and inserting in lieu thereof "section".

(E) Section 1452(h) is amended by striking out "and retainer"

(9) Section 1603 is amended—

(A) by striking out "this" after "Nothing in"; and

(B) by striking out "this sections 1601 and 1602 of this title" and inserting in lieu thereof "those sections".

(10) The heading of section 1623 is amended to read as follows:

"§ 1623. Education, training, and experience requirements: flag and general officers".

(11) Section 2236(b) is amended by striking out ", territory, the Commonwealth of Puerto Rico, or the District of Columbia, as the case may be,".

(12) The item relating to section 2319 in the table of sections at the beginning of chapter 137 is amended to read as follows:

"2319. Encouragement of new competitors."

(13) Section 2302(2)(A) is amended by striking out "(41 U.S.C." and inserting in lieu thereof "(40 U.S.C.".

(14) Section 2304(b)(2) is amended by striking out "15 U.S.C. 639;" and inserting in lieu thereof "15 U.S.C. 638,".

(15) Section 2407(g)(2) is amended by striking out "the Military Cargo Preference Act of 1904 (10 U.S.C. 2631) and the Cargo Preference Act of 1954 (46 U.S.C. 1241(b))" and inserting in lieu thereof "section 2631 of this title and section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b))".

(16) Section 2672 is amended—

(A) by inserting "(1)" in subsection (a) after "(a)";

(B) by striking out "he or his designee" in clause (A) of subsection (a) and inserting in lieu thereof "the Secretary";

(C) by designating the second sentence of subsection (a) as paragraph (2);

(D) by transferring the third sentence of subsection (a) to the end of the section and designating that sentence as subsection (c); and

(E) by striking out "interest" in the section heading and inserting in lieu thereof "interests".

(17)(A) Section 2676(c)(2)(B) is amended by striking out "the agreed" and all that follows through "exceeds the" and inserting in lieu thereof "the agreed price for the land or, in the case of land to be acquired by condemnation, the amount to be deposited with the court as just compensation for the land, exceeds the".

(B) The amendment made by subparagraph (A) shall take effect as if included in the enactment of section 802(2) of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1519).

(18) Section 2683(b) is amended by striking out "this" before "subsection (a)".

(19) Section 2775 is amended—

(A) in subsection (a)(1), by striking out "it is" and all that follows through "that the" and inserting in lieu thereof "(as determined under regulations prescribed by the Secretary of Defense or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy) the";

(B) in subsection (b)—

(i) by inserting a comma after "Secretary of Defense";

10 USC 2676
note.

(ii) by striking out "when the Coast Guard" and inserting in lieu thereof "with respect to the Coast Guard when it"; and

(iii) by inserting a comma after "Navy"; and

(C) in subsection (e), by striking out "when the Coast Guard" and inserting in lieu thereof "with respect to the Coast Guard when it".

10 USC 2809.

(20) Section 2809 is amended—

(A) in subsection (a)(1)—

(i) by striking out "contracts" and inserting in lieu thereof "a contract";

(ii) by striking out "facilities" the first place it appears and inserting in lieu thereof "a facility";

(iii) by striking out "military installations" and inserting in lieu thereof "a military installation";

(iv) by inserting a comma after "waste water treatment";

(v) by striking out "cases" and inserting in lieu thereof "a case";

(vi) by striking out "facilities" the second place it appears and inserting in lieu thereof "facility"; and

(vii) by striking out "long-term contracts" and inserting in lieu thereof "a long-term contract";

(B) in subsection (a)(2), by striking out "subsection (a)" and inserting in lieu thereof "this section";

(C) in subsection (a)(3), by striking out "twenty" and inserting in lieu thereof "20";

(D) in subsection (a)(4), by striking out "the" before "Congress"; and

(E) in subsection (b), by striking out "the authority of subsection (a) of".

(21)(A) Section 2860 is amended—

(i) by striking out "defense agency" and inserting in lieu thereof "to the Secretary of Defense";

(ii) by inserting "for obligation" after "remain available"; and

(iii) by striking out "the" before "appropriation Acts".

(B) The item relating to that section in the table of sections at the beginning of subchapter III of chapter 169 is amended by striking out the last three words.

(22) The items relating to chapter 138 in the table of chapters at the beginning of subtitle A, and in the table of chapters at the beginning of part IV of subtitle A, are amended by striking out "2321" and inserting in lieu thereof "2341".

(23) Section 5155(c) is amended by striking out "commodore" and inserting in lieu thereof "rear admiral (lower half)".

(24) The heading of section 5442 is amended by striking out the second colon and inserting in lieu thereof a semicolon.

(25) Section 1051(d) is amended—

(A) by striking out "that title" in paragraph (1) and inserting in lieu thereof "title 37"; and

(B) by striking out "and 'uniformed services' have the meanings given those terms" in paragraph (2) and inserting in lieu thereof "has the meaning given that term".

(b) AMENDMENTS TO TITLE 37.—

(1) Section 302(i) of title 37, United States Code, is amended by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subsection (c)(2) or (f) of this section".

(2) Section 404(d)(1)(C) of such title is amended by striking out "clause (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph".

(3) The heading of section 405a of such title is amended to read as follows:

"§ 405a. Travel and transportation allowances: departure allowances".

(c) AMENDMENTS TO TITLE 14.—Sections 256(b) and 288(a) of title 14, United States Code, are amended by striking out "commodore" and inserting in lieu thereof "rear admiral (lower half)".

PART F—MISCELLANEOUS

SEC. 1351. LIMITATION ON SOURCE OF FUNDS FOR NICARAGUAN DEMOCRATIC RESISTANCE

(a) LIMITATION.—Notwithstanding title II of the Military Construction Appropriations Act, 1987, or any other provision of law, funds appropriated or otherwise made available to the Department of Defense for any fiscal year for operation and maintenance may not be used to provide assistance for the democratic resistance forces in Nicaragua. If funds appropriated or otherwise made available to the Department of Defense for any fiscal year are authorized by law to be used for such assistance, funds for such purpose may only be derived from amounts appropriated or otherwise made available to the Department for procurement (other than ammunition).

10 USC 114 note.

(b) REPORT.—Before funds appropriated or otherwise made available to the Department of Defense are released to be used for the purpose described in subsection (a), the Secretary of Defense shall submit to Congress a report describing the specific source of such funds.

SEC. 1352. BUDGET ACCOUNTING FOR NEW SPACE SHUTTLE

Funds appropriated for the procurement of a shuttle orbiter by the National Aeronautics and Space Administration to replace the Challenger space shuttle orbiter may not be charged by any official of the executive or legislative branch against major budget function category 050 (National Defense).

SEC. 1353. PROMPT REPORTING OF INTELLIGENCE ON TERRORIST THREATS

(a) IN GENERAL.—(1) Subject to subsection (b), the Secretary of Defense shall instruct all appropriate officials of the Department of Defense to take such action as may be necessary to ensure that all credible, time-sensitive intelligence received by or otherwise available to United States officials concerning potential terrorist threats to—

(A) United States citizens or facilities (including citizens and facilities overseas); or

(B) any other potential target for terrorist activities designated by the Secretary,

is reported promptly to the headquarters or office of the Department of Defense concerned.

(2) The Secretary shall instruct such officials that such intelligence is to be reported through the most appropriate and expeditious communications facilities available to the Department of Defense.

(b) **WAIVER.**—The Secretary of Defense shall not be required to issue the instructions referred to in subsection (a) if—

(1) the Secretary determines that such instructions would be inappropriate or unwise; and

(2) before March 1, 1987, notifies Congress of that determination and includes with the notification an explanation of the basis for such determination.

SEC. 1354. USE OF MARINE MAMMALS FOR NATIONAL DEFENSE PURPOSES

(a) **IN GENERAL.**—Chapter 645 of title 10, United States Code, is amended by adding at the end the following new section:

10 USC 7524.

“§ 7524. Marine mammals: use for national defense purposes

“(a) **AUTHORITY.**—Subject to subsection (c), the Secretary of Defense may authorize the taking of not more than 25 marine mammals each year for national defense purposes. Any such authorization may be made only with the concurrence of the Secretary of Commerce and after consultation with the Marine Mammal Commission established by section 201 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1401).

“(b) **HUMANE TREATMENT REQUIRED.**—A mammal taken under this section shall be captured, supervised, cared for, transported, and deployed in a humane manner consistent with conditions established by the Secretary of Commerce.

“(c) **PROTECTION FOR ENDANGERED SPECIES.**—A mammal may not be taken under this section if the mammal is determined to be a member of an endangered or threatened species under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

“(d) **APPLICATION OF OTHER ACT.**—This section applies without regard to the provisions of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).”

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

“7524. Marine mammals: use for national defense purposes.”

SEC. 1355. REIMBURSEMENT FOR INCIDENTAL EXPENSES INCURRED WHILE PROVIDING VOLUNTARY SERVICES

Section 1588 of title 10, United States Code, is amended by adding at the end the following new subsections:

“(c) The Secretary concerned may provide for reimbursement of incidental expenses which are incurred by a person providing voluntary services under subsection (a) as an ombudsman or for a family service center program. The Secretary shall determine which expenses are eligible for reimbursement under this subsection. Any such reimbursement may only be made from nonappropriated funds.”

SEC. 1356. DEFENSE OF LEGAL MALPRACTICE SUITS

(a)(1) **IN GENERAL.**—Chapter 53 of title 10, United States Code (as amended by section 662), is amended by adding at the end the following new section:

“§ 1054. Defense of certain suits arising out of legal malpractice 10 USC 1054.

“(a) The remedy against the United States provided by sections 1346(b) and 2672 of title 28 for damages for injury or loss of property caused by the negligent or wrongful act or omission of any person who is an attorney, paralegal, or other member of a legal staff within the Department of Defense (including the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32), in connection with providing legal services while acting within the scope of the person’s duties or employment, is exclusive of any other civil action or proceeding by reason of the same subject matter against the person (or the estate of the person) whose act or omission gave rise to such action or proceeding.

“(b) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in subsection (a) (or the estate of such person) for any such injury. Any person against whom such a civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person (or an attested true copy thereof) to such person’s immediate superior or to whomever was designated by the head of the agency concerned to receive such papers. Such person shall promptly furnish copies of the pleading and process therein—

“(1) to the United States attorney for the district embracing the place wherein the action or proceeding is brought;

“(2) to the Attorney General; and

“(3) to the head of the agency concerned.

“(c) Upon a certification by the Attorney General that a person described in subsection (a) was acting in the scope of such person’s duties or employment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court—

“(1) shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending; and

“(2) shall be deemed a tort action brought against the United States under the provisions of title 28 and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (a) is not available against the United States, the case shall be remanded to the State court.

“(d) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, and with the same effect.

Claims.

“(e) For purposes of this section, the provisions of section 2680(h) of title 28 shall not apply to a cause of action arising out of a negligent or wrongful act or omission in the provision of legal assistance.

“(f) The head of the agency concerned may hold harmless or provide liability insurance for any person described in subsection (a) for damages for injury or loss of property caused by such person’s negligent or wrongful act or omission in the provision of authorized legal assistance while acting within the scope of such person’s duties if such person is assigned to a foreign country or detailed for service with an entity other than a Federal department, agency, or

Insurance.

instrumentality or if the circumstances are such as are likely to preclude the remedies of third persons against the United States described in section 1346(b) of title 28, for such damage or injury.

“(g) In this section, the term ‘head of the agency concerned’ means the Secretary of Defense or the Secretary of a military department.”.

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

“1054. Defense of certain suits arising out of legal malpractice.”.

10 USC 1054
note.

(b) **EFFECTIVE DATE.**—Section 1054 of title 10, United States Code, as added by subsection (a), shall apply only to claims accruing on or after the date of the enactment of this Act, regardless of when the alleged negligent or wrongful act or omission occurred.

SEC. 1357. OFF-POST RENTAL HOUSING LEASE INDEMNITY PILOT PROGRAM

(a) **ESTABLISHMENT OF PROGRAM.**—(1) The Secretary of Defense shall establish a pilot program to test the feasibility of implementing a program under which the Secretary of a military department may guarantee compensation of any person who leases a rental unit to any member of the Armed Forces under the jurisdiction of the Secretary for any breach of any lease or any damage to the rental unit by the member.

(2) The program referred to in paragraph (1) shall be established not later than the end of the 90-day period beginning on the date of the enactment of this Act.

(b) **CONTENT OF PROGRAM.**—(1) In accordance with action taken by the Secretary of Defense under subsection (a), the Secretary of each military department shall designate one military installation in the United States that is under the jurisdiction of such Secretary to participate in the program established under subsection (a).

(2) For purposes of carrying out this section, the Secretary of a military department, to the extent funds are provided in advance in appropriation Acts, may enter into an agreement with any person who leases a rental unit to any member of the Armed Forces under the jurisdiction of the Secretary. Any agreement under this paragraph shall provide that—

(A) the term of the agreement shall not be for more than one year;

(B) the member shall not pay a security deposit;

(C) the Secretary (except as provided in subparagraphs (D) and (E)) shall compensate the lessor for any breach of the lease by the member and for any damage to the rental unit caused by the member or by any guest or dependent of the member;

(D) the total liability of the Secretary for any breach of the lease or for any damage described in subparagraph (C) shall not exceed an amount equal to the amount that the Secretary determines would have been required by the lessor as a security deposit absent the agreement authorized in this paragraph;

(E) the Secretary shall not compensate the lessor for any breach of the lease or for any damage described in subparagraph (C) until the lessor exhausts any remedies available to the lessor against the member for the breach or damage; and

(F) the Secretary shall be subrogated to the rights of the lessor in any case in which the Secretary compensates the lessor

for any breach of the lease or for any damage described in subparagraph (C).

(3) Any authority of the Secretary of a military department under this section shall be exercised under regulations prescribed by the Secretary of Defense.

(c) **RECOVERY FROM MEMBER.**—Any Secretary who compensates any lessor under subsection (b) for any damage to a rental unit or any breach of a lease by a member of the Armed Forces may issue a special order under section 1007 of title 37, United States Code, to authorize the withholding from the pay of the member of an amount equal to the amount paid by the Secretary to the lessor as compensation for the breach or damage.

(d) **REPORT REQUIREMENT.**—(1) The Secretary of Defense shall submit to Congress a report concerning the pilot program established under subsection (a), including—

(A) findings and conclusions of the Secretary with respect to the pilot program; and

(B) recommendations as to the feasibility of implementing a program similar to the pilot program on all military installations.

(2) The report under paragraph (1) shall be submitted not later than the end of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(e) **TERMINATION OF AUTHORITY.**—The authority of the Secretary of a military department to enter into a contract under subsection (b) shall terminate at the end of the 18-month period following the date of the establishment of the pilot program under subsection (a).

SEC. 1358. WAGE RATE FOR CERTAIN CORPS OF ENGINEERS EMPLOYEES

5 USC 5343 note.

(a) **WAGE DETERMINATIONS.**—Notwithstanding any other provision of law, in the administration of the last undesignated paragraph preceding chapter 6 of title I of Public Law 97-257 (96 Stat. 832), the individuals described in subsection (b) shall be paid wages determined in the same manner as that established in such undesignated paragraph with respect to United States Army Corps of Engineers employees paid from Corps of Engineers Special Power Rate Schedules.

(b) **COVERED INDIVIDUALS.**—The individuals described in subsection (a) are electric powerplant controllers and powerplant shift operators (as defined under regulations prescribed by the Secretary of Defense) assigned to the Soo Locks Power Plant in the Detroit District in the North Central Region of the United States Army Corps of Engineers.

Michigan.

(c) **EFFECTIVE DATE.**—Subsection (a) applies with respect to pay periods commencing on or after the date of the enactment of this Act.

SEC. 1359. REIMBURSEMENT FOR TRANSFERRED DEFENSE INDUSTRIAL RESERVE EQUIPMENT

(a) **IN GENERAL.**—Section 4 of the Defense Industrial Reserve Act (50 U.S.C. 453) is amended—

(1) by inserting “(a)” before “To execute”; and

(2) by adding at the end the following:

“(b)(1) The Secretary of a military department to which equipment or other property is transferred from the Defense Industrial Reserve shall reimburse appropriations available for the purposes of

the Defense Industrial Reserve for the full cost (including direct and indirect costs) of—

- “(A) storage of such property;
- “(B) repair and maintenance of such property; and
- “(C) overhead allocated to such property.

Regulations.

“(2) The Secretary of Defense shall prescribe regulations establishing general policies and fee schedules for reimbursements under paragraph (1).”

50 USC 453 note.

(b) EFFECTIVE DATE.—(1) The regulations required to be prescribed by subsection (b) of section 4 of the Defense Industrial Reserve Act, as added by subsection (a), shall be prescribed not later than 60 days after the date of the enactment of this Act.

(2) The requirement for reimbursement under such subsection shall apply with respect to property transferred from the Defense Industrial Reserve to a military department after the date on which such regulations are prescribed.

SEC. 1360. EXTENSION OF EXEMPTION FOR DOD POLYGRAPH TEST PROGRAM

Section 1221(e) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 727), is amended—

- (1) by striking out “or” at the end of clause (2);
- (2) in clause (3)—

(A) by striking out “cryptologic” and inserting in lieu thereof “cryptographic”; and

(B) by striking out the period at the end and inserting in lieu thereof “; and”; and

- (3) by adding at the end the following new clause:

“(4) to any polygraph examination conducted under the authorization granted by the Secretary of Defense on August 31, 1982, on a person who is participating in a national program—

“(A) which has as its purpose the collection of specialized intelligence through reconnaissance;

“(B) which is under the purview of the Director of Central Intelligence; and

“(C) for which a requirement for a polygraph examination was established on or before October 1, 1985, as a condition for participation in such program.

The number of examinations conducted pursuant to such authorization during fiscal year 1987 may not exceed the number conducted pursuant to such authorization during fiscal year 1986.”

SEC. 1361. IDENTIFICATION OF FACILITIES FOR THE DETENTION OF CERTAIN ALIENS

Reports.

Not later than January 15, 1987, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing—

- (1) a list of facilities under the jurisdiction of the Department of Defense that are suitable for use for the detention of Marielito criminal aliens and that are not otherwise needed by the Department of Defense; and
- (2) a statement of the estimated costs of using such facilities for the detention of such aliens.

SEC. 1362. CORRECTIONAL FACILITIES AT FORT RILEY, KANSAS

The correctional facilities at Fort Riley, Kansas, may not be closed, transferred, or relocated unless—

- (1) the Secretary of Defense transmits to Congress a written notice of the intent to close, transfer, or relocate such facilities, as the case may be; and
- (2) the 180-day period beginning on the date on which Congress receives such notice has expired.

SEC. 1363. MINUTEMAN EDUCATION PROGRAM

(a) **RESTRICTION ON CHANGE IN SOURCE.**—The Secretary of the Air Force may not change the source providing graduate educational services for the Minuteman Education Program from the source providing such services on May 1, 1986, until 60 days after the date on which the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report setting forth the Secretary's decision to change the source of such services and the reasons for such decision.

(b) **SUNSET PROVISION.**—The provisions of subsection (b) expire one year after the date of the enactment of this Act.

Reports.

SEC. 1364. FOREIGN ESPIONAGE ACTIVITIES IN THE UNITED STATES

(a) **CONGRESSIONAL FINDINGS AND POLICIES.**—The Congress makes the following findings:

Union of Soviet
Socialist
Republics.

(1) The conduct of espionage activities (including the collection of classified and unclassified technological information) by the diplomatic and consular missions of the Soviet Union and certain other foreign diplomatic and consular missions within the United States (as well as by certain employees of international organizations acting on behalf of the Soviet Union or certain other foreign countries) represents a grave threat to the security of the United States.

(2) The conduct of such activities constitutes a gross abuse of the rights, privileges, and immunities accorded to persons assigned to such missions, including the right to enter and reside within the United States (or any particular area thereof).

(3) The Soviet Union and certain other countries take advantage of the free and open society of the United States to carry out espionage against the United States.

(4) The United States should take immediate and effective action to counteract espionage by the Soviet Union and certain other countries.

(5) It is fully consistent with international law and the international obligations of the United States to take reasonable measures to prevent such activities, including measures which would (A) impose restrictions on the travel of such foreign officials within the United States, and (B) close to such officials certain areas of the United States.

International
agreements.

(b) **CONGRESSIONAL POLICY.**—The Congress declares that it is the policy of the United States to impose appropriate restrictions (including travel restrictions) on the official representatives of any foreign country, as well as upon the nationals of such country who are employed by international organizations, when the President determines that a pattern of abuses by that nation exists.

International
organizations.

(c) **REPORT ON FOREIGN ESPIONAGE.**—(1) The President shall submit to the Committee on Foreign Relations and the Select

President of U.S.

Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report on foreign espionage in the United States. Such report shall include the following:

(A) An assessment of the effect of espionage activities in the United States conducted by the Soviet Union and certain other countries whose intelligence activities pose a threat to the national security of the United States.

(B) An assessment of how such countries use the freedom to travel within the United States, accorded to the officials of such countries, to engage in espionage activities against the United States.

(C) An assessment of the advantages and disadvantages of the principle of diplomatic reciprocity and the consequences of such reciprocity on the national security of the United States.

(D) Recommendations for measures to curtail espionage against the United States, including the following:

(i) Prohibiting the personnel of certain foreign governments and certain international organizations from traveling in designated areas of the United States.

(ii) Identifying the governments to whose nationals such restrictions are to apply.

(iii) Identifying those foreign governments which have closed certain areas of their countries to United States diplomatic and consular personnel and, in the case of each such country, the number of such closed areas and the size of such areas in relation to the total area of the country.

(2) The report shall be prepared under the direction of the Secretary of State and in close cooperation with the Secretary of Defense, the Director of Central Intelligence, and the Director of the Federal Bureau of Investigation.

(3) The report required by paragraph (1) shall be submitted in both a classified and unclassified version.

(4) Such report shall be submitted not later than March 1, 1987.

SEC. 1365. CIVIL AIR PATROL

(a) PAYMENT OF EXPENSES OF PLACING EQUIPMENT INTO SERVICEABLE CONDITION—Section 9441(b)(9) of title 10, United States Code, is amended by striking out “a major item of equipment furnished to the Civil Air Patrol under clause (1)” and inserting in lieu thereof “major items of equipment (including aircraft, motor vehicles, and communications equipment) owned by the Civil Air Patrol”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to funds appropriated for fiscal years after fiscal year 1986.

SEC. 1366. AMENDMENT OF MILITARY SELECTIVE SERVICE ACT TO PROVIDE ELIGIBILITY FOR BENEFITS TO CERTAIN PERSONS WHO FAIL TO REGISTER

Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) (relating to penalties) is amended—

(1) by striking out “Any person” in subsection (f)(1) and inserting in lieu thereof “Except as provided in subsection (g), any person”; and

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

Defense and
national
security.

10 USC 9441
note.

“(g) A person may not be denied a right, privilege, or benefit under Federal law by reason of failure to present himself for and submit to registration under section 3 if—

“(1) the requirement for the person to so register has terminated or become inapplicable to the person; and

“(2) the person shows by a preponderance of the evidence that the failure of the person to register was not a knowing and willful failure to register.”

50 USC app.
2216.

SEC. 1367. CORRECTION OF EFFECTS OF CONTAMINATION AT ROCKY MOUNTAIN ARSENAL

(a) **USE OF AMOUNTS RECEIVED FROM LITIGATION.**—(1) Any amount received as the result of the litigation described in paragraph (2) (whether from a judgment rendered in such litigation or from a settlement of such litigation) shall be available, without fiscal year limitation, to the Secretary of the Army only for purposes of correcting the effects of contamination at the Rocky Mountain Arsenal.

(2) The litigation referred to in paragraph (1) is any litigation between the United States and any person concerning the liability of such person for correcting the effects of contamination at the Rocky Mountain Arsenal or for cost recovery relating to correcting the effects of such contamination.

(b) **ACCEPTANCE OF SERVICES.**—In partial settlement of the litigation described in subsection (a), the United States may accept services that correct the effects of contamination at the Rocky Mountain Arsenal.

SEC. 1368. SENSE OF CONGRESS REGARDING THE DEATH OF LIEUTENANT COLONEL ARTHUR D. NICHOLSON, JUNIOR

(a) **FINDINGS.**—The Congress finds the following:

(1) On March 24, 1985, Lieutenant Colonel Arthur D. Nicholson, Junior, of the United States Army (then holding the grade of major) was carrying out his official duties as a liaison officer of the United States Military Liaison Mission.

(2) On that date, Lieutenant Colonel Nicholson was performing his duties in uniform and in an open and direct manner, according to orders, and was conducting himself in a way which was neither provocative nor beyond the limits of proper conduct for members of the United States Military Liaison Mission, and which was well understood and accepted by the Soviet Union.

(3) On that date, a member or members of the armed forces of the Soviet Union shot and fatally wounded Lieutenant Colonel Nicholson without warning and without provocation.

(4) After having shot Lieutenant Colonel Nicholson, members of the armed forces of the Soviet Union forcibly restrained Lieutenant Colonel Nicholson's aide and prevented him from providing medical assistance to Lieutenant Colonel Nicholson, so that Lieutenant Colonel Nicholson died slowly and with great suffering, which death and suffering might have been prevented had Lieutenant Colonel Nicholson been permitted to receive assistance.

(5) The death of Lieutenant Colonel Nicholson was an untimely, unnecessary, cold-blooded murder committed against a United States military officer in pursuit of his official duties by a member or members of the armed forces of the Soviet Union, in a painful and degrading manner.

Union of Soviet
Socialist
Republics.

Union of Soviet
Socialist
Republics.

(b) **SENSE OF CONGRESS.**—The Congress deplores and condemns the cold-blooded murder of Lieutenant Colonel Arthur D. Nicholson, Junior. It is the sense of Congress that the Government of the Soviet Union should—

- (1) apologize for and renounce the murder of Lieutenant Colonel Nicholson; and
- (2) indemnify the family of Lieutenant Colonel Nicholson financially.

SEC. 1369. DEADLINE FOR APPOINTMENT OF MEMBERS OF COMMISSION ON MERCHANT MARINE AND DEFENSE

President of U.S.

The President shall appoint members of the Commission on Merchant Marine and Defense as required by section 1536(c)(1)(C) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), not later than the end of the 30-day period beginning on the date of the enactment of this Act.

SEC. 1370. AVAILABILITY OF NUCLEAR NON-PROLIFERATION INFORMATION TO DEPARTMENT OF DEFENSE

Section 602 of the Nuclear Non-Proliferation Act of 1978 (22 U.S.C. 3282) is amended—

(1) by inserting “the Department of Defense,” in subsection (c) after “Department of State,”; and

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

“(f)(1) The Secretary of Defense shall have access, on a timely basis, to all information regarding nuclear proliferation matters which the Secretary of State or the Secretary of Energy has or is entitled to have. Such access shall include access to all communications, materials, documents, and records relating to nuclear proliferation matters.

“(2) This subsection does not apply to any intradepartmental document of the Department of State or the Department of Energy, or any portion of such document, that is solely concerned with internal, confidential advice on policy concerning the conduct of interagency deliberations on nuclear proliferation matters.”

SEC. 1371. NUCLEAR WINTER STUDY AND REPORT

(a) **STUDY.**—The Secretary of Defense shall conduct a comprehensive study on the atmospheric, climatic, biological, health, and environmental consequences of nuclear explosions and nuclear exchanges and the implications that such consequences have for the nuclear weapons, arms control, and civil defense policies of the United States.

(b) **REPORT.**—Not later than November 1, 1987, the Secretary shall submit to the President and the Congress an unclassified report suitable for release to the public, with classified addenda if necessary, on the study conducted under subsection (a). The report shall contain the following:

(1) A detailed review and assessment of the findings in the current body of domestic and international scientific literature on the atmospheric, climatic, biological, health, and environmental consequences of nuclear explosions and nuclear exchanges.

(2) A thorough evaluation of the implications that such findings have on—

(A) the nuclear weapons policy of the United States, especially with regard to strategy, targeting, planning, command, control, procurement, and deployment;

(B) the nuclear arms control policy of the United States; and

(C) the civil defense policy of the United States.

(3) A discussion of the manner in which the results of such evaluation of policy implications will be incorporated into the nuclear weapons, arms control, and civil defense policies of the United States.

(4) An analysis of the extent to which current scientific findings on the consequences of nuclear explosions are being studied, disseminated, and used in the Soviet Union.

(5) A plan for a five-year research program to advance understanding of nuclear winter and an estimate of the funding necessary to carry out such a research program.

(c) **EVALUATION OF REPORT.**—Upon submission of the report under subsection (b), the Secretary shall contract with the National Academy of Sciences to—

(1) make an independent evaluation of the material contained in the report; and

(2) not later than April 1, 1988, submit a report to the Secretary of Defense and to the Committees on Armed Services of the Senate and of the House of Representatives, setting forth the results of the evaluation and any recommendations pertaining to the contents of the report, including the plan for the five-year research program.

Reports.

SEC. 1372. SALE OF TWO NAVAL VESSELS

(a) **AUTHORIZATION OF SALE TO TAIWAN.**—The Secretary of the Navy is hereby authorized to sell two patrol gunboats of the Tacoma class to the Coordination Council for North American Affairs, representing the people on Taiwan, in accordance with section 7307(b)(1) of title 10, United States Code, and the Taiwan Relations Act (Public Law 96-8; 22 U.S.C. 3301 et seq.).

(b) **CONDITIONS.**—A sale of a vessel under subsection (a)—

(1) shall be subject to such terms and conditions as the President may require; and

(2) shall be for a price not less than the value in United States dollars of the vessel involved.

(c) **RECOVERY OF UNITED STATES EXPENSES.**—Any expense of the United States in connection with the transfer of a vessel sold under subsection (a) shall be charged to the purchaser.

(d) **EXPIRATION OF AUTHORITY.**—The authority of the Secretary of the Navy under subsection (a) expires at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1373. DRUG INTERDICTION

(a) **COMPREHENSIVE PROGRAM.**—Not later than 180 days after the date of the enactment of this Act, the President shall submit to Congress a comprehensive program designed to interdict aircraft, vessels, and vehicles carrying illegal drugs into the United States. The program shall include the following:

(1) A clear division of authority in drug interdiction and drug enforcement efforts among all Federal law enforcement agencies involved in those efforts and a mechanism which will

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Aircraft and air
carriers.
Maritime affairs.
Motor vehicles.

- insure maximum coordination and cooperation among those agencies.
- (2) Designation of a lead agency principally responsible for each of the following areas: marine and air drug interdiction beyond the borders of the United States; domestic and border drug interdiction efforts; and domestic and foreign drug law enforcement efforts.
- (3) A requirement that such lead agency shall be advised where possible in advance of activities by any other agency in its area of responsibility and that, upon objection by the lead agency, the matter shall be referred to the National Drug Enforcement Policy Board for resolution.
- (4) A comprehensive plan to enhance the capabilities, manpower and equipment of the United States Coast Guard by the end of fiscal year 1989 in order to substantially increase the role of the Coast Guard in drug interdiction and enforcement efforts. Such plan shall specify requirements for command and control between the Coast Guard and the Department of Defense and civilian drug law enforcement and interdiction agencies.
- (5) A comprehensive plan to maximize, to the extent it does not adversely affect military preparedness and consistent with the provisions of chapter 18 of title 10, United States Code, assistance by the Department of Defense to other agencies in the drug enforcement and interdiction effort.
- (6) A requirement that maximum use be made of existing Department of Defense and Coast Guard command and control networks as well as other available military resources, including equipment, intelligence, and training capabilities.
- (b) REPORT—Not later than 180 days after the date of the enactment of this Act, the President shall submit to Congress a report discussing the following:
- (1) Recommendations for amendments to chapter 18 of title 10, United States Code, to allow more efficient use of the Armed Forces in combatting illegal drug trafficking.
- (2) The legal consequences of amending chapter 18 of title 10, United States Code, to permit the direct participation of members of the Armed Forces in the interdiction of vessels or aircraft, search and seizure, arrest, or other similar activity in the assistance of civilian law enforcement officials.
- (3) The amount of training, the cost of training, and the number of military personnel required to effectuate the changes referred to in paragraph (2).
- (4) The effect on military preparedness of a drug interdiction program that would require the Armed Forces to halt the unlawful penetration of the United States borders by aircraft and vessels carrying narcotics and that would use military personnel to locate, pursue, and seize such vessels and aircraft and to arrest their crews.
- (5) The costs in the areas of procurement, operation and maintenance, and personnel which would be necessary to restore military preparedness to the level existing before commencement of the program described in paragraph (4).
- (6) The cost and number of aircraft, vessels, and personnel needed to seal the borders of the United States, including Alaska and Hawaii, to interdict the unlawful penetration of aircraft, vessels, and ground traffic carrying narcotics.

Law enforcement and crime.

Uniformed services.

10 USC 371 et seq.

President of U.S.

Armed Forces. Aircraft and air carriers. Maritime affairs.

Alaska. Hawaii.

(7) The cost and number of aircraft and personnel needed to provide continuous aerial radar coverage of the United States in order to interdict the unlawful penetration of aircraft carrying narcotics.

(8) The cost and number of rotor wing and fixed wing aircraft needed to pursue and seize intruding aircraft detected by the radar coverage referred to in paragraph (7) including a plan for the deployment of such rotor wing and fixed wing aircraft.

(9) The effect of carrying out the program referred to in paragraph (4) of the United States' ability to meet its defense responsibilities, particularly to members of the North Atlantic Treaty Organization, Japan, Korea, and Australia.

Japan.
Korea.
Australia.

(c) ASSISTANCE TO AGENCIES.—Section 374 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d) In the case of a request from a head of an agency specified in subsection (a), the Secretary shall provide to that agency such assistance as the Secretary considers appropriate to carry out that agency's drug interdiction and enforcement responsibilities.”

(d) RELATIONSHIP TO CHAPTER 18.—Nothing in this section shall be construed to abrogate the restrictions contained in chapter 18 of title 10, United States Code.

10 USC 371 *et seq.*

SEC. 1374. GRANTS TO THE HENRY M. JACKSON FOUNDATION

(a) IN GENERAL.—The Secretary of Defense shall make grants to the Henry M. Jackson Foundation (a nonprofit corporation operating under the laws of the District of Columbia) to support the ongoing educational program of the Foundation. Purposes for which funds provided under this section may be used to include scholarships, fellowships, professorships, lectures and symposia, exchanges and other educational initiatives at national institutions of higher education.

(b) TERMS AND CONDITIONS OF GRANTS.—The purposes, terms, and conditions of grants made under this section shall be prescribed in an agreement to be entered into between the Secretary and the Foundation.

(c) AUTHORITY TO USE INTEREST INCOME.—If funds made available to the Foundation under this section are invested by the Foundation (or any of its subgrantees) pending the disbursement of those funds, any interest realized from such investment shall not be required to be deposited in the Treasury if it is used for the purposes for which the funds were made available.

(d) SOURCE OF FUNDS.—Grants under this section shall be made from any funds available to the Department of Defense for obligation.

(e) AMOUNT AND DEADLINE FOR MAKING GRANTS.—The Secretary shall make grants under this section in the amount of \$10,000,000 not later than January 1, 1987.

SEC. 1375. BUDGET ACCOUNTING FOR NEW SPACE SHUTTLE

Funds appropriated for the procurement of a shuttle orbiter by the National Aeronautics and Space Administration to replace the Challenger space shuttle orbiter may not be charged by any official of the executive or legislative branch against major budget function category 050 (National Defense).

TITLE XIV—BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION PROGRAM

SEC. 1401. SHORT TITLE

This title may be cited as the “Barry Goldwater Scholarship and Excellence in Education Act”.

Barry Goldwater
Scholarship and
Excellence in
Education Act.
20 USC 4701
note.

20 USC 4701.

SEC. 1402. FINDINGS

The Congress makes the following findings:

Arizona.

(1) Senator Barry Goldwater of the State of Arizona has served his country for 56 years as a soldier and statesman, including service in the United States Senate for a period of 30 years.

(2) Senator Goldwater has a distinguished record as a Senator, including service as Chairman of the Select Committee on Intelligence of the Senate and as Chairman of the Committee on Armed Services of the Senate.

(3) Senator Goldwater has long maintained a special interest in the education of America's youth, particularly in the fields of science and mathematics.

(4) It would, therefore, be a fitting tribute to the leadership, courage, and vision of Senator Goldwater to establish in his name a scholarship program to foster and encourage excellence in science and mathematics.

20 USC 4702.

SEC. 1403. DEFINITIONS

In this title:

(1) The term "Foundation" means the Barry Goldwater Scholarship and Excellence in Education Foundation established under section 1404(a).

(2) The term "Board" means the Board of Trustees of the Barry Goldwater Scholarship and Excellence in Education Foundation established under section 1404(b).

(3) The term "fund" means the Barry Goldwater Scholarship and Excellence in Education Fund provided for under section 1408.

(4) The term "institution of higher education" means any such institution as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(5) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, considered as a single entity, Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific Islands, and the Commonwealth of the Northern Marianas.

(6) The term "eligible person" means a citizen or national of the United States or a permanent resident alien of the United States.

20 USC 4703.

SEC. 1404. ESTABLISHMENT OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

(a) **ESTABLISHMENT.**—There is established, as an independent establishment of the executive branch of the United States Government, the Barry Goldwater Scholarship and Excellence in Education Foundation.

(b) **BOARD OF TRUSTEES.**—The Foundation shall be subject to the supervision and direction of the Board of Trustees. The Board shall be composed of 13 members, as follows:

(1) Two members from the Senate, one appointed by the majority leader and one appointed by the minority leader of the Senate.

(2) Two members from the House of Representatives, one appointed by the majority leader and one appointed by the minority leader of the House of Representatives.

(3) Eight members, not more than four of whom shall be of the same political party, to be appointed by the President, by and with the advice and consent of the Senate, at least one of whom

shall be a representative of the aerospace industry and at least one of whom shall be a representative of a private foundation concerned with aerospace education.

(4) The Secretary of Education, or his designee, who shall serve ex officio as a member of the Board but shall not be eligible to serve as Chairman.

(c) **TERM OF OFFICE.**—(1) The term of office of each member of the Board shall be six years, except that—

(A) the members first taking office shall serve as designated by the President, four for terms of two years, five for terms of four years, and four for terms of six years, and

(B) a member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed and shall be appointed in the same manner as the original appointment for that vacancy was made.

(2) A Member of Congress appointed to the Board under clause (2) or (3) of subsection (b) may not serve as a member of the Board for more than a total of six years.

(d) **TRAVEL AND SUBSISTENCE PAY.**—Members of the Board shall serve without pay, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

SEC. 1405. BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION AWARDS 20 USC 4704.

(a) **AWARD OF SCHOLARSHIPS AND FELLOWSHIPS.**—(1) The Foundation may award scholarships and fellowships to eligible persons for study in the fields of science and mathematics. Such scholarships and fellowships shall be awarded to persons as provided in this title who meet the minimum criteria established by the Foundation.

(2) Scholarships shall be awarded to outstanding undergraduate students who intend to pursue careers in mathematics and the natural sciences.

(3) Fellowships shall be awarded to outstanding graduate students who intend to pursue advanced degrees in mathematics and the natural sciences.

(4) The Foundation may provide, directly or by contract, for the conduct of nationwide competition for the purpose of selecting recipients of scholarships and fellowships awarded under this title.

Contracts.

(b) Recipients of scholarships and fellowships under this title shall be known as "Barry Goldwater Scholars".

(c)(1) The Foundation may award honoraria to outstanding educators, teachers, and persons who have volunteered to assist in secondary schools who have made significant contributions to improve the quality of instruction in mathematics and sciences in the secondary school. To the extent the Board determines such action practicable, honoraria awarded under this subsection shall be awarded annually to persons described in the preceding sentence as follows:

Voluntarism.

(A) To two persons selected at large from each State.

(B) To one person selected from each county in each State.

(C) To persons affiliated with secondary schools on military reservations.

(D) To persons affiliated with the dependent overseas school system.

(2) The Board shall establish a schedule of honoraria to be awarded under paragraph (1).

20 USC 4705.

SEC. 1406. STIPENDS

Each person awarded a scholarship or fellowship under this title shall receive a stipend which shall not exceed the cost to such person for tuition, fees, books, room and board, or such lesser amount as may be prescribed by the Board.

20 USC 4706.

SEC. 1407. SCHOLARSHIP CONDITIONS

(a) **IN GENERAL.**—A person awarded a scholarship under this title may receive payments authorized under this title only during such periods as the Foundation finds that the person is maintaining satisfactory proficiency and devoting full time to study or research and is not engaging in gainful employment other than employment approved by the Foundation pursuant to regulations of the Board.

(b) **REPORTS.**—The Foundation may require reports containing such information in such form and to be filed at such times as the Foundation determines to be necessary from any person awarded a scholarship under this title. Such reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, approved by the Foundation, stating that such person is making satisfactory progress in, and is devoting essentially full time to study or research, except as otherwise provided in subsection (a).

20 USC 4707.

SEC. 1408. BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FUND

(a) **ESTABLISHMENT OF FUND.**—There is established in the Treasury of the United States a trust fund to be known as the Barry Goldwater Scholarship and Excellence in Education Fund. The fund shall consist of amounts appropriated to it pursuant to section 1412 and amounts credited to it under subsection (d).

(b) **INVESTMENT OF FUND ASSETS.**—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market place. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt, except that where such average rate is not a multiple of $\frac{1}{8}$ of 1 percent, the rate of interest of such special obligations shall be the multiple of $\frac{1}{8}$ of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchases of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States or original issue or at the market price, is not in the public interest.

31 USC 3121.

(c) **AUTHORITY TO SELL OBLIGATIONS.**—Any obligation acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) **PROCEEDS FROM CERTAIN TRANSACTIONS CREDITED TO FUND.**—The interest on, and the proceeds from the sale or redemption of,

any obligations held in the fund shall be credited to and form a part of the fund.

SEC. 1409. EXPENDITURES FROM THE FUND

20 USC 4708.

(a) **IN GENERAL.**—The Secretary of the Treasury may pay to the Foundation from the interest and earnings of the fund such sums as the Board determines are necessary and appropriate to enable the Foundation to carry out the purposes of this title.

(b) **AUDITS BY GAO.**—The activities of the Foundation under this title may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. Representatives of the General Accounting Office shall have access to all books, accounts, records, reports, and files and all other papers, things, or property belonging to or in use by the Foundation pertaining to such activities and necessary to facilitate the audit.

SEC. 1410. EXECUTIVE SECRETARY

20 USC 4709.

(a) **APPOINTMENT BY BOARD.**—There shall be an Executive Secretary of the Foundation who shall be appointed by the Board. The Executive Secretary shall be the chief executive officer of the Foundation and shall carry out the functions of the Foundation subject to the supervision and direction of the Board. The Executive Secretary shall carry out such other functions consistent with the provisions of this title as the Board shall prescribe.

(b) **COMPENSATION.**—The Executive Secretary of the Foundation shall be compensated at the rate specified for employees in grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

SEC. 1411. ADMINISTRATIVE PROVISIONS

20 USC 4710.

(a) **IN GENERAL.**—In order to carry out this title, the Foundation may—

(1) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this title, except that in no case may an employee other than the Executive Secretary be compensated at a rate to exceed the maximum rate provided for employees in grade GS-15 of the General Schedule under section 5332 of title 5, United States Code;

(2) procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the rate specified at the time of such service for grade GS-18 under section 5332 of such title;

(3) prescribe such regulations as it considers necessary governing the manner in which its functions shall be carried out;

Regulations.

(4) receive money and other property donated, bequeathed, or devised, without condition or restriction other than it be used for the purposes of the Foundation, and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(5) accept and use the services of voluntary and noncompensated personnel and for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

Contracts.
Grants.

(6) enter into contracts or other arrangements, or make grants, to carry out the provisions of this title, and enter into such contracts or other arrangements, or make such grants, with the concurrence of two-thirds of the members of the Board, without performance or other bonds and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5);

District of
Columbia.

(7) rent office space in the District of Columbia; and
(8) make other necessary expenditures.

(b) ANNUAL REPORT.—The Foundation shall submit to the President and to Congress an annual report of its operations under this title.

20 USC 4711.

SEC. 1412. AUTHORIZATION OF APPROPRIATIONS

There is hereby authorized to be appropriated to the fund \$40,000,000 to carry out this title.

Military
Construction
Authorization
Act, 1987.

**DIVISION B—MILITARY CONSTRUCTION
AUTHORIZATIONS**

SEC. 2001. SHORT TITLE; TABLE OF CONTENTS

(a) SHORT TITLE.—This division may be cited as the "Military Construction Authorization Act, 1987".

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

Sec. 2001. Short title; table of contents.

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. Fort Drum, New York.
- Sec. 2105. Community planning assistance.
- Sec. 2106. Authorization of appropriations, Army.
- Sec. 2107. Extension of certain prior year authorizations.

TITLE II—NAVY

- Sec. 2201. Authorized Navy construction and land acquisition projects.
- Sec. 2202. Family housing.
- Sec. 2203. Improvements to military family housing units.
- Sec. 2204. Acquisition of existing housing units on Guam.
- Sec. 2205. Increase in title total amount for military construction project at Kings Bay, Georgia.
- Sec. 2206. Certain enlisted quarters, Guam.
- Sec. 2207. Limitation on use of funds for certain homeporting.
- Sec. 2208. Authorization of appropriations, Navy.
- Sec. 2209. Extension of certain prior year authorizations.

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. Restriction on certain military construction funding.
- Sec. 2305. Authorization of appropriations, Air Force.
- Sec. 2306. Extension of certain prior year authorizations.

TITLE IV—DEFENSE AGENCIES

- Sec. 2401. Authorized construction projects and land acquisition for the defense agencies.
- Sec. 2402. Family housing.
- Sec. 2403. Brooke Army Medical Center.

- Sec. 2404. Hazardous waste storage.
- Sec. 2405. Authorization of appropriations, defense agencies.
- Sec. 2406. Extension of prior year authorizations.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

- Sec. 2501. Authority of the Secretary of Defense to make contributions.
- Sec. 2502. Authorization of appropriations, NATO.
- Sec. 2503. Amendment to NATO infrastructure program.
- Sec. 2504. Restriction on certain funding.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

- Sec. 2601. Authorization for Guard and Reserve facilities.

TITLE VII—GENERAL PROVISIONS

PART A—EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

- Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
- Sec. 2702. Codification of certain amounts required to be specified by law.

PART B—MILITARY CONSTRUCTION PROGRAM PROVISIONS

- Sec. 2711. Test of long-term facilities contracts.
- Sec. 2712. Planning and design.
- Sec. 2713. Build-to-lease and rental guarantee pilot programs.
- Sec. 2714. Foreign leases for personnel holding special positions.

PART C—MISCELLANEOUS PROVISIONS

- Sec. 2721. Postal facilities.
- Sec. 2722. Community planning assistance.
- Sec. 2723. Release of certain use rights held by the United States.
- Sec. 2724. Prohibition of funding for certain military construction contracts on Guam.
- Sec. 2725. Prohibition on design of Pentagon annex.
- Sec. 2726. Study of needs of dependents' educational facilities on military installations.
- Sec. 2727. Study of use of property at Los Alamitos Armed Forces Reserve Center, California, for military family housing.
- Sec. 2728. Real estate acquisition report.

PART D—REAL PROPERTY TRANSACTIONS

- Sec. 2731. Land conveyance, Fort Huachuca, Arizona.
- Sec. 2732. Lease and development of certain real property, San Diego, California.
- Sec. 2733. Selection of site for military family housing at San Pedro, California.
- Sec. 2734. Granting of easements and replacement of family housing units and other facilities at Marine Corps Air Station, El Toro, California.
- Sec. 2735. Land conveyance, March Air Force Base, California.
- Sec. 2736. Land exchange, Long Beach Naval Station, California.
- Sec. 2737. Land conveyance, Whittier Narrows Dam, Los Angeles County, California.
- Sec. 2738. Authorization of land conveyance to city of Arcadia, California.
- Sec. 2739. Land exchange, Orlando, Florida.
- Sec. 2740. Sale of land and replacement of certain warehousing facilities, Kapalapa Military Reservation, Hawaii.
- Sec. 2741. Land exchange, Aiea, Hawaii.
- Sec. 2742. Land exchange, Santa Fe, New Mexico.
- Sec. 2743. Lease of property at the Naval Weapons Station, Charleston, South Carolina.
- Sec. 2744. Property management.

TITLE I—ARMY

Real property. SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES ARMY FORCES COMMAND

Camp Dawson, West Virginia, \$8,700,000.
 Fort Bragg, North Carolina, \$22,250,000.
 Fort Campbell, Kentucky, \$4,740,000.
 Fort Carson, Colorado, \$11,300,000.
 Fort Devens, Massachusetts, \$20,800,000.
 Fort Drum, New York, \$615,000,000.
 Fort Hood, Texas, \$13,350,000.
 Fort Irwin, California, \$820,000.
 Fort Lewis, Washington, \$21,580,000.
 Fort McPherson, Georgia, \$2,900,000.
 Fort Ord, California, \$6,550,000.
 Fort Polk, Louisiana, \$26,000,000.
 Fort Riley, Kansas, \$8,250,000.
 Fort Sam Houston, Texas, \$800,000.
 Fort Sheridan, Illinois, \$2,050,000.
 Fort Stewart, Georgia, \$1,550,000.
 Fort Wainwright, Alaska, \$72,300,000.

UNITED STATES ARMY WESTERN COMMAND

Wheeler Army Air Field, Hawaii, \$2,900,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Carlisle Barracks, Pennsylvania, \$800,000.
 Fort Benning, Georgia, \$12,180,000.
 Fort Eustis, Virginia, \$2,050,000.
 Fort Jackson, South Carolina, \$10,400,000.
 Fort Leavenworth, Kansas, \$1,100,000.
 Fort Lee, Virginia, \$17,600,000.
 Fort Leonard Wood, Missouri, \$42,200,000.
 Fort McClellan, Alabama, \$540,000.
 Fort Rucker, Alabama, \$44,500,000.
 Fort Story, Virginia, \$2,700,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, \$40,750,000.
 Badger Army Ammunition Plant, Wisconsin, \$980,000.
 Corpus Christi Army Depot, Texas, \$10,650,000.
 Detroit Arsenal, Michigan, \$1,350,000.
 Dugway Proving Ground, Utah, \$9,700,000.
 Fort Monmouth, New Jersey, \$4,900,000.
 Harry Diamond Laboratory, Maryland, \$680,000.
 Savanna Army Depot, Illinois, \$320,000.
 Yuma Proving Ground, Arizona, \$820,000.

UNITED STATES ARMY INFORMATION SYSTEMS COMMAND

Fort Huachuca, Arizona, \$17,200,000.

UNITED STATES MILITARY ACADEMY

U.S. Military Academy, New York, \$24,500,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Sunny Point Military Ocean Terminal, North Carolina, \$650,000.

ASSISTANT CHIEF OF ENGINEERS

Classified, United States, \$7,100,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

UNITED STATES ARMY, JAPAN

Kawakami, Japan, \$1,200,000.

EIGHTH UNITED STATES ARMY

Camp Carroll, Korea, \$1,740,000.

Camp Casey, Korea, \$24,940,000.

Camp Castle, Korea, \$4,800,000.

Camp Essayons, Korea, \$3,000,000.

Camp Greaves, Korea, \$3,650,000.

Camp Hovey, Korea, \$9,000,000.

Camp Howze, Korea, \$5,850,000.

Camp Humphreys, Korea, \$16,100,000.

Camp Jackson, Korea, \$1,800,000.

Camp Laguardia, Korea, \$2,970,000.

Camp Libby, Korea, \$1,100,000.

Camp Liberty Bell, Korea, \$780,000.

Camp Long, Korea, \$5,600,000.

Camp Market, Korea, \$540,000.

Camp Nimble, Korea, \$1,950,000.

Camp Page, Korea, \$1,400,000.

Camp Pelham, Korea, \$2,280,000.

Camp Red Cloud, Korea, \$4,550,000.

Camp Stanley, Korea, \$4,700,000.

H220, Korea, \$2,750,000.

K-16 Army Airfield, Korea, \$2,520,000.

Pusan, Korea, \$12,940,000.

Second Infantry, Korea, \$5,150,000.

Taegu, Korea, \$4,900,000.

Yongsan, Korea, \$8,760,000.

UNITED STATES ARMY STRATEGIC DEFENSE COMMAND

Kwajalein, \$20,600,000.

UNITED STATES ARMY FORCES COMMAND, OVERSEAS

Classified, \$4,000,000.

Palmerola Air Base, Honduras, \$4,300,000.

UNITED STATES ARMY EUROPE AND SEVENTH ARMY

Ansbach, Germany, \$1,790,000.
 Aschaffenburg, Germany, \$7,000,000.
 Bad Kreuznach, Germany, \$900,000.
 Baumholder, Germany, \$18,450,000.
 Bitburg, Germany, \$19,920,000.
 Fulda, Germany, \$1,000,000.
 Giessen, Germany, \$6,570,000.
 Goepfingen, Germany, \$1,850,000.
 Hanau, Germany, \$26,150,000.
 Heidelberg, Germany, \$1,600,000.
 Heilbronn, Germany, \$2,100,000.
 Hohenfels, Germany, \$8,800,000.
 Kaiserslautern, Germany, \$1,400,000.
 Karlsruhe, Germany, \$10,000,000.
 Mannheim, Germany, \$2,450,000.
 Neu Ulm, Germany, \$26,050,000.
 Nuernberg, Germany, \$5,500,000.
 Rheinberg, Germany, \$17,150,000.
 Schweinfurt, Germany, \$23,000,000.
 Stuttgart, Germany, \$820,000.
 Various, Germany, \$6,350,000.
 Vilseck, Germany, \$49,570,000.
 Wuerzburg, Germany, \$1,000,000.
 Katsimidhi Site, Greece, \$560,000.
 Zelo, Italy, \$610,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND,
OVERSEAS

Location 177, \$1,950,000.
 Location 276, \$3,700,000.
 Location 280, \$2,100,000.

SEC. 2102. FAMILY HOUSING

The Secretary of the Army may construct or acquire family housing units (including land acquisition) at the following installations in the number of units shown, and in the amount shown, for each installation:

Fort Irwin, California, thirty-eight manufactured home spaces, \$730,000.
 Fort Ord, California, three hundred and eighty-five units, \$34,000,000.
 Crailsheim, Germany, forty units, \$4,100,000.
 Darmstadt, Germany, forty units, \$3,150,000.
 Erlangen, Germany, one hundred and six units, \$9,400,000.
 Herzo Base, Germany, thirty-four units, \$3,300,000.
 Schweinfurt, Germany, ninety units, \$8,400,000.
 Vilseck, Germany, two hundred and twenty-four units, \$21,000,000.
 Wildflecken, Germany, twenty-four units, \$2,050,000.
 Various Locations, Germany, one hundred and twenty units, funded in the manner authorized in section 2103(a).
 Fort Polk, Louisiana, five hundred and eighty-three units, \$37,000,000.

Kwajalein, Marshall Islands, one hundred and thirty-six units, \$23,000,000.

Aberdeen Proving Ground, Maryland, one hundred and forty units and seventy manufactured home spaces, \$10,800,000.

Fort Drum, New York, one thousand and two hundred units, \$91,000,000.

Seneca Army Depot, New York, thirty units, \$2,900,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) **AMOUNT AUTHORIZED.**—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures, using amounts appropriated pursuant to section 2106(a)(7)(A), to improve existing military family housing units in an amount not to exceed \$79,500,000, of which not more than \$11,900,000 may be used to convert portions of existing facilities at various locations in Germany to military family housing units, and may make additional expenditures not to exceed \$15,671,000 for energy conservation projects using amounts appropriated pursuant to section 2106(b).

(b) **WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.**—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Aschaffenburg, Germany, one hundred and forty-four units, \$5,120,000.

Aschaffenburg, Germany, forty-eight units, \$2,800,000.

Bremerhaven, Germany, twenty-four units, \$1,400,000.

Karlsruhe, Germany, twenty-four units, \$1,400,000.

Kitzingen, Germany, one hundred and two units, \$5,950,000.

Mainz, Germany, one unit, \$69,000.

Worms, Germany, six units, \$350,000.

Fort Benjamin Harrison, Indiana, one hundred and sixty-six units, \$6,000,000.

Pusan, Korea, forty-eight units, \$2,237,000.

Yongsan, Korea, one unit, \$70,000.

Fort Indiantown Gap, Pennsylvania, six units, \$166,000.

Fort Sam Houston, Texas, twenty-three units, \$930,000.

Fort Myer, Virginia, three units, \$140,000.

(c) **WAIVER OF SPACE LIMITATION FOR GENERAL OFFICER'S QUARTERS AT YONGSAN, KOREA.**—(1) Notwithstanding the maximum space limitations under section 2826(a) of title 10, United States Code, the Secretary of the Army may carry out an improvement project to increase the net floor area of the housing unit for one general officer at the United States Army Garrison, Yongsan, Korea, to not more than 3,574 square feet.

(2) For purposes of this subsection, the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 2104. FORT DRUM, NEW YORK

(a) **AUTHORIZATION.**—The Secretary of the Army may, in advance of the availability of appropriations authorized to be appropriated by section 2106(c), enter into one or more contracts for the military construction projects authorized by section 2101 at Fort Drum, New York, if each such contract limits the amount of payments that the

Contracts.

Federal government is obligated to make under such contract to the amount of appropriations available, at the time the contract is entered into, for obligation under such a contract. Such construction may be accomplished by using one-step turn-key selection procedures or other competitive contracting methods.

99 Stat. 965.

(b) **FAMILY HOUSING.**—(1) Of the family housing units authorized by section 102 of the Military Construction Authorization Act, 1986, to be constructed at Fort Drum, New York—

(A) three of those units shall be constructed for assignment to general officers, and notwithstanding section 2826 of title 10, United States Code, each such unit may be constructed with a maximum net floor area of 3,000 square feet; and

(B) seven of those units shall be constructed for assignment to colonels who hold positions as commanders, and notwithstanding section 2826 of title 10, United States Code, each such unit may be constructed with a maximum net floor area of 2,100 square feet.

(2) For purposes of this subsection, the term “net floor area” has the meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 2105. COMMUNITY PLANNING ASSISTANCE

The Secretary of the Army may use not more than \$400,000 from funds appropriated to the Department of the Army for fiscal year 1987 for planning and design purposes to provide planning assistance to local communities located near the newly established light infantry divisions at Fort Drum, New York, and Fort Wainwright, Alaska, if the Secretary determines that the financial resources available to the communities (by grant or otherwise) are inadequate.

SEC. 2106. AUTHORIZATION OF APPROPRIATIONS, ARMY

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of \$2,870,396,000 as follows:

99 Stat. 961.

(1) For military construction projects inside the United States authorized by section 2101(a), \$660,510,000.

(2) For military construction projects outside the United States authorized by section 2101(b), \$402,210,000.

(3) For the construction of the Eastern Distribution Center, New Cumberland Army Depot, Pennsylvania, as authorized by section 101 of the Military Construction Authorization Act, 1986, \$43,000,000.

(4) For Pershing II security upgrade at various locations, Germany, as authorized by section 101 of the Military Construction Authorization Act, 1986, \$7,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$20,000,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$130,580,000.

(7) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, \$354,330,000;

(B) for support of military family housing (including the functions described in section 2833 of title 10, United States Code), \$1,247,266,000 of which—

(i) not more than \$31,246,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam; and

(ii) not more than \$142,639,000 may be obligated or expended for the leasing of military family housing units in foreign countries; and

(C) for the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, \$5,500,000.

(b) **AUTHORIZATION OF UNOBLIGATED FUNDS.**—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1987 which could be used for energy conservation projects for existing military family housing units of the Department of the Army that remain available for obligation are hereby authorized to be made available, to the extent provided in appropriation Acts, for energy conservation projects for military family housing of the Army in an amount not to exceed \$15,671,000.

(c) **ADVANCE AUTHORIZATION OF APPROPRIATIONS FOR FORT DRUM, NEW YORK.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for the military construction projects and land acquisition authorized at Fort Drum, New York, by sections 2101(a) and 2104 as follows:

(1) \$221,000,000 in fiscal year 1988.

(2) \$214,000,000 in fiscal year 1989.

(d) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN THIS TITLE.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2101 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and under subsection (c).

SEC. 2107. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) **EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1984 PROJECTS.**—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1984 (Public Law 98-115, 97 Stat. 780), authorizations for the following projects authorized in section 101 of that Act, as extended by section 606(b) of the Military Construction Authorization Act, 1986 (Public Law 99-167, 99 Stat. 983) shall remain in effect until October 1, 1987, or the date of enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

(1) Unaccompanied personnel housing in the amount of \$1,400,000 at Argypolis, Greece.

(2) Operations building in the amount of \$370,000 at Argypolis, Greece.

(3) Multipurpose recreation facility in the amount of \$480,000 at Argypolis, Greece.

(4) Unaccompanied officer housing in the amount of \$600,000 at Perivolaki, Greece.

(5) Operations building in the amount of \$410,000 at Perivolaki, Greece.

(6) Multipurpose recreation facility in the amount of \$620,000 at Perivolaki, Greece.

(7) Physical fitness training center in the amount of \$1,000,000 at Elefsis, Greece.

(b) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1985 PROJECTS.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407, 98 Stat. 1515), authorizations for the following projects authorized in section 101 of that Act shall remain in effect until October 1, 1987, or the date of enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

(1) Barracks with dining facility in the amount of \$11,400,000 at Presidio of San Francisco, California.

(2) Child care center in the amount of \$1,980,000 at Presidio of San Francisco, California.

(3) Barracks in the amount of \$6,600,000 at Presidio of San Francisco, California.

(4) Multipurpose recreation facility in the amount of \$1,150,000 at Koropi, Greece.

(5) Multipurpose recreation facility in the amount of \$960,000 at Katsimidi, Greece.

(6) Barracks modernization in the amount of \$660,000 at Argyroupolis, Greece.

(7) Barracks modernization in the amount of \$660,000 at Perivolaki, Greece.

(8) Barracks with dining facility in the amount of \$2,350,000 at Elefsis, Greece.

(9) Dining facility modernization in the amount of \$860,000, adjusted to \$1,340,000 by cost variation approval, at Fort Jackson, South Carolina.

TITLE II—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES MARINE CORPS

Headquarters Marine Corps, Arlington, Virginia, \$3,020,000.

Marine Corps Air Station, Beaufort, South Carolina, \$4,990,000.

Camp H. M. Smith, Oahu, Hawaii, \$2,070,000.

Marine Corps Base, Camp Lejeune, North Carolina, \$31,310,000

Marine Corps Air Station, Camp Pendleton, California, \$10,410,000.

Marine Corps Base, Camp Pendleton, California, \$28,990,000.

Marine Corps Air Station, Cherry Point, North Carolina, \$13,450,000.

Marine Corps Air Station, El Toro, California, \$27,850,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, \$30,700,000.

Marine Corps Air Station, New River, North Carolina, \$21,710,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, \$7,250,000.

Marine Corps Air Station, Tustin, California, \$14,910,000.
 Marine Corps Air-Ground Combat Center, Twentynine Palms,
 California, \$32,630,000.
 Marine Corps Air Station, Yuma, Arizona, \$8,860,000.

SPACE AND NAVAL WARFARE SYSTEMS COMMAND

Naval Electronic Systems Engineering Center, Portsmouth, Vir-
 ginia, \$1,870,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, \$2,660,000.
 Navy Tactical Interoperability Support Activity, Long Beach,
 California, \$510,000.
 Naval Legal Service Office, Norfolk, Virginia, \$1,080,000.
 Naval Legal Service Office Detachment, Oceana, Virginia,
 \$540,000.
 Commandant Naval District, Washington, District of Columbia,
 \$2,000,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, \$1,160,000.
 Naval Air Station, Cecil Field, Florida, \$8,640,000.
 Naval Station, Charleston, South Carolina, \$1,400,000.
 Naval Ocean Processing Facility, Dam Neck, Virginia, \$540,000.
 Naval Air Station, Jacksonville, Florida, \$4,810,000.
 Naval Air Station, Key West, Florida, \$1,650,000.
 Naval Amphibious Base, Little Creek, Virginia, \$6,970,000.
 Naval Station, Mayport, Florida, \$880,000.
 Naval Supply Center Detachment, Mayport, Florida, \$3,730,000.
 Naval Submarine Base, New London, Connecticut, \$4,630,000.
 Naval Station, New York, New York, \$52,950,000.
 Fleet Intelligence Center Europe and Atlantic, Norfolk, Virginia,
 \$1,880,000.
 Naval Air Station, Norfolk, Virginia, \$1,570,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Station, Adak, Alaska, \$24,900,000.
 Naval Facility, Adak, Alaska, \$5,700,000.
 Naval Air Station, Alameda, California, \$18,625,000.
 Naval Submarine Base, Bangor, Washington, \$7,180,000.
 Trident Refit Facility, Bangor, Washington, \$1,570,000.
 Naval Facility, Centerville Beach, California, \$1,370,000.
 Naval Amphibious Base, Coronado, California, \$17,450,000.
 Naval Station, Everett, Washington, \$43,580,000.
 Naval Air Station, Fallon, Nevada, \$31,200,000.
 Naval Air Station, Lemoore, California, \$980,000.
 Naval Station, Long Beach, California, \$7,260,000.
 Naval Magazine, Lualualei, Hawaii, \$4,350,000.
 Naval Air Station, Miramar, California, \$40,400,000.
 Naval Station, Pearl Harbor, Hawaii, \$3,240,000.
 Naval Submarine Base, Pearl Harbor, Hawaii, \$690,000.
 Naval Station, San Diego, California, \$19,460,000.
 Naval Submarine Base, San Diego, California, \$9,400,000.
 Naval Station, Seattle, Washington, \$2,950,000.
 Naval Air Station, Whidbey Island, Washington, \$5,180,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Naval Air Station, Corpus Christi, Texas, \$690,000.
 Naval Guided Missile School, Dam Neck, Virginia, \$3,140,000.
 Naval Training Center, Great Lakes, Illinois, \$5,300,000.
 Naval Construction Training Center, Gulfport, Mississippi,
 \$1,180,000.
 Naval Air Station, Kingsville, Texas, \$3,780,000.
 Combat Systems Technical Schools Command, Mare Island,
 California, \$5,200,000.
 Naval Air Station, Memphis, Tennessee, \$15,810,000.
 Naval Air Station, Meridian, Mississippi, \$4,410,000.
 Naval Submarine School, New London, Connecticut, \$9,540,000
 Naval Education and Training Center, Newport, Rhode Island,
 \$11,700,000.
 Surface Warfare Officers School Command, Newport, Rhode
 Island, \$8,840,000.
 Fleet Training Center, Norfolk, Virginia, \$5,400,000.
 Naval Training Center, Orlando, Florida, \$9,670,000.
 Naval Diving and Salvage Training Center, Panama City, Florida,
 \$2,850,000.
 Naval Technical Training Center, Pensacola, Florida, \$7,360,000.
 Fleet Intelligence Training Center, Pacific, San Diego, California,
 \$4,220,000.
 Fleet Training Center, San Diego, California, \$3,930,000.
 Naval Training Center, San Diego, California, \$18,170,000.

NAVAL MEDICAL COMMAND

Naval Hospital, Camp Lejeune, North Carolina, \$1,670,000.
 Naval Hospital, Pensacola, Florida, \$690,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Observatory, Washington, District of Columbia, \$980,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, \$14,600,000.

NAVAL SUPPLY SYSTEMS COMMAND

Naval Supply Center, Bremerton, Washington, \$500,000.
 Naval Supply Center, Jacksonville, Florida, \$830,000.
 Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania,
 \$1,670,000.
 Naval Supply Center, Norfolk, Virginia, \$3,140,000.
 Naval Supply Center, Oakland, California, \$3,490,000.
 Naval Supply Center, San Diego, California, \$1,370,000.

NAVAL AIR SYSTEMS COMMAND

Pacific Missile Range Facility, Barking Sands, Kauai, Hawaii,
 \$8,260,000.
 Naval Air Rework Facility, Cherry Point, North Carolina,
 \$37,200,000.
 Naval Air Test Center, Patuxent River, Maryland, \$21,140,000
 Naval Air Rework Facility, Pensacola, Florida, \$8,050,000.
 Pacific Missile Test Center, Point Mugu, California, \$590,000.

NAVAL FACILITIES ENGINEERING COMMAND

Naval Construction Battalion Center, Gulfport, Mississippi, \$17,650,000.

Naval Public Works Center, Norfolk, Virginia, \$8,740,000.

Naval Public Works Center, Pearl Harbor, Hawaii, \$7,490,000.

Naval Public Works Center, Pensacola, Florida, \$2,120,000.

Naval Construction Battalion Center, Port Hueneme, California, \$3,980,000.

Naval Public Works Center, San Francisco, California, \$450,000.

NAVAL SEA SYSTEMS COMMAND

Charleston Naval Shipyard, Charleston, South Carolina, \$10,810,000.

Naval Weapons Station, Charleston, South Carolina, \$22,630,000.

Naval Weapons Station, Concord, California, \$790,000.

Naval Weapons Support Center, Crane, Indiana, \$6,880,000.

Naval Weapons Station, Earle, New Jersey, \$34,760,000.

Naval Ordnance Station, Indian Head, Maryland, \$500,000.

Long Beach Naval Shipyard, Long Beach, California, \$3,630,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, \$5,900,000.

Naval Sea Combat Systems Engineering Station, Norfolk, Virginia, \$980,000.

Supervisor of Shipbuilding, Pascagoula, Mississippi, \$4,120,000.

Naval Ship System Engineering Station, Philadelphia, Pennsylvania, \$400,000.

Portsmouth Naval Shipyard, Kittery, Maine, \$23,170,000.

Naval Weapons Station, Yorktown, Virginia, \$4,220,000.

OFFICE OF THE CHIEF OF NAVAL RESEARCH

Naval Weapons Center, China Lake, California, \$1,370,000.

Naval Surface Weapons Center, Dahlgren, Virginia, \$15,960,000.

Naval Coastal Systems Center, Panama City, Florida, \$880,000.

Naval Research Laboratory Annex, Quantico, Virginia, \$1,500,000.

STRATEGIC SYSTEMS PROJECT OFFICE

Naval Submarine Base, Kings Bay, Georgia, \$122,390,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MARINE CORPS

Marine Corps Air Station, Futenma, Okinawa, Japan, \$4,270,000.

Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan, \$8,950,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Guantanamo Bay, Cuba, \$2,600,000.

Naval Air Station, Keflavik, Iceland, \$13,840,000.

Naval Facility, Keflavik, Iceland, \$1,570,000.

Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, \$4,220,000.

Naval Station, Roosevelt Roads, Puerto Rico, \$7,080,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Administrative Support Unit, Bahrain Island, \$2,550,000.
 Mobile Construction Battalion, Camp Covington, Guam, \$15,500,000.
 Naval Facility, Guam, \$820,000.
 Naval Supply Depot, Guam, \$400,000.
 Naval Station, Subic Bay, Republic of the Philippines, \$1,710,000.
 Naval Supply Depot, Subic Bay, Republic of the Philippines, \$290,000.
 Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, \$1,770,000.

COMMANDER IN CHIEF, UNITED STATES NAVAL FORCES EUROPE

Naval Activities, London, United Kingdom, \$1,180,000.
 Naval Support Activity, Naples, Italy, \$1,570,000.
 Naval Station, Rota, Spain, \$4,600,000.
 Classified Locations, \$15,700,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Area Master Station, Western Pacific, Guam, \$480,000.
 Naval Communications Station, Harold E. Holt, Exmouth, Australia, \$2,180,000.
 Naval Communications Area Master Station, Mediterranean, Naples, Italy, \$8,250,000.
 Naval Communication Station, San Miguel, Republic of the Philippines, \$470,000.
 Naval Communication Station, Thurso, United Kingdom, \$350,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, \$2,250,000.
 Naval Security Group Detachment, Guam, \$2,150,000.
 Naval Security Group Activity, Sabana Seca, Puerto Rico, \$790,000.

NAVAL FACILITIES ENGINEERING COMMAND

Navy Public Works Center, Guam, \$1,570,000.

OFFICE OF THE CHIEF OF NAVAL RESEARCH

Naval Underwater Systems Center, Andros Island, Bahamas, \$3,730,000.

SEC. 2202. FAMILY HOUSING

The Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the following installations in the number of units shown, and in the amount shown, for each installation:

Naval Station, Long Beach, California, three hundred units, \$22,900,000.
 Naval Air Station, Moffett Field, California, one hundred and twenty-six units, \$11,600,000.
 Navy Public Works Center, San Francisco, California, three hundred units, \$26,450,000.

Marine Corps Air Station, El Toro, California, \$2,300,000, as authorized in section 2734.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, three hundred and ninety-two units and seventy-five mobile home spaces, \$35,300,000.

Marine Corps Base, Camp Pendleton, California, one hundred mobile home spaces, \$1,800,000.

Marine Corps Base, Camp Lejeune, North Carolina, seventy-five mobile home spaces, \$930,000.

Marine Corps Development and Education Command, Quantico, Virginia, fifty mobile home spaces, \$790,000.

Naval Station, Keflavik, Iceland, two hundred and fifty units, \$48,642,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures, using amounts appropriated pursuant to section 2208(a)(7)(A), to improve existing military family housing units in an amount not to exceed \$26,580,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Naval Station, Mare Island, Vallejo, California, one hundred units, \$5,200,000.

Marine Corps Logistics Base, Albany, Georgia, one unit, \$33,300.

Navy Public Works Center, Great Lakes, Illinois, two hundred and ten units, \$9,400,000.

Naval Air Station, Brunswick, Maine, forty-four units, \$1,274,600.

Naval Construction Battalion Center, Gulfport, Mississippi, one unit, \$28,700.

Naval Air Station, Fallon, Nevada, forty-four units, \$1,868,500.

Naval Station, New York, New York, one hundred and twenty units, \$9,600,000.

Naval Air Development Center, Warminster, Pennsylvania, six units, \$256,800.

Naval Education and Training Center, Newport, Rhode Island, one hundred and eighty-six units, \$10,200,000.

Navy Public Works Center, Guam, one unit, \$64,700.

Navy Public Works Center, Guam, one hundred and nine units, \$10,360,000.

Naval Air Station, Agana, Guam, one hundred units, \$9,517,000.

Naval Air Station, Agana, Guam, one unit, \$58,600.

SEC. 2204. ACQUISITION OF EXISTING HOUSING UNITS ON GUAM

The Secretary of the Navy may acquire, without reimbursement, 89 existing family housing units constructed and used by the Federal Aviation Administration on land in Finegayan, Guam, held by

the Secretary of the Navy under the provisions of section 1158 of title 49, United States Code.

SEC. 2205. INCREASE IN TITLE TOTAL AMOUNT FOR MILITARY CONSTRUCTION PROJECT AT KINGS BAY, GEORGIA

Section 602(c) of the Military Construction Authorization Act, 1986 (Public Law 99-167; 99 Stat. 981), is amended by striking "may not exceed the total amount authorized" and all that follows and inserting the following:

"may not exceed—

"(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

"(2) the amount specified in subsection (b); and

"(3) \$85,600,000 (the balance of the amount authorized under section 201(a) for military construction projects at Kings Bay, Georgia)."

SEC. 2206. CERTAIN ENLISTED QUARTERS, GUAM

Section 201(b) of the Military Construction Authorization Act, 1986 (Public Law 99-167; 99 Stat. 970), is amended—

(1) by striking out "Naval Magazine, Guam, \$11,270,000." and inserting in lieu thereof "Naval Magazine, Guam, \$6,570,000.;" and

(2) by striking out "Naval Station, Guam, \$10,200,000." and inserting in lieu thereof "Naval Station, Guam, \$14,900,000."

SEC. 2207. LIMITATION ON USE OF FUNDS FOR CERTAIN HOMEPORTING

(a) **IN GENERAL.**—Funds appropriated pursuant to an authorization in section 2208 for Naval Station, Everett, Washington, may not be obligated or expended for such purpose until—

(1) all Federal, State, and local permits required for the dredging activities to be carried out with respect to homeporting at Everett, Washington, have been issued; and

(2) the State of Washington has appropriated, in fiscal year 1987, its share of funds for fiscal years 1988 and 1989 for all projects agreed with by the Department of the Navy for homeporting at Everett, Washington.

(b) **LIMITATION ON AMOUNT OF FUNDS THAT MAY BE EXPENDED THROUGH FISCAL YEAR 1991.**—Not more than a total of \$272,000,000, including \$16,000,000 for defense access roads, may be obligated or expended by the Department of Defense and the Department of the Navy during fiscal years 1986 through 1991 for construction associated with strategic homeporting at Everett, Washington.

SEC. 2208. AUTHORIZATION OF APPROPRIATIONS, NAVY

(a) **IN GENERAL.**—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of \$2,147,438,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), \$1,109,795,000.

(2) For military construction projects outside the United States authorized by section 2201(b), \$110,840,000.

(3) For military construction projects at Kings Bay, Georgia, authorized by section 201(a) of the Military Construction Authorization Act, 1986, \$45,450,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$143,770,000.

(6) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, \$5,400,000.

(7) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, \$159,292,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), \$557,891,000, of which—

(i) not more than \$5,214,100 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam; and

(ii) not more than \$17,244,900 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN THIS TITLE.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and \$20,000,000 (the balance of the amount authorized under section 2202(a) for the construction of an ammunition pier and trestle at the Naval Weapons Station, Earle, New Jersey).

SEC. 2209. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) **EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1984 PROJECTS.**—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1984 (Public Law 98-115, 97 Stat. 780), authorizations for the following projects authorized in section 201 of that Act, as extended by section 606(b) of the Military Construction Authorization Act, 1986 (Public Law 99-167, 99 Stat. 983) shall remain in effect until October 1, 1987, or the date of enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

(1) Land acquisition in the amount of \$830,000 at the Naval Weapons Station, Concord, California.

(2) Unaccompanied enlisted personnel housing in the amount of \$10,000,000 at the Naval Air Station, Jacksonville, Florida.

(3) Electrical distribution lines in the amount of \$7,200,000 at the Mare Island Naval Shipyard, Vallejo, California.

(b) **EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1985 PROJECTS.**—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407, 98 Stat. 1515), authorizations for the following projects authorized in sections 201 of that Act shall remain in effect until October 1, 1987, or the date of enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

(1) Unaccompanied enlisted personnel housing in the amount of \$10,740,000 at the Marine Corps Air Station, Yuma, Arizona.

- (2) Antenna support facility in the amount of \$320,000 at the Naval Security Group Activity, Adak, Alaska.
- (3) Data processing center in the amount of \$6,160,000 at the Naval Supply Center, Bremerton, Washington.
- (4) Unaccompanied enlisted personnel housing in the amount of \$12,130,000 at the Naval Air Station, Whidbey Island, Washington.
- (5) Unaccompanied enlisted personnel housing in the amount of \$6,600,000 at the Naval Station, Mare Island, Vallejo, California.
- (6) Engine test cell in the amount of \$9,700,000 for the Naval Air Rework Facility, Cherry Point, North Carolina.
- (7) Security building in the amount of \$850,000 for the Naval Station, Norfolk, Virginia.
- (8) Unaccompanied enlisted personnel housing in the amount of \$1,580,000 for the Naval Station, Panama Canal, Panama.
- (9) Heating, ventilation and air conditioning in the amount of \$4,540,000 for the Naval Air Station, Alameda, California.
- (10) Land acquisition in the amount of \$4,750,000 for the Marine Corps Air Station, El Toro, California.
- (11) Maintenance hangar in the amount of \$5,000,000 for the Naval Air Station, Fallon, Nevada.
- (12) Construction battalion unit complex in the amount of \$1,090,000 for the Naval Station, Mare Island, Vallejo, California.
- (13) Airframes shop in the amount of \$1,680,000 for the Pacific Missile Test Center, Point Mugu, California.
- (14) Unaccompanied enlisted personnel housing in the amount of \$6,650,000 for the Pacific Missile Test Center, Point Mugu, California.
- (15) Maintenance hangar in the amount of \$13,200,000 for the Marine Corps Air Station, Tustin, California.
- (16) Oil spill prevention facility in the amount of \$710,000 for the Marine Corps Air Station, Tustin, California.
- (17) Energy monitoring and control system in the amount of \$1,100,000 for the Naval Air Station, Chase Field, Texas.
- (18) Host nation infrastructure support in the amount of \$2,970,000 for various locations.

TITLE III—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) **INSIDE THE UNITED STATES.**—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amount shown for each of the following installations and locations inside the United States:

AIR FORCE LOGISTICS COMMAND

- Hill Air Force Base, Utah, \$20,550,000.
- McClellan Air Force Base, California, \$28,900,000.
- Newark Air Force Station, Ohio, \$3,000,000.
- Robins Air Force Base, Georgia, \$16,055,000.
- Tinker Air Force Base, Oklahoma, \$32,900,000.
- Wright-Patterson Air Force Base, Ohio, \$16,200,000.

AIR FORCE SYSTEMS COMMAND

Arnold Air Force Station, Tennessee, \$3,530,000.
 Edwards Air Force Base, California, \$10,900,000
 Eglin Air Force Base, Florida, \$720,000.
 Hanscom Air Force Base, Massachusetts, \$4,000,000
 Patrick Air Force Base, Florida, \$2,600,000
 Sunnyvale Air Force Station, California, \$2,600,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, \$11,300,000
 Keesler Air Force Base, Mississippi, \$1,970,000.
 Lackland Air Force Base, Texas, \$16,000,000.
 Laughlin Air Force Base, Texas, \$3,700,000.
 Mather Air Force Base, California, \$740,000.
 Williams Air Force Base, Arizona, \$4,900,000

AIR UNIVERSITY

Gunter Air Force Station, Alabama, \$2,900,000.
 Maxwell Air Force Base, Alabama, \$5,310,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, \$12,590,000.
 Elmendorf Air Force Base, Alaska, \$3,170,000.
 Galena Airport, Alaska, \$11,600,000.
 King Salmon Airport, Alaska, \$4,050,000.
 Shemya Air Force Base, Alaska, \$22,300,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, \$310,000.
 Andrews Air Force Base, Maryland, \$25,430,000.
 Charleston Air Force Base, South Carolina, \$7,490,000
 Kirtland Air Force Base, New Mexico, \$11,800,000.
 Little Rock Air Force Base, Arkansas, \$2,750,000.
 McChord Air Force Base, Washington, \$6,400,000.
 McGuire Air Force Base, New Jersey, \$7,895,000.
 Norton Air Force Base, California, \$1,450,000.
 Pope Air Force Base, North Carolina, \$3,400,000.
 Scott Air Force Base, Illinois, \$1,100,000.
 Travis Air Force Base, California, \$8,200,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, \$4,700,000.

SPACE COMMAND

Cape Cod Air Force Station, Massachusetts, \$4,300,000.
 Cavalier Air Force Station, North Dakota, \$2,820,000.
 Falcon Air Force Station, Colorado, \$6,400,000.
 Peterson Air Force Base, Colorado, \$3,640,000.

SPECIAL PROJECT

Various Locations, \$37,056,000.

STRATEGIC AIR COMMAND

Beale Air Force Base, California, \$9,516,000.
 Blytheville Air Force Base, Arkansas, \$3,870,000.
 Carswell Air Force Base, Texas, \$490,000.
 Castle Air Force Base, California, \$2,630,000.
 Dyess Air Force Base, Texas, \$4,130,000.
 Ellsworth Air Force Base, South Dakota, \$10,910,000.
 Fairchild Air Force Base, Washington, \$7,520,000.
 F.E. Warren Air Force Base, Wyoming, \$3,550,000.
 Grand Forks Air Force Base, North Dakota, \$20,730,000.
 Griffiss Air Force Base, New York, \$1,590,000.
 Grissom Air Force Base, Indiana, \$3,850,000.
 Holbrook Radar Bomb Score Site, Arizona, \$630,000.
 K.I. Sawyer Air Force Base, Michigan, \$1,730,000.
 La Junta Radar Bomb Scoring Site, Colorado, \$5,460,000.
 Loring Air Force Base, Maine, \$1,300,000.
 Malmstrom Air Force Base, Montana, \$30,770,000.
 March Air Force Base, California, \$14,440,000.
 McConnell Air Force Base, Kansas, \$33,740,000.
 Minot Air Force Base, North Dakota, \$30,100,000.
 Offutt Air Force Base, Nebraska, \$24,970,000.
 Pease Air Force Base, New Hampshire, \$2,200,000.
 Plattsburgh Air Force Base, New York, \$3,410,000.
 Vandenberg Air Force Base, California, \$2,700,000.
 Whiteman Air Force Base, Missouri, \$10,700,000.
 Wurtsmith Air Force Base, Michigan, \$10,740,000.

TACTICAL AIR COMMAND

Avon Park Auxiliary Air Field, Florida, \$4,100,000.
 Base 39, Classified Location, \$2,300,000.
 Bergstrom Air Force Base, Texas, \$1,860,000.
 Cannon Air Force Base, New Mexico, \$7,250,000.
 Davis-Monthan Air Force Base, Arizona, \$13,230,000.
 George Air Force Base, California, \$9,550,000.
 Holloman Air Force Base, New Mexico, \$14,760,000.
 Homestead Air Force Base, Florida, \$6,550,000.
 Indian Springs Auxiliary Air Field, Nevada, \$1,700,000.
 Langley Air Force Base, Virginia, \$9,640,000.
 Luke Air Force Base, Arizona, \$24,140,000.
 MacDill Air Force Base, Florida, \$2,380,000.
 Moody Air Force Base, Georgia, \$900,000.
 Mountain Home Air Force Base, Idaho, \$14,760,000.
 Myrtle Beach Air Force Base, South Carolina, \$3,000,000.
 Nellis Air Force Base, Nevada, \$16,100,000.
 Seymour-Johnson Air Force Base, North Carolina, \$660,000.
 Shaw Air Force Base, South Carolina, \$3,700,000.
 Tyndall Air Force Base, Florida, \$15,310,000.
 WESTCONUS, Various Locations, \$10,300,000.

UNITED STATES AIR FORCE ACADEMY

Air Force Academy, Colorado, \$12,620,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, \$7,450,000.
 Rhein-Main Air Base, Germany, \$1,300,000.

PACIFIC AIR FORCES

Kadena Air Base, Japan, \$7,365,000.
 Misawa Air Base, Japan, \$10,300,000.
 Totsuka Air Base, Japan, \$700,000.
 Yokosuka Air Base, Japan, \$600,000.
 Camp Red Cloud, Korea, \$1,450,000.
 Kimhae Air Base, Korea, \$3,620,000.
 Kunsan Air Base, Korea, \$8,170,000.
 Kwang-Ju Air Base, Korea, \$600,000.
 Osan Air Base, Korea, \$11,350,000.
 Suwon Air Base, Korea, \$3,850,000.
 Taegu Air Base, Korea, \$5,170,000.
 Clark Air Base, Republic of the Philippines, \$41,100,000.
 Saipan, \$5,200,000.

SPACE COMMAND

Sondrestrom Air Base, Greenland, \$5,860,000.
 Thule Air Base, Greenland, \$9,790,000.
 Woomera Air Station, Australia, \$2,300,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, \$7,600,000.

TACTICAL AIR COMMAND

Keflavik Naval Air Station, Iceland, \$1,600,000.
 Masirah, Oman, \$3,500,000.
 Thumrait, Oman, \$3,400,000.

UNITED STATES AIR FORCES IN EUROPE

Florennes Air Base, Belgium, \$1,200,000.
 Bitburg Air Base, Germany, \$5,350,000.
 Hahn Air Base, Germany, \$10,740,000.
 Lindsey Air Station, Germany, \$1,200,000.
 Ramstein Air Base, Germany, \$23,070,000.
 Sembach Air Base, Germany, \$11,870,000.
 Spangdahlem Air Base, Germany, \$8,310,000.
 Wiesbaden Air Station, Germany, \$310,000.
 Zweibrücken Air Base, Germany, \$6,740,000.
 Iraklion Air Station, Greece, \$320,000.
 Camp Darby, Italy, \$270,000.
 Comiso Air Station, Italy, \$3,000,000.
 San Vito Air Station, Italy, \$3,790,000.
 Morocco, \$25,400,000.
 Camp New Amsterdam, The Netherlands, \$1,500,000.
 Woensdrecht Air Base, The Netherlands, \$30,780,000.
 Ankara Air Station, Turkey, \$5,230,000.
 Incirlik Air Base, Turkey, \$12,250,000.
 Pirinlik Air Station, Turkey, \$3,000,000.
 Martlesham Heath, United Kingdom, \$1,650,000.

RAF Alconbury, United Kingdom, \$13,770,000.
 RAF Bentwaters, United Kingdom, \$3,850,000.
 RAF Chicksands, United Kingdom, \$950,000.
 RAF Croughton, United Kingdom, \$630,000.
 RAF Fairford, United Kingdom, \$4,450,000.
 RAF Lakenheath, United Kingdom, \$500,000.
 RAF Mildenhall, United Kingdom, \$4,700,000.
 RAF Molesworth, United Kingdom, \$2,430,000.
 RAF Upper Heyford, United Kingdom, \$5,700,000.
 RAF Welford, United Kingdom, \$1,590,000.
 RAF Wethersfield, United Kingdom, \$650,000.
 Base 30, Classified Location, \$2,950,000.
 Overseas Classified Location, \$11,500,000.
 Various Locations, Europe, \$3,953,000.

SEC. 2302. FAMILY HOUSING

The Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the following installations, in the number of units shown, and in the amount shown, for each installation:

Bitburg Air Base, Germany, three hundred and thirty-two units, \$26,415,000.

Hahn Air Base, Germany, one hundred and fifty units, \$11,300,000.

La Junta Air Force Station, Colorado, forty units, \$4,000,000.

Beale Air Force Base, California, family housing maintenance shop, \$180,000.

Davis-Monthan Air Force Base, Arizona, family housing management office, \$300,000.

McGuire Air Force Base, New Jersey, family housing management office, \$325,000.

Pope Air Force Base, North Carolina, family housing management office, \$300,000.

Edwards Air Force Base, California, twenty-four mobile home spaces, \$376,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures, using amounts appropriated pursuant to section 2305(a)(6)(A), to improve existing military family housing units, including energy conservation projects, in an amount not to exceed \$58,644,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Eielson Air Force Base, Alaska, eighty-eight units, \$6,186,000.

Elmendorf Air Force Base, Alaska, twelve units, \$760,000.

Air Force Academy, Colorado, one unit, \$120,000.

Peterson Air Force Base, Colorado, four units, \$149,000.

MacDill Air Force Base, Florida, one hundred and fifty-eight units, \$4,430,000; seven units, \$553,000; seventy-one units, \$2,103,000.

Scott Air Force Base, Illinois, one hundred and twelve units, \$4,690,000.

Barksdale Air Force Base, Louisiana, one hundred and fourteen units, \$5,342,000.

Bangor Air Force Station, Maine, one unit, \$30,000.

Andrews Air Force Base, Maryland, seven units, \$518,000.

Pease Air Force Base, New Hampshire, two-hundred units, \$7,177,000.

Plattsburgh Air Force Base, New York, twenty-nine units, \$2,272,000.

Shaw Air Force Base, South Carolina, one hundred and twenty-five units, \$4,385,000; seventy-four units, \$2,598,000.

Carswell Air Force Base, Texas, two hundred and three units, \$7,478,000.

Lackland Air Force Base, Texas, sixty-four units, \$1,920,000.

Randolph Air Force Base, Texas, five units, \$402,000.

Reese Air Force Base, Texas, one hundred units, \$2,895,000.

Langley Air Force Base, Virginia, five units, \$441,000.

Andersen Air Force Base, Guam, two hundred units, \$14,517,000.

Kadena Air Base, Japan, one hundred units, \$5,054,000; three units, \$240,000.

SEC. 2304. RESTRICTION ON CERTAIN MILITARY CONSTRUCTION FUNDING

Funds appropriated for military construction may not be used during fiscal year 1987 in connection with the basing at any military installation or facility other than Little Rock Air Force Base, Jacksonville, Arkansas, the eight KC-135 tanker aircraft that, as of June 1, 1986, were based at such Air Force base and assigned to the 189th Air Refueling Group of the Air National Guard.

SEC. 2305. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of \$2,143,729,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), \$784,642,000.

(2) For military construction projects outside the United States authorized by section 2301(b), \$351,878,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$16,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$117,260,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, \$32,700,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, \$108,840,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code),

\$732,409,000, of which—

(i) not more than \$5,600,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam; and

(ii) not more than \$67,145,000 may be obligated or expended for the leasing of military family housing units in the foreign countries.

(b) **AUTHORIZATION OF UNOBLIGATED FUNDS FOR ENERGY CONSERVATION PROJECTS.**—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1987 which could be used for energy conservation projects of the Department of the Air Force and which remain available for obligation are hereby authorized to be made available, to the extent provided in appropriation Acts, for energy conservation projects authorized in section 2301(a) in an amount not to exceed \$9,470,000.

(c) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN THIS TITLE.**—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and the amount specified in subsection (b).

(d) **USE OF CERTAIN FUNDS.**—The Secretary of the Air Force may use not more than \$350,000 of the amount appropriated pursuant to subsection (a)(3) to acquire approximately 20 acres of real property, and improvements thereon, located adjacent to Lake Wateree near Shaw Air Force Base, South Carolina.

SEC. 2306. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407, 98 Stat. 1515), authorizations for the following projects authorized in section 302 of that Act shall remain in effect until October 1, 1987, or the date of enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

- (1) Fort MacArthur, California, 140 units, \$15,100,000.
- (2) RAF Greenham Common, United Kingdom, 250 units, \$22,441,000.
- (3) RAF Bentwaters, United Kingdom, 200 units, \$20,163,000.

TITLE IV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES

(a) **INSIDE THE UNITED STATES.**—The Secretary of Defense may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE COMMUNICATIONS AGENCY

Scott Air Force Base, Illinois, \$7,600,000.

DEFENSE LANGUAGE INSTITUTE

Defense Language Institute, Monterey, California, \$5,400,000.

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Estero Bay, California, \$680,000.
 Defense Construction Supply Center, Columbus, Ohio, \$860,000.
 Defense Fuel Support Point, Charleston, South Carolina, \$460,000.
 Defense Fuel Support Point, Naval Supply Center, Charleston,
 South Carolina, \$5,130,000.
 Defense Depot, Memphis, Tennessee, \$1,160,000.

DEFENSE MAPPING AGENCY

Aerospace Center, St. Louis, Missouri, \$16,700,000.

DEFENSE MEDICAL FACILITIES OFFICE

Edwards Air Force Base, California, \$3,950,000.
 Fort Ord, California, \$530,000.
 Pearl Harbor, Hawaii, \$9,700,000.
 Mountain Home Air Force Base, Idaho, \$30,500,000.
 Fort Polk, Louisiana, \$2,650,000.
 Keesler Air Force Base, Mississippi, \$3,100,000.
 McGuire Air Force Base, New Jersey, \$3,800,000.
 Kirtland Air Force Base, New Mexico, \$16,000,000.
 Camp Lejeune, North Carolina, \$3,900,000.
 Fort Hood, Texas, \$3,450,000.
 Brooks Air Force Base, Texas, \$1,850,000.
 Randolph Air Force Base, Texas, \$13,700,000.
 Fort Sam Houston, Texas, \$135,000,000.

DEFENSE NUCLEAR AGENCY

Armed Forces Radiobiology Research Institute, Bethesda, Mary-
 land, \$790,000.
 Field Command, Kirtland Air Force Base, New Mexico, \$900,000.

JOINT TACTICAL COMMAND, CONTROL, AND COMMUNICATIONS AGENCY

Fort Huachuca, Arizona, \$9,890,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, \$9,570,000.
 Classified Location, \$4,000,000.
 Classified Location, \$1,000,000.

DEFENSE-LEVEL ACTIVITIES

Classified Location, \$3,000,000.

STRATEGIC DEFENSE INITIATIVE

Edwards Air Force Base, \$4,140,000.
 Pacific Missile Range, Kauai, Hawaii, \$2,890,000.
 White Sands Missile Range, New Mexico, \$1,930,000.

UNIFORMED SERVICES UNIVERSITY OF HEALTH SCIENCES

Bethesda, Maryland, \$900,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction

projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Chimu Wan, Japan, \$6,640,000.
 Defense Fuel Support Point, Tsurumi, Japan, \$3,520,000.
 Defense Reutilization and Marketing Office, Bupyong, Korea, \$1,290,000.
 Defense Fuel Support Point, Toegeywon, Korea, \$1,010,000.

DEFENSE MEDICAL FACILITIES OFFICE

Boeblingen, Germany, \$3,650,000.
 Grafenwoehr, Germany, \$3,950,000.
 Karlsruhe, Germany, \$6,800,000.
 Vilseck, Germany, \$5,600,000.
 Camp Edwards, Korea, \$1,800,000.
 Camp Long, Korea, \$1,850,000.
 Camp Pelham, Korea, \$720,000.
 Camp New Amsterdam, The Netherlands, \$6,000,000.

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS

Florennes, Belgium, \$1,260,000.
 Naval Air Station, Bermuda, \$4,280,000.
 Aschaffenburg, Germany, \$6,600,000.
 Bad Kissingen, Germany, \$1,330,000.
 Baumholder, Germany, \$1,600,000.
 Dexheim, Germany, \$2,430,000.
 Erlangen, Germany, \$3,220,000.
 Gelnhausen, Germany, \$1,130,000.
 Grafenwoehr, Germany, \$2,500,000.
 Hahn, Germany, \$3,470,000.
 Heidelberg, Germany, \$3,190,000.
 Hessisch-Oldendorf, Germany, \$2,310,000.
 Hohenfels, Germany, \$1,190,000.
 Kaiserslautern, Germany, \$7,880,000.
 Nuernberg, Germany, \$8,580,000.
 Schwaebish Gmuend, Germany, \$1,640,000.
 Stuttgart, Germany, \$4,530,000.
 Wuerzburg, Germany, \$7,760,000.
 Seoul, Korea, \$510,000.
 Woensdrecht, The Netherlands, \$7,420,000.

STRATEGIC DEFENSE INITIATIVE

Pacific Missile Range, Kwajalein, \$1,340,000.

SEC. 2402. FAMILY HOUSING

The Secretary of Defense may construct or acquire three family housing units (including land acquisition) at classified locations in the total amount of \$270,000.

SEC. 2403. BROOKE ARMY MEDICAL CENTER

(a) **AUTHORIZATION TO CONTRACT IN ADVANCE OF APPROPRIATIONS.**—(1) Subject to paragraph (2), the Secretary of Defense may enter into one or more contracts, in advance of appropriations therefor, for the design and construction of the military construction

project authorized by section 2401 to be accomplished at Brooke Army Medical Center, San Antonio, Texas, if each such contract limits the amount of payments that the Federal Government is obligated to make under such contract to the amount of appropriations available, at the time such contract is entered into, for obligation under such contract. Such design and construction may be accomplished by using one-step turn-key selection procedures, or other competitive contracting methods.

(2) The design of the project referred to in paragraph (1) shall provide for a medical facility with space for 450 beds, but the initial construction shall provide for a medical facility with space for only 200 beds.

(b) REPEAL PROVISION.—Section 104 of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1498), is repealed.

SEC. 2404. HAZARDOUS WASTE STORAGE

(a) AUTHORITY TO CONSTRUCT.—The Secretary of Defense may, using not more than \$10,000,000 appropriated for fiscal year 1987 pursuant to the authorization in section 2405(a), carry out military construction projects not otherwise authorized by law for the construction of hazardous waste storage facilities which are described in a report submitted by the Comptroller, Defense Logistics Agency, on September 22, 1986, to the Committees on Armed Services of the Senate and the House of Representatives.

(b) NOTIFICATION TO CONGRESS.—When a decision is made to carry out a project under this section, the Secretary of Defense shall notify in writing the appropriate committees of Congress of that decision, the justification for the project, the estimated cost of the project, and the permit process for the project. The project may not be initiated until a period of 21 days has elapsed after the date on which the notification is received by the committees.

(c) INCREASE IN COST OF PROJECT.—The cost of a hazardous waste storage facility project carried out under this section may be increased by not more than 25 percent of the estimated cost of the project as contained in the notification provided to the committees pursuant to subsection (b) if the Secretary of Defense determines—

(A) that such an increase is required for the sole purpose of meeting unusual variations in cost; and

(B) that such variations in cost could not have been reasonably anticipated at the time the project justification was originally submitted to the committees.

(d) DEFINITION.—As used in this section, the term "hazardous waste" includes both excess hazardous materials and hazardous wastes as defined by applicable laws and regulations.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of \$532,030,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), \$180,130,000.

(2) For military construction projects outside the United States authorized by section 2401(b), \$117,000,000.

99 Stat. 618. (3) For the construction of a research and engineering facility at Fort Meade, Maryland, authorized by section 401(a) of the Military Construction Authorization Act, 1986, \$38,000,000.

98 Stat. 1495. (4) For the construction of the Madigan Army Medical Center, Fort Lewis, Washington, authorized by section 101(a) of the Military Construction Authorization Act, 1985, \$72,100,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, \$4,000,000.

(6) For construction projects under the contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, \$5,000,000.

(7) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, \$88,200,000.

(8) For conforming storage facilities, \$10,000,000.

(9) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, \$270,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), \$17,330,000, of which not more than \$14,027,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) **LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN THIS TITLE.**—Notwithstanding the cost variations authorized by section 2858 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and \$125,000,000 (the balance of the amount authorized for the construction of the Brooke Army Medical Center, Fort Sam Houston, Texas).

SEC. 2406. EXTENSION OF PRIOR YEAR AUTHORIZATIONS

98 Stat. 1509, 1511. Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407, 98 Stat. 1515), the authorizations for the following projects authorized in sections 401 and 402 of such Act shall remain in effect until October 1, 1987, or the date of the Military Construction Authorization Act for fiscal year 1988, whichever is later:

(1) Defense property disposal office in the amount of \$1,950,000 at Pearl Harbor Naval Shipyard, Hawaii.

(2) Six family housing units at classified locations in the amount of \$693,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2501. AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS

(a) **IN GENERAL.**—The Secretary of Defense may make contributions for the North Atlantic Treaty Organization infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

(b) **LIMITATION.**—The Secretary may obligate funds under this section only to the extent funds are appropriated for use under section 2806 of title 10, United States Code.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1986, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program as authorized by section 2501, in the amount of \$247,000,000.

SEC. 2503. AMENDMENT TO NATO INFRASTRUCTURE PROGRAM

(a) **IN GENERAL.**—Section 2806(a) of title 10, United States Code, is amended by inserting “and for related expenses” after “headquarters”).

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply only with respect to contributions made with funds appropriated for fiscal years after fiscal year 1986.

10 USC 2806
note.

SEC. 2504. RESTRICTION ON CERTAIN FUNDING

The Secretary of Defense may not obligate or expend any funds after fiscal year 1987 with respect to the North Atlantic Treaty Organization infrastructure program as provided in section 2806 of title 10, United States Code, until the Secretary submits to the Committees on Armed Services of the Senate and the House of Representatives—

10 USC 2806
note.

(1) a comprehensive master plan for establishing adequate active defenses for—

(A) air bases in Europe at which operations of United States aircraft are planned; and

(B) sites in Europe used by the United States for logistic support of the North Atlantic Treaty Organization or for prepositioned overseas materiel configured to unit sets; and

(2) a report containing a certification by the Secretary that sufficient funds have been budgeted by the Department of Defense in the fiscal year 1988 five-year defense plan to meet the objectives of such comprehensive master plan.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZATION FOR GUARD AND RESERVE FACILITIES

There are authorized to be appropriated for fiscal years beginning after September 30, 1986, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

10 USC 2231
et seq.

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, \$133,271,000, and

(B) for the Army Reserve, \$86,700,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, \$44,500,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, \$145,325,000, and

(B) for the Air Force Reserve, \$58,900,000.

TITLE VII—GENERAL PROVISIONS

PART A—EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

(a) EXPIRATION OF AUTHORIZATIONS AFTER TWO YEARS.—Except as provided in subsection (b), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor) shall expire on October 1, 1988, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later.

(b) EXCEPTION.—The provisions of subsection (a) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1988, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later, for construction contracts, land acquisition, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

SEC. 2702. CODIFICATION OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

(a) MAXIMUM AMOUNT FOR UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.—Section 2805 of title 10, United States Code, is amended—

(1) in subsection (a), by striking out “the amount specified by law as the maximum amount for a minor military construction project” in clause (2) and inserting in lieu thereof “\$1,000,000”;

(2) in subsection (b)(1), by striking out “50 percent” and all that follows through “project” and inserting in lieu thereof “\$500,000”; and

(3) in subsection (c), by striking out “20 percent” and all that follows through “project” and inserting in lieu thereof “\$200,000”.

(b) MAXIMUM AMOUNT FOR ARCHITECTURAL AND ENGINEERING SERVICES.—Section 2807(b) of such title is amended by striking out “the maximum amount specified by law for the purposes of this section” and inserting in lieu thereof “\$300,000”.

(c) MAXIMUM AMOUNT PER UNIT FOR AN IMPROVEMENT PROJECT FOR FAMILY HOUSING UNITS.—Section 2825(b)(1) of such title is amended by striking out “an amount specified by law for such purpose” and inserting in lieu thereof “\$30,000”.

(d) MAXIMUM ANNUAL RENTAL FOR A FAMILY HOUSING UNIT IN THE UNITED STATES.—Section 2828(b) of such title is amended—

(1) in paragraph (2), by striking out “the amount specified by law as the maximum annual domestic family housing unit lease amount” and inserting in lieu thereof “\$10,000”; and

(2) in paragraph (3)(A), by striking out “the maximum annual domestic” and all that follows through the period and inserting in lieu thereof “\$10,000 but does not exceed \$12,000.”

(e) **MAXIMUM ANNUAL RENTAL FOR A FAMILY HOUSING UNIT OUTSIDE THE UNITED STATES.**—Section 2828(e)(1) of such title is amended by striking out “the amount specified by law as the maximum annual foreign family housing unit lease amount” and inserting in lieu thereof “\$16,800”.

10 USC 2828.

(f) **MAXIMUM NUMBER OF FAMILY HOUSING UNITS LEASED IN FOREIGN COUNTRIES.**—Section 2828(e)(2) of such title is amended by striking out “shall be specified by law” and inserting in lieu thereof “is 32,000”.

(g) **MAXIMUM ANNUAL RENTAL FOR FAMILY HOUSING FACILITIES, OR FOR REAL PROPERTY RELATED TO FAMILY HOUSING FACILITIES, LEASED IN A FOREIGN COUNTRY.**—Section 2828(f) of such title is amended by striking out “the amount specified by law for such purpose” and inserting in lieu thereof “\$250,000”.

PART B—MILITARY CONSTRUCTION PROGRAM PROVISIONS

SEC. 2711. TEST OF LONG-TERM FACILITIES CONTRACTS

Section 2809(a)(1) of title 10, United States Code, is amended to read as follows:

“(1)(A) The Secretary concerned may enter into contracts for the construction, management, and operation of a facility on or near a military installation for the provision of an activity or service named in subparagraph (B) if the Secretary concerned has identified the proposed project in the budget proposal submitted to Congress and has determined that the facility can be more economically provided under a long-term contract than by conventional means.

“(B) The activities and services referred to in subparagraph (A) are as follows:

“(i) Child care services.

“(ii) Potable and waste water treatment services.

“(iii) Depot supply activities.

“(iv) Troop housing.

“(v) Transient quarters.

“(vi) Other logistic and administrative services, other than depot maintenance.”

SEC. 2712. PLANNING AND DESIGN

(a) **IN GENERAL.**—Section 2807 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(d) For study, planning, design, architectural, and engineering services related to military construction and family housing projects, the Secretaries of the military departments may incur obligations for contracts or portions of contracts using military construction and family housing appropriations from different fiscal years to the extent that those appropriations are available for obligation.”

Contracts.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply only to funds appropriated for fiscal years after fiscal year 1985.

10 USC 2807
note.

SEC. 2713. BUILD-TO-LEASE AND RENTAL GUARANTEE PILOT PROGRAMS

(a) **RENTAL GUARANTEE PROGRAM.**—(1) Subsection (b) of section 802 of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note), is amended—

(A) in paragraph (2), by striking out “for operation and maintenance costs which shall (if included) be effective for the term of agreement”;

(B) in paragraph (4), by adding “or, at the discretion of the Secretary of the military department concerned, in compliance with the local building codes” after “specifications”;

(C) in paragraph (5), by striking out “15 years” and inserting in lieu thereof “25 years”;

(D) by striking out “and” at the end of paragraph (10);

(E) by striking out the period at the end of paragraph (11) and inserting in lieu thereof “; and”;

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

“(12) may provide in the agreement for the rental of a child care center, civic center building, and similar type buildings constructed for the support of family housing.”.

(2) Subsection (g)(2) of such section is amended by striking out “600” and inserting in lieu thereof “1,200”;

(3) Subsection (h) of such section is amended by striking out “September 30, 1986” and inserting in lieu thereof “September 30, 1990”.

(b) **BUILD-TO-LEASE PROGRAM.**—Section 2828(g) of title 10, United States Code, is amended—

(1) in paragraph (8)(B), by striking out “600” and inserting in lieu thereof “1,600”;

(2) in paragraph (9), by striking out “September 30, 1986” and inserting in lieu thereof “September 30, 1988”; and

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

“(10) A contract for the lease of family housing under this subsection may include provision for the lease of a child care center, civic center building, and similar type buildings constructed for the support of family housing.”.

SEC. 2714. FOREIGN LEASES FOR PERSONNEL HOLDING SPECIAL POSITIONS

Section 2828(e)(1) of title 10, United States Code, is amended by striking out “200” and inserting in lieu thereof “220”.

PART C—MISCELLANEOUS PROVISIONS**SEC. 2721. POSTAL FACILITIES**

Sections 4779 and 9779 of title 10, United States Code, are each amended—

(1) by striking out subsection (b); and

(2) by redesignating subsection (c) as subsection (b).

SEC. 2722. COMMUNITY PLANNING ASSISTANCE

The Secretary of Defense may use not more than \$200,000 from funds appropriated to the Department of Defense for fiscal year 1987 to provide planning assistance to local communities located near homeports proposed under the Naval Strategic Dispersal Program at Ingleside, Texas, and other Gulf Coast sites, if the Secretary determines that the financial resources available to the community (by grant or otherwise) are inadequate.

SEC. 2723. RELEASE OF CERTAIN USE RIGHTS HELD BY THE UNITED STATES

(a) **IN GENERAL.**—The Administrator of General Services shall release to the Virginia Port Authority, an instrumentality of the Commonwealth of Virginia, all residuary rights of use held by the United States in three warehouses located in the city of Norfolk, Virginia, within the area operated as a public port facility and known as the Norfolk International Terminals.

Virginia.

(b) **TIME LIMITATION; COMPENSATION.**—The Administrator of General Services shall execute such documents and take such other actions as may be necessary to release, within 180 days after the date of the enactment of this Act, the rights referred to in subsection (a). The release shall be made without any compensation in addition to compensation paid to the United States for such warehouses and other facilities by the city of Norfolk, Virginia, in 1968.

SEC. 2724. PROHIBITION OF FUNDING FOR CERTAIN MILITARY CONSTRUCTION CONTRACTS ON GUAM

(a) **IN GENERAL.**—Except as provided in subsection (b), funds appropriated pursuant to any authorization made by this Act may not be expended with respect to any contract for a military construction project on Guam if any work is carried out on such project by any person who is a nonimmigrant described in section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(b) **EXCEPTION.**—In any case in which there is no acceptable bid made in response to a solicitation by the Secretary of a military department for bids on a contract for a military construction project on Guam and the Secretary concerned makes a determination that the prohibition contained in subsection (a) is a significant deterrent to obtaining bids on such contract, the Secretary concerned may make another solicitation for bids on such contract and the prohibition contained in subsection (a) shall not apply to such contract after the end of the 21-day period beginning on the date on which the Secretary concerned transmits a report concerning such contract to the Committees on Armed Services of the Senate and the House of Representatives.

Reports.

(c) **EFFECTIVE DATE.**—This section shall apply only to contracts entered into, amended, or otherwise modified on or after the date of the enactment of this Act.

SEC. 2725. PROHIBITION ON DESIGN OF PENTAGON ANNEX

None of the funds appropriated pursuant to an authorization in this or any other Act may be used for the design of an administrative complex to be constructed on the property known as the Pentagon Reservation, Arlington, Virginia, for the purpose of supporting the headquarters of the Department of Defense or the military departments or the support functions of such headquarters.

SEC. 2726. STUDY OF NEEDS OF DEPENDENTS' EDUCATIONAL FACILITIES ON MILITARY INSTALLATIONS

(a) **IN GENERAL.**—The Secretary of Defense and the Secretary of Education shall conduct a joint study for the purpose of determining the needs for construction, extension, remodeling, and rehabilitation of dependents' educational facilities on military installations in the United States and shall develop a joint policy to meet those needs.

(b) **REPORT.**—The Secretaries of Defense and Education shall, not later than April 1, 1987, transmit to the Congress a report containing—

- (1) a description of the needs determined under subsection (a);
- (2) the joint policy developed to meet such needs; and
- (3) any recommendations for legislation the Secretaries consider necessary or appropriate to meet such needs.

SEC. 2727. STUDY OF USE OF PROPERTY AT LOS ALAMITOS ARMED FORCES RESERVE CENTER, CALIFORNIA, FOR MILITARY FAMILY HOUSING

(a) **IN GENERAL.**—The Secretary of the Army and the Secretary of the Navy shall conduct a study concerning the potential use of the property currently being utilized as the Los Alamitos Armed Forces Reserve Center, California, for military family housing for the Navy.

(b) **MATTERS TO CONSIDER.**—In conducting the study described in subsection (a), each of the Secretaries shall take into consideration—

- (1) the extensive number of complaints from residents concerning aircraft noise;
- (2) the need for such military family housing;
- (3) the public safety concerns involved with respect to military aircraft flying over a highly populated, urban area;
- (4) the importance of maintaining facilities for the stationing of National Guard and other Reserve component units;
- (5) the importance of maintaining facilities for the training of military aviation personnel;
- (6) the importance of maintaining facilities for the maintenance of Army facilities and Army aircraft assigned to the California Army National Guard and the United States Army Reserve;
- (7) the importance of the Los Alamitos Armed Forces Reserve Center, California, as a designated relief site in the event of a national disaster or emergency; and
- (8) the costs associated with establishing and maintaining military family housing for the Navy at such Center.

(c) **RECOMMENDED ACTION.**—If the Secretaries find that the Center described in subsection (a) would not be suitable for military family housing or that it should not be so used, they shall recommend, in the report transmitted to the Committees pursuant to subsection (d), an alternate course of action for reducing the noise caused by aircraft traffic between the Center and the training area in the Santa Ana Mountains.

(d) **DATE OF TRANSMITTAL.**—The Secretaries described in subsection (a) shall transmit a copy of the findings and conclusions of the study carried out under this section to the Committees on Armed Services of the House of Representatives and the Senate. The transmissions shall be made no later than 90 days after the date of enactment of this Act.

SEC. 2728. REAL ESTATE ACQUISITION REPORT

New Mexico.

The Secretary of the Army shall, within 45 days of the date of the enactment of this Act, transmit to the Committees on Armed Services of the Senate and the House of Representatives a real estate acquisition report for the lease of temporary facilities located in Rio Rancho, New Mexico, for the Hawk Missile Battalion of the New

Mexico Army National Guard that is to be permanently located near Rio Rancho, New Mexico.

PART D—REAL PROPERTY TRANSACTIONS

SEC. 2731. LAND CONVEYANCE, FORT HUACHUCA, ARIZONA

(a) **AUTHORITY TO CONVEY.**—The Secretary of the Army may convey to the State of Arizona all right, title, and interest of the United States in and to approximately 26 acres of real property (and improvements thereon) which comprise a portion of Fort Huachuca, Arizona, which border on State Highway 90 at Fort Huachuca, and which are located in the east half of Township 21 South, Range 20 East, Gila and Salt River Meridian.

(b) **CONSIDERATION.**—(1) In consideration for the conveyance authorized by subsection (a), the State of Arizona shall convey to the United States all right, title, and interest of the State in and to 1,536.47 acres of real property (and improvements thereon) owned by the State within the East Range at Fort Huachuca and to all mineral rights owned by the State in 12,943 acres of real property located within the East Range at Fort Huachuca. Title to such real property and mineral rights shall be conveyed free and clear of encumbrances and third party interests except to the extent waived by the Secretary.

(2) If the fair market value of the real property and improvements conveyed by the Secretary under subsection (a) exceeds the fair market value of the real property and improvements and mineral interests conveyed to the United States under subsection (b), as determined by the Secretary, the State shall pay the difference to the United States. Any funds received under this section shall be covered into the general fund of the Treasury.

(c) **AUTHORITY TO SELL ADDITIONAL ACREAGE.**—(1) In addition to the acreage authorized to be conveyed under subsection (a), the Secretary may sell, subject to paragraphs (2) and (3), all right, title, and interest of the United States in and to approximately 203 acres of real property and improvements thereon (designated by the Secretary) comprising a portion of Fort Huachuca, Arizona.

(2) The sale of the real property and improvements referred to in paragraph (1) shall be conducted in accordance with competitive bidding procedures prescribed in section 2304 of title 10, United States Code. In no event may the real property and improvements be sold for less than the fair market value thereof. The fair market value of the property shall be established by an appraisal approved by the Secretary.

(3) If the fair market value of the real property and improvements and mineral rights conveyed to the United States pursuant to subsection (b) exceeds the fair market value of the real property and improvements conveyed by the United States pursuant to subsection (a), the Secretary may use the proceeds of the sale under paragraph (1) to pay the difference in value to the State of Arizona. Any proceeds of the sale not used for such purpose shall be covered into the general fund of the Treasury.

(d) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal descriptions of any property conveyed or acquired under this section shall be based upon surveys which are satisfactory to the Secretary.

(e) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions in connection with the transactions authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2732. LEASE AND DEVELOPMENT OF CERTAIN REAL PROPERTY, SAN DIEGO, CALIFORNIA

(a) **IN GENERAL.**—Subject to subsections (b) through (g), the Secretary of the Navy may—

(1) enter into long-term leases of real property located within the Broadway Complex of the Department of the Navy, San Diego, California; and

(2) assist any lessee of such real property in financing the construction of any facility on such real property.

(b) **CONSIDERATION.**—(1)(A) In consideration for leasing the real property described in subsection (a), the Secretary shall obtain, without compensation or at substantially below market value, facilities or the use of facilities, or both, constructed on such real property by the lessees.

(B) The Secretary shall provide that the value of the facilities or the use of facilities, or both, obtained under subparagraph (A) (minus the amount of any compensation paid by the Secretary for the facilities or use of them) shall be at least equal to the value of the use of the real property leased under subsection (a), as determined by the Secretary.

(2) In consideration for assisting a lessee in financing the construction of any facility on such real property, the Secretary shall obtain an ownership interest in such facility that is at least equal in value to the amount of the financing provided by the Secretary.

(c) **CONDITIONS.**—(1) The Secretary shall provide that any real property leased under this section shall be developed in accordance with detailed plans and terms of development which have been duly formulated by the Secretary and the San Diego community through the San Diego Association of Governments' Broadway Complex Coordinating Group.

(2) A lease may not be entered into under this section until 21 days after the Secretary submits a plan for the development of the real property described in subsection (a) to the Committees of the Armed Services of the Senate and the House of Representatives, including a justification of how this plan is more advantageous to the United States than developing the real property with Federal funds.

(d) **COMPETITIVE PROCEDURES.**—Each lease entered into under subsection (a) shall be awarded through the use of competitive procedures.

(e) **RIGHT TO ACQUIRE.**—The Secretary may provide that the United States shall have the right of first refusal to acquire all right, title, and interest in and to any facility constructed on the real property subject to such lease.

(f) **ADDITIONAL TERMS.**—(1) A lease entered into by the Secretary under this section under which a facility is constructed by a private developer and leased to the Department of the Navy may provide for the operation and maintenance of such facility by the private developer.

(2) The Secretary may require such additional terms and conditions in connection with the leases authorized by this section as the

Secretary considers appropriate to protect the interests of the United States.

(g) **LIMITATION.**—The Secretary may obligate or expend amounts for—

- (1) assisting in financing under subsection (a)(2);
 - (2) obtaining facilities or the use of facilities under (b)(1)(A); or
 - (3) acquiring interest in a facility under subsection (e),
- only to the extent funds have been appropriated for such purpose.

SEC. 2733. SELECTION OF SITE FOR MILITARY FAMILY HOUSING AT SAN PEDRO, CALIFORNIA

(a) **IN GENERAL.**—(1) The Secretary of the Air Force shall consider appropriate sites in San Pedro, California, for the location and construction of 170 military family housing units for members of the Air Force assigned to duty in the area of San Pedro.

(2) The Secretary shall consider as an appropriate site for such housing only real property in the San Pedro area in which the United States has a reversionary interest for national defense purposes or real property which would be conveyed to the United States without charge.

Real property.
Defense and
national
security.

(3) After the Secretary has selected one or more sites for such housing, he shall file a final environmental impact statement as required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) on each site determined by the Secretary to be appropriate for the purpose stated in paragraph (1). Within 10 days after the expiration of the 30-day period referred to in section 1506.10(b)(2) of title 40 of the Code of Federal Regulations, the Secretary shall select as a site for the location of the housing units referred to in subsection (a) one of the sites considered appropriate for such purpose.

(b) **EXERCISE OF REVERSIONARY RIGHT.**—(1) If the real property selected as the site for the housing units is subject to a reversionary right on behalf of the United States, the Secretary shall notify the Attorney General of the United States or other appropriate official that the site selected is needed for national defense purposes.

(2) The Attorney General or other appropriate official shall, within 15 days after receiving the notification referred to in paragraph (1), take such action as may be necessary to exercise the reversionary right held by the United States in the real property selected as the site for the housing.

(3) Within 15 days after the United States resumes ownership over the real property, the Attorney General or other appropriate official shall transfer jurisdiction of such real property to the Secretary.

(c) **CONSTRUCTION OF MILITARY FAMILY HOUSING.**—The Secretary shall use any real property made available pursuant to this section as the site for the construction of the 170 military family housing units referred to in subsection (a).

SEC. 2734. GRANTING OF EASEMENTS AND REPLACEMENT OF FAMILY HOUSING UNITS AND OTHER FACILITIES AT MARINE CORPS AIR STATION, EL TORO, CALIFORNIA

(a) **AUTHORITY TO GRANT EASEMENTS.**—Subject to subsection (b), the Secretary of the Navy may grant to the County of Orange, California, one or more easements through the Marine Corps Air Station, El Toro, California.

(b) **MANDATE TO REPLACE FAMILY HOUSING AND OTHER FACILITIES.**—(1) Subject to subsection (c), the Secretary shall provide for

the replacement of all family housing units and other facilities that are to be demolished as a result of any easement granted under subsection (a).

(2) An easement granted under subsection (a) shall not become effective until the Secretary determines that—

(A) family housing units have been constructed to replace all the family housing units to be demolished as a result of such easement; and

(B) such replacement units meet the applicable requirements specified in the agreements referred to in subsection (a).

(3) Until the determination referred to in paragraph (2) is made, the Secretary shall continue to use, as military family housing, the housing units that are to be demolished as a result of an easement becoming effective.

(c) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions in connection with any easement granted under this section as the Secretary considers appropriate to protect the interests of the United States.

(d) **FUNDING.**—(1) The Secretary may use not more than \$2,300,000 of the amount appropriated pursuant to section 2208(a)(7)(A) for payment in connection with the construction of replacement family housing units required by subsection (b).

(2) The Secretary may make available amounts for the construction of such replacement family housing units at the times specified in the agreements referred to in subsection (a).

(3) The Secretary may not use any of the funds available for the purposes of this section for the replacement of facilities other than family housing facilities.

SEC. 2735. LAND CONVEYANCE, MARCH AIR FORCE BASE, CALIFORNIA

(a) **AUTHORITY TO SELL.**—Subject to subsections (b) through (g), the Secretary of the Air Force may sell all or any portion of a tract of real property (together with improvements thereon), comprising a portion of March Air Force Base, California, known as West March and consisting of 845 acres, more or less.

(b) **CONDITIONS OF SALE.**—The Secretary shall require as a condition of the sale of the property referred to in subsection (a) that the purchaser—

(1) agree to construct on Government-owned real property at March Air Force Base, at the expense of the purchaser, in accordance with standards and specifications prescribed by the Secretary, a noncommissioned officers professional education center, a band center, and an addition to, or an alteration of, a combat operations center; and

(2) submit to the Secretary a master plan for the development of the real property referred to in subsection (a) that—

(A) is consistent (as determined by the Secretary) with the Air Installations Compatible Use Zone recommendations of the Air Force;

(B) is consistent (as determined by the Secretary) with the future plans of the Air Force for March Air Force Base and the plan for development of Air Force Village West; and

(C) is acceptable to the appropriate local government officials of the city and county of Riverside, California.

(c) **COMPETITIVE BID REQUIREMENT; MINIMUM SALE PRICE.**—(1) The sale of any of the real property and improvements referred to in

subsection (a) shall be carried out under competitive contracting procedures.

(2) In no event may property referred to in subsection (a) be sold for less than fair market value of such property. The value of the property to be conveyed and the consideration to be received shall be determined by appraisals approved by the Secretary. The Secretary may pay for such appraisals from any deposit made by the prospective purchaser, or the Secretary may be reimbursed for the cost of such appraisals from any such deposit. Any portion of the deposit used for such purpose shall be nonrefundable.

(d) **REPORT REQUIREMENTS.**—(1) The Secretary may not enter into any contract for the sale of any or all of the property referred to in subsection (a) unless—

Contracts.

(A) the Secretary has submitted a report to the appropriate committees of Congress containing the information required in section 2667a(b) of title 10, United States Code; and

Reports.

(B) a period of 21 days has expired following the date on which the report referred to in such section is received by those committees.

(2) Any report submitted under paragraph (1) shall include—

(A) the price and a description of terms agreed to with the successful bidder; and

(B) a description of the procedures used in selecting a buyer for the real property.

(e) **USE OF EXCESS FUNDS.**—If the fair market value of the property to be conveyed to a purchaser is greater than the fair market value of the facilities to be constructed by the purchaser for the United States, the difference in cash shall be deposited into the general fund of the Treasury.

(f) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal description of the real property to be conveyed under this section shall be determined by surveys approved by the Secretary. Such surveys shall be provided by the purchaser or paid for by the Secretary from a deposit made by the prospective purchaser at the time of award. Any portion of the deposit used for surveys shall be nonrefundable.

(g) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions in connection with any transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2736. LAND EXCHANGE, LONG BEACH NAVAL STATION, CALIFORNIA

(a) **AUTHORITY TO EXCHANGE.**—Subject to subsections (b) through (d), the Secretary of the Navy may exchange approximately 16 acres of real property (and improvements thereon) adjacent to Admiral Kidd Park at the Long Beach Naval Station, California, to the City of Long Beach, California, for real property (and improvements thereon) located on Hill Street, between Webster Avenue and the Terminal Island Freeway, in Long Beach, California.

(b) **CONDITION.**—If the fair market value of the real property and improvements conveyed to the City under subsection (a) exceeds the fair market value of the real property and improvements conveyed to the United States, the City shall pay to the United States an amount equal to the difference. The Secretary shall deposit any funds received under this subsection as miscellaneous receipts in the Treasury.

(c) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal description of the real property exchanged under this section shall be in accordance with surveys that are satisfactory to the Secretary. The costs of such surveys shall be borne by the City of Long Beach.

(d) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2737. LAND CONVEYANCE, WHITTIER NARROWS DAM, LOS ANGELES COUNTY, CALIFORNIA

(a) **AUTHORITY TO CONVEY.**—Subject to subsections (b) through (f), the Secretary of the Army may convey to Southern California Edison Company approximately 7.44 acres of real property, together with improvements thereon, located within the Whittier Narrows Flood Control Basin, north of Rush Street and east of Walnut Grove Avenue, in Los Angeles County, California.

(b) **CONSIDERATION.**—In consideration for the conveyance authorized by subsection (a), the Secretary may accept real property in the Los Angeles area or cash, or both. The value of the consideration for the conveyance may not be less than the fair market value of the property conveyed by the United States, as determined by the Secretary.

(c) **CONDITIONS.**—(1) The Secretary may convey the real property described in subsection (a) only if—

Flood control.

(A) the Company grants the United States a perpetual easement that enables the Federal Government to carry out necessary flood control activities with respect to such real property; and

(B) the Company agrees to permit the County of Los Angeles to use a portion of such real property for parking in connection with recreation activities at Whittier Narrows Golf Course, as the Secretary considers appropriate.

(d) **USE OF FUNDS.**—Any funds received by the Secretary under this section shall be deposited into the general fund of the Treasury.

(e) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal description of the real property described in subsection (a) shall be determined by a survey which is satisfactory to the Secretary. The cost of such survey shall be borne by the company.

(f) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2738. AUTHORIZATION OF LAND CONVEYANCE TO CITY OF ARCADIA, CALIFORNIA

(a) **IN GENERAL.**—Subject to subsection (b), the County of Los Angeles, California, may convey the land described in the Act entitled "An Act to convey certain land in the county of Los Angeles, State of California", approved March 24, 1933, to the City of Arcadia, California.

National parks, monuments, etc.

(b) **REVERTER.**—Any land conveyed pursuant to subsection (a) shall be conveyed subject to the condition that the land be used only for public park, playground, or recreation purposes and that if the land is used for any other purpose, all right, title, and interest in and to such land shall revert to the United States and the United States shall have the immediate right of entry thereon.

SEC. 2739. LAND EXCHANGE, ORLANDO, FLORIDA

(a) **IN GENERAL.**—Subject to subsections (b) through (e), the Secretary of the Army may convey to the City of Orlando, Florida, all right, title, and interest of the United States in and to a tract of real property located in Orlando, Florida, consisting of approximately 36 acres, together with improvements thereon, comprising the United States Army Reserve training facility located at the former McCoy Air Force Base, Orlando, Florida.

(b) **CONSIDERATION.**—In consideration for the conveyance by the Secretary under subsection (a), the City shall—

(1) convey to the United States a tract of real property consisting of approximately 36 acres located at Orlando Jetport, Orlando, Florida; and

(2) design, and construct on such real property, suitable replacement facilities, in accordance with the requirements of the Secretary, for the training activities of the United States Army Reserve.

(c) **PAYMENT BY THE CITY.**—If the fair market value (as determined by the Secretary) of the real property and improvements conveyed by the United States to the City under subsection (a) exceeds the sum of the fair market value (as determined by the Secretary) of the property conveyed by the City to the United States and the fair market value of the facilities constructed by the City on the real property conveyed to the United States under subsection (b), the City shall pay to the United States an amount equal to the difference.

(d) **LEGAL DESCRIPTION OF THE REAL PROPERTY.**—The exact acreages and legal description of properties to be conveyed under subsections (a) and (b) shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) **ADDITIONAL TERMS AND CONDITIONS.**—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate and to protect the interests of the United States.

SEC. 2740. SALE OF LAND AND REPLACEMENT OF CERTAIN WAREHOUSING FACILITIES, KAPALAMA MILITARY RESERVATION, HAWAII

(a) **IN GENERAL.**—Subject to subsections (b) through (g), the Secretary of the Army may convey approximately 14.41 acres of real property, together with improvements thereon, at Kapalama Military Reservation, Hawaii, and may replace and relocate warehousing facilities located on such property.

(b) **CONSIDERATION.**—In consideration for the real property and improvements described in subsection (a), the purchasers of such property and improvements shall pay the United States—

(1) in a manner determined by the Secretary, for the cost of the design and construction of suitable replacement warehousing facilities to be constructed at Schofield Barracks, Hawaii;

(2) for any cost incurred by the Department of the Army under this section with respect to the relocation of warehousing facilities; and

(3) the amount of any difference referred to in subsection (d).

(c) **SALE AND REPLACEMENT ACTIVITIES.**—The Secretary may use any amount received from the purchaser under paragraphs (1) and (2) of subsection (b) for the purpose of carrying out this section.

(d) **PAYMENT OF EXCESS INTO TREASURY.**—If the fair market value of the real property and improvements described in subsection (a) exceeds the costs described in paragraphs (1) and (2) of subsection (b), as determined by the Secretary, the purchaser shall pay the amount of such difference to the Secretary, and the Secretary shall deposit such amount into the Treasury as miscellaneous receipts.

(e) **COMPETITIVE BID PROCEDURES.**—The conveyance described in subsection (a) shall be carried out under competitive bid procedures.

(f) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal description of the real property described in subsection (a) shall be determined by a survey which is satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(g) **ADDITIONAL TERMS.**—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2741. LAND EXCHANGE, AIEA, HAWAII

(a) **IN GENERAL.**—The Secretary of the Navy may transfer to the United States Postal Service jurisdiction over approximately 3.2 acres of real property, together with improvements thereon, located in Aiea, Hawaii, if the Postal Service pays to the Secretary, out of funds available to the Postal Service for obligation, an amount equal to the greater of the following:

(1) The approved fair market value of the property over which jurisdiction is to be transferred (as determined by the Secretary).

(2) The cost of providing fleet laundry and dry cleaning facilities to the Navy to replace facilities located on the real property over which jurisdiction is to be transferred pursuant to this section.

(b) **LEGAL DESCRIPTION OF REAL PROPERTY.**—The exact acreage and legal description of the real property over which jurisdiction is to be transferred under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of the surveys shall be borne by the Postal Service.

(c) **ADDITIONAL TERMS.**—(1) The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interest of the United States.

(2) If the fair market value of the property over which jurisdiction is to be transferred to the Postal Service under subsection (a) exceeds the cost of the replacement fleet laundry and dry cleaning facilities, the Secretary shall deposit the excess into the general fund of the Treasury.

SEC. 2742. LAND EXCHANGE, SANTA FE, NEW MEXICO

(a) **AUTHORITY TO CONVEY.**—(1) Subject to paragraph (4) of this subsection and to subsections (b) through (f), the Secretary of the Army may make the conveyances described in paragraphs (2) and (3).

(2) The Secretary may convey to the City of Santa Fe, New Mexico (hereinafter in this section referred to as the "City"), all right, title, and interest of the United States in and to the southernmost 27.88 acres, more or less, of the parcel of land conveyed to the State of New Mexico in accordance with the Act of June 19, 1956 (70 Stat. 296) and currently being leased to the City as a public park.

(3) The Secretary may convey to the New Mexico State Armory Board (hereinafter in this section referred to as the "Board"), all

right, title, and interest of the United States in and to the northernmost 21.61 acres, more or less, of the parcel of land conveyed to the State of New Mexico in accordance with the Act of June 19, 1956 (70 Stat. 296), and currently serving as the location of the State headquarters of the New Mexico National Guard.

(4) Except as provided in subsection (f)(2), the conveyances authorized in paragraphs (2) and (3) shall be made without reimbursement to the United States.

(b) **CONDITIONS.**—The lands conveyed by the Secretary under subsection (a) shall be subject to the following conditions:

(1) The City shall, in accordance with the agreement entered into under subsection (d), provide to the Board a site of not less than 250 acres determined by the Board to be acceptable for the construction of—

(A) an armory for all New Mexico National Guard units located in Santa Fe, New Mexico;

(B) an organizational maintenance shop;

(C) a United States property and fiscal office building and warehouse;

(D) a headquarters complex for the New Mexico National Guard;

(E) a local training area for the New Mexico National Guard units;

(F) a complex for the New Mexico Army National Guard officer candidate school and noncommissioned officer academy; and

(G) additional facilities specified by the National Guard Bureau or the New Mexico State Armory Board.

(2) The Board shall use the land provided to it by the City pursuant to paragraph (1) for the training and support of the National Guard of New Mexico, and for other military purposes and if the site ever ceases to be used for such purposes, all right, title, and interest in and to such property shall revert to and become the property of the United States which shall have the immediate right of entry thereon.

(c) **MINERAL RIGHTS.**—The conveyances made by the Secretary under subsection (a) shall reserve all mineral rights, including oil and gas, to the United States in accordance with the Act of June 19, 1956 (70 Stat. 296).

(d) **GENERAL AUTHORITY.**—To implement the land exchange authorized by this section, the Secretary may enter into agreements with the City, the Board, and such other parties the Secretary determines are necessary to effectuate the purpose of this section.

(e) **LEGAL DESCRIPTION OF LANDS.**—The exact acreage and legal description of the lands provided by the City to the Board in accordance with subsection (b) shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the City or the Board.

(f) **ADDITIONAL TERMS AND CONDITIONS.**—(1) The Secretary may require such other terms and conditions with respect to the transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

(2) The terms and conditions described in paragraph (1) may include a requirement for payment to the United States by the City or the Board, or both, to the extent (if any) that the value of the property conveyed by the United States pursuant to subsection (a)

exceeds the value of the property conveyed to the Board pursuant to subsection (b).

SEC. 2743. LEASE OF PROPERTY AT THE NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA

(a) **IN GENERAL.**—The Secretary of the Navy may lease to the South Carolina Ports Authority approximately 118 acres of real property, together with improvements thereon, at the Naval Weapons Station, Charleston, South Carolina.

(b) **TERM OF LEASE.**—The lease entered into under subsection (a) may be for such term as the Secretary determines appropriate, but in no event to exceed 25 years.

(c) **CONSIDERATION.**—In addition to the fair rental value to be paid by the South Carolina Ports Authority for the premises leased pursuant to this section, such Authority shall pay for the cost of replacing certain facilities on the leased premises. The replacement facilities shall be constructed in a manner and at a site determined by the Secretary.

(d) **AUTHORITY TO DEMOLISH AND CONSTRUCT FACILITIES.**—The Secretary may, under the terms of the lease, authorize the South Carolina Ports Authority to demolish existing facilities on the leased land and to construct new facilities on such land for the use of such Authority.

SEC. 2744. PROPERTY MANAGEMENT

Maryland.

In accordance with the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) governing transfers of excess property, the Administrator of General Services shall transfer, without reimbursement, to the Secretary of the Army approximately 235 acres of real property (and improvements thereon) near Beltsville, Maryland, for such use as the Secretary of the Army considers appropriate.

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Sec. 3206. Report on war emergency situations and mobilization requirements.

Sec. 3207. Miscellaneous technical amendments.

TITLE III—CIVIL DEFENSE

Sec. 3301. Authorization of appropriations for civil defense functions.

TITLE I—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

SEC. 3101. SHORT TITLE

This title may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1987".

Department of
Energy National
Security and
Military
Applications of
Nuclear Energy
Authorization
Act of 1987.

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

SEC. 3111. OPERATING EXPENSES

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1987 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For weapons activities, \$3,300,879,000 to be allocated as follows:

(A) For research and development, \$866,000,000, of which \$13,000,000 shall be used to continue operation or to close out plasma separation process activities.

(B) For weapons testing, \$517,800,000.

(C) For production and surveillance, \$1,859,700,000.

(D) For program direction, \$57,379,000.

(2) For the defense inertial confinement fusion program \$145,000,000.

(3) For verification and control technology, \$95,390,000.

- (4) For defense nuclear materials production, \$1,516,348,000, to be allocated as follows:
- (A) For uranium enrichment for naval reactors, \$170,000,000.
 - (B) For other uranium enrichment, \$14,500,000.
 - (C) For production reactor operations, \$586,320,000.
 - (D) For processing of defense nuclear materials, including naval reactors fuel, \$489,000,000, of which \$70,900,000 shall be used for special isotope separation.
 - (E) For supporting services, \$234,200,000.
 - (F) For program direction, \$22,328,000.
- (5) For defense nuclear waste and byproduct management, \$431,990,000, to be allocated as follows:
- (A) For interim waste management, \$309,945,000.
 - (B) For long-term waste management technology, \$80,605,000.
 - (C) For terminal waste storage, \$39,100,000.
 - (D) For program direction, \$2,340,000.
- (6) For nuclear materials safeguards and security technology development program, \$60,408,000.
- (7) For security investigations, \$33,300,000.
- (8) For naval reactors development, \$516,505,000.

SEC. 3112. PLANT AND CAPITAL EQUIPMENT

(a) **AUTHORIZATIONS.**—Funds are authorized to be appropriated to the Department of Energy for fiscal year 1987 for plant and capital equipment (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project 87-D-101, general plant projects, various locations, \$29,000,000.

Project 87-D-104, safeguards and security enhancements, phase II, Lawrence Livermore National Laboratory, Livermore, California, \$2,000,000.

Project 87-D-121, general plant projects, various locations, \$30,000,000.

Project 87-D-123, protective clothing decontamination facility, Rocky Flats Plant, Golden, Colorado, \$500,000.

Project 87-D-127, environmental, safety and health upgrade, Mound Plant, Miamisburg, Ohio, \$2,400,000.

Project 87-D-130, receiving and shipping facility, Pinellas Plant, St. Petersburg, Florida, \$300,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, \$5,300,000, for a total project authorization of \$9,000,000.

Project 86-D-104, strategic defenses facility, Sandia National Laboratories, Albuquerque, New Mexico, \$13,000,000, for a total project authorization of \$17,000,000.

Project 86-D-105, instrumentation systems laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$5,800,000, for a total project authorization of \$12,000,000.

Project 86-D-106, laboratory data communications center, Los Alamos National Laboratory, Los Alamos, New

Mexico, \$12,000,000, for a total project authorization of \$15,000,000.

Project 86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado, \$2,420,000, for a total project authorization of \$5,420,000.

Project 86-D-123, environmental hazards elimination, various locations, \$15,000,000, for a total project authorization of \$23,700,000.

Project 86-D-124, safeguards and site security upgrading, Phase II, Mound Plant, Miamisburg, Ohio, \$1,880,000, for a total project authorization of \$4,880,000.

Project 86-D-125, safeguards and site security upgrade, Phase II, Pantex Plant, Amarillo, Texas, \$8,410,000, for a total project authorization of \$9,910,000.

Project 86-D-130, tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina, \$29,700,000, for a total project authorization of \$34,700,000.

Project 85-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase I, various locations, \$14,085,000, for a total project authorization of \$114,885,000.

Project 85-D-103, safeguards and security enhancements, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, \$6,500,000, for a total project authorization of \$27,600,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Las Vegas, Nevada, \$7,400,000, for a total project authorization of \$22,000,000.

Project 85-D-106, hardened engineering test building, Lawrence Livermore National Laboratory, Livermore, California, \$330,000, for a total project authorization of \$3,030,000.

Project 85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, Tennessee, \$19,000,000, for a total project authorization of \$38,800,000.

Project 85-D-113, power plant and steam distribution system, Pantex Plant, Amarillo, Texas, \$1,790,000, for a total project authorization of \$24,790,000.

Project 85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado, \$13,440,000, for a total project authorization of \$34,040,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, \$9,160,000, for a total project authorization of \$28,160,000.

Project 85-D-125, tactical bomb production facilities, various locations, \$12,800,000, for a total project authorization of \$28,800,000.

Project 84-D-102, radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$3,000,000, for a total project authorization of \$40,500,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, \$13,300,000, for a total project authorization of \$79,240,000.

Project 84-D-112, Trident II warhead production facilities, various locations, \$14,500,000, for a total project authorization of \$155,200,000.

Project 84-D-124, environmental improvements, Y-12 Plant, Oak Ridge, Tennessee, \$9,280,000, for a total authorization of \$38,280,000.

Project 84-D-211, safeguards and site security upgrading, Y-12 Plant, Oak Ridge, Tennessee, \$27,220,000, for a total project authorization of \$40,220,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, \$97,904,000, for a total project authorization of \$838,304,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, \$6,000,000, for a total project authorization of \$40,000,000.

(2) For materials production:

Project 87-D-146, general plant projects, various locations, \$31,980,000.

Project 87-D-149, reduced chemical discharges to process sewers, Richland, Washington, \$3,150,000.

Project 87-D-150, radioactive liquid effluent treatment facility, partial design only, Richland, Washington, \$4,000,000.

Project 87-D-152, environmental protection plantwide, Savannah River, South Carolina, \$1,500,000.

Project 87-D-159, environmental, health, and safety improvements, Phase I, Feed Materials Production Center, Fernald, Ohio, \$10,000,000.

Project 86-D-149, productivity retention program, Phases I and II, various locations, \$42,625,000, for a total project authorization of \$66,825,000.

Project 86-D-150, in-core neutron monitoring system, N reactor, Richland, Washington, \$2,760,000, for a total project authorization of \$7,220,000.

Project 86-D-151, PUREX electrical system upgrade, Richland, Washington, \$2,480,000, for a total project authorization of \$4,980,000.

Project 86-D-152, reactor electrical distribution system, Savannah River, South Carolina, \$5,410,000, for a total project authorization of \$7,410,000.

Project 86-D-153, additional line III furnace, Savannah River, South Carolina, \$7,605,000, for a total project authorization of \$9,105,000.

Project 86-D-154, effluent treatment facility, Savannah River, South Carolina, \$15,650,000, for a total project authorization of \$18,150,000.

Project 86-D-156, plantwide safeguards systems, Savannah River, South Carolina, \$8,550,000, for a total project authorization of \$11,550,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, \$32,430,000, for a total project authorization of \$54,430,000.

Project 85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio, \$21,000,000, for a total project authorization of \$39,000,000.

Project 85-D-145, fuel production facility, Savannah River, South Carolina, \$27,500,000, for a total project authorization of \$53,300,000.

Project 84-D-134, safeguards and security improvements, plantwide, Savannah River, South Carolina, \$7,515,000, for a total project authorization of \$34,415,000.

Project 84-D-135, process facility modifications, Richland, Washington, \$24,475,000, for a total project authorization of \$56,975,000.

Project 84-D-136, enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee, \$1,000,000, for a total project authorization of \$20,600,000.

Project 82-D-124, restoration of production capabilities, Phases II, III, IV, and V, various locations, \$3,511,000, for a total project authorization of \$352,045,000.

(3) For defense waste and byproducts management:

Project 87-D-171, general plant projects, interim waste operations and long-term waste management technology, various locations, \$24,535,000.

Project 87-D-172, WESF K-3 filter upgrade, Richland, Washington, \$500,000.

Project 87-D-173, 242-A evaporator crystallizer upgrade, Richland, Washington, \$2,800,000.

Project 87-D-174, 241-AQ tank farm, Richland, Washington, \$2,100,000.

Project 87-D-175, steam system rehabilitation, Phase I, Richland, Washington, \$900,000.

Project 87-D-177, test reactor area liquid radioactive waste cleanup system, Phase III, Idaho National Engineering Laboratory, Idaho, \$700,000.

Project 87-D-180, burial ground expansion, Savannah River, South Carolina, \$2,000,000.

Project 87-D-181, diversion box and pump pit containment buildings, Savannah River, South Carolina, \$960,000.

Project 86-D-172, B-plant F-filter, Richland, Washington, \$2,949,000, for a total project authorization of \$3,949,000.

Project 86-D-174, low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio, \$8,072,000, for a total authorization of \$10,572,000.

Project 86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory, Idaho, \$5,258,000, for a total project authorization of \$7,258,000.

Project 85-D-158, central warehouse upgrade, Richland, Washington, \$1,044,000, for a total project authorization of \$6,744,000.

Project 85-D-159, new waste transfer facilities, Savannah River, South Carolina, \$4,118,000, for a total project authorization of \$24,118,000.

Project 85-D-160, test reactor area security system upgrade, Idaho National Engineering Laboratory, Idaho, \$2,703,000, for a total project authorization of \$6,953,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, \$123,967,000, for a total project authorization of \$721,467,000.

(4) For naval reactors development:

Project 87-N-101, general plant projects, various locations, \$4,800,000.

Project 87-N-102, Kesselring site facilities upgrade, Knolls Atomic Power Laboratory, West Milton, New York, \$5,000,000.

Project 87-N-103, computation laboratory addition, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, \$2,300,000.

(5) For verification and control technology:

Project 85-D-171, Space Science Laboratory, Los Alamos, New Mexico, \$2,000,000, for a total project authorization of \$7,500,000.

(6) For capital equipment not related to construction:

(A) For weapons activities, \$278,000,000.

(B) For the defense inertial confinement fusion program, \$9,000,000.

(C) For materials production, \$107,200,000.

(D) For defense waste and byproducts management, \$35,505,000.

(E) For verification and control technology, \$4,200,000.

(F) For nuclear safeguards and security, \$4,800,000.

(G) For naval reactors development, \$49,200,000.

(b) REDUCTION IN AMOUNT FOR PRIOR PROJECT.—The amount previously authorized for Project 84-D-113, Antisubmarine Warfare/Standoff Weapon Warhead production facilities, various locations, is hereby reduced by \$5,000,000, for a total project authorization of \$5,000,000. Not more than \$5,000,000 of the funds authorized for such project in fiscal year 1986 may be obligated or expended for such project.

SEC. 3113. AUTHORIZATION FOR STRATEGIC DEFENSE INITIATIVE ACTIVITIES

Of the amounts authorized to be appropriated in sections 3111 and 3112, \$317,000,000 is authorized for programs, projects, and activities of the Department of Energy relating to the Strategic Defense Initiative.

PART B—RECURRING GENERAL PROVISIONS

SEC. 3121. REPROGRAMMING

(a) NOTICE TO CONGRESS.—(1) Except as otherwise provided in this title—

(1) no amount appropriated pursuant to this title may be used for any program in excess of 105 percent of the amount authorized for that program by this title or \$10,000,000 more than the amount authorized for that program by this title, whichever is the lesser, and

(2) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the Committees on Armed Services and Appropriations of the Senate and House of Representatives of notice from the Secretary of Energy (hereinafter in this part referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee

before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) **LIMITATION ON AMOUNT OBLIGATED.**—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS

(a) **IN GENERAL.**—The Secretary may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated cost of the project does not exceed \$1,200,000.

(b) **REPORT TO CONGRESS.**—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds \$1,200,000, the Secretary shall immediately furnish to the appropriate committees of Congress a complete report explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS

(a) **IN GENERAL.**—Whenever the current estimated cost of a construction project which is authorized by section 3112 of this title, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(1) the amount authorized for the project; or

(2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress,

construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the Committees on Armed Services and Appropriations of the Senate and House of Representatives of notice from the Secretary of Energy containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) **EXCEPTION.**—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than \$5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY

To the extent specified in appropriation Acts, funds appropriated pursuant to this title may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated. Funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

SEC. 3125. AUTHORITY FOR CONSTRUCTION DESIGN

(a) **IN GENERAL.**—(1) Within the amounts authorized by this title for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construc-

tion project if the total estimated cost for such planning and design does not exceed \$2,000,000.

(2) In any case in which the total estimated cost for such planning and design exceeds \$300,000, the Secretary shall notify the Committees on Armed Services and Appropriations of the Senate and House of Representatives in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) **SPECIFIC AUTHORITY REQUIRED.**—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds \$2,000,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

Defense and
national
security.

In addition to the advance planning and construction design authorized by section 3112, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. ADJUSTMENTS FOR PAY INCREASES

Appropriations authorized by this title for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

SEC. 3129. AVAILABILITY OF FUNDS

When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

PART C—MISCELLANEOUS PROVISIONS

42 USC 7261a.

SEC. 3131. PROTECTION OF SENSITIVE TECHNICAL INFORMATION

Contracts.

(a) **PROPERTY RIGHTS IN INVENTIONS AND DISCOVERIES.**—Whenever any contractor makes an invention or discovery to which the title vests in the Department of Energy pursuant to exercise of section 202(a) (ii) or (iv) of title 35, United States Code, or pursuant to section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) or section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908) in the course of or under any Government contract or subcontract of the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy and the contractor requests waiver of any or all of the Government's property rights, the Secretary of Energy may decide to waive the Government's rights and assign the rights in such invention or discovery. Such decision shall be made within a reasonable time (which shall

usually be six months from the date of the request by the contractor for assignment of such rights).

(b) **MATTERS TO BE CONSIDERED.**—In making a decision under this section, the Secretary shall consider, in addition to the applicable policies of section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) or subsections (c) and (d) of section 9 of the Federal Non-nuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908)—

Defense and
national
security.

(1) whether national security will be compromised;

(2) whether sensitive technical information (whether classified or unclassified) under the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy for which dissemination is controlled under Federal statutes and regulations will be released to unauthorized persons;

(3) whether an organizational conflict of interest contemplated by Federal statutes and regulations will result; and

(4) whether failure to assert such a claim will adversely affect the operation of the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy.

SEC. 3132. RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER ENVIRONMENTAL LAWS

42 USC 7273a.

(a) **RESTRICTION.**—Funds appropriated to the Department of Energy for the Naval Nuclear Propulsion Program or the nuclear weapons programs or other atomic energy defense activities of the Department of Energy may not be used to pay a penalty, fine, or forfeiture in regard to a defense activity or facility of the Department of Energy due to a failure to comply with any environmental requirement.

(b) **EXCEPTION.**—Subsection (a) shall not apply with respect to an environmental requirement if—

(1) the President fails to request funds for compliance with the environmental requirement; or

(2) the Congress has appropriated funds for such purpose (and such funds have not been sequestered, deferred, or rescinded) and the Secretary of Energy fails to use the funds for such purpose.

SEC. 3133. COMMUNITY ASSISTANCE PAYMENTS

42 USC 2391
note.

Section 1532 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1986 (title XV of Public Law 99-145; 99 Stat. 773) is amended by adding at the end the following new subsection:

“(d) **RULE OF CONSTRUCTION.**—The authority of the Secretary of Energy under subsection (a) to provide a final financial settlement with Anderson County and Roane County, Tennessee, and with the City of Oak Ridge, Tennessee, and terminate all annual assistance payments made to those entities pursuant to section 91 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391) does not affect any other right, function, or duty of the Secretary with respect to such Act (42 U.S.C. 2301), and the Secretary shall consider the purposes of such Act a continuing atomic energy defense function of the Department of Energy.”

Tennessee.

SEC. 3134. AUTHORITY FOR DEPARTMENT OF ENERGY CONTRACTOR EMPLOYEES TO CARRY FIREARMS BEYOND BOUNDARIES OF A DOE FACILITY

42 USC 2201.

Section 161 k. of the Atomic Energy Act of 1954 is amended—

(1) by inserting “and subcontractors (at any tier)” in the second sentence after “employees of its contractors”;

(2) by striking out “owned by the United States and” in the second sentence and inserting in lieu thereof “under the jurisdiction of the United States”;

(3) by inserting “or being transported to or from such facilities” in the second sentence after “contracted to the United States”;

(4) by inserting after the third sentence the following new sentence: “An employee of a contractor or subcontractor authorized to carry firearms under this subsection may make such arrests only when the individual to be arrested is within, or in direct flight from, the area of such offense.”; and

(5) by striking out the semicolon at the end and inserting in lieu thereof the following: “. The Secretary, with the approval of the Attorney General, shall issue guidelines to implement this subsection;”.

SEC. 3135. REPORT ON CONTAINMENT FACILITIES

Safety.

The Secretary of Energy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the costs and effects on safety that would result from constructing containment facilities for nuclear reactors of the Department of Energy compared with the costs and effects on safety involved in constructing a new production reactor. Such report shall be submitted not later than March 15, 1987.

SEC. 3136. STUDY OF PRODUCTION REACTOR SAFETY

Washington.
Union of Soviet
Socialist
Republics.

(a) **REQUIREMENT FOR INDEPENDENT STUDY.**—(1) The Secretary of Energy shall request the National Academy of Sciences and the National Academy of Engineering—

(A) to make an independent assessment of the safety of continuing operations of the “N” Production Reactor, located near Richland, Washington, including any technical and safety issues raised by the nuclear reactor accident at Chernobyl in the Soviet Union; and

Reports.

(B) to provide a report on such assessment, together with findings and recommendations, concurrently to Congress and the Secretary not later than March 1, 1987.

(2) The assessment should—

(A) be made by distinguished scientists and engineers drawn from the councils of the National Academy of Sciences, the National Academy of Engineering, and the National Institute of Medicine chosen with regard for their special competence and expertise; and

(B) be conducted in a manner that would allow for appropriate public participation in the review process consistent with statutory requirements to prevent the unauthorized disclosure of classified information.

Reports.

(b) **REVIEW AND COMMENT BY SECRETARY.**—The Secretary shall review the findings and recommendations contained in the report under subsection (a) and shall separately provide to Congress a report containing—

(1) the Secretary's comments on such findings and recommendations; and

(2) a description (including cost assessments) of plans of the Secretary to correct any technical problems described in the report or to carry out recommendations set forth in the report.

SEC. 3137. IMPLEMENTATION OF THE RECOMMENDATIONS OF THE PRESIDENT'S BLUE RIBBON TASK GROUP ON NUCLEAR WEAPONS PROGRAM MANAGEMENT

(a) **ESTABLISHMENT OF COUNCIL.**—(1) Chapter 7 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 179. Nuclear Weapons Council

10 USC 179.

“(a) There is a Joint Nuclear Weapons Council (hereinafter in this section referred to as the ‘Council’) composed of three members as follows:

“(1) The Director of Defense Research and Engineering.

“(2) The Vice Chairman of the Joint Chiefs of Staff.

“(3) One senior representative of the Department of Energy appointed by the Secretary of Energy.

“(b)(1) Except as provided in paragraph (2), the Chairman of the Council shall be the member appointed under subsection (a)(1).

“(2) A meeting of the Council shall be chaired by the representative appointed under subsection (a)(3) whenever the matter under consideration is within the primary responsibility or concern of the Department of Energy, as determined by majority vote of the Council.

“(c)(1) The Secretary of Defense and the Secretary of Energy shall enter into an agreement with the Council to furnish necessary staff and administrative services to the Council.

“(2) The Assistant to the Secretary of Defense for Atomic Energy shall be the Staff Director of the Council.

“(d) The Council shall be responsible for the following matters:

“(1) Preparing the annual Nuclear Weapons Stockpile Memorandum.

“(2) Developing nuclear weapons stockpiles options and the costs of such options.

“(3) Coordinating programming and budget matters pertaining to nuclear weapons programs between the Department of Defense and the Department of Energy.

“(4) Identifying various options for cost-effective schedules for nuclear weapons production.

“(5) Considering safety, security, and control issues for existing weapons and for proposed new weapon program starts.

“(6) Ensuring that adequate consideration is given to design, performance, and cost tradeoffs for all proposed new nuclear weapons programs.

“(7) Providing broad guidance regarding priorities for research on nuclear weapons.

“(8) Preparing comments on annual proposals for budget levels for research on nuclear weapons and transmitting those comments to the Secretary of Defense and the Secretary of Energy before the preparation of the annual budget requests by the Secretaries of those departments.

“(9) Providing—

“(A) broad guidance regarding priorities for research on improved conventional weapons, and

“(B) comments on annual proposals for budget levels for research on improved conventional weapons, and transmitting such guidance and comments to the Secretary of Defense before the preparation of the annual budget request of the Department of Defense.

Reports.

“(e) The Council shall submit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a report on the actions that have been taken by the Department of Defense and the Department of Energy to implement the recommendations of the President’s Blue Ribbon Task Group on Nuclear Weapons Program Management. The Council shall include in such report its recommendation on the role and composition of the staff on the Council. The Council shall submit such report to the Committees not later than March 1, 1987.”

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

“179. Nuclear Weapons Council.”

10 USC 179 note.

(b) **CHAIRMAN OF JCS TO SERVE ON COUNCIL IF THERE IS NO VICE CHAIRMAN OF JCS.**—If on the date of the enactment of this section the position of Vice Chairman of the Joint Chiefs of Staff, or comparable position, has not been established by law, the Chairman of the Joint Chiefs of Staff shall be a member of the Nuclear Weapons Council established by section 179 of title 10, United States Code, as added by subsection (a). If the position of Vice Chairman of the Joint Chiefs of Staff (or comparable position) is established by law after the date of the enactment of this section, the Chairman of the Joint Chiefs of Staff shall remain a member of such Council only until an individual has been appointed Vice Chairman of the Joint Chiefs of Staff.

(c) **REPEAL.**—Section 27 of the Atomic Energy Act of 1954 (42 U.S.C. 2037) is repealed.

SEC. 3138. EXTENSION OF DATE FOR CERTAIN CONTRACT AUTHORITY

(a) **EXTENSION.**—Section 94 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2394) is amended by striking out “June 30, 1986” and “June 30, 1987” and inserting in lieu thereof “June 30, 1996” in both places.

New Mexico.

(b) **BUDGET ACT CONTRACT LIMITATION.**—(1) Such section is further amended by adding at the end the following new sentence: “The authority to enter into a contract under the preceding sentence with the Los Alamos School Board and with the county of Los Alamos, New Mexico, shall be effective with respect to a period before July 1, 1996, only to the extent or in such amounts as are provided in appropriation Acts.”

42 USC 2394 note.

(2) The amendment made by paragraph (1) shall not apply with respect to a contract with the county of Los Alamos, New Mexico, to the extent that it covers the period before July 1, 1987.

TITLE II—NATIONAL DEFENSE STOCKPILE

SEC. 3201. EXTENSION OF PROHIBITION ON REDUCTIONS IN STOCKPILE GOALS 50 USC 98d note.

Section 1612(a)(1) of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 776), is amended by striking out "October 1, 1986" and inserting in lieu thereof "October 1, 1987".

SEC. 3202. DESIGNATION OF NATIONAL DEFENSE STOCKPILE MANAGER

(a) DESIGNATION OF SINGLE STOCKPILE MANAGER.—The Strategic and Critical Materials Stockpiling Act is amended by inserting after section 6 the following new section:

"NATIONAL DEFENSE STOCKPILE MANAGER

"SEC. 6A. (a) The President shall designate a single Federal official to perform the functions of the President under this Act. The official designated shall be an officer who holds a civilian position to which the person was appointed by the President, by and with the advice and consent of the Senate.

President of U.S.
50 USC 98e-1.

"(b) The officer designated by the President under this section shall be known for purposes of his functions under this Act as the 'National Defense Stockpile Manager'."

(b) DEADLINE FOR DESIGNATION.—The President shall designate an official as the National Defense Stockpile Manager, as required by section 6A of the Strategic and Critical Materials Stock Piling Act (as added by subsection (a)), not later than February 15, 1987.

50 USC 98e-1
note.

SEC. 3203. EXTENSION OF USES OF STOCKPILE TRANSACTION FUND AND CODIFICATION OF REVOLVING FUND PROVISIONS

(a) IN GENERAL.—Section 9(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)) is amended—

(1) by striking out the second sentence of paragraph (1); and
(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Subject to section 5(a)(1), moneys covered into the fund under paragraph (1) are hereby made available (subject to such limitations as may be provided in appropriation Acts) for the following purposes:

50 USC 98d.

"(A) The acquisition of strategic and critical materials under section 6(a)(1).

50 USC 98e.

"(B) Transportation, storage, and other incidental expenses related to such acquisition.

"(C) Development of current specifications of stockpile materials and the upgrading of existing stockpile materials to meet current specifications (including transportation, when economical, related to such upgrading).

"(D) Testing and quality studies of stockpile materials.

"(E) Studying future material and mobilization requirements for the stockpile.

"(F) Other reasonable requirements for management of the stockpile.

"(3) Moneys in the fund shall remain available until expended."

(b) CONFORMING AMENDMENT.—Section 110 of Public Law 97-377 (96 Stat. 1911) is amended by striking out "Notwithstanding" and all

that follows through "That during" and inserting in lieu thereof "During".

(c) **APPLICABILITY OF AMENDMENTS.**—The amendments made by subsection (a) apply with respect to funds covered into the National Defense Stockpile Fund before, on, or after the date of the enactment of this Act.

SEC. 3204. AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE

President of U.S.
50 USC 98d
note.

(a) **IN GENERAL.**—(1) The President is authorized to dispose of the following quantities of materials that are currently held in the National Defense Stockpile (established by section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b)) and that are hereby determined to be excess to the current requirements of the stockpile:

Antimony	1,500 short tons
Diamonds, Industrial Stone	1,125,000 carats
Iodine	800,000 pounds
Mercury	3,700 flasks
Mica, Muscovite Film	3,000 pounds
Mica, Muscovite Splittings	262,000 pounds
Silicon Carbide	7,600 short tons
Silver (Coinage Program Only)	3,000,000 troy ounces
Tannin, Chestnut	1,000 long tons
Tannin, Quebracho	4,000 long tons
Thorium Nitrate	10,000 pounds
Tin	4,000 metric tons
Tungsten	1,900,000 pounds of tungsten metal equivalent

(2) Authority provided by paragraph (1) is in addition to any other authority provided by law to dispose of materials from the National Defense Stockpile.

Contracts.

50 USC 98d.

(b) **SPECIAL DISPOSAL AUTHORITY.**—During fiscal year 1987, the President may contract to carry out authorized disposals of materials from the National Defense Stockpile without regard to the limitation in section 5(b)(2) of the Strategic and Critical Materials Stock Piling Act, but only to the extent that the total amount received (or to be received) from such disposals does not exceed the amount obligated from the National Defense Stockpile Transaction Fund during such fiscal year for purposes authorized under section 9(b)(2) of such Act (as amended by section 3203).

SEC. 3205. CONVERSION OF CHROMIUM AND MANGANESE ORE TO HIGH CARBON FERROCHROMIUM AND HIGH CARBON FERROMANGANESE

President of U.S.
Contracts.
50 USC 98d note.

(a) **REQUIRED UPGRADING.**—During each of fiscal years 1987 through 1993, the President shall—

(1) obtain bids from domestic producers of high carbon ferrochromium and of high carbon ferromanganese; and

(2) award contracts for the conversion of chromium and manganese ores held in the National Defense Stockpile into high carbon ferrochromium and high carbon ferromanganese, respectively.

(b) **QUANTITIES TO BE UPGRADED.**—(1) Contracts awarded under subsection (a) shall provide for the addition of not less than 53,500 short tons of high carbon ferrochromium and not less than 67,500 short tons of high carbon ferromanganese to the National Defense Stockpile during each of the fiscal years covered by subsection (a).

(2) If, during any fiscal year referred to in subsection (a), the minimum quantity of high carbon ferrochromium or high carbon ferromanganese to be added to the National Defense Stockpile, as required by paragraph (1), is not met, the quantity of such material to be added to the stockpile in the next fiscal year shall be increased by the quantity of the deficiency.

(c) **SEVEN-YEAR MINIMUM QUANTITIES.**—The total quantities of high carbon ferrochromium and high carbon ferromanganese to be added to the National Defense Stockpile over the seven fiscal years referred to in subsection (a) shall be as follows:

(1) High carbon ferrochromium, 374,000 short tons.

(2) High carbon ferromanganese, 472,000 short tons.

(d) **DEFINITION.**—In this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 3206. REPORT ON WAR EMERGENCY SITUATIONS AND MOBILIZATION REQUIREMENTS

(a) **REQUIREMENT.**—The Secretary of Defense shall submit to Congress a report describing war emergency situations that would necessitate total mobilization of the economy of the United States for a conventional global war of a duration of at least three years. With respect to each such war emergency situation, the Secretary shall include estimates of—

(1) the length and intensity of the assumed emergency;

(2) the military force structure to be mobilized; and

(3) the defense expenditures required during each such war emergency situation.

(b) **STOCKPILE PLANNING.**—The Secretary shall indicate in the report which of the war emergency situations described in the report should serve as the basis for planning for and management of the National Defense Stockpile.

(c) **DEADLINE FOR REPORT.**—The report under subsection (a) shall be submitted not later than January 31, 1987.

SEC. 3207. MISCELLANEOUS TECHNICAL AMENDMENTS

(a) **TECHNICAL AMENDMENTS.**—(1) Section 4(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c(a)) is amended—

(A) by striking out "on the day before the date of the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979" in paragraphs (1) and (3) and inserting in lieu thereof "on July 29, 1979", and

(B) by striking out "on or after the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979" in paragraph (2) and inserting in lieu thereof "after July 29, 1979".

(2) Section 5(b) of such Act (50 U.S.C. 98d(b)) is amended by striking out "(4)" and inserting in lieu thereof "(3), (4)".

(3) Section 11(b) of such Act (50 U.S.C. 98h-2) is amended by striking out "each year" and all that follows through "the next fiscal year" and inserting in lieu thereof "each year, at the time that the Budget is submitted to Congress pursuant to section 1105 of title 31, United States Code, for the next fiscal year."

(b) **CLARIFYING AMENDMENT.**—Section 6(a)(3) of such Act (50 U.S.C. 98e(a)(3)) is amended by striking out "the form most" and inserting in lieu thereof "a form more".

TITLE III—CIVIL DEFENSE

SEC. 3301. AUTHORIZATION OF APPROPRIATIONS FOR CIVIL DEFENSE FUNCTIONS

There is hereby authorized to be appropriated for fiscal year 1987 the sum of \$120,565,000 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.).

DIVISION D—CHILD NUTRITION PROGRAMS

Child Nutrition Amendments of 1986.

42 USC 1751 note.

SEC. 4001. SHORT TITLE; TABLE OF CONTENTS

(a) **SHORT TITLE.**—This division may be cited as the “Child Nutrition Amendments of 1986”.

(b) **TABLE OF CONTENTS FOR DIVISION.**—The table of contents for this division is as follows:

Sec. 4001. Short title; table of contents.

TITLE I—REAUTHORIZATION OF CHILD NUTRITION PROGRAMS

Sec. 4101. Summer Food Service Program for children.

Sec. 4102. Commodity Distribution Program.

Sec. 4103. State administrative expenses.

Sec. 4104. Special supplemental food program for women, infants, and children.

Sec. 4105. Nutrition Education and Training Program.

TITLE II—SCHOOL LUNCH AND BREAKFAST PROGRAMS

Sec. 4201. Basis of commodity assistance.

Sec. 4202. Inclusion of whole milk as a school lunch beverage.

Sec. 4203. Automatic eligibility for certain programs.

Sec. 4204. Limitation on meal contracting.

Sec. 4205. Change in tuition limitation for private schools.

Sec. 4206. Use of school lunch facilities for elderly programs.

Sec. 4207. Pilot projects for administration of child nutrition programs by contract or direct disbursement.

Sec. 4208. Department of Defense Overseas Dependents' Schools.

Sec. 4209. Restoration of certain kindergartens to the special milk program.

Sec. 4210. Improvement of breakfast program meal pattern.

Sec. 4211. Extension of offer versus serve provision to the school breakfast program.

Sec. 4212. Staffing standards.

TITLE III—SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Sec. 4301. Costs for Nutrition Services and Administration.

Sec. 4302. State eligibility for WIC funds.

Sec. 4303. Participation report.

Sec. 4304. Plan of operation and administration.

Sec. 4305. Public comment.

Sec. 4306. Availability of program benefits.

Sec. 4307. Repayment of certain benefits by recipients.

Sec. 4308. Priority funds for WIC migrant programs.

Sec. 4309. Improving State agency administrative systems.

Sec. 4310. Paperwork reduction.

Sec. 4311. Allocation standards.

Sec. 4312. Advance payments.

Sec. 4313. Availability of funds.

TITLE IV—OTHER NUTRITION PROGRAMS

Sec. 4401. Hearings on Federal audit actions under the Child Care Food Program.

Sec. 4402. Basis for nutrition education grants.

Sec. 4403. Extension of alternative means of assistance.

Sec. 4404. National Donated Commodity Processing Programs.

TITLE V—TECHNICAL CORRECTIONS

Sec. 4501. Obsolete provisions.

Sec. 4502. Obsolete references to Health, Education, and Welfare.

Sec. 4503. Conforming amendments.

TITLE I—REAUTHORIZATION OF CHILD NUTRITION PROGRAMS

SEC. 4101. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

Section 13(p) of the National School Lunch Act (42 U.S.C. 1761(p)) is amended by striking out "1984" and inserting in lieu thereof "1989".

SEC. 4102. COMMODITY DISTRIBUTION PROGRAM

Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended by striking out "1984" and inserting in lieu thereof "1989".

SEC. 4103. STATE ADMINISTRATIVE EXPENSES

Section 7(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(i)) is amended by striking out "1984" and inserting in lieu thereof "1989".

SEC. 4104. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (c)(2), by striking out "Subject to" and all that follows through "1984" and inserting in lieu thereof "Subject to amounts appropriated to carry out this section under subsection (g)";

(2) in subsection (g)—

(A) by designating the first and second sentences as paragraphs (1) and (3), respectively; and

(B) by amending paragraph (1) (as so designated) to read as follows:

"(1) There are authorized to be appropriated to carry out this section \$1,570,000,000 for the fiscal year ending September 30, 1986, such sums as may be necessary for each of the fiscal years ending September 30, 1987, and September 30, 1988, and \$1,782,000,000 for the fiscal year ending September 30, 1989."; and

(3) in subsection (h)(2), by striking out "1984" and inserting in lieu thereof "1989".

SEC. 4105. NUTRITION EDUCATION AND TRAINING PROGRAM

The first sentence of section 19(j)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(2)) is amended by striking out "1984" and inserting in lieu thereof "1989".

TITLE II—SCHOOL LUNCH AND BREAKFAST PROGRAMS

SEC. 4201. BASIS OF COMMODITY ASSISTANCE

Section 6(b) of the National School Lunch Act (42 U.S.C. 1755(b)) is amended—

(1) in the first sentence, by striking out "May 15" and inserting in lieu thereof "June 1"; and

(2) in the second sentence, by striking out "June 15" and inserting in lieu thereof "July 1".

SEC. 4202. INCLUSION OF WHOLE MILK AS A SCHOOL LUNCH BEVERAGE

Effective July 1, 1986, section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) by designating the first, second, and third sentences as paragraphs (1), (3), and (4), respectively; and

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

“(2) In addition to such other forms of milk as the Secretary may determine, the lunches shall offer whole milk as a beverage.”.

SEC. 4203. AUTOMATIC ELIGIBILITY FOR CERTAIN PROGRAMS

Effective July 1, 1986, section 9(b) of the National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end thereof the following new paragraph:

“(6)(A) A child shall be considered automatically eligible for a free lunch and breakfast under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), respectively, without further application or eligibility determination, if the child is a member of—

“(i) a household receiving assistance under the food stamp program authorized under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

“(ii) an AFDC assistance unit (under the aid to families with dependent children program authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)), in a State where the standard of eligibility for the assistance does not exceed 130 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))).

“(B) Proof of receipt of food stamps or aid to families with dependent children shall be sufficient to satisfy any verification requirement imposed under paragraph (2)(C).”.

SEC. 4204. LIMITATION ON MEAL CONTRACTING

Effective July 1, 1986, section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by adding at the end thereof the following new subsection:

“(e) A school or school food authority participating in a program under this Act may not contract with a food service company to provide a la carte food service unless the company agrees to offer free, reduced-price, and full-price reimbursable meals to all eligible children.”.

SEC. 4205. CHANGE IN TUITION LIMITATION FOR PRIVATE SCHOOLS

(a) **SCHOOL LUNCH PROGRAMS.**—Section 12(d)(5) of the National School Lunch Act (42 U.S.C. 1760(d)(5)) is amended—

(1) in clause (A) of the first sentence, by striking out “\$1,500” and inserting in lieu thereof “\$2,000”; and

(2) by adding at the end thereof the following new sentence:

“On July 1, 1988, and each July 1 thereafter, the Secretary shall adjust the tuition limitation amount prescribed in clause (A) of the first sentence of this paragraph to reflect changes in the Consumer Price Index for All Urban Consumers during the most recent 12-month period for which the data is available.”.

(b) **SCHOOL BREAKFAST PROGRAMS.**—Section 15(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1784(c)) is amended—

(1) in clause (A) of the first sentence, by striking out “\$1,500” and inserting in lieu thereof “\$2,000”; and

(2) by adding at the end thereof the following new sentence:
 "On July 1, 1988, and each July 1 thereafter, the Secretary shall adjust the tuition limitation amount prescribed in clause (A) of the first sentence of this paragraph to reflect changes in the Consumer Price Index for All Urban Consumers during the most recent 12-month period for which the data is available."

(c) APPLICATION.—(1) The amendments made by subsections (a)(1) and (b)(1) shall apply for the fiscal year beginning on October 1, 1986, and each school year thereafter.

42 USC 1760
 note.

(2) The amendments made by subsections (a)(2) and (b)(2) shall apply for the school year beginning on July 1, 1988, and each school year thereafter.

SEC. 4206. USE OF SCHOOL LUNCH FACILITIES FOR ELDERLY PROGRAMS

Section 12 of the National School Lunch Act (42 U.S.C. 1760) is amended by adding at the end thereof the following new subsection:

"(i) Facilities, equipment, and personnel provided to a school food authority for a program authorized under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) may be used, as determined by a local educational agency, to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.)."

SEC. 4207. PILOT PROJECTS FOR ADMINISTRATION OF CHILD NUTRITION PROGRAMS BY CONTRACT OR DIRECT DISBURSEMENT

(a) PILOT PROJECTS.—Section 20 of the National School Lunch Act (42 U.S.C. 1769) is amended by striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) The Secretary may conduct pilot projects in not more than three States in which the Secretary is currently administering programs to evaluate the effects of the Secretary contracting with private profit and nonprofit organizations to act as a State agency under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) for schools, institutions, or service institutions referred to in section 10 of this Act and section 5 of the Child Nutrition Act of 1966 (42 U.S.C. 1774)."

(b) CONFORMING AMENDMENT.—The first sentence of section 20(c) of the National School Lunch Act is amended by striking out "except for the pilot projects conducted under subsection (d) of this section,".

SEC. 4208. DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS

(a) SCHOOL LUNCHES.—Section 22(d) of the National School Lunch Act (42 U.S.C. 1769b(d)) (as added by section 1408(a) of the Education Amendments of 1978 (92 Stat. 2368)) is amended by striking out "and for" and all that follows through "reduced-price lunch".

(b) SCHOOL BREAKFASTS.—Section 20(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1789) is amended by striking out "and for" and all that follows through "reduced-price breakfast".

SEC. 4209. RESTORATION OF CERTAIN KINDERGARTENS TO THE SPECIAL MILK PROGRAM

Effective October 1, 1986, section 3(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)) is amended—

(1) in the first sentence—

(A) by inserting "(1)" after the subsection designation;

(B) by redesignating clauses (1) and (2) as subparagraphs (A) and (B), respectively; and

(C) in subparagraph (A) (as so redesignated), by inserting "except as provided in paragraph (2)," after "and under,";

(2) by designating the second through eighth sentences as paragraphs (3) through (9), respectively; and

(3) by inserting after paragraph (1) (as so designated) the following new paragraph:

"(2) The limitation imposed under paragraph (1)(A) for participation of nonprofit schools in the special milk program shall not apply to split-session kindergarten programs conducted in schools in which children do not have access to the meal service program operating in schools the children attend as authorized under this Act or the National School Lunch Act (42 U.S.C. 1751 et seq.)."

SEC. 4210. IMPROVEMENT OF BREAKFAST PROGRAM MEAL PATTERN

(a) **ADDITIONAL ASSISTANCE.**—Effective October 1, 1986, section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended by adding at the end thereof the following new paragraphs:

"(3) The Secretary shall increase by 3 cents the annually adjusted payment for each breakfast served under this Act and section 17 of the National School Lunch Act (42 U.S.C. 1766). These funds shall be used to assist States, to the extent feasible, in improving the nutritional quality of the breakfasts.

"(4) Notwithstanding any other provision of law, whenever stocks of agricultural commodities are acquired by the Secretary or the Commodity Credit Corporation and are not likely to be sold by the Secretary or the Commodity Credit Corporation or otherwise used in programs of commodity sale or distribution, the Secretary shall make such commodities available to school food authorities and eligible institutions serving breakfasts under this Act in a quantity equal in value to not less than 3 cents for each breakfast served under this Act and section 17 of the National School Lunch Act.

"(5) Expenditures of funds from State and local sources for the maintenance of the breakfast program shall not be diminished as a result of funds or commodities received under paragraph (3) or (4)."

(b) **NUTRITION REQUIREMENTS.**—(1) The Secretary of Agriculture shall review and revise the nutrition requirements for meals served under the breakfast program authorized under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) and section 17 of the National School Lunch Act (42 U.S.C. 1766) to improve the nutritional quality of the meals, taking into consideration both the findings of the National Evaluation of School Nutrition Programs and the need to provide increased flexibility in meal planning to local food authorities.

(2) Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement the revisions.

SEC. 4211. EXTENSION OF OFFER VERSUS SERVE PROVISION TO THE SCHOOL BREAKFAST PROGRAM

Section 4(e) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)) is amended—

(1) by inserting "(1)" after the subsection designation; and

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

"(2) At the option of a local school food authority, a student in a school under the authority that participates in the school breakfast

Securities.
Agriculture and
agricultural
commodities.

State and local
governments.

42 USC 1766
note.

Regulations.

program under this Act may be allowed to refuse not more than one item of a breakfast that the student does not intend to consume. A refusal of an offered food item shall not affect the full charge to the student for a breakfast meeting the requirements of this section or the amount of payments made under this Act to a school for the breakfast.”.

SEC. 4212. STAFFING STANDARDS

Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) (as amended by section 103) is further amended—

Ante, p. 4071.

- (1) by striking out subsection (b); and
- (2) by redesignating subsections (c) through (i) as subsections (b) through (h), respectively.

TITLE III—SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

SEC. 4301. COSTS FOR NUTRITION SERVICES AND ADMINISTRATION

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

- (1) by striking out paragraph (1);
- (2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively; and
- (3) by inserting after paragraph (3) (as so redesignated) the following new paragraph:

“(4) ‘Costs for nutrition services and administration’ means costs that shall include, but not be limited to, costs for certification of eligibility of persons for participation in the program (including centrifuges, measuring boards, spectrophotometers, and scales used for the certification), food delivery, monitoring, nutrition education, outreach, startup costs, and general administration applicable to implementation of the program under this section, such as the cost of staff, transportation, insurance, developing and printing food instruments, and administration of State and local agency offices.”.

(b) CONFORMING AMENDMENTS.—Section 17 of such Act is amended—

- (1) by striking out “administrative funds” each place it appears in subsections (f)(11), (h)(2), (h)(3), and (h)(4) and inserting in lieu thereof “funds for nutrition services and administration”; and
- (2) by striking out “administrative costs” each place it appears in subsection (h) and inserting in lieu thereof “costs for nutrition services and administration”.

SEC. 4302. STATE ELIGIBILITY FOR WIC FUNDS

(a) ELIGIBILITY.—Section 17(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amended by adding at the end thereof the following new paragraph:

“(4) A State shall be ineligible to participate in programs authorized under this section if the Secretary determines that State or local sales taxes are collected within the State on purchases of food made to carry out this section.”.

Taxes.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to a State beginning with the fiscal year that commences after the end of the first regular session of the State legislature following the date of the enactment of this Act.

42 USC 1786
note.

SEC. 4303. PARTICIPATION REPORT

(a) BIENNIAL REPORT.—Section 17(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by adding at the end thereof the following new paragraph:

“(4) The Secretary shall report biennially to Congress on—

“(A) the income and nutritional risk characteristics of participants in the program;

“(B) participation in the program by members of families of migrant farmworkers; and

“(C) such other matters relating to participation in the program as the Secretary considers appropriate.”

Ante, p. 4071.

(b) USE OF EVALUATION FUNDS FOR REPORT.—Section 17(g)(3) of such Act (as amended by section 104(2)(A)) is further amended by inserting “preparing the report required under subsection (d)(4),” after “health benefits.”

SEC. 4304. PLAN OF OPERATION AND ADMINISTRATION

(a) PLAN.—Paragraph (1) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(1)) is amended to read as follows:

State and local governments.

“(1)(A) Each State agency shall submit annually to the Secretary, by a date specified by the Secretary, a plan of operation and administration for a fiscal year.

“(B) To be eligible to receive funds under this section for a fiscal year, a State agency must receive the approval of the Secretary for the plan submitted for the fiscal year.

“(C) The plan shall include—

“(i) a description of the food delivery system of the State agency and the method of enabling participants to receive supplemental foods under the program, to be administered in accordance with standards developed by the Secretary;

“(ii) a description of the financial management system of the State agency;

“(iii) a plan to coordinate operations under the program with special counseling services, such as the expanded food and nutrition education program, immunization programs, prenatal care, well-child care, family planning, alcohol and drug abuse counseling, child abuse counseling, and with the aid to families with dependent children, food stamp, and maternal and child health care programs;

Indians.

“(iv) a plan to provide program benefits under this section to, and to meet the special nutrition education needs of, eligible migrants and Indians;

“(v) a plan to expend funds to carry out the program during the relevant fiscal year;

“(vi) a plan to provide program benefits under this section to unserved and underserved areas in the State, if sufficient funds are available to carry out this clause;

“(vii) a plan to provide program benefits under this section to eligible persons most in need of the benefits and to enroll eligible women in the early months of pregnancy, to the maximum extent practicable; and

“(viii) such other information as the Secretary may require.

“(D) The Secretary may permit a State agency to submit only those parts of a plan that differ from plans submitted for previous fiscal years.

“(E) The Secretary may not approve any plan that permits a person to participate simultaneously in both the program

authorized under this section and the commodity supplemental food program authorized under sections 4 and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note).”.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to a plan submitted by a State agency under section 17(f)(1) of the Child Nutrition Act of 1966 for the fiscal year ending September 30, 1987, and each fiscal year thereafter.

42 USC 1786
note.

SEC. 4305. PUBLIC COMMENT

Paragraph (2) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(2)) is amended to read as follows:

“(2) A State agency shall establish a procedure under which members of the general public are provided an opportunity to comment on the development of the State agency plan.”.

SEC. 4306. AVAILABILITY OF PROGRAM BENEFITS

Paragraph (8) of section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(8)) is amended to read as follows:

“(8)(A) The State agency shall, in cooperation with participating local agencies, publicly announce and distribute information on the availability of program benefits (including the eligibility criteria for participation and the location of local agencies operating the program) to offices and organizations that deal with significant numbers of potentially eligible persons (including health and medical organizations, hospitals and clinics, welfare and unemployment offices, social service agencies, farmworker organizations, Indian tribal organizations, and religious and community organizations in low income areas).

State and local
governments.

“(B) The information shall be publicly announced by the State agency and by local agencies at least annually.

“(C) The State agency and local agencies shall distribute the information in a manner designed to provide the information to potentially eligible persons who are most in need of the benefits, including pregnant women in the early months of pregnancy.”.

SEC. 4307. REPAYMENT OF CERTAIN BENEFITS BY RECIPIENTS

Effective October 1, 1986, section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end thereof the following new paragraph:

“(15) If a State agency determines that a member of a family has received an overissuance of food benefits under the program authorized by this section as the result of such member intentionally making a false or misleading statement or intentionally misrepresenting, concealing, or withholding facts, the State agency shall recover, in cash, from such member an amount that the State agency determines is equal to the value of the overissued food benefits, unless the State agency determines that the recovery of the benefits would not be cost effective.”.

SEC. 4308. PRIORITY FUNDS FOR WIC MIGRANT PROGRAMS

(a) PRIORITY FUNDING.—Effective October 1, 1986, section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) (as amended by section 104(2)(A)) is further amended by inserting after paragraph (1) the following new paragraph:

Effective date.

Ante, p. 4071.

“(2) Of the sums appropriated for any fiscal year for programs authorized under this section, not less than nine-tenths of 1 percent shall be available first for services to eligible members of migrant

populations. The migrant services shall be provided in a manner consistent with the priority system of a State for program participation.”

42 USC 1786
note.

(b) **ACCOUNTABILITY.**—To the extent possible, accountability for migrant services under section 17(g)(2) of the Child Nutrition Act of 1966 (as added by subsection (a)) shall be conducted under regulations in effect on the date of the enactment of this Act.

SEC. 4309. IMPROVING STATE AGENCY ADMINISTRATIVE SYSTEMS

Ante, p. 4071.

Section 17(g)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(3)) (as amended by sections 104(2)(A) and 303(b)) is further amended by inserting “providing technical assistance to improve State agency administrative systems,” after “subsection (d)(4),”.

SEC. 4310. PAPERWORK REDUCTION

Section 17(h)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(1)) is amended by adding at the end thereof the following new sentence: “The Secretary shall limit to a minimal level any documentation required under the preceding sentence.”

SEC. 4311. ALLOCATION STANDARDS

Section 17(h)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(3)) is amended—

- (1) in the second sentence, by striking out “, which satisfy allocation guidelines established by the Secretary”; and
- (2) by striking out the last sentence.

SEC. 4312. ADVANCE PAYMENTS

Effective October 1, 1986, section 17(h)(4) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(4)) is amended by striking out “shall” and inserting in lieu thereof “may”.

SEC. 4313. AVAILABILITY OF FUNDS

(a) **AVAILABILITY.**—Section 17(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)) is amended—

- (1) by designating the first, second, third, fourth, and fifth sentences as paragraphs (1), (2), (4), (5), and (6), respectively; and
- (2) by inserting after paragraph (2) (as so designated) the following new paragraph:

“(3)(A) Notwithstanding paragraph (2)—

“(i) not more than 1 percent of the amount of funds allocated to a State agency under this section for supplemental foods for a fiscal year may be expended by the State agency for expenses incurred under this section for supplemental foods during the preceding fiscal year; or

“(ii) not more than 1 percent of the amount of funds allocated to a State agency for a fiscal year under this section may be expended by the State agency during the subsequent fiscal year.

“(B) Any funds made available to a State agency in accordance with subparagraph (A)(ii) for a fiscal year shall not affect the amount of funds allocated to the State agency for such year.”

(b) **APPLICATION.**—Section 17(i)(3)(A)(i) of the Child Nutrition Act of 1966 (as amended by subsection (a)) shall not apply to appropriations made before the date of enactment of this Act.

State and local
governments.

42 USC 1786
note.

TITLE IV—OTHER NUTRITION PROGRAMS

SEC. 4401. HEARINGS ON FEDERAL AUDIT ACTIONS UNDER THE CHILD CARE FOOD PROGRAM

Section 17(e) of the National School Lunch Act (42 U.S.C. 1766(e)) is amended—

(1) by striking out “The” and inserting in lieu thereof “(1) Except as provided in paragraph (2), the”; and

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

“(2) A State is not required to provide a hearing to an institution concerning a State action taken on the basis of a Federal audit determination.

State and local governments.

“(3) If a State does not provide a hearing to an institution concerning a State action taken on the basis of a Federal audit determination, the Secretary, on request, shall afford a hearing to the institution concerning the action.”.

SEC. 4402. BASIS FOR NUTRITION EDUCATION GRANTS

Section 19(j)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(2)) is amended by striking out “\$75,000” each place it appears and inserting in lieu thereof “\$50,000”.

SEC. 4403. EXTENSION OF ALTERNATIVE MEANS OF ASSISTANCE

Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end thereof the following new subsection:

“(g)(1) As used in this subsection, the term ‘eligible school district’ has the same meaning given such term in section 1581(a) of the Food Security Act of 1985.

99 Stat. 1594.

“(2) In accordance with the terms and conditions of section 1581 of such Act, the Secretary shall permit an eligible school district to continue to receive assistance in the form of cash or commodity letters of credit assistance, in lieu of commodities, to carry out the school lunch program operated in the district.

“(3)(A) On request of a participating school district (and after consultation with the Comptroller General of the United States with respect to accounting procedures used to determine any losses) and subject to the availability of funds, the Secretary shall provide cash compensation to an eligible school district for losses sustained by the district as a result of the alteration of the methodology used to conduct the study referred to in section 1581(a) of such Act during the school year ending June 30, 1983.

“(B) There are authorized to be appropriated \$50,000 to carry out this paragraph, to be available without fiscal year limitation.”.

SEC. 4404. NATIONAL DONATED COMMODITY PROCESSING PROGRAMS

7 USC 1431e note.

In accordance with the terms and conditions of section 1114(a)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)), whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of the commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies.

TITLE V—TECHNICAL CORRECTIONS

SEC. 4501. OBSOLETE PROVISIONS

(a) **NUTRITION PROGRAM STAFF STUDY; TRUST TERRITORY APPROPRIATIONS.**—(1) Sections 18 and 19 of the National School Lunch Act (42 U.S.C. 1767 and 1768) are repealed.

(2) The first sentence of section 3 of such Act (42 U.S.C. 1752) is amended by striking out “sections 13, 17, and 19” and inserting in lieu thereof “sections 13 and 17”.

(b) **STUDY OF MENU CHOICE.**—Section 22 of such Act (42 U.S.C. 1769c) (as added by section 9 of the Child Nutrition Amendments of 1978 (92 Stat. 3623)) is repealed.

(c) **CONFORMING AMENDMENTS.**—(1) The National School Lunch Act (as amended by sections 207 and 208(a) and subsection (b)) is further amended by redesignating sections 20, 21, and 22 (42 U.S.C. 1769, 1769a, and 1769b) as sections 18, 19, and 20, respectively.

(2) Clause (3) of the first sentence of section 6(a) of such Act (42 U.S.C. 1755(a)) is amended by striking out “section 20” and inserting in lieu thereof “section 18”.

SEC. 4502. OBSOLETE REFERENCES TO HEALTH, EDUCATION, AND WELFARE

(a) **REFERENCES IN NATIONAL SCHOOL LUNCH ACT.**—Clause (1) of the sixth sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by striking out “Health, Education, and Welfare” and inserting in lieu thereof “Health and Human Services”.

(b) **REFERENCES IN CHILD NUTRITION ACT OF 1966.**—(1) The Child Nutrition Act of 1966 is amended by striking out “Health, Education, and Welfare” each place it appears in section 4(a) (42 U.S.C. 1773(a)), subsections (b)(6), (b)(13), (e)(2), (k)(1), and (k)(2) of section 17 (42 U.S.C. 1786), and subsections (d)(2) and (d)(3) of section 19 (42 U.S.C. 1788) and inserting in lieu thereof “Health and Human Services”.

(2) Section 19(j)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(3)) is amended by striking out “Office of Education of the Department of Health, Education, and Welfare” and inserting in lieu thereof “Department of Education”.

SEC. 4503. CONFORMING AMENDMENTS

(a) **DEFINITION OF SECRETARY.**—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended by adding at the end thereof the following new paragraph:

“(8) ‘Secretary’ means the Secretary of Agriculture.”

(b) **REDESIGNATION OF SUBSECTION.**—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) (as amended by sections 105, 402, and 502(b)(2)) is further amended by redesignating subsection (j) as subsection (i).

Ante, pp. 4071,
4079, 4080.

Approved November 14, 1986.

LEGISLATIVE HISTORY—S. 2638 (H.R. 4428):

HOUSE REPORTS: No. 99-718 accompanying H.R. 4428 (Comm. on Armed Services) and No. 99-101 (Comm. on Conference).

SENATE REPORTS: No. 99-331 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 132 (1986):

Aug. 1, 4-9, considered and passed Senate.

Aug. 4, 5, 7, 8, 11-15, H.R. 4428 considered and passed House.

Sept. 18, proceedings vacated and S. 2638 considered and passed House, amended, in lieu of H.R. 4428.

Oct. 15, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 22 (1986):

Nov. 14, Presidential statement.