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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JOHN E. SUNUNU, a Senator from the State of New Hampshire.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray:

Lord, we thank You for touching our Senators' lives. Continue to guide and inspire them. Help them to stand up for truth. Instill in them courage to lead us toward peace and unity. Fill their minds with wisdom and compassion as they strive to give You their best. Protect them from danger. May the desire to do Your will become their highest priority.

Bless America. Turn the hearts of our citizens toward You. Remind us that righteousness exults a nation but sin destroys.

All this we pray in Your holy Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN E. SUNUNU led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. STEVENS).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 29, 2006.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN E. SUNUNU, a Senator from New Hampshire, to perform the duties of the Chair.

TED STEVENS,
President pro tempore.

Mr. SUNUNU thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for up to 2 hours, with the first 30 minutes under the control of the majority leader or his designee, the next 30 minutes under the control of the Democratic leader or his designee, the next 30 minutes under the control of the majority leader or his designee, and with the final 30 minutes under the control of the Democratic leader or his designee.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning, we have set aside 2 hours of morning business in 30-minute increments. At the conclusion of morning business, we will begin the U.S.-Oman free trade agreement, which has a 20-hour debate limitation. However, we are expecting to yield back much of that time. Senators can expect a vote on final passage of that bill when we finish all debate on the measure.

We also will be trying to clear some nominations this afternoon as we finish our work before the Fourth of July recess.

SEX OFFENDER REGISTRATION AND NOTIFICATION ACT

Mr. FRIST. Mr. President, I will take a few moments to address legislation to create a national sex offender registry and to protect our children from sexual predators.

On May 4, the Senate unanimously passed S. 1086, the Sex Offender Registration and Notification Act. This bill, which was introduced by our colleague, Senator HATCH, would create a national sex offender registry and would do what you would suspect, and that is protect our kids from these child predators.

A similar bill has also passed the House of Representatives. Over the last several weeks, the House and Senate have been working diligently to bridge the differences between those two bills. I am pleased with the progress that has been made so far, but I am concerned that the time is running short in the legislative session.

Because time is of the essence, I sent a letter to Chairman SPECTER and Chairman SENSENBRENNER in the House asking them to have such legislation ready for signature by the President no later than July 27, 2006. That is about a month from now. That particular date is in honor of the 25th anniversary of the tragic abduction and murder of Adam Walsh, the 6-year-old son of John and Revé Walsh, who are the founders of the National Center for Missing and Exploited Children.

I ask unanimous consent that the full text of the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, DC, June 27, 2006.

Hon. ARLEN SPECTER,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, DC.

Hon. JAMES SENSENBRENNER, Jr.,
Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.

DEAR CHAIRMAN SPECTER AND CHAIRMAN SENSENBRENNER: Thank you for your diligent efforts to bring the Senate and the House of Representatives together on legislation to create a national sex offender registry and protect children from sexual predators. While I am pleased with the progress made so far, I remain concerned that time may be running short in this legislative session. So today, I urge you to join me in setting a clear goal to have sexual predators legislation ready for signature by the President no later than July 27, 2006—in honor of the 25th anniversary of the tragic abduction and murder of Adam Walsh, the 6-year-old son of John and Revé Walsh, who are the founders of the National Center for Missing and Exploited Children.

John and Revé have transformed the tragedy of Adam's death into a lifelong commitment to protecting children from abduction, abuse, and exploitation. They have been at the forefront of most major child protection legislation passed by Congress over the last quarter century—from the Missing Children's Act in 1982, which improved law enforcement information sharing in missing child cases, to the Protect Act in 2003, which established a nationwide Amber Alert network to coordinate rapid emergency responses to missing child alerts. Their tireless dedication has been an inspiration to parents of child victims and millions of American families.

I know we share a commitment to strengthen laws that protect our children from sexual predators lurking in our neighborhoods or enticing our children online. Currently, there are more than 550,000 registered sex offenders in the United States and at least 100,000 are missing from the system. The loopholes in the current system allow some sexual predators to evade law enforcement and put our children at risk. In addition, we must do more to address an emerging global crisis in child pornography, an estimated $20 billion commercial industry fueled by the Internet. The Internet has become an anonymous gateway for sexual predators to initiate contact with children, win their confidence, and attempt to victimize them. By passing legislation that establishes a national sex offender registry, toughens criminal penalties for sexual predators, and cracks down on child pornography, we can take another step forward in making America safer.

The Senate and the House have both passed bills addressing these issues. It is time to bridge any remaining differences and finish the job. We should not allow extraneous issues to delay the bill.

I look forward to working with you in the weeks ahead.

Sincerely,

WILLIAM H. FRIST, M.D.
Majority Leader.

Mr. FRIST. Mr. President, I am pleased to join with my colleague, Senator REID, who is endorsing this July 27 date as a goal as well. The reason why it is important for us to speak to this now is that there are a number of issues out there that are unrelated to the sex offender registry bill, which are important issues in and of themselves, but in some ways they impede or lessen the likelihood that we are going to get this particular bill through.

The registry is important. By creating a national registry, we are going to make it easier for law enforcement to act if they get a tip and to be able to identify and stop these offenders before they can commit repeat crimes and victimize more children.

Many States, including my State of Tennessee, have registries, but that information is not shared with other States. Therefore, you have these sex offenders simply going from State to State. If a sex offender is registered in Florida and then moves to Tennessee, there is no way to track him today. Under the new law, Florida would have to notify Tennessee law enforcement that the sex offender is moving. It is a big problem.

There are currently 550,000 registered sex offenders in the U.S. and at least 100,000 of them are missing from the system. Every day that we don't have this national sex offender registry, these missing sex predators are out there somewhere. We don't know where they are or whether or who they are victimizing.

So there is a lot we can do. Now is the time for to us do it. The national sex offender registry will save the lives of thousands of children. By passing this legislation, we can take another major step forward to making the country safer. I thank Senator HATCH, and especially Senator REID, for their leadership.

I urge our colleagues in the Senate and in the House to act quickly and get this bill done by July 27. It is for law enforcement officers, it is for parents, and it is especially for our Nation's children.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Democratic leader is recognized.

SEX OFFENDER REGISTRATION AND NOTIFICATION ACT

Mr. REID. Mr. President, first of all, I appreciate very much the statement of the majority leader. I understand that he has other matters, and I will speak to him later about a number of other things.

On the issue of sex offender legislation, yesterday, rightfully so, the majority leader sent a letter to Chairmen SPECTER and SENSENBRENNER asking them to bridge their differences and finish the legislation. I commend Senator FRIST for making this bill a priority.

I agree that this is important legislation, and it should not be stalled by disagreements over controversial, extraneous matters. Specifically, the leader asked the two chairmen to complete work on the bill by the end of July. That timetable seems perfect for me. The Senate passed its version by unanimous consent on May 4. There should be no further delay. I believe this is an urgent matter.

I remind my colleagues that when the Senate passed this version of the bill 2 months ago, Senator KENNEDY—even though he felt very strongly about the hate crime bill—agreed to set that aside. That was a major concession by all of us who favor the hate crimes bill. We made the decision that the sex offender bill should not be delayed by unrelated matters.

Since that time, I am sorry to report that some Members of the House have held up the sex offender bill by trying to add their own pet projects related to the death penalty, habeas corpus, and other matters. They are all important matters, but we have to move forward with this sex crime legislation.

As the majority leader correctly wrote in his letter, ''We should not allow extraneous issues to delay this bill.''

Why is the sex offender bill so important? Because the safety of children is at stake. The national sex offender registry will make it easier for local law enforcement to track sex offenders and prevent repeat offenses. The bill authorizes much-needed grants to local law enforcement agencies to establish and integrate sex offender registry systems.

Is it going to take another news story about yet another brutal assault and murder of some young child to make it clear that we need to act now? I hope not.

Obviously, there are still issues to work out between the House and Senate. I understand that. I favor, of course, the Senate-passed bill, S. 1086, which I think did a better job of distinguishing among types of offenders. We need to move forward without delays or distractions on unrelated issues.

Finally, if anyone ever doubts that one person can make a difference in our country and our world, one only need to look at John Walsh. Because of the tragic event dealing with his son Adam, we now have a National Center for Missing Children. We have a TV program called ''America's Most Wanted,'' and because of that program, we have gotten scores of felons who have done very bad things. I have never met John Walsh, but a former Governor of Nevada was a good friend of his. He told me years ago about this good man. I applaud John Walsh. It is because of him that we are moving forward on this legislation.

Mr. FRIST. Mr. President, I know the Democratic leader has other statements to make. I think the signal that we are both sending is that this is significant legislation. It will directly impact families all over the United States of America. It is an obvious need. We have made huge progress and, as the Democratic leader said, much of that is to be attributed to John Walsh, his family, because of the tragedy they suffered with the loss of their child.

Again, the Democratic leader and I are joined at the hip pushing this

through in the Senate. We, working together, agreed to have a focused bill, a targeted bill, that would accomplish the specific objectives here. And our appeal today is that the House do likewise so we can pass this by July 27.

IMMIGRATION BILL CONFERENCE

Mr. REID. Mr. President, we saw the Senate at its best a few weeks ago when we passed comprehensive immigration reform. Democrats and Republicans, working together, passed a very complicated bill in a relatively short period of time, with dozens of amendments. We passed a bill. People are looking for us to do things together and we did something together. The President was involved in this and I appreciate that very much. We did good border security. We did something to deal with guest workers. We did something to put the 12 million people who are here on a proper pathway to legalization. Even though they have the opportunity to do that, they will not go to the front of the line. It is something we have to do. They will have to have jobs, pay taxes, make sure they stay out of trouble, and learn English. We also put in the bill excellent provisions so that employer sanctions will be enforced.

So we did a good job on this bill. We passed a bipartisan, comprehensive bill that will address the urgent national security issue facing us, and that is immigration and border security. In contrast, the House passed a bill that would make felons out of 12 million people. In addition, potential felons would be a Catholic priest giving eucharist to his parishioners or a health care worker trying to help someone who is homeless or a social worker and many examples where they would become felons.

The bill in the House is mean-spirited and it is wrong. People who run soup kitchens should not be felons. People who are domestic violence counselors should not be felons. Certainly, members of the clergy should not be felons.

A little over 3 weeks ago, I proposed a unanimous-consent agreement that would allow us to move forward a House-Senate negotiation on the immigration bill. I asked consent that we take up the House immigration bill, substitute the text of the Senate bill, and then appoint conferees. My friend, the majority whip, Senator MCCONNELL, objected due to a threat of the House Republicans to ''blue slip'' the bill. Senator MCCONNELL asked that we take up and appoint conferees to H.R. 4096, a House-passed tax bill that is here in the Senate to address the House's constitutional concerns. I think they are unfounded, but I accept Senator MCCONNELL's objection. Therefore, I had no choice but to object because I was concerned that House leaders would use this tax bill as an opportunity for mischief and would insert many items that are repugnant to what we are trying to do with taxes in an immigration bill.

Since then, I have asked the majority leader for some assurances that this procedural maneuver would be used solely to get around the blue slip problem and that the conference report would not be used as a vehicle for tax provisions that have nothing to do with the immigration bill.

The majority leader has provided such assurances to me orally. In addition, Senators SPECTER, GRAHAM, and MCCAIN have given me written assurances that they will not sign a conference report that contains tax provisions unrelated to the immigration bill.

Among other things, this letter says:

As chairman—

That is Senator SPECTER—

and likely members of the immigration conference—

That is Senators MCCAIN and GRAHAM—

we would not sign any conference report that contains tax changes not related to immigration. We simply will not allow the use of the tax bill as a vehicle for comprehensive immigration reform to be abused in conference.

I very much appreciate these three fine men giving me this letter. I think this is a way to move forward.

Based on the oral assurance of the majority leader and the written assurance from these three Republican Senators, we as Democrats stand ready to appoint conferees and to move forward on this bill at any time the majority leader allows that to happen. We are willing to move forward under the terms previously suggested by the majority whip. We would consent to using the House-passed tax bill as a vehicle for this immigration conference based on these new assurances. I hope we can do that as soon as possible.

I express my apology to my friend from Kansas and thank him for being so patient waiting for Senator FRIST and I to complete our morning statements.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I thank my colleague from Nevada, the Democratic leader, for his last statement of willingness to appoint conferees and use other vehicles that will not have the blue slip problem on the House side. Comprehensive immigration reform is a critical and most important piece of legislation we will pass in conference if we can get it done. I appreciate my colleague doing that.

It is a tough topic. He has been willing to work with us along the way, not without difficulties at different steps. I really appreciate his willingness to work on such a difficult topic with us.

Mr. REID. Mr. President, will my friend yield for a question?

Mr. BROWNBACK. Yes, I will.

Mr. REID. The Senator heard the statement I read into the RECORD in the letter from Senators SPECTER, GRAHAM, and MCCAIN. I am confident that the Senator from Kansas agrees that the immigration bill should not contain any extraneous tax matters; is that correct?

Mr. BROWNBACK. Mr. President, I do, and I appreciate the opportunity to say so on the Senate floor as well. I don't want to see this process manipulated and the Senator put in a position where he is not comfortable with trying to get done what we all want. I don't think that is right. I don't think that is the comity of the Senate, and I stand with my colleagues who signed that letter as well.

Again, I thank the Senator for moving this forward. If we can get this immigration bill moving forward, it would be a major accomplishment for us and for the Nation.

STEM CELL RESEARCH

Mr. BROWNBACK. Mr. President, I stand to deliver some good news today to the Senate and hopefully contribute to the debate we are going to have probably in July on the overall issue of stem cells, embryonic stem cells, human cloning, adult stem cells, and cord blood.

I wish to start by saying I think everybody is of good heart and good mind in this body and that they want to try to do something to help people in this country. While we have some differences of opinion on embryonic stem cells and on human cloning, there is strong bipartisan support in the adult stem cell and cord blood area.

The differences come down to the basic view of the youngest of human life. This is a long debate. It has been going on for some time. We have differences of opinion. I view human life as sacred at all of its stages and all of its places. Period. It is unique, it is beautiful, it is a child of the living God. It deserves our respect and protection under law at the very earliest stages of life and at the very latest stages in life. It is life in this country and a life in other countries. It is life seeking to come to this country in whatever form it may be. This life is unique and sacred.

We can try to divide it under law. We can say it is property at this stage of life; it is not worth living at that stage of life. All of those, I think, are false distinctions. Life is sacred, period, per se because it is human and it is sacred, period, because it is human. That is the point of view from which I come. That is the point of view from which I think a lot of Americans come.

When people think about it, when they look at this issue they say: How else would you divide a baby? It is pretty hard to do unless you start where life begins and you end where life ends and you don't draw distinctions in between.

Others are willing to draw that distinction in between and say a human life is not sacred, per se, at certain early stages, or if it is so decrepit at other stages of life. I think those are false distinctions. I don't think they stand the test of science. I don't think

they will stand the test of time. I don't think they will stand the test of reason if one really thinks it through.

That is really where we get to the point of distinction on this debate, on human embryonic stem cells, on cloning humans for stem cells. Scientifically, it may be doable. Ethically, is it moral? Is this human life a person or a piece of property? In our jurisprudence system, they are one of the two: They are either a person or a piece of property. Everything in this room—the Presiding Officer is a person; what he has on is property. People in this room are people, everything else is property.

What is the youngest of human life? Is it person or property? We have had this debate before in this country. We have looked at it; we have drawn distinctions. At points in time, even in our Constitution, we have said a person was only three-fifths of a person, and yet we knew at that time: How can you be three-fifths of a person? That didn't stand the test of time and reason then, and it doesn't stand the test in this country now.

Some will say that the youngest of human life is property and at some point in development it becomes a person. Yet in our jurisprudence system, we don't recognize the transition that you can go from property to personhood and, if so, where on Earth would you draw that line? When would it happen?

The biology is quite clear on this point. If you start out a person, you end up a person. If you start out a human being, you don't become a plant. If you start out a human being, you don't become a desk. If you start out a human, you end up a human. The biology on this is clear. If you are a human embryo and you are given nurture, you end up, by anybody's definition, a full-scale human being. You don't transition. You don't start out as a piece of property or an egg that is going to become an eagle and end up a person. It is one person.

At one point in time, we have all started out as an embryo. Whether you are SAM BROWNBACK, the Presiding Officer, or anybody in this room, we all started out being a human embryo. We didn't start another way. If you destroy us at the earliest stage, you never end up with us at this stage. That is a basic fundamental of the argument.

It is an old, old, old debate for human societies. We have had this debate. Typically, in fighting around the world, people try to dehumanize the other side.

I remember watching a film on Rwanda, ''Hotel Rwanda,'' about the Rwandan genocide. I was just in Rwanda last year and in the Holocaust Museum. The one side persecuting the other side, killing nearly 800,000 in 3 weeks, in the very typical fashion of human beings demonizing the other side and calling them less than human, they were subhuman—they were roaches is what they actually referred to them as.

One can look at old war propaganda and typically one side tries to demonize the other side, calling them something less than human, they are subhuman. That is a very old human debate about whether this is really a person.

The truth is, the debate never stands up under any examination. Of course, the Hutus and Tutsis are humans. Of course, in our earliest Constitution, a slave was treated as three-fifths of a person; they are a full person. They are entitled to personhood. They are entitled to legal status in this Nation.

Of course, any time in the history of mankind when we have deemed somebody less than a full person, we have always lived to regret it, and we always said later on: Wasn't that a horrific episode in human history where somebody was treated less than a human?

Now we are back at that old debate. People are of different minds. They are not of ill will toward anybody. Many are seeking cures to very difficult diseases, to very difficult problems and human maladies and saying: If we can only go here, if we can only research on human embryos that are just frozen; they are not going to come out of the Cryovac; they are going to stay frozen; if we can only do that, if we can just take an egg and fuse it with a cell from my body and create a clone just for a little period of time, we are going to be able to solve all these human maladies; we are going to solve cancer, and we are going to fix Parkinson's disease, and we are going to solve spinal cord injuries.

Then, it comes back, back, back to the same old debate: What is the human embryo that is frozen? Is this a human embryo created by the cloning process? Is it a person or piece of property?

People of good will differ on that division. It is an old debate, and I think the only place to stand is that this is a person and deserves our respect.

That debate is renewed in this bioethics issue. We have been going at it about 6 years now. In August of 2001, the President articulated a strategy of funding both embryonic stem cell research and adult and cord blood research, funding both of them. We have since that time funded embryonic stem cell research to the tune of half a billion dollars, $500 million. So this isn't something people can say we haven't done. We have. Those are Federal funds. No private or State money is included in that money. This is just Federal money, half a billion dollars.

When we started this debate 6 years ago, I stated that for us to research on young human beings is illegal under our law, immoral under our rationale, under our legal system and, really, the law we know in our hearts and unnecessary because we have another way. We can go through adult stem cell work, we can go through cord blood work, and we can come at conclusions that will be successful in treating these human maladies.

The illegal and immoral remain today. We do not allow people to research on the youngest of human beings. It is immoral how you treat the youngest of human beings because if you destroy me at that stage of embryo, I never get to become a full-scale human and realize the potential I have or other people have.

Today, I want to emphasize the unnecessary part of this debate. When we started this debate in 2000, they said there was a lot of promise with adult cord blood, but we don't know if you are right. We actually think we are going to be able to come up with conclusions and solutions using embryonic stem cells or cloning, but you can't come up with them using adult stem cells. There is not enough malleability. They are not what they call in the terminology, pluripotent. In other words, if it is a nerve adult stem cell, it can't make bone. It can't make fat tissue.

It turns out there is a lot more pluripotency or plasticity to these adult stem cells than originally thought, to the point where we have 70 peer-reviewed publications, treating 70—we just celebrated this 2 weeks ago—70 different human maladies with adult stem cells or cord blood.

My good news today is on the illegal, immoral, and unnecessary, we now have a lot of information on the unnecessary side of this debate so that we can go forward full scale in saying we are going to successfully treat these human maladies, and we have 70 treatment areas. Some of these are nothing short of miraculous.

I have a very busy chart here, but that is because this is very busy subject. This is a chart indicating 70 current human—these are not animals—human clinical applications using adult stem cells today. These are the various areas: anemias, autoimmune diseases, bladder diseases. We now have people growing bladders from their own stem cells, taking them out of the body—I believe this is a Florida researcher—putting them on a skeleton and then growing artificial bladders so that people, instead of having pouches on their side, can now have their own bladder grown. This is really taking place.

Cancers, cardiovascular: I want to talk about a group having their hearts regenerated by their own stem cells, but will save that for another day.

Immune deficiencies, liver diseases, neural degenerative diseases, including spinal cord injuries—I will talk about a specific example today: a young lady walking again with the use of braces.

Ocular, wounds and injuries, and metabolic disorders: Those are the general categories that I want to put forward to show the unnecessary side of embryonic stem cells. This is a good news topic with which we can move forward. I have been challenged by some of my colleagues about the scientists who oppose embryonic stem cell research. I have submitted a list of 57 scientists and doctors for the RECORD

in a previous speech who oppose destructive human embryonic stem cell research—oppose it. Embryonic stem cell research is not the right way to go, as a moral issue, for a number of reasons, but there are also a number of reasons why it is unnecessary for us to move forward in this particular category.

There is also the problem—and we saw this on the use of tissues from aborted fetuses, the fetal tissue debate, and, unfortunately, when you use these young stem cells, embryonic stem cells, they tend to form tumors. Embryonic stem cells are very fast-growing, and they form tumors instead of the type of tissue we want. They too frequently are uncontrollable, and they will form tumors. That continues to be the problem in that particular area.

I want to point out this chart to my colleagues regarding this issue. It is not necessary. It is unnecessary for us to do embryonic or cloning research. On the moral issue, it is illegal. But it is also unnecessary because we are getting human treatments to the very things my colleagues said that we needed to do embryonic stem cell research for and that they say we needed to do human cloning to get all of these cures. I am saying it is not necessary. We don't have to go that route, because we are getting the treatments using this ethical route.

So we have this big ethical debate and quagmire, and we have a legitimate route with adult stem cells where we are getting successful treatments for people. Why would we engage in and go the unethical route when we have this big debate and divide? Why would we not just go very aggressively where we are getting human clinical trials with adult stem cells, especially when we are not getting any in the embryonic area? Why wouldn't you fully engage that and say, Well, OK, then we don't have to engage the moral debate. We don't have to say somebody is subhuman and to get to a point in our research. We can say we have a legitimate route to go.

Now I want to talk about the good news highlights here. I want to put up some real patient stories for my colleagues. We had a press conference last week where we had five individuals independently treated with adult stem cells or with their cord blood. This is umbilical cord blood from mother-child that has been saved and preserved and people are being treated successfully in these areas.

I want to put up a picture of Ryan Schneider from Batavia, IL. This is a miraculous story. A beautiful Christmas picture you can see here. It is a picture of him last Christmas, taken just 10 weeks after Ryan's stem cell treatment. There is already a noticeable improvement that he has. This is a young man who has an incredible story. I met him last week and his parents, and I want to say God bless him to him and his parents who really fought through a tough problem of cerebral palsy with him.

His medical problems began at birth. His parents, Mary and Steve, noticed that he was having difficulty with feedings. He was falling behind in his motor skills. His mother is a very sensible woman. She heard the usual arguments of, ''Well, every kid is different, let's wait and see.'' But based on her experience, including raising Ryan's older sister, Katie, his mother knew that something wasn't right.

By the age of 2 he only had two words and he was not gaining weight at all. She writes:

> Pointing, whining, and screaming were his only method of communication. I had him evaluated through the early intervention program and he started speech therapy. So she starts working.
>
> Nine months later he had only gained 1 pound, and after he started speech therapy he spoke only 40 words with no sentence structure, and only close family understood the words.
>
> His upper body strength was weakening. His hands were in fists most of the time. It hurt him to straighten out his hands and arms. It is the little things that only a parent would notice that set the bells off ringing. I presented these concerns to Ryan's pediatrician who referred us to a neurologist.

Having five children, I can just see this developing, and I can see a mother looking at this child and knowing something is not quite right here.

> On July 21, 2005, we got the diagnosis of cerebral palsy. My husband and I felt like we had been punched in the stomach. Who wouldn't, as a parent. Ryan Schneider was diagnosed with cerebral palsy, a disease that affects close to half a million Americans.

Mayoclinic.com describes cerebral palsy as:

> a general term describing a general group of disorders which affects the child's ability to coordinate body and movement. These disorders are caused by damage to a child's brain early in the course of development. Damage can occur during fetal development, during the birth process, or during the first few months after birth.
>
> The group of disorders range from mild to severe. Physical signs of cerebral palsy includes weakness and floppiness of muscles, flaccidity, and rigidity. In some cases neurological disorders such as mental retardation or seizures also occur in children with cerebral palsy.

This doesn't sound like something you would want to confront in your family. Mayoclinic.com also cites that it is not curable—is not curable.

Well, the Schneider family has a story to tell today. Thanks to their persistence and the work of Dr. Joanne Kurtzberg at Duke University, young Ryan has a new outlook on life. Thanks to the amazing work of cord blood adult stem cells. Ryan's mother, on the birth of Ryan, saved the cord blood. That is something I would urge anybody who is watching or thinking about it, to save the cord blood. This is a valuable asset.

Ms. Schneider continues about what she did:

> The light went on the morning following Ryan's diagnosis. I sat up in bed, looked at my husband and said, the doctor said brain injury. We saved his cord blood. I wonder if they are using it to treat cerebral palsy.

This is the day after. The mother sits up in bed: We saved it. What can we do?

> After days of net researching and many phone calls to leading researchers in stem cell therapy, I found very little hope or information and a lot of, ''No, I won't do the transfusion.'' No one would give my son his own cord blood. You can get donated blood products from strangers in time for surgery or trauma. This is absurd. I called Dr. Harris at the cord blood bank where Ryan's stem cells were banked. He suggested I get in touch with Dr. Kurtzberg at Duke University.

I have had Dr. Kurtzberg in to testify—an amazing lady, great stories, and she works with these impossible cases. Remember, cerebral palsy was incurable. Was—was incurable.

> She agreed to do the transfusion, and the transfusion took place on October 11, 2005. Given this opportunity, I set up a protocol system of my own. Pre- and post-infusion evaluations and progress monitoring is being done by Easter Seals. I requested extensive metabolic and chromosomal blood work to be done to rule out any other possibilities with his pediatrician.

So this is a mother working with this doctor saying, OK, we are going to really measure it and see if this is what is happening. Ryan's mother continues:

> My thought was if this works for Ryan, it could change his life and the lives of many other children in the future. Although my efforts were applauded, this should not be the job of a parent, but of the medical community and the Federal Government to allocate research dollars. Until this is a proven treatment, insurance companies typically will deny benefits, leaving a huge financial burden on the family and precious few places to receive hope.
>
> Six months post-infusion, the progress Ryan has made is more than remarkable; it is phenomenal. He is no longer in need of any physical or observational therapy, as his dexterity in his hands and arms has returned. His feeding issues are gone—were gone within 30 days. He is now at a normal rate of growth. He speaks clearly for a 3 year old, and he does so in sentences. His vocabulary is on target and age appropriate, and he is totally engaged in his surroundings. His pediatrician, neurologist, behavioral psychologist, Easter Seals OT, physical therapist and the feeding clinic are in agreement that these changes have occurred post cord blood transfusion. They can offer us no other explanation, yet we must all err on the side of caution, preventing false hope until proper research is completed.

So you basically see a mother looking for any researcher in the country who will do this. When I talked to the mother last week, she said Dr. Kurtzberg said to her, Yes, I will do the transfusion. The worst thing that can happen here is nothing. This is his own cord blood. The worst thing that can happen is nothing. But without it, he is going the wrong way. Let's try it.

> The OB–GYN that delivered Ryan and collected his cord blood asked me, ''What in the world made you think of that? It is wonderful and very exciting news.'' I got that kind of reaction from the other doctors in Ryan's case and thought, ''How could I not think of it?'' When your child is in trouble, you use all available resources to fix the situation to the best of your ability.
>
> All of Ryan's doctors are given updates and progress reports as they come. I have come

in contact with Dr. Mindy Lipson-Aisen, the National Director of the United Cerebral Palsy Foundation. She would like to see a study begin with this treatment and has offered a grant to make that happen. The Easter Seals Dupage have been very accommodating with Ryan's needs. Based on conversation with them, I am sure that additional funding would be available.

Clearly, more adult stem cell work in this area is something that we need to do, with half a million CP patients in the country and more coming all the time. Why not head this off?

We owe our thanks to the mice and men that helped us get this far, but it is not about them, it is the children and others that may benefit. The resource and treatment accessibility needs to be changed. Funding research for children in need who have access to their cord blood in either a private or public bank will be a low-risk, high-yield and ethical place to start. Ryan and others should not be referred to as an anecdotal response as a society. We all deserve better than that.

Part of my point in mentioning Ryan's story is that as we divert resources from these areas that are working in adult cord blood research and putting half a billion dollars in very speculative, embryonic stem cell research that is still producing tumors, or even in more speculative cloning research, kids like Ryan don't get the treatment from a protocol that has been developed and is actually working. So why do we take a half a billion dollars from Ryan to put it over here in this speculative area that has moral questions as well, and kids like Ryan don't get treatment or we don't develop a protocol or we don't expand it across the country? What sense does that make that we would do that? For the sake of research?

I am for research, but I am more for treating kids like Ryan and getting more of them cured from CP and other diseases. Funding adult stem cells which are working is more important than saying, OK, we are going to prove that something doesn't work over here. We are going to prove that this doesn't work with embryonic stem cells or we are going to prove that this doesn't work with cloning when I could instead be really treating a bunch of kids like Ryan. Why would we do that?

Ryan was on the cover of The Hill newspaper last week flexing his muscles. His mother said his arms used to retract. Now he is on the front cover of The Hill, he has his arms outstretched, and he is showing his muscles like a good 3-year-old. His sister complains that he bugs her all the time, which to a parent is usually a very healthy sign that this is working. These are real people getting real treatments and real cures.

I want to go now to an example that is another miraculous example of a treatment area. I am only giving you two stories of the five that were in last week, and these are only two areas in the 70 that are getting treated with adult cord blood.

This is Jacki Rabon, a paraplegic, an amazing case and amazing young lady. She lives in central Illinois. I have a picture of Jacki here. This is a picture after her adult stem cell treatment. I want to give you the background on her.

Jacki Rabon is an 18-year-old paraplegic. She was on Capitol Hill last week with her mother and sister touting adult stem cell advances in the area of spinal cord injuries. Three years ago, Jacki was a very active 16-year-old who played volleyball in school, and was an outstanding player. In fact, she had hopes of going to college on a volleyball scholarship. All that changed.

She was riding in an SUV on a gravel road when it flipped multiple times. She landed on her back on that country road. She spent the next month in the hospital. Jacki writes:

That day changed my outlook. I was living a nightmare after this tragedy. I really thought my life was over. I couldn't imagine not playing volleyball anymore, jumping on my trampoline with my young nephew, chasing after my niece, or just taking a walk around my small community. Not only does something like this change the victim, but it also seriously disrupts and affects your family. I am a paraplegic with no feeling below the belly button. I had to learn to become independent again; to dress, bathe, transfer from place to place, and take care of my personal hygiene and toiletry issues. It was so difficult, and I struggled with these once simple tasks. After I accomplished these, I was released and allowed to come home. I was simply told, You will never walk again. That was my prognosis.

A 16-year-old paraplegic, an accident, ''You will never walk again.''

Jacki continues:

I got back to school a few months later and that was another adjustment. Everything looks and works differently when you are sitting in a wheelchair. I had to deal with a lot of depression and sadness, but I tried to continue with my life the best that I could. I truly believe that my faith got me through. If it wasn't for this amazing love of God, my strong will and determination, I don't know if I could have proceeded with what my life had become. But I have great determination along with the comforting faith and I didn't intend on giving up that easily. I wanted to give life another opportunity with my new ''lifestyle.''

I would like to pause in the telling of Jacki's story for just a moment. I have asked my colleagues to imagine what goes through the mind of a 16-year-old in this predicament. Beyond the physical pain, try to imagine the mental anguish. You have your life in front of you—endless opportunities in America—and it is taken up in a snap, in an accident—gone. You wake up one morning; all is normal. You get up and you brush your teeth, put on your clothes; you go for a jog and continue on with the day. The next morning you wake up and you cannot move, cannot brush your teeth, cannot put on your clothes or go for a jog. Your entire life has changed.

You desperately long for a cure. You would follow almost anyone or believe almost any story if it seemed credible, if it might produce a cure, if the person had the right credentials and respect.

Unfortunately, some people are putting forward stories and saying we are going to cure this with embryonic stem cells or human cloning, but these areas are not working. You hear, ''If only we have more Federal research money it will work.'' But I want to point out here, in Jacki's particular case, that she had a place to go and an area to try. I want to point out this work was done by a Portuguese doctor, Dr. Lima, and talk to you about Jacki finding Dr. Lima in Portugal and what happened.

Jacki continued, after going through this despair and depression. She writes this.

My world changed again in the fall of 2004. My pastor was watching a PBS show when the special called ''The Miracle Cell'' was aired. It was about a procedure called ''Olfactory Mucosa Transplantation'', being done in Portugal by Dr. Carlos Lima. It involved removing tissue from a patient's olfactory sinus area and transplanting it into the spinal cord at the initial injury site. My pastor called the house and urged us to turn on the show. We did and were glued to the story. I listened to amazing recovery of returned sensation and even the ability to walk again with continued rehab from others after having this surgery. I remember thinking, ''There's my chance!'' I knew I wanted to pursue this possibility for me.

My mom and I started researching this procedure on the Internet and collected as much information as we could. We discovered a Spinal Cord Injury Institute getting ready to open in Detroit, Michigan that summer. This institute was closely associated with Dr. Lima. We called to see if we could get an appointment to go and meet Dr. Steve Hinderer and asked about the procedure in depth and inquire about my chances of getting it done.

I did go to Detroit and was told that I could well be a good candidate. I was given the guidelines and criteria for having this done. After many months of additional testing, x-rays, etc. I was accepted.

This was very exhilarating for me. I had read about the success stories of the individuals that have gone before me. Their various success stories gave me so much hope!!

I had so much support from my family, friends, church, community and surrounding areas to raise the $50,000.00, needed to have this surgery. Without this overwhelming support I could not have gone forward with this incredible opportunity.

I went to Portugal in October 2005. I had the procedure done on October 29th. My experience in Portugal was not all pleasant. My mom and I had to deal with the language barrier and the unfamiliar culture. I returned to the states on November 5th. I rested at home for a few weeks, then went to Detroit to the Institute for aggressive rehab. Rehab was very tiring and indeed very aggressive. It was an exhausting experience but a very rewarding one. It was there that I took my first steps on the parallel bars. I was up!!!

My progress since undergoing this surgery has been amazing!! I have a lot of hip movement, some tingling and heaviness in my legs. I have continued with my rehab regimen at home. I have leg braces that were fitted to me. I can walk on parallel bars and have begun walking with a walker. I am up on my feet again!!!! That's the most satisfying feeling. Unless you have been confined in a wheelchair for an extended amount of time, you can't really know how rewarding it is to be standing again.

This brings me to the ongoing debate over adult stem cell research. I did not think a lot

about this issue before the accident but now it has sparked a great interest within me. First, I am very much against embryonic stem cell research and advancement. I do not support this aspect at all. The killing of human life is appalling to me. But with adult stem cell and non-embryonic stem cell research I have become an advocate. My personal experience with adult stem cell transplantation should awaken the United States to the unlimited possibilities. This technique is simply ''your body healing itself''. Medical research in the United States has always been respected and admired for the advances toward cure for cancer, arthritis treatments and medication, heart disease and other well-known diseases and ailments. But when it comes to spinal cord injuries, the U.S. is very much in the negative category. We as taxpayers pay more money in the daily care of a spinal cord injury victim than we do on a cure. Now why is that???? The medical society treats the injury at the onset, then teaches the individual to live in a wheelchair and function accordingly. Then they are sent home and told, ''You will never walk again''. I experienced that first hand.

But I am walking again. I have goals of walking by the end of the year with my braces and crutches. This was made possible by the procedure in Portugal and aggressive rehab. But I had to leave the comfort of my home and country and travel to a foreign area to get this done. Now that is sad, isn't it?

This tragedy that happened to me can happen to anyone. It could be your wife, husband, son, daughter or friend. What would you want for them? Simply a statement, ''You'll never walk again'' or ''Never give up hope—there is a better option for you.''

Wake up, United States!!!! We are missing out. Let's look at the issue in a more personal level—I can walk again.

Sincerely,

JACKI RABON,
Waverly, IL.

Jacki was up last week. She now has feeling in her hips. She is out of the wheelchair. She can walk with braces. She needs more of these treatments.

My point in saying this, why are we sending her to Portugal to do this procedure when this should be done in the United States and researched in the United States? She is probably going to need more of these treatments to get the spinal cord to fully fuse. They take these cells out of the base of the nose, grow them, put them right in the spinal cord area where it has broken, and they start to knit the spinal cord back together. But it is probably not going to be just one treatment. It is probably going be multiple treatments.

She had to do fundraising to raise $50,000 to go overseas to do this. It was not covered by an insurance company. Why wouldn't we develop protocols here to get this done with adult stem cells instead of diverting research money into speculative areas like embryonic stem cells and human cloning? We should put funding into areas to help people like Jacki.

I ask unanimous consent to have printed in the RECORD a table on the level of funding we have done on embryonic and nonembryonic areas.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. FEDERAL TAXPAYER FUNDING—TOTAL NIH STEM CELL RESEARCH—FY 2002–FY 2006

[Dollars in millions][2]

	FY 2002 Actual			FY 2003 Actual			FY 2004 Actual			FY 2005 Actual			Combined total		
	Non Embryonic	Embryonic	Total	Non Embryonic	Embryonic	Total	Non Embryonic	Embryonic	Total	Non Embryonic	Embryonic	Total	Non Embryonic	Embryonic	Total
Human Subtotal	170.9	10.1	181.0	190.7	20.3	211.0	203.2	24.3	227.5	199.4	39.6	239.0	764.2	94.3	858.5
Nonhuman, Subtotal	134.1	71.5	205.5	192.1	[1]113.5	305.6	235.7	[1]89.3	325.0	273.2	97.0	370.2	835.1	371.3	1,206.3
NIH, Total	305.0	81.6	386.6	382.9	[1]133.8	516.6	439.0	[1]113.6	552.5	472.5	136.7	609.2	1,599.4	465.7	2,064.9

[1] Decrease from FY03 to FY04 is the result of a change in methodology used to collect nonuman embryonic funding figures. This methodology change also contributed to an increase in nonhuman non-enmbryonic.
[2] Numbers may not add due to rounding.

Mr. BROWNBACK. I thank the Chair for this time. I also note to my colleagues we are going to have, I hope, a full-scale debate on this in July, and I hope my colleagues would look at where the science is taking us. The moral questions I think are clear. To others they are not. This is illegal and immoral.

The bigger question in front of us now is, is embryonic fully unnecessary? Why would we proceed on this route?

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MURKOWSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURBIN. Madam President, what is the order of business?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. DURBIN. And the minority side has?

The PRESIDING OFFICER. The minority side has 30 minutes.

EMBRYONIC STEM CELL RESEARCH

Mr. DURBIN. Madam President, I would like to follow up on the statement just recently made on the floor by my colleague and friend from the State of Kansas, Senator BROWNBACK. I deeply respect his personal, strong, moral, and religious convictions when it comes to this issue. But I respectfully disagree with his conclusion.

In August of 2001, just a few weeks before the 9/11 attacks, President George W. Bush made an announcement which was virtually unprecedented. The President made the announcement that he was, by executive order, going to restrict medical research in America.

I can't recall that ever happening before. Perhaps there had been decisions made at lower levels that could parallel this, but this was unprecedented, that our leader, our President, would announce that as a matter of policy the Federal Government, the U.S. Government, would limit research, medical research.

Of course, his announcement on how he was going to do it left many people puzzled. It was all over the question of embryonic stem cell research. It is a complicated area that I don't profess any special expertise in speaking to. But my understanding is that when a husband and wife are unable to conceive a child in the normal way, they turn to a process known as in vitro fertilization where they try to replicate in a laboratory what happens in normal human life. They bring together the egg from the woman, the sperm from the man, and join them into a life which is then implanted into the womb of the mother.

I think it is miraculous and a source of great happiness and joy for couples who otherwise would not have children.

There are some religions which believe that this whole process is immoral, that we should not allow anyone to engage in this kind of in vitro fertilization. I happen to believe from an ethical viewpoint that if a husband and wife in a loving relationship are so determined to have a child that they will go to this length and this extent and then God blesses them with a child, that is a good thing. That is my conclusion. That is how I come down on it. So I would not ban this process. I think this process is a positive thing, a positive family value.

But the process, much like the ordinary human process of conception and creation, is not one that is absolutely perfect. In the ordinary process of human conception not all of the communions of this sperm and egg result in human life. Neither do they in the in vitro fertilization process. So at the end of the day when these couples are seeking to have a baby there is left over these potential lives in this little glass dish in a laboratory.

Our debate is about those potential lives. They will never become children. They never have a chance to become children or babies, obviously, unless they are implanted in a mother's womb.

That is the reality. What happens is that many of these couples, after spending extraordinary amounts of

money, end up freezing these leftover embryonic stem cells in case their effort is unsuccessful so they can try again.

When they are successful the question then arises, what happens to these embryonic stem cells? If there is no purpose for them, many of these couples say, Discard them; we don't need them anymore. And they are discarded and thrown away

So the question which we face is whether or not those stem cells should be taken and used in medical research. Why would we want to? Because they are special. Because of the nature of these stem cells, they have the greatest potential to be helpful in curing diseases and in dealing with medical challenges that no other branch of research has been able to address.

This stem cell research was addressed by President George W. Bush in August of 2001. He came up with a morally curious position. He said that all of the stem cell lines that had been created to the date preceding his speech could be used for medical research, but no others in the future.

I don't follow the moral argument of how some stem cells can be used with immunity and from that date forward no others can be used. Sadly, the stem cell lines that he identified were very limited. Some had been contaminated. Their potential for medical research is extremely restricted. So the debate has moved from the President's decision to Capitol Hill.

The House of Representatives has passed legislation. If you would pick up the calendar of the Senate, you would find H.R. 810. H.R. 810 is a legislative measure that has passed the House of Representatives and has come to the Senate and has been sitting on this calendar for 1 year. In the course of that period of time, we have received the assurance of the Republican leader, BILL FRIST, a medical doctor, that he will support the passage of stem cell research. For 1 year we have been waiting, 1 year in which thousands of Americans suffering from diabetes, Parkinson's disease, Alzheimer's, Lou Gehrig's disease, spinal cord injuries have been waiting. They have been waiting to get on the political calendar of the United States Senate. I don't understand why we have not called up this bill for consideration.

Look at what we have done in the month of June. We have considered two constitutional amendments which have been defeated, neither of which are high priorities for Americans. Don't take my word for it. In a poll of Americans they said, pick out the most important things you think the Senate can work on, and out of 40 choices that people volunteered, No. 32 on the list was gay marriage—out of 40 choices—and the flag amendment didn't even make the list. We ate up the precious time of the Senate during the month of June on these measures which were defeated. Weeks went by when we could have considered stem cell research, medical research that offers an opportunity for cures for people who are suffering across America.

Then the Republican majority leader said, it isn't enough that we are going to spend time on constitutional amendments going nowhere; we are now going to consider a change in the estate tax which will give extraordinary tax breaks to the richest people in America. The estate tax affects 3 out of every 1,000 Americans who die. Only 3 out of 1,000 pay any Federal estate tax. They are very wealthy people. By and large they make a lot of money. America has been very good to them. They have enjoyed a comfortable life because of their own talents and perhaps the good fortune of being born into a wealthy family.

Senator FRIST has suggested that rather than focus on the tens of thousands of Americans who would be benefited by stem cell medical research, we need to focus on a handful of Americans who are well off and give them a bigger tax break.

I am afraid that is why most Americans are losing hope in this Congress. They look at this Republican-led Congress and wonder, What are they thinking? Why aren't we debating an energy policy for America when gasoline prices are going through the roof? Why aren't we talking about health insurance for the 46 million Americans without health insurance and for the millions who have health insurance that isn't worth much? Why aren't we spending time passing the stem cell medical research bill, which passed on a bipartisan basis in the U.S. House of Representatives?

There is no explanation. The only explanation is, it doesn't fit into the campaign game plan of the Republican leadership. Do you know why? Because when you ask the American people, do you want us to move forward on medical research involving stem cells, 70 percent of the American people say yes.

It is an overwhelmingly popular bipartisan issue which the Republican side is scared to death of. That is unfortunate. We need to call on this.

I guarantee that when we return after the Fourth of July recess, the month of July is going to be stem cell month in the Senate. We are going to, with regularity, come to the floor and not only speak to this issue but ask unanimous consent to move to this issue. And every single day, the Republican leadership will have a chance to say, yes, to give hope to millions of people across America who want to see this medical research go forward or, no, to stick to their narrow political agenda in the hopes that the American people won't notice. I think they will. I think a lot of people will notice this one.

I have had a chance to meet with people in Chicago and across Illinois suffering from these diseases. They are heart-breaking meetings. Sit down with the parents of a child suffering from juvenile diabetes and let them tell you what their life is like as they wake up their little girl two times in the middle of the night to take a blood sample to see if perhaps her diabetes is out of control. Talk to the family of that young man suffering from Lou Gehrig's disease who looks like the picture of health but confined to a wheelchair and can no longer speak. His wife speaks for him while tears roll down his face. Talk to my friend suffering from Parkinson's disease, including my great friend and colleague, Congressman LANE EVANS from Rock Island, IL, a young man suffering from Parkinson's and decided that he must step aside from Congress because of this battle.

Speak to those people and tell them that we have higher priorities than this medical research. I don't think you can. I can't. That is why stem cell month is going to be the month of July. This Senate is going to have its chance. We are going to continue to bring this up until Senator FRIST keeps his promise to bring this measure before the Senate before he leaves at the end of this year.

We are running out of time. America is running out of time. We need this medical research, and we need it now. There are no good excuses left.

MEDICAID DOCUMENTATION REQUIREMENT

Mr. DURBIN. Madam President, it has been less than 4 months since passage of the Deficit Reduction Act. That bill cut Medicaid health benefits for our Nation's low-income children, seniors, pregnant women, and people with disabilities.

One provision of the bill requires Medicaid beneficiaries to present a passport or birth certificate as proof of citizenship before they are eligible for benefits or to renew their benefits.

All States had the legal authority to require beneficiaries to furnish these documents before we passed the Federal law. However, 47 States have made the decision not to require that identification of Medicaid recipients.

Many low-income Americans don't have these documents, and most States have decided that requiring them would create a hardship and a barrier to health care for some of the poorest people in America.

Instead, States allowed written self-declaration of citizenship and had what are called prudent person policies in place if State personnel were suspicious and wanted further proof.

The inspector general of the Department of Health and Human Services conducted a review of these self-declaration policies and found that most States that conducted post-eligibility quality control measures have not found any problems with self-declaration of citizenship. The system was working.

Nevertheless, Congress passed the documentation requirement which will

go into effect on Saturday, only 3 weeks after the Department of Health and Human Services sent guidelines out to the States. That is hardly adequate time to implement a very difficult provision.

This is going to hurt a lot of vulnerable Americans. Foster children who met citizenship requirements to enter the foster care system will have to go out and prove that they are Americans.

The 850,000 Alzheimer's patients on Medicaid will have to somehow locate these documents or run the risk of losing Medicaid protection.

Nursing home residents, 75 percent of whom have some cognitive impairments, such as Alzheimer's or Parkinson's or dementia, are going to have to come up with citizenship documents or be cut off from Medicaid.

For example, Kevin Harris, who lives in Chicago, is blind and mentally impaired. Kevin does not have a birth certificate, and his legal guardian does not know where to begin looking because Kevin doesn't remember where he was born. As of Saturday, Kevin will have to find his birthplace or he will become ineligible for health benefits when it comes time to renew.

At the very least, States should have more time to work with these unfortunate individuals who are struggling with serious medical illnesses. Throwing these paperwork requirements at people who are struggling to live day to day is not right.

The Akaka bill, sponsored by the Senator from Hawaii, which I am proud to cosponsor, will allow States to delay implementation of this rule until January 31 of next year. It will give them an additional 6 months to at least get this in place. That will give all of those involved time to figure out how to avoid letting people like Kevin Harris lose health care protection in America

UNANIMOUS-CONSENT REQUEST—S. 3590

Mr. DURBIN. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 3590, a bill to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid Program.

The PRESIDING OFFICER. On behalf of the leadership, I object.

Mr. DURBIN. I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

JAPANESE BAN OF U.S. BEEF IMPORTS

Mr. NELSON of Nebraska. Madam President, I rise today to discuss the devastating Japanese ban on imports of American beef and a bill that I have introduced that would ban imports of Japanese beef until such time as fair trade is resumed and Japan is once again importing U.S. beef. I am raising this issue because of its importance in my State of Nebraska and to the entire American beef industry.

Today, Japanese Prime Minister Koizumi visits with President Bush—in fact, they are together right now. I hope they are talking about the beef ban, but if they are not; I am. It is important that this devastating and unfair ban on U.S. beef does not get ignored.

Japan has now banned imports of U.S. beef for over 5 months. This ban has had significant affects on the U.S. beef industry and it has hit home in Nebraska.

First, Japan used to represent a $1.4 billion market every year for U.S. beef, which equals about $115 million every month—and Nebraska was the leading beef exporting State to Japan. That means Japan's most recent ban has directly cost the U.S. beef industry at least $575 million.

But this is only part of the problem. In December of 2003, Japan closed its borders to U.S. beef over purported concerns about BSE or mad cow disease. Their borders remained closed for over 2 years, until December 2005 and were opened barely a month before closed again in January 2006. This in spite of the low prevalence of BSE in the U.S. herd, especially compared to its prevalence in the Japanese herd.

Second, my home State of Nebraska has been hit especially hard. The beef industry is a big part of Nebraska's economy—we were one of the top States in cattle fed and cattle slaughtered in 2005 and Japan imported $350 million of Nebraska beef products in 2003.

We have estimated that both Japanese bans on U.S. beef imports have caused great damage in the State—up to $875 million and more than 1,300 jobs, including two plants in West Point and Norfolk that were closed due in part because of this ban.

Because of this I write to Japanese Ambassador Kato every week to urge Japan to end the ban as quickly as possible. Each time, I emphasize two main points: (1) That American beef is the best and safest in the world and (2) that Japan needs to end its ban on U.S. beef immediately. Unfortunately, I have now written 18 letters with more on the way.

Because the beef industry cannot tolerate this unfair ban much longer, I have introduced a bill that will ban all U.S. imports of Japanese beef until such time as the U.S. Trade Representative reports to Congress that Japan has actually resumed imports of U.S. beef.

My bill is about fairness and I urge my colleagues to become cosponsors.

I want to emphasize that my bill is about fairness in our trade relations: Japan's ban on U.S. beef simply cannot be considered a fair trade practice.

Last December Japan finally agreed to lift its initial ban on U.S. beef after a long series of negotiations and overwhelming evidence of the safety of American beef.

In January, the very first shipment of U.S. beef to Japan was found by Japanese inspectors to contain a few boxes of beef that did not comply with the export protocol that Japan and the U.S. had agreed to; the very first shipment!

It is extremely important to note that this shipment posed absolutely no risk to human health, it was merely in violation of the strict export agreement between the U.S. and Japan.

And how did Japan react? They immediately banned all imports of U.S. beef. They didn't send the shipment back or even de-list the company that sent the non-compliant shipment.

No, they punished the entire U.S. beef industry for a single instance of noncompliance—a situation that came about because of human error in the implementation of the export procedures—and their actions have caused great harm to a $1.4 billion industry.

I agree that mistakes were made by U.S. officials and facilities. But fair trade requires a reasonable and fair response to mistakes.

Japan's total embargo is not, in my opinion, a fair and reasonable response.

Because of that, I am bringing this matter to the attention of my colleagues on the day that Prime Minister Koizumi meets with President Bush, as a reminder of this unfair trade practice.

I have met with Ambassador Kato multiple times and I greatly appreciate all of his efforts to resolve this situation and end Japan's ban. Unfortunately, the Japanese bureaucracy has dragged this process out entirely too long.

Let me set out a timetable of events and discuss what this slow process has cost the U.S. beef industry in real dollars:

On January 20, 2006, Japan instituted the current ban on U.S. beef imports;

Within the first month of this second ban, two beef processing plants in Nebraska were closed, costing these communities over 1300 jobs and an untold amount of money;

I wrote my first letter on February 22 and by that time USDA had already conducted a thorough investigation of the incident and delivered a report to Japan with its findings and the steps it would take to correct the mistakes;

By the time of that letter, the U.S. beef industry had lost an estimated $116 million in exports;

By the end of March, when Japanese officials finally met with a technical team from the USDA to answer lingering concerns Japan had about beef safety—even though the noncompliant shipment posed no danger to human health—the ban had cost the beef industry an estimated $264 million;

In April, Japan held a series of public meetings to communicate to Japanese consumers that there were no risks to health from American beef. These

meetings were held over the course of 14 days at a cost to the U.S. beef industry of an estimated $56 million and the ban now causing about $348 million in lost exports;

On the 4-month anniversary of the Japanese ban, Japan announced that it had reached a basic understanding with the U.S. on the resumption of beef imports, but had not reached any formal agreement to resume imports. The damage to the beef industry topped $460 million when Japan finally reached this basic understanding;

Lately, we have been told that all that is left for Japan to resume importing U.S. beef is for its own inspectors to audit each of the 35 U.S. facilities permitted to export to Japan—and previously re-audited by USDA officials in April. This round of audits just began and will continue through July 21—or just past the 6-month anniversary of the ban when the cost to the beef industry will reach $700 million;

In the time that it takes Japan to re-audit the U.S. facilities, the loss in exports to the beef industry will be $116 million;

And Japan has recently said that they will not resume imports until after they submit a report on their audits—so each day that Japan takes to complete this report, the beef industry loses about $4 million.

Those numbers are only part of the real cost to an important U.S. and Nebraska industry of this slow, drawn-out process; most of the costs we are unable to estimate at this point in time. But the above timeline should serve as a real reminder of what unfair trade practices cost American industries.

I was given another real reminder of the damage caused by this ban at the end of last month. On May 31, I flew around Nebraska to meet with producers, packers and other members of the Nebraska beef industry. They all told me that the Japanese ban has been hard on them and they encouraged me to continue pushing Japan.

I talked to folks at a beef processing plant in Grand Island, where foreign beef sales once made up 16 percent of the company's sales—half of which once went to Japan. They have been hit hard by Japan's ban.

I talked to farmers and ranchers whose livelihoods have been threatened by this ban. Some of them were set to ship beef to Japan when it reopened in December. These producers couldn't emphasize enough the problems this ban has caused them and how it has affected their planning and businesses.

These Nebraskans were clear: our trade arrangements must be fair. They must be based on sound science and not on politics or emotion.

And they all supported my bill. Their message to me was clear: if Japan won't take our beef, there's no reason why we should continue to accept their beef. I couldn't agree more.

Recently the National Cattlemen's Beef Association unanimously voted to support my bill. They too emphasized that fair trade was the driving force behind their support for my bill. The cattlemen's message to Japan was simple: Enough is enough.

The Nebraska cattlemen have also recently stated that they welcomed my bill. They support this effort because they are frustrated that we have not obtained fair trade with Japan. Japan imported $350 million of Nebraska beef products in 2003 and that market has now been unfairly closed for far too long.

Japan's ban on U.S. beef has unfairly damaged the beef industries in Nebraska and the United States. This ban is not based on scientific evidence. It is not the result of real health concerns. It is based on politics and emotion. It is not a fair manner to conduct trade.

That is why I am doing all that I can to push this process along and that is why I will continue to push until trade is actually resumed and U.S. beef is once again on the shelves in Japan and available to Japanese consumers.

That is why I am speaking on the Senate floor this morning while the Japanese Prime Minister is at the White House—as a reminder that our trade relationship with Japan must be conducted fairly.

There has been progress made and I do not wish to discount that. It has come too slowly and at a high price to the beef industry. But progress has been and continues be made.

I do want to mention that I applaud Japan's agreement to refrain from closing down all trade over any future instances of noncompliance. The shared understanding reached last week between the U.S. and Japan includes a provision whereby Japan, upon finding a noncompliant shipment, will only take actions that are commensurate with the nature of the violation.

I believe that. fair trade between our countries requires that action only be taken against noncompliant shipments or, at most, against the facilities responsible for the noncompliant shipment. I do not believe that it is fair to hold the entire industry at fault. I welcome Japan's agreement to conduct trade in this fair manner.

I will wrap up by again asking my colleagues to support my bill and to help send a message to Japan that trade between our nations must be fair.

It is my hope that together our efforts will continue to speed along the process for resuming the beef trade with Japan and will help ensure that when trade resumes between our nations it is conducted fairly.

I close today by reiterating what I keep telling Ambassador Kato: That U.S. beef is the best and safest in the world and that Japan's ban on it should end immediately. I am cautiously optimistic that Japanese consumers will again be able to enjoy U.S. beef before the end of July, but this ban has gone on too long and I am worried about the lingering damage it has caused—to the U.S. beef industry in particular.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

The Senator will be advised the minority still has 4 minutes remaining on their side.

Mr. MCCAIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCAIN. Madam President, I ask unanimous consent the calling of the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. I ask that the remaining time on the minority side be yielded back.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST—527 REFORM ACT OF 2006

Mr. MCCAIN. Madam President, at the conclusion of my remarks, I will ask unanimous consent to move to consideration of S. 2511, legislation that requires that the law be enforced. That is, that the so-called 527s be made illegal and banned as they properly should be. I will be making that unanimous consent request after the conclusion of my remarks. I have been told the Democrat side will be objecting to moving to the legislation. I regret that very much.

The legislation is pretty straightforward. It requires any organization—including the so-called 527s—that falls under campaign finance contribution limits, as is any objective observer's reading of the law, to follow the law.

I regret we will be unable to move this important piece of legislation. It is simple and straightforward and designed to overcome the Federal Election Commissions's inexcusable failure to interpret properly the original Federal Election Campaign Act of 1974.

I point out to my colleagues that these 527s are a violation of the original Federal Election Campaign Act, now BCRA, known by some as McCain-Feingold. The Federal Election Commission, as in many cases, inexcusably fails to properly interpret the original Federal Election Campaign Act which would halt the illegal practice that has sprung up whereby 527 groups are now spending soft money on ads and other activities to influence Federal elections.

I understand fully the politics surrounding this issue, which unfortunately is going to cause some of my colleagues to oppose any reform. But the time has come to address this issue. We should put political prerogatives aside and do what is best for the American electorate. We need to have this debate. I am committed to working with my colleagues to resolve our differences. Let's bring this bill up, have a debate, and consider amendments.

As my colleagues know, a number of 527 groups raised and spent a substantial amount of soft money in a blatant effort to influence the outcome of the 2004 election. These activities are illegal under existing laws, and yet, the FEC has failed to do its job and has refused to do anything to stop these illegal activities. Therefore, it is now up to Congress to pursue all possible steps to uphold FECA and overturn the FEC's misinterpretation of the campaign finance laws, which is improperly allowing 527 groups, whose purpose is to influence Federal elections, to spend soft money on these efforts.

In McConnell v. FEC, the Supreme Court noted wisely that money, like water, will look for ways to leak back into the system. With the enactment of the Bipartisan Campaign Reform Act of 2002, BCRA, the national parties were taken out of the soft money business. It did not take long before efforts were underway by some to bring soft money back into Federal elections through the vehicle of groups that operate as ''political organizations'' under section 527 of the IRS Code, or so-called ''527s.''

The soft money game is the same with these groups; they are raising multi-million-dollar donations from wealthy individuals, as well as large contributions from corporate and union contributions, and spending that soft money on broadcast communications that promote or attack Federal candidates, and voter mobilization efforts intended to influence Federal elections. We saw, firsthand, how a number of 527 groups raised and spent huge amounts of soft money in order to influence the outcome of the last Presidential election. These activities were prohibited under longstanding campaign finance law but, again, the FEC failed to properly enforce the law. As a result, federally oriented 527s spent over $400 million on the 2004 elections.

It turns out that almost half of the financing for 527 groups in the 2004 elections came from a relatively small number of very wealthy individuals who made huge soft money contributions. According to campaign finance scholar Tony Corrado, 25 wealthy individuals accounted for $126 million raised by 527 groups active in the 2004 Federal elections. This included 10 donors who gave at least $4 million each to 527s involved in the 2004 elections and two donors who each contributed over $20 million. If that doesn't make a mockery of both campaign finance laws, nothing does. Two donors, $20 million each. Over $20 million each poured into the 2004 Presidential campaign.

Opponents of campaign finance reform like to point out that the activities of these 527s serve as proof that BCRA failed in its stated purpose to eliminate the corrupting influence of soft money in our political campaigns. Let me be perfectly clear: The 527 issue has nothing to do with BCRA. It has everything to do with a 1974 law and the failure of the Federal Election Commission to do its job and properly regulate the activities of these groups. The new campaign finance law, BCRA, has successfully accomplished its goals.

Last year, David Broder wrote in the Washington Post:

> As one who has been skeptical of the claimed virtues of the McCain-Feingold campaign finance law, I am happy to concede that it has, in fact, passed its first test in the 2004 campaign with flying colors.

It is important to point out that this was accomplished despite all of the predictions at the time about how the national political parties would be financially undermined without soft money. That was the major source of opposition. This would destroy the national political parties. The national political parties raised more hard money in the 2004 election cycle than they raised in hard and soft money combined during the Presidential election cycle in 2000. In fact, Republican and Democratic national parties raised a record $1.2 billion for the 2004 elections. What is really good about that is the majority of that came from small donors, not large, huge, soft money contributions. They increased that donor base. Again, the Democratic National Committee has more than 2.5 million new donors; the Republican National Committee, more than 1 million new donors; Republican senatorial and congressional campaign committees, 700,000 new donors; Democratic congressional campaign committee, 230,000 new donors. That was the intent of the law. That is what happened.

According to Tony Corrado, the DNC has more than 2.5 million new donors, as I pointed out; the RNC more than a million new donors.

What is the problem? The problem is, the Federal Election Commission, even though directed by the Supreme Court, will still not enforce existing law.

The fact that the overwhelming majority of Federal 527s were created after the enactment of BCRA is no coincidence. Of the 68 Democrat-leaning 527 committees involved in the 2004 cycle, 54 of them were organized after BCRA. Of the 26 Republican-leaning 527 groups in the 2004, 13 were organized after the enactment of legislation which banned the use of soft money in Federal elections.

These groups were set up with every intention of circumventing the law. They could not circumvent the law if the Federal Election Commission would enforce the law. That is why we have to go to court again and again.

For the record, in order to enforce, to write regulations to enforce the BCRA, 13 of the 15 original regulations were thrown out by a Federal court judge—a remarkable performance on their part, remarkable.

S. 2511, the bill I would like to see brought before this Senate, voted on and passed, requires that 527s register as political committees and comply with Federal campaign finance laws, including Federal limits on the contributions they receive unless the money they raise is spent exclusively in connection with non-Federal candidate elections, State or local ballot initiatives, or the nomination or confirmation of individuals to nonelected offices. And it upholds the hard-fought victory of BCRA.

The legislation also sets new rules for Federal political committees that spend funds on voter mobilization efforts affecting both Federal and local races and, therefore, use both the Federal and non-Federal account under FEC regulations. The new rules would prevent unlimited soft money from being channeled into Federal elections through abuse of the Commission's allocation rules.

Under the legislation, at least half of the funds spent on voter mobilization activities by Federal political committees would have to be hard money from their Federal account. More importantly, the funds raised for their non-Federal account would come only from individuals and would be limited to no more than $25,000 per year per donor. Corporations and labor unions could not contribute to these non-Federal accounts.

To put it in simple terms, a George Soros could give $25,000 per year to a single political action committee as opposed to the $22 million he spent to finance these activities.

Let me be perfectly clear on one point. This proposal would not shut down 527s. It would simply require them to abide by the same Federal campaign finance rules that every other Federal political committee must abide by in spending money to influence Federal elections, nor is this bill intended to affect 501(c)(3) or (4) tax-exempt organizations.

Under the Internal Revenue Code, a 527 group is a ''political organization,'' which is a group whose primary purpose is to influence candidate elections or the appointment of individuals to public office. In other words, the 527 groups by definition are in the business of influencing campaigns and have voluntarily sought the tax advantages conferred on such political groups. These groups cannot be allowed to shirk their responsibilities to comply with Federal campaign finance laws when they are spending money to influence Federal elections.

The use of soft money by 527 groups to pay for ads attacking and promoting the 2004 Presidential candidates was not legal. This is not a matter of the new campaign finance law, BCRA; it is a requirement of longstanding Federal campaign finance laws that go back to 1974. That law, as construed by the Supreme Court in Buckley v. Valeo, requires any group that has a ''major purpose'' to influence Federal elections, and spends $1,000 or more to do

so, to register with the Federal Election Commission as a ''political committee'' and be subject to the contribution limits, source prohibitions, and reporting requirements that apply to all political committees.

Section 527 groups need to play by the rules that candidates, political parties, and all other political committees are bound by—the rules that Congress has enacted to protect the integrity of our political process. They need to raise and spend money that complies with Federal contribution limits and source prohibitions to pay for ads that promote or attack Federal candidates or otherwise have the purpose to influence Federal elections. They need to spend Federal funds for voter mobilization activities that are conducted on a partisan basis and will influence Federal elections—just like every other political committee.

Some have raised questions about whether it is constitutional to limit contributions to political committees that operate supposedly independent of parties and candidates.

I ask unanimous consent to have printed in the RECORD, Madam President, a detailed analysis of these constitutional questions prepared by Professor Daniel Ortiz, the John Allan Love Professor of Law at the University of Virginia School of Law. The memo thoroughly explains the constitutional basis for the legislation we have introduced.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF VIRGINIA
SCHOOL OF LAW,
Charlotteville, VA, March 7, 2005.

Memorandum

Re: Constitutionality of Limits on Contributions from Individuals to 527 Organizations That Make Only Independent Expenditures

This memo addresses whether S. 271's limit on contributions from individuals to § 527 organizations that make only independent expenditures (''527 IECs'') is constitutional. McConnell v. FEC, 540 U.S. 93 (2003), makes clear that it is. In that case, the Supreme Court not only explicitly made this point, id. at 152–53 n. 48, and upheld bans on soft money that were inconsistent with any other result, but also reaffirmed the first principles of Buckley v. Valeo, 424 U.S. 1 (1976)(per curiam), which compel it.

Any doubt that Congress can limit contributions to 527 IECs stems largely from a single source: dicta in the Supreme Court's fractured decision in California Medical Ass'n v. FEC, 453 U.S. 182 (1981) (CalMed). In CalMed, the Supreme Court upheld the Federal Election Campaign Act's (FECA's) $5,000 limit on individual contributions to multicandidate political action committees. At one point, however, the plurality appeared to avoid considering ''the hypothetical application'' of FECA to political committees that make only independent expenditures. Id. at 197 n. 17 (opinion of Marshall, J.). And in a separate opinion, Justice Blackmun, whose fifth vote was necessary for the decision, appeared to suggest that FECA's $5,000 limit could not apply to such committees. He wrote:

''[a] different result would follow if [the $5,000 limit] were applied to contributions to a political committee established for the purpose of making independent expenditures, rather than contributions to candidates. . . . [Political action committees like the California Medical Association are] essentially conduits for contributions to candidates, and as such they pose a perceived threat of actual or potential corruption. In contrast, contributions to a committee that makes only independent expenditures pose no such threat.''

Id. at 203 (Blackmun, J., concurring in part and concurring in judgment). Since independent expenditures could pose no threat of actual or potential corruption, Justice Blackmun thought contributions used for that purpose could not corrupt either. The corruptive potential of contributions, he suggested, depended solely on the ultimate use to which an organization would put them. Dissenting on jurisdictional grounds, none of the remaining justices reached the merits. Id. at 204–09 (Stewart, J., dissenting).

CalMed necessarily decided more, however, than the plurality and Justice Blackmun suggested. Justice Blackmun's own vote (as well as the plurality's) undercut his dictum. The political committee in CalMed argued not just that the $5,000 contribution limit was generally unconstitutional but that it was unconstitutional in a particular way. Even if Congress could limit contributions that the committee would ultimately use for candidate contributions, it argued, Congress could not limit those ultimately used for administrative expenses and possibly for independent expenditures. Brief of Appellants at 34–35, California Medical Ass'n v. FEC, 453 U.S. 182 (1981) (''Like other political committees, CALPAC may make independent expenditures as well as direct contributions to candidates. To the extent it makes independent expenditures CALPAC engages in first amendment activity that cannot be limited given the result in Buckley.'') Indeed, on the court below, several judges would have invalidated the $5,000 limit precisely because of its effect on political committees' independent expenditures. California Medical Ass'n v. FEC, 641 F.2d 619, 647 (1980) (Wallace, J., dissenting) (''A limitation on donations to committees restricts not only funds available for contributions by the committees to candidates, but also the funds available for independent expenditures through the committee framework. It is by repeatedly forgetting this incontestable fact that the majority erroneous likens the . . . donation restriction to the contribution limitations upheld in Buckley.'').

These other uses, however, did not trouble the Court in CalMed. It upheld the $5,000 limit without regard to how the political committee would ultimately use a contribution—a position flatly inconsistent with Justice Blackmun's stated misgivings. If Justice Blackmun's view—that a contribution's ultimate use determined whether Congress could limit it—had controlled, the Court would necessarily have struck down the $5,000 limit at least in part. That limit would clearly have been overbroad insofar as it applied to contributions to political committees that would not be used in ways that counted as contributions to candidates. Congress could have addressed any fear of corruption from candidate contributions in a much more limited and focused way—by limiting only those contributions that political committees would use to contribute directly to candidates. That the Court (with Justice Blackmun's vote) did not strike down the limit on this ground necessarily undercuts Blackmun's own stated position. Despite his misgivings, he himself actually voted to support a broad limit which covered contributions that could be used for purposes of making independent expenditures.

In McConnell, the Supreme Court made clear that this reading—that CalMed necessarily upheld limits on contributions to independent expenditure committees—is correct. In rejecting Justice Kennedy's ''crabbed view of corruption,'' 540 U.S. at 152, which held that only concern for traditional quid pro quo corruption could support campaign finance regulation, McConnell pointed to CalMed as precedent for recognizing ''more subtle but equally dispiriting forms of corruption,'' id. at 153. The Supreme Court made clear first that CalMed upheld limits on exactly those contributions that Justice Blackmun had questioned:

''[In CalMed), we upheld FECA's $5,000 limit on contributions to multicandidate political committees. It is no answer to say that such limits were justified as a means of preventing individuals from using parties and political committees as pass-throughs to circumvent FECA's $1,000 limit on individual contributions to candidates. Given FECA's definition of contribution, the $5,000 . . . limi[t] restricted not only the source and amount of funds available to parties and political committees to make candidate contributions, *but also the source and amount of funds available to engage in express advocacy and numerous other noncoordinated expenditures.*''

Id. at 152 n. 48 (emphasis added). As the last sentence states unmistakably, CalMed held that Congress could limit contributions to entities that would use them solely for independent expenditures. McConnell then made clear why: CalMed necessarily found that such contributions pose a danger of actual or apparent corruption. As the very next sentence in McConnell explains, CalMed could not have upheld FECA's broad limit on contributions to party and multicandidate committees without necessarily deciding this point. With respect to party committees, the type of committee at issue in this portion of McConnell itself, the next sentence argues:

''If indeed the First Amendment prohibited Congress from regulating contributions to fund [express advocacy and numerous other noncoordinated expenditures], the otherwise-easy-to-remedy exploitation of parties as pass-throughs (e.g., a strict limit on donations that could be used to fund candidate contributions) would have provided insufficient justification for such overbroad legislation.''

Id. at 152–53 n. 48. In other words, if contributions ultimately used to make independent expenditures had no corruptive potential, the overall limit on contributions to multicandidate committees would have been unsustainable. Congress could have justified the limit only insofar as it remedied so-called ''pass-through'' corruption and much more narrowly tailored remedies, like ''a strict limit on donations that could be used to fund candidate contributions,'' could have addressed that. Thus, the overall limit on contributions to multicandidate committees would have been unconstitutionally overbroad if Justice Blackmun's view had been correct. CalMed, then, despite its ambivalent dicta, stands for two propositions: (i) that contributions can corrupt independently of their ultimate use and (ii) that Congress can limit contributions to political committees that the recipients would use to make independent expenditures. Any other reading of CalMed supplants its holding with dicta that no one on the CalMed court itself followed.

McConnell's own treatment of FECA's soft money provisions reinforces both these CalMed holdings. If contributions that were eventually used as independent expenditures on federal elections posed no corruptive potential—if they were always and necessarily

sacrosanct—then the Court would have had to strike down many of the soft money provisions it upheld in McConnell, particularly §323(a), the ''core'' soft money provision. *Id.* at 142. This provision provides that ''national committee[s] of a political party . . . may not solicit, receive, or direct to another person a contribution, donation, or transfer of funds or any other thing of value, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of th[e] Act.'' 2 U.S.C. §441i(a)(1)(Supp. 2003). It makes all funds that the national party committees solicit, receive, spend, or direct—regardless of how the committees intend to use them—subject to FECA's amount, source, and disclosure requirements. Contributions that would be spent in coordination with candidates, contributions that would be spent independently on candidates' behalf, and contributions that would be spent on advertisements that do not even mention the party or its candidates are all subject to FECA's requirements.

In themselves, however, these different party activities pose very different threats of corruption. Coordinated expenditures create a significant danger of corruption, *FEC v. Colorado Republican Federal Campaign Comm.*, 533 U.S. 431, 457–60 (2001)(*Colorado II*), independent expenditures create less danger, *id.* at 441; *Colorado Republican Federal Campaign Comm. v. FEC*, 518 U.S. 604, 615 (1996) (*Colorado I*) (opinion of Breyer, J.), and speech on pure issues that does not refer to any candidates still less. Yet, those different threats of corruption made no difference to the Court. No matter how a national party committee would put a soft money contribution to use, Congress could ban it. The contribution's ultimate use did not determine its corruptive potential. Rather, the corruptive potential stemmed from the party's ability to give donors access to and influence over its candidates. 540 U.S. at 147–50, 153–54 (influence), 150–54 (access). In upholding FECA's central soft money provision, then, McConnell necessarily found that even though independent party expenditures on behalf of candidates could not directly corrupt, *see Colorado I*, 518 U.S. 604 (1996), contributions to party political committees for this purpose could. The corruptive potential of the one was a sufficient but not necessary condition for that of the other.

The same analysis applies to McConnell's treatment of FECA's ban on the use of soft money contributions by state and local party committees for federal election activities. Section 323(b) restricts the use of nonfederal funds by state and local party committees to help finance ''Federal election activity.'' 2 U.S.C. §441i(b)(1) (Supp. 2003). As the Court noted in McConnell,

''[t]he term 'Federal election activity' encompasses four distinct categories of electioneering: (1) voter registration activity during the 120 days preceding a regularly scheduled Federal election; (2) voter Identification, get-out-the-vote (GOTV), and generic campaign activity that is 'conducted in connection with an election in which a candidate for Federal office appears on the ballot'; (3) any 'public communication' that 'refers to a clearly identified candidate for Federal office' and 'promotes,' 'supports,' 'attacks,' or 'opposes' a candidate for that office; and (4) the services provided by a state committee employee who dedicates more than 25% of his or her time to 'activities in connection with a Federal election.' §§431(20)(A)(i)–(iv).''

540 U.S. at 162. Significantly, none of these four categories necessarily involves contributions to candidates and categories 1, 2, and 3 necessarily do not unless there is coordination. Thus, if Congress could restrict the use of only those contributions to state and local party committees that the committees in turn contribute to candidates, §323(b), just like §323(a), would have necessarily been overbroad and unconstitutional. McConnell held, however, that Congress could restrict the use of all nonfederal contributions by state party committees ''for the purpose of influencing federal elections.'' Id. at 167. The reason was clear. Although these activities might not pose a threat of state and local parties themselves corrupting federal candidates, they would allow the contributors to corrupt through these committees. As the Court explained it,

''Congress . . . made a prediction. Having been taught the hard lesson of circumvention by the entire history of campaign finance regulation, Congress knew that soft-money donors would react to §323(a)[, the national party committee ban,] by scrambling to find another way to purchase influence. It was neither novel nor implausible for Congress to conclude that political parties would react to §323(a) by directing soft-money contributions to the state committees, and that federal candidates would be just as indebted to these contributors as they had been to those who had formerly contributed to the national parties. . . . Preventing corrupting activity from shifting wholesale to state committees and thereby eviscerating FECA clearly qualifies as an important governmental interest.''

Id. at 165 (internal citations and quotation marks omitted). Section 323(b) is premised on the simple ''judgment that if a large donation is capable of putting a federal candidate in the debt of the contributor, it poses a threat or corruption or the appearance of corruption.'' Id. at 167. McConnell identified, moreover, precisely which contributions ''pose the greatest risk of this kind of corruption: *those contributions . . . that can be used to benefit federal candidates directly*.'' Id. (emphasis added).

Contributions to 527 IECs pose exactly this same ''greatest risk'' of corruption. Since these organizations must necessarily have the ''major purpose'' of nominating or electing candidates for federal office, Buckley v. Valeo, 424 U.S. at 79, contributions to them, even more than those covered by §323(b), will likely be used ''to benefit federal candidates directly.'' It does not matter how the political committee actually uses them. Contributions used for direct candidate contributions, coordinated expenditures, and independent expenditures all represent ''contributions . . . that can be used to benefit federal candidates directly.''

This is not to say, of course, that all funds ''used to benefit federal candidates directly'' necessarily pose this risk. As McConnell makes clear, ''Congress could not regulate financial contributions to political talk show hosts or newspaper editors *on the sole basis* that their activities conferred a *benefit* on the candidate.'' 540 U.S. at 156–57 n. 51 (first emphasis added). Something more is needed. In the case of political parties, the added risk comes from their ''close relationship . . . [to] federal officeholders and candidates.'' Id. Parties, the Court thought, were ''entities uniquely positioned to serve as conduits for corruption.'' Id.

527 IECs pose two special dangers long recognized by the Court that make them more like parties than like ''political talk show hosts or newspaper editors.'' First, just as in the case of §323(b), it is safe to ''ma[k]e a prediction . . . [that] soft-money donors w[ill] react to §323(a) [and §323(b)] by scrambling to find another way to purchase influence.'' Id. at 165. If the law does not cover 527 IECs, they will become the primary means for donors to circumvent FECA's new soft money provisions. Donors seeking to influence federal officeholders—donors who previously would have contributed large amounts of soft money to party committees for use in independent campaign advertising and other federal election activities—will contribute instead to independent expenditure committees for exactly the same uses. Such circumvention, all members of the Court agree, ''is a valid theory of corruption.'' Colorado II, 533 U.S. at 456.

It is, moreover, an extremely powerful theory of corruption. In McConnell, the Court employed it to uphold §323(f), which bars state and local candidates and officeholders from spending soft money to fund communications promoting, supporting, attacking, or opposing a clearly identified candidate for federal office, see 2 U.S.C. 441i(f) (Supp. 2003). In particular, the Court invoked the theory to dispel the argument that soft-money contributions to state and local candidates for such communications could not corrupt or appear to corrupt federal candidates. At first glance, this argument appears a strong one. Without evidence that contributors to state and local candidates were gaining influence and access to federal candidates and officeholders—of which there was none—how could such contributions corrupt? The Court saw an easy answer, however, in ''[t]he proliferation of sham issue ads.'' 540 U.S. at 185. As the Court described things:

''The . . . argument[s] that soft-money contributions to state and local candidates for [the covered] communications do not corrupt or appear to corrupt federal candidate[s] ignores both the record in this litigation and Congress' strong interest in preventing circumvention of otherwise valid contribution limits. The proliferation of sham issue ads has driven the soft-money explosion. Parties have sought out every possible way to fund and produce these ads with soft money: They have labored to bring them under the FEC's allocation regime; they have raised and transferred soft money from national to state party committees to take advantage of favorable allocation ratios; and they have transferred and solicited funds to tax-exempt organizations for production of such ads. We will not upset Congress' eminently reasonable prediction that, with these other avenues no longer available, state and local candidates and officeholders will become the next conduits for the soft-money funding of sham issue advertising. We therefore uphold §323(f) against plaintiffs' First Amendment challenge.''

Id. (internal quotation marks omitted). In other words, the record developed in McConnell showed that sham issue ads had become such a powerful tool of corruption that contributions for this purpose to any entity were necessarily corruptive—even without formal evidence that the contributor expected influence over or access to federal officeholders in return for the contributions. Nothing in the Court's reasoning mentioned, let alone rested on, any special connection between state and local candidates and their federal counterparts. Indeed, the contribution's corruptive potential stemmed entirely from its purpose: to fund sham issue ads that would benefit federal candidates. This is, of course, one of the primary purposes for which 527 IECs put their contributions to work.

The circumvention rationale applies with special force to independent expenditure committees that accept money from the general treasuries of corporations and unions. Independent expenditures from these sources have such great corruptive potential that the First Amendment allows them to be banned completely. Austin v. Michigan State Chamber of Commerce, 494 U.S. 652 (1990); but see FEC v. Massachusetts Citizens For Life, Inc., 479 U.S. 238 (1986) (defining narrow category of ideological corporation not constitutionally subject to expenditure ban).

Thus, corporate and union contributions to 527 IECs would represent direct circumvention of the corporate and union expenditure bans and so could clearly be banned in turn. The ''independence'' of an independent expenditure committee has no power to launder away the contribution's original source.

Second, 527 IECs share with parties—and not with talk show hosts and editors—a central characteristic that increases the corruptive potential of contributions made to them. As the Supreme Court has explained, political ''parties' capacity to concentrate power to elect is the very capacity that apparently opens them to exploitation as channels for circumventing . . . spending limits binding on other political players. And some of these players could marshal the same power and sophistication for the same electoral objectives as political parties themselves.'' Colorado II, 533 U.S. at 455. 527 IECs, like parties and unlike talk show hosts and wealthy individuals, have this same ''capacity to concentrate power to elect.'' As the Court recognized in Colorado II, by pooling individual resources and monitoring, rewarding, and punishing more effectively than can any individual the behavior of federal candidates and officeholders, 527 IECs can ''marshal the same power and sophistication for the same electoral objectives as the political parties themselves.'' This ability heightens the risk of corruption inherent in their power to serve as conduits.

To ignore the relevance of this ''capacity to concentrate power to elect'' would take exactly the ''crabbed view of corruption'' that McConnell rejected. It held instead that factors like a contribution's ''size, the recipient's relationship to the candidate or officeholder [it would support], [the contribution's] potential impact on a candidate's election, its value to the candidate, [and the donor's] unabashed and explicit intent to purchase influence,'' 540 U.S. at 152, are all relevant to determining a contribution's corruptive potential. Indeed, according to these McConnell factors, contributions to 527 IECs would easily qualify as corruptive. Some contributions are so large that they would certainly be remembered vividly by candidates and cast doubt in the public's eye that the contributor enjoyed no special influence over or access to them. The sham issue ads and other activities that these contributions generate, moreover, can have a great impact on a candidate's election—witness the Swift Boat ads in the last presidential campaign—and thus are of inestimable value to candidates. Nothing suggests, in fact, that 527 IEC spending is much less effective than spending by the candidates and parties themselves. It is simply naíve to believe that 527 IEC spending cannot create influence over and access to federal candidates. As George Soros admitted in talking to a reporter, this is the point: ''I've been trying to exert some influence over our policies and I hope I'll get a better hearing under Kerry.'' BCRA and the 527 Groups at 8.

McConnell supports the constitutionality of applying reasonable amount, source, and disclosure requirements to 527 IECs in another important way. It strongly reaffirms the basic principles the Supreme Court laid down in Buckley v. Valeo, 424 U.S. 1 (1976) and later cases, which permit appropriate regulation to prevent corruption and the appearance of corruption. In these cases, the Supreme Court has consistently held that ''contribution limits, unlike limits on expenditures, entail only a marginal restriction upon the contributor's ability to engage in free communication. . . . Because the communicative value of large contributions inheres mainly in their ability to facilitate the speech of their recipients, we have said that contribution limits impose serious burdens on free speech only if they are so low as to prevent candidates and political committees from amassing the resources necessary for effective advocacy.''

McConnell, 540 U.S. at 134–35 (internal quotation marks and citations omitted). And, although the Court has found that ''contribution limits may bear more heavily on . . . associational right[s]'' than on free speech rights, id. at 135, here too it has found their impact limited. Since ''[t]he overall effect of dollar limits on contributions is merely to require candidates and political committees to raise funds from a greater number of persons. . . . [A] contribution limit involving even significant interference with associational rights is nevertheless valid if it satisfies the lesser demand of being closely drawn to match a sufficiently important interest.''

Id. at 136 (internal quotation marks and citations omitted).

Subjecting 527 IECs to the reasonable contribution limit that applies to other political committees satisfies both these tests. First, it does not in any way affect 527 IECs' ability to make independent expenditures. They can spend all their available funds making such expenditures and can make them however they like. All such regulation does ''is simply limit the source and individual amount of donations.'' [Id. at 139. That this requires 527 IECs to seek contributions from a wider range of people causes no constitutional difficulty. See id. at 140 Second, such contribution limits in no way ''preven[t] . . . committees from amassing the resources necessary for effective advocacy.'' [Id. at 135. Again, all they do is change the committees' fund-raising strategy so that they aim for a broader group. Third, bringing 527 IECs under reasonable regulation would ''satisfy[y] the lesser demand of being closely drawn to match a sufficiently important interest.'' [Id. at 136 (internal quotation marks omitted). It would both prevent donors from circumventing §323 (a) and (b)'s ban on soft money contributions to political party committees—money which the parties used, in part, to fund the same activities 527 IECs would engage in—and avoid making federal officeholders subject to improper influence by those who contributed the money that 527 IECs used to aid the officeholders' elections. Both of these governmental interests, the Supreme Court has held, are sufficiently important to justify reasonable amount, source, and disclosure requirements, id. at 144–45, which is what S. 271 would place on 57 IECs.

DANIEL R. ORTIZ,
John Allan Love Professor of Law.

Mr. MCCAIN. As the memo points out, the Supreme Court in the McConnell case spoke directly to this issue and said that such limits are constitutional. The Court specifically noted that in an earlier case, California Medical Association v. FEC, it had upheld the $5,000 limit on contributions to political committees even as to a committee's spending for ''noncoordinated expenditures.'' The constitutional rationale in the California Medical Association v. FEC, as in the case of the soft money ban upheld by the Supreme Court in McConnell, is equally applicable to S. 2511. It is designed to prevent the evasion and circumvention of Federal contribution limits and prohibitions.

It is unfortunate we even need to be talking about this situation today. This legislation would not be necessary if it were not for the abject failure of the FEC to enforce existing law. As I noted earlier, some 527s raised and spent soft money to run ads attacking both President Bush and Senator KERRY. The use of soft money to finance these activities is clearly illegal under current statute, and the fact that they were allowed to continue unchecked is unconscionable.

The blame for this lack of enforcement does not lie with the Congress, nor with the administration. The blame for this continuing illegal activity lies squarely with the FEC. This agency has a duty to issue regulations to properly implement and enforce the Nation's campaign finance laws; and the FEC has failed, and it has failed miserably, to carry out that responsibility.

Let's consider two recent court rulings. First, in its decision upholding the constitutionality of BCRA in McConnell v. FEC, the U.S. Supreme Court stated that the FEC had ''subverted''—''subverted''—the law, issued regulations that ''permitted more than Congress had ever intended,'' and ''invited widespread circumvention''—those are not my words; those are the words of the U.S. Supreme Court in a majority decision—of FECA's limits on contributions.

Additionally, when Judge Kollar-Kotelly threw out 15 of the FEC's regulations implementing BCRA, among the reasons for her actions were that one provision ''severely undermines FECA'' and would ''foster corruption,'' another ''runs completely afoul'' of current law, another would ''render the statute largely meaningless,'' and, finally, that another had ''no rational basis.''

No wonder a Los Angeles Times editorial stated that:

> [H]er decision would make a fitting obituary for an agency that deserves to die.

We cannot allow the destructive FEC to continue to undermine the Nation's campaign finance laws.

An article published just yesterday in the Hill points out that the FEC ''is being accused of attempting to intimidate soft-money donors to 527s by targeting the donors for questioning.''

The article also makes note of ''the FEC decision last month not to implement new regulations for 527s this election cycle. That was widely interpreted as a green light for 527s to act without restriction.'' What is going on here? The job of the FEC is to write regulations to properly implement campaign finance laws—not to bully and intimidate those who choose to donate to groups the FEC refuses to regulate.

Madam President, I ask unanimous consent that the article form the Hill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Hill, June 28, 2006]

INTIMIDATION SEEN AS COMMISSION EYES 527S' SOLICITATIONS

(By Alexander Bolton)

The Federal Election Commission (FEC) is being accused of attempting to intimidate

soft-money donors to 527s by targeting the donors for questioning.

The agency, which is tasked with policing national and congressional political campaigns, is targeting some of the wealthiest Republican and Democratic donors.

Typically such people have escaped tough scrutiny unless suspected of deliberately evading contribution limits through the use of straw donors or other tactics. But recently the FEC appears to have aimed at donors even though it is the 527s that are suspected of evading campaign-finance law.

One prominent GOP strategist has charged that the new tactic is intended to scare big donors away from giving to 527s, which Congress and the White House have struggled to curb.

This is happening despite the FEC decision last month not to implement new regulations for 527s this election cycle. That was widely interpreted as a green light for 527s to act without restriction, as groups such as America Coming Together and Swift Boat Veterans for Truth did during the 2004 election. This was expected to mean such groups would spend even more money this year and in 2008.

But the FEC has not left the same rules in place that allowed 527s to spend $400 million in the 2004 cycle. Late that year, it subtly modified its rules, which would apparently bolster investigations of 527s in response to a series of complaints filed against the groups in 2004.

The new regulation, which took effect in January 2005, stated that 527s would be subject to regulation if, when seeking money, they ''indicated'' to donors that the money would be spent to support or oppose a federal candidate.

Election-agency commissioners such as Ellen Weintraub and Hans A. von Spakovsky declined to discuss the investigations. But strategists close to the 527s say donors are being targeted.

''I know for a fact that the FEC has subpoenaed donors who may have contributed to 527s in past election cycles and believe that technique is more rooted in preventing future donation to other 527s than anything else,'' said Chris LaCivita, a former senior adviser to Swift Boat Veterans for Truth and former head of Progress for America, both right-wing groups.

Another strategist connected with a prominent conservative 527 group, the Club for Growth, confirmed that the FEC is targeting donors.

''I've heard that lots of other groups have gotten subpoenas and requests for depositions of donors,'' said David Keating, the executive director of the Club for Growth, which is tied up in litigation with the FEC. Keating said he was not talking about donors to his group.

''If you look in the 2004 cycle, complaints were filed against virtually every group out there,'' Keating said. ''None of these matters under review have been dismissed.''

In 2004, a coalition of pro-campaign-finance-regulation groups including Democracy 21, the Center for Responsive Politics and the Campaign Legal Center filed at least five complaints against the major 527s: America Coming Together, the Media Fund, the Leadership Forum, Progress for America Voter Fund, Swift Boat Veterans for Truth and Texans for Truth.

Fred Wertheimer, president of Democracy 21, said that he believes all of his group's complaints are pending but that he had no further knowledge of the probes.

Because the complaints, which are 2 years old, have not been dismissed, it is assumed that the FEC has given its lawyers the go-ahead to investigate them.

One Democratic lawyer said the FEC general counsel's office is asking donors to recall the specifics of their conversations and other interactions with 527s to determine whether those groups indicated that donations would be used to support or oppose federal candidates such as President Bush and Sen. John Kerry (Mass.), the Democrats' presidential nominee.

''They're asking a lot of questions of donors about what they were told when they were asked to contribute,'' the lawyer said. ''Who knows what the six-member commission will do with whatever is presented them? There's little doubt that the general counsel's office feels responsibility to show evidence of a violation and this is the route to get there.''

Once the general counsel presents his case to the commission, its members must vote on whether there is probable cause to believe the law was broken. It is not known if the commissioners specifically approved subjecting donors to subpoenas and depositions.

''Their attorneys have been let loose to look into whether . . . the entities violated the law,'' the Democratic lawyer said. ''They're out there trying to gather the evidence. You don't have the FEC as a six-person office approving these inquiries.''

Former FEC Chairman Scott Thomas, who retired last year, declined to comment on an ongoing investigation but said scrutinizing donors would fit the legal approach that the FEC has adopted in regulating 527s. Citing the newly enacted Section 100.57, Thomas said commissioners agreed in 2004 that 527s could be policed most effectively case by case by looking at how they solicited donors.

Thomas said solicitation is a key element in the FEC's litigation against the Club for Growth. He said FEC investigators are likely to look at ''whether there was some indication given to donors in the solicitation process that the funds would be used to support or oppose federal candidates. The focus is what was said when the money was coming in.''

Thomas said past enforcement actions focused on what groups communicated to voters to determine whether they should have political-committee status, a designation that would subject them to contribution limits. Thomas said that approach created gridlock.

Thomas said the regulation change in January 2005 could be used to prosecute groups for activity in 2004. He said it would not apply retroactively in the technical sense but could be held up as a point of consensus among the FEC commissioners about how the laws on the books before 2004 should be interpreted.

''It's going to be arguing that the same analytical concept can be applied for figuring out what happened in '04 cycle,'' Thomas said in response to claims that the general counsel is focusing on conversations with donors. ''That's probably why the FEC was digging for this information, because four commissioners agreed that concept was the best way to analyze these political-committee cases.''

Mr. McCAIN. The track record of the FEC and its continued stonewalling proves that the Commission is incapable of upholding its responsibilities. The time has come to put an end to its destructive tactics. The FEC has had ample and well-documented opportunities to address the issue of the 527s' illegal activities, and each time it has taken a pass, choosing instead to delay, postpone, and refuse to act.

BCRA has demonstrated that, on a bipartisan basis, we care about making sure that political power in this country does not lie solely in the wealth of big corporations, labor unions, and the wealthiest of the wealthy. We need to uphold and build upon past reforms and not endorse the pursuit of ways to get around or unravel them.

I again point out with this chart that the predictions, when we passed BCRA, were that it would be the end of national parties; that it would prohibit people from any way to be able to contribute to political campaigns, and the parties would suffer mightily. Well, here is the amount of money. Here is the amount of new donors that both parties got. I have to say, in fairness, the Internet had a lot to do with the encouragement of, and ability of, millions of new donors to engage in contributions.

But let me also point out, for those who were worried about the destruction of the political parties and some kind of diminution of their capabilities, the Democratic Party raised $580 million as opposed to $212 million. This is hard money alone, with the elimination of soft money. And Republicans raised $632 million. So millions of new donors took part in the political process. The parties were strengthened.

No longer is it legal for a powerful Member of Congress to call up a labor union leader, a trial lawyer, or a corporation head and say: I need a soft money donation in six figures. And, by the way, your legislation is up before my committee. That is no longer legal and has stopped.

Do we have problems still with too much money washing around Washington in the form of campaign contributions? Yes. And do we have additional measures that need to be taken? Yes. But the first thing that needs to be done is to make the 527s fall in line with the same restrictions placed on any other organization that engages in activities to attempt to influence the outcome of an election.

I want to emphasize, we are not trying to ban them. We are trying to make them subject to campaign finance contribution limits, which are clearly, clearly called for in the 1974 law.

Again, the performance of the Federal Election Commission is really a great national disgrace. And how they can continue to fail to write regulation to enforce existing law that the Congress has passed since 2002 and enforce laws that were passed in 1974 is absolutely beyond comprehension.

Mr. President, I note the presence of my friend, the Senator from Nevada, on the floor of the Senate at this time, so I will proceed with the unanimous consent request at this time.

Mr. President, I ask unanimous consent that at a time to be determined by the majority leader, after consultation with the Democratic leader, the Committee on Rules and Administration be discharged from further consideration of S. 2511, and the Senate proceed to its immediate consideration; I further ask that there be 4 hours of debate equally divided with no amendments in order;

provided further that following the use or yielding back of time, the bill be read a third time and the Senate proceed to a vote on passage, with no intervening action or debate.

The PRESIDING OFFICER (Mr. ENSIGN). Is there objection?

Mr. REID. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. The Democratic leader.

Mr. REID. Mr. President, first of all, I want the RECORD spread with the fact of the work Senator MCCAIN did with my friend, and his friend, Senator FEINGOLD, in the now famous legislation, McCain-Feingold.

In my 1998 race that I was involved in with the Presiding Officer of the Senate, I spent $10 million, in the small State of Nevada. My friend, the junior Senator from Nevada, spent the same amount of money. It was equal spending. But the vast majority of that money we spent in Nevada in that hotly contested race was corporate money.

McCain-Feingold solved that problem. When I ran in 2004, as I have told other people, it was as if I had just climbed out of a shower and was clean and fresh. I did not have to accept corporate money, which I believe did not corrupt me, but it was corrupting when you could get these large sums of money, legally, and run them through the State parties and then run these negative ads that we all did around the country.

So I think McCain-Feingold personally was a tremendous blow for freedom and civility in this country. And I will always be grateful to Senators MCCAIN and FEINGOLD for that work.

I have listened to—I was not able to listen to all of my friend's remarks, but most of them I listened to in my office and here. And I say that I believe we have to have a full review of all campaign finance laws. Mr. President, 527s is only part of what I think we need to take a look at. There are foundations that need to be looked at. Some of the things going on with political action committees we need to take a look at. There are a lot of things we need to take a look at. I think at the appropriate time that should be done.

Now, I say to my friend who makes this unanimous-consent request, we have a bill pending in the Rules Committee requiring 527s to register as political action committees.

Now, we have a letter dated June 9 to Senator FRIST, the majority leader, from one, two, three, four, five, six, seven Republican Senators who say, among other things: We oppose taking any action on this bill, S. 2511. And they state specifically that they do not like it. So I am not sure it could be cleared on your side. It cannot be cleared on our side.

I would, on that basis, object and look forward to working with my friend to see if we can do a better job in looking at all the campaign finance problems that we have all at one time, not just 527s. So I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Mr. President, I ask unanimous consent that the letter to the majority leader dated June 9 of this year be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, DC, June 9, 2006.

Hon. BILL FRIST,
Majority Leader, The Capitol, Washington, DC.

DEAR MAJORITY LEADER FRIST. As Republicans, we strongly believe in freedom, including freedom of expression and association. We campaigned for office on the principles of a limited and constitutional government. As elected officials we took an oath of office to ''support this Constitution.''

The First Amendment's dictates are a model of clarity: ''Congress shall make no law . . . abridging the freedom of speech.'' Yet the House of Representatives approved a bill (H.R. 513) that proposes new restrictions on speech about politicians and policies to be enforced under the threat of criminal penalties. The House then added the provisions of H.R. 513 to the Senate's lobbying reform bil1.

One of the four pillars of a free and just society is freedom of speech. As George Washington once said, ''If the freedom of speech is taken away then dumb and silent we may be led, like sheep to the slaughter.''

The targets of the bill's speech restrictions are nonprofit advocacy groups organized under section 527 of the tax laws. The groups pose no threat of corruption as they are required to disclose all donors, barred from urging voters to support or oppose a candidate, and prohibited from coordinating with political parties or elected officials. Rather than restrict others, we should expand people's freedom of association and speech to political organizations and committees.

While many rightly criticized the McCain-Feingold bill for banning TV and radio ads within 60 days of an election, what justification is there to prohibiting any communication costing over $1,000 that mentions a congressman's name in any medium, 365 days a year, if done through one of these independent citizens' groups?

Some say this bill is needed to stop the wealthy from funding propaganda, but the bill appropriately places no limits on the wealthy to fund speech on their own. Instead, it foolishly restricts the ability of hundreds of thousands of citizens to join together to speak out about the nation's future.

Republicans do not need, and should not attempt, to muzzle their opponents. The increase in free speech over the last two decades made possible by the growth of talk radio, cable TV and the Internet has benefited our Party, which allowed us to promote individual freedom and opportunity that has led to unprecedented prosperity for our nation.

We strongly oppose adding the anti-free speech provisions of H.R. 513 to the lobbying reform bill, or any other bill.

If such provisions are added to legislation scheduled for a Senate vote, we would give serious consideration to supporting extended debate on the bill. It is important that the American public have the opportunity to learn that their freedoms are at stake and have the sufficient time to express their opinions prior to a vote of the Senate.

Sincerely,

GEORGE ALLEN,
JIM DEMINT,
NORM COLEMAN,
DAVID VITTER,
MICHAEL B. ENZI,
JOHN E. SUNUNU,
SAM BROWNBACK.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I, obviously, am not surprised at the objection of my friend from Nevada. We need to address this issue. As I mentioned, I do not think we would have to if it were not for the Federal Election Commission's failure to carry out their responsibilities.

I have observed the role of money in politics for a long time. And unless these 527s are brought under control, we are going to see ever-enlarging activities and more and more money being spent through this loophole that has been carved out, unfortunately, and allowed, as I mentioned, two individuals to contribute as much as $22 million each in the 2004 campaign.

I worry very much about one individual donor contributing millions of dollars that would come into a House or a Senate race in the last couple or 3 weeks of a campaign. Obviously, that would be a credible distortion of the process and undue influence. By the way, 99 out of 100 of these 527s come from outside the State or district in which the money is spent. So I hope we can move forward on this legislation. I think it is compelling that we do so

I hope that we can sit down with others and get this legislation debated. As to the unanimous consent request I propounded, I would be glad to have amendments to it, other debate, depending on the will of Senators. We need to take up this issue and bring it under the control for which it cries out. I regret we were not able to do so at this time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

WESTERN ENERGY CRISIS

Ms. CANTWELL. Mr. President, last night consumers in Washington State received welcome news; that is, that the Federal Energy Regulatory Commission decided, after 5 long years, that the ratepayers of Snohomish County, WA, do not have to pay Enron $120 million for power that it never delivered during the western energy crisis, for which it sought to charge exorbitant power rates.

The western energy crisis was certainly a tragic chapter, demonstrating corporate greed and the need to make sure we have regulatory fairness. This fight goes back to the spring of 2001. Since then, I have been working, along with my colleagues from the Pacific Northwest and other parts of the country, to make sure that ratepayers were treated fairly. There were many stops and starts in the process. There were times when our faith in the process began to erode.

But one of the high points came last summer when the Senate Energy Committee came together in an unprecedented effort to debate and pass an amendment that basically protected ratepayers throughout the country, to make sure they had a fair shot at justice. This was an important amendment I offered, which made sure that everyone understood that the federal energy regulatory authority was the proper place to decide whether utilities such as Snohomish County PUD should have to pay Enron for power at exorbitant rates, resulting from Enron's market manipulation.

I know the Chair knows this issue well and knows there were many other parts of the country that also were impacted by the same issues. That is why I want to make sure that we give thanks to all the people who played a constructive role in the debate: Certainly, I thank Senator ENSIGN, whose ratepayers in Nevada were facing a similar situation; of course, Senator REID; Chairman DOMENICI, who ran the Energy Committee in a fair and open way that allowed us to have a serious debate. The chairman deserves credit, along with the ranking member, Senator BINGAMAN, for his focus on consumer protection; Senator SMITH, Senator CRAIG and Senator ALLEN, Senators WYDEN and MURRAY, and all my Democratic colleagues on the Committee.

We also had some incredible help and support from the Energy Committee counsel and staff: Chief counsel Sam Fowler and Judy Pensabene, along with other in-depth analysis from Leon Lowery and Lisa Epiphane. These staff people helped us wade through a very challenging legal issue but, in the end, made sure that federal authority stayed where it was, and that that Federal entity gave the ratepayers a chance at the important relief they needed.

The other side of the story is that of the Snohomish County PUD, this is a David and Goliath story, of a small utility that did the job of taking on a big power company. This utility said that it was not going to be forced to pay manipulated power rates. They fought for the ratepayers of their State and for justice to make sure that this never happens again to consumers in America. It shows that sometimes the little guy can win. It shows that the Snohomish County PUD fought back against this fraudulent $122 million bill, and was vindicated in the process.

It was an important battle for them to fight, for the average Snohomish County resident who would have been forced to pay over $400 additional to Enron in utility rates; and for the county's school districts that would have seen a $2.5 million increase in electricity costs. That is money that can otherwise go to hiring teachers or paying for books. And for the businesses and other ratepayers in this county who were impacted economically by the exorbitant rates we have been paying from the western energy crisis and Enron's manipulation, last night's announcement will bring a big sigh of relief.

Now we need to make sure that we get on with the task of making sure that this never happens again. When it comes to energy markets that drive our economy, aggressive consumer protection must be part of Federal regulators' overall objective, when overseeing the wholesale electricity markets. It is far better that we continue to make sure the Federal regulators do their job. If that is what Congress needs to do by passing amendments such as the Cantwell amendment, we will continue to do so.

We also took some important steps in the Energy bill last year by saying that there is a Federal ban on market manipulation; that is, when it comes to electricity markets and natural gas markets. This Senator believes there is still more to be done in other energy markets. Just this morning we woke up to news that BP North America has been indicted for manipulation of propane markets. This is a case that is just starting to be made, but we will hear the evidence.

Our work is not done until we make sure that the Commodity Futures Trading Commission, the Federal Trade Commission, and other Federal agencies have all the tools they need to make sure there is transparency in energy markets; to make sure that propane, jet fuel, oil, diesel, gasoline markets, all are protected with the transparency and oversight necessary to make sure consumers aren't impacted by market manipulation. In the end, it is the American consumer and the American economy that suffer when we don't have functioning energy markets.

I look forward to working with my colleagues to continue to make sure that we protect consumers from exorbitant energy rates, that we do our job at the Federal level to enforce the law and uphold those standards that make these markets work and continue to help our economy grow.

Again, I thank all those who were helpful in the long process to bring justice for ratepayers in the State of Washington and all those who sought to give a good helping hand in the effort to make sure that our Federal laws were held up, implemented, and that we didn't allow this issue to continue to be punted around a variety of bankruptcy courts. But instead, we made sure that justice was delivered to the ratepayers.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO NIKKI KIMBALL

Mr. BAUCUS. I rise today to recognize my friend and fellow Montanan, Nikki Kimball. Starting in the early morning hours on June 24, for 19 hours, 26 minutes, and 50 seconds, Nikki put her body through one of the most grueling endurance races in the world.

The Western States Endurance Run is a 100-mile trek through the picturesque mountains of northern California.

Since the 1970s, runners from six continents have traveled to Squaw Valley to push their bodies to the limit.

Following the Western States Trail, once used by the gold and silver miners, the runners traverse some of the most diverse terrain the mountains have to offer.

However, this run is more than just a physical challenge, it is a battle of wills between the determined runners and Mother Nature. When I talked to Nikki, the first thing that she mentioned was the excruciating heat.

The searing heat not only resulted in intense dehydration, it also caused her shoe leather to constrict on her feet resulting in horrendous blisters. Yet, she forged on.

This race became a battle against oneself. As a fellow distance runner, I know the agony that comes with these types of races. Your legs are cramping, your lungs are on fire, and everything in you says stop, sit down, quit. Yet, in the back of your mind there is the little , voice saying keep going, one more mile, you can make it. Nikki listened to that voice, and turned in an epic performance.

Though challenged by hundreds of runners, including many professionals, Nikki coupled her elite physical prowess with an iron will, and won the female division, and placed second overall.

Her performance at Western States is just another addition to her phenomenal athletic resume.

Nikki's running has taken her all over the world and awarded her many honors. She has been selected as the UltraRunning Magazine's North American Runner of the Year, represented the United States on the 100K World Cup team, and has also won the U.S. national snowshoeing championship.

Currently, Nikki is training for the White River 50 mile race in Washington, which is a national championship event.

Yet, Nikki is defined by more than just her running. For all the effort she puts into sports, she puts just as much time into helping the Gallatin and Park County communities as a physical therapist.

Nikki has used her intimate knowledge of athletics to provide accurate insight into many ailments that hinder the citizens of the Gallatin Valley, as well as Paradise Valley, I might add, and all over Montana.

Nikki is an inspiration to all of us. She represents the dedication, iron will, and determination that has come

to define our great State of Montana. When you talk with Nikki, you see the spirit and energy in her and also the determination and the will. She is a wonderful person. I am so honored she has graced our State with this win.

Mr. President, is there any remaining time in morning business?

The PRESIDING OFFICER. There is 15 seconds remaining.

Mr. BAUCUS. I will let that time expire.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

UNITED STATES-OMAN FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 3569, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 3569) to implement the United States-Oman Free Trade Agreement.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, in 1833, a merchant named Edmund Roberts piloted the U.S. warship Peacock to the port of Muscat, the capital of today's Oman. Roberts bore a letter from President Andrew Jackson to the Sultan Said. Three days later, Roberts and the Sultan signed a Treaty of Amity and Commerce. This was the first treaty between America and Oman, 1833. That treaty with Oman was part of a bigger picture, of course. That bigger picture included Siam, today's Thailand, and Cochin China, today's Vietnam. Edmund Roberts also traveled to those countries to initiate broader commercial ties.

Today we are considering implementing legislation for another treaty with Oman, a free-trade agreement. Today I ask again, what is the bigger picture? From where I stand, the bigger picture is a grim one. It is a picture colored by resentment, frustration, and broken promises.

This agreement, as others in the past, will be overshadowed by the unfair process by which the agreement was considered. The substance of the Oman agreement, like others, is largely good. The Omanis have made real progress in liberalizing their economy, ensuring their markets are open and fair, and improving their labor laws to meet internationally recognized norms. Yet the memories of this agreement that will linger will not be tariffs, labor laws, or intellectual property rights protection. Regrettably, what will linger will be a feeling that these trade agreements were pushed through Congress without appropriate consultation. I don't say that lightly, and I don't say that for partisan purpose because I, frankly, don't regard myself as a partisan; rather, someone who is trying to get the job done, working the Senate's business for the good of all Americans.

The Senate considers trade agreements under what is called the fast-track process. Congress agreed to this fast-track process in exchange for the assurance that the Finance and Ways and Means Committees would have an opportunity to influence these trade bills in what is called a mock markup. In these mock markups, the Finance Committee and the Ways and Means Committee can offer amendments to the bills. Under a fast-track process, that is the last time anyone in Congress gets a chance to change the bills.

During the mock markup of the Oman agreement—we call them mock markups because they are not traditional markups in which members of the committee can offer amendments which are then passed. Rather, the amendments that are offered and passed are really not part of legislation. Again, they are indications of what should be in the trade agreement, indications to the administration that when it sends up a trade agreement, it would be wise to include these amendments which members believe should be included.

During the mock markup of the Oman agreement, the Finance Committee voted 18 to 0 to approve an amendment offered by Senator CONRAD. The committee later approved the amended language unanimously.

But rather than consider these unanimous actions by the committee, this administration simply stripped the amendment from the implementing legislation that is before us today. There was no consultation. There was no mock conference to fairly consider all views.

This kind of process cannot continue. The sad truth is that at the end of the day, it won't. If the administration continues to disrespect the constitutional authority Congress exercises over international trade, there won't be any fast-track process at all. Once trade promotion authority expires mid-next year, it simply won't be renewed. That is not the result I want, but that is where we are headed. I have been warning for years that the process failures threaten to undermine support for the fast-track procedures that allow us to negotiate free-trade agreements, and that is exactly where we are today. Good trade agreements will not receive the support they might because of a widespread failure in the Congress and the administration to listen to the concerns of Congress. And the chance of renewing trade promotion authority when it expires mid-next year is a long shot at best.

As I said during the markup in the Finance Committee yesterday, this disrespect for congressional power and prerogatives—after all, it is the Congress under the Constitution which sets trade policy—is not confined just to trade agreements. It runs to other matters as well, an accumulation of matters. It runs to other pressing issues of national concern.

The administration dismisses congressional inquiries as unnecessary or harmful—legitimate inquiries—and the administration issues Presidential signing statements indicating the administration's intent to ignore whatever provisions of the law it chooses. I believe the Senate has not been sufficiently aggressive in asserting its authority as a coequal branch of Government. I commend Senator SPECTER for holding a hearing in the Judiciary Committee on Presidential signing statements. As an institutional matter, and for the good of the country, the Congress must act as a check on the power of the executive branch. Our Founding Fathers set the Constitution up that way. We were set up for one to check the other, not for one to run roughshod over the other, which is beginning to happen.

After much consideration and deliberation, I have decided to support this Oman Free Trade Agreement. It was not an easy decision, but I will do so because I believe that Oman and the Omani people should not be punished by the unfair process that tarnishes an otherwise good agreement.

Let me assure you that I will not forget these shortcomings and process failures after this vote. Let me assure you as well that the effects of these shortcomings and failures will continue to be felt when we consider further trade agreements and when we consider trade promotion authority next year.

The administration must understand that its action on this agreement will have effects far beyond and long after this agreement. I would like to work with the administration to repair the damage done. It will be a difficult job, but for the sake of the Senate and the Nation's economic well-being, we must begin that work.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume on the Oman Free Trade Agreement.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DORGAN. Mr. President, will the Senator yield for a unanimous consent request?

Mr. GRASSLEY. Yes, I will.

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized at such time the Senator completes his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, before I speak to the issue of the Oman Free Trade Agreement, I wish to take advantage of the opportunity to remind the public that trade agreements are not treaties, as we usually think of treaties, with just the Senate approving treaties with a two-thirds vote and the House of Representatives having nothing to do with a treaty. A free-trade agreement is negotiated by the President but must be approved by both Houses of Congress the same way that legislation is passed, except it is done under a time agreement under law with the idea that the agreement will be voted up or down and not amended But when the dust settles, it is the law of our land, just like any other law that Congress would pass.

Taking that into consideration then, the rationale behind that is the fact that the Constitution gives the Congress of the United States, as one of its specific 17 powers, the power to regulate interstate and foreign commerce. A free-trade agreement is foreign commerce. Congress has the authority completely—no questions asked—about what our trade laws are going to be.

Until the 1930s, for the most part, Congress passed those pieces of legislation, and that was the law after the President signed them. But starting in the 1930s, Congress would, to a greater extent or lesser extent from time to time, give the President the authority to negotiate certain agreements, and then Congress would approve them.

Since World War II, we have had a regime for 45 years that we called the General Agreement of Tariffs and Trades. Since about 1993, it has been referred to as the World Trade Organization, or WTO.

In not exactly the same way, but from time to time, Congress, in order to negotiate agreements since World War II, has extended authority to the President to negotiate those agreements, not because Congress wanted to give up any congressional authority as the Constitution prescribes over foreign trade, but, as a practical matter, if you are going to negotiate with another country, rather than unilaterally setting policy, Congress, as a body of 535 people, can't negotiate with another country or, for sure, with the World Trade Organization that has 149 members very efficiently, and never even tried. So from time to time we have negotiated—or we have delegated—to the President of the United States, under strict guidelines, the authority to negotiate for Congress with an understanding that—well, under the Constitution with the practical end result that it has to be passed by the Congress of the United States by a majority vote in both Houses to become the law of the land.

Congress doesn't just willy-nilly say to the President: You negotiate any sort of an agreement you want. In the basic law, there are some stipulations—not very many but some—but, more importantly, for the Congress to preserve its power and not give the President of the United States free reign. We have a consultation process within what we now call Trade Promotion Authority where, during the process of negotiating multilaterally under the World Trade Organization, or negotiating bilaterally with another country, that the President and his negotiators would come to Congress whenever we would invite them, or even on their own initiative, and sit down and talk, sometimes in informal sessions, sometimes in regular committee meetings, to find out how the negotiations are going and what the problems are.

But the most important thing is for that negotiator and that agency to hear what Congress says needs to be done, what our input is, with the idea that if they don't negotiate something that Congress can pass, what good is doing the negotiation? So that consultation process is very important.

Now, sometimes I feel that there has not been enough consultation, and because I am chairman of the committee that has jurisdiction over that, sometimes I can legitimately claim fault for not having enough consultation, although we have considerable. And any members of the committee should likewise—the other 19 members of the committee should likewise feel that if there is not enough consultation, then maybe they have not been forward enough in preserving the constitutional power of the Congress and the specific authority of our committee to make that consultation happen.

Now, what sometimes happens—maybe every time—in bringing a Free Trade Agreement before our committee before it comes to the floor, there is an outburst on both sides of the aisle about not having consulted enough and that the process might be a sham. Well, the extent to which people feel that is the situation, then I guess I plead with myself as chairman of the committee, I plead with members of the committee, that we need to make more specific requests of the administration to come and talk to us about these agreements.

That can be going on right now in regard to the Doha round of negotiations that are going on between the United States as part of the World Trade Organization involving another 148 countries, or it can be going on right now anytime the committee members want it to happen in our process of negotiations with Thailand bilaterally, South Korea bilaterally, Egypt bilaterally, and there are other countries as well.

So I hope that each one of us in Congress feels that we are adequately safeguarding our constitutional authority. But I hope nobody lives in the wonderland that somehow Congress ought to be negotiating directly with these other countries because we don't have that capability or the time. But we ought to make sure that we don't compromise one iota the constitutional power that we have been given and that w have to cherish and protect.

I rise in strong support of the United States-Oman Free Trade Agreement. The agreement will help cement our ties with a strong ally in the Middle East. It will contribute to greater economic opportunity and prosperity in the region. It will serve as a strong model for other economies in the region, and it will create new market access openings for farmers, manufacturers, and service providers in the United States. So I urge my colleagues to support the agreement in a strong bipartisan fashion.

We have enjoyed beneficial relations with Oman for nearly 200 years. In 1833, Oman was one of the first Arab states to sign a Treaty of Amity and Commerce with the United States. It was also the first Arab country to send an ambassador to our country. Our agreement with Oman is the fifth trade agreement that we concluded with a country in the Middle East.

It brings us one step closer to our President's vision of having a Middle East free trade area by 2013. The President's goal is very simply the same as every other free-trade agreement: to foster economic growth. But it isn't just an economic issue. It has something to do with promoting democracy, and millions of people every day doing business agreements around the world is going to do more for world peace than what we who are elected and our diplomats can do. So you ought to see a free-trade agreement not only economically in our interests, but promoting moral principles of democracy and peace through enhanced commercial ties with the world generally; in this case, to a greater extent with the Middle East.

The fact is, open economies that are actively engaged in international commerce tend to grow at much higher rates than closed economies, and that translates into greater economic opportunity. So a free trade area is in the best interests of the people of the Middle East, and it is in our best interests as well, but it is also in the interests of stabilizing that area and having peaceful relations and greater peace around the world.

This agreement enjoys strong support in the business community and in the agricultural community. It has been endorsed by a number of groups. I can't name them all, but I think it is important to note that the American Farm Bureau Federation, the American Chemistry Council, the Association of Equipment Manufacturers, the National Foreign Trade Council, and the U.S.-Middle East Free Trade Coalition are among those of over 110 companies and associations supporting trade expansion in the Middle East, including this agreement.

These groups recognize that this is a commercially meaningful agreement

that is leveling the playing field for U.S. businesses. In the United States, Omani products already receive a substantial market access, with most duties ranging from zero to 5 percent. Without this agreement, U.S. exports won't have a level playing field, and haven't up until now had a level playing field, because they would continue to face those steep tariffs that Oman now has and will be giving up with this agreement.

While the economic effect of the agreement may be small in total world trade, it will certainly be possible. Upon entering into force—in other words, when it becomes the law of our land—this agreement will have Oman grant immediate, duty-free entry to virtually all U.S. industrial and consumer products. As examples, in agriculture, 87 percent of Oman's tariff lines will go to zero for U.S. agricultural exports on day one of the agreement and the remaining tariffs will be phased out over 10 years. U.S. service providers will also receive substantial improvement in market access. I have constituents who are interested in seeing this agreement implemented, and I expect many of my colleagues do as well.

I will give you just a few examples. A small business located in Cedar Rapids, IA, Midamar Corporation, will benefit from new opportunities and low costs for specialty food exports that are specifically processed for Muslim diets. The HNI Corporation in Muscatine, the second largest manufacturer of office furniture in North America, will benefit. It has a fast-growing market in the Middle East. HNI expects to forge new business ties in Oman once the agreement enters into force.

Another company is Lennox in Marshalltown, IA, manufacturing heating and cooling products. This agreement will promote increased exports for Lennox.

In sum, I expect this agreement will have a real and positive impact for my constituents in Iowa, preserving or establishing good-paying jobs, because exporting jobs pay 15 percent above the national average, and if it does that in the State of Iowa, it will be the same across the United States.

In addition to pointing out the benefits of the agreement, I would respond to just a few criticisms. Some are alleging that this agreement will provide foreign port operators an absolute right to establish and acquire operations to run port facilities in the United States. That is just plain wrong.

The truth is, nothing in our agreement with Oman diminishes our right to determine for ourselves whether to block or unwind any foreign investment in the United States when the protection of essential security interests are at stake That includes any potential investment in land or site aspects of port activity in the United States. So our ability to advance our national security and promote it and protect it as we see fit remains fully protected under this agreement.

Separately, some colleagues have been critical of the process by which this agreement has come before the Senate. In this respect, I am repetitive of how I opened my remarks. In other words, I want to make it clear that this has received substantial consideration by the Congress of the United States. We concluded our negotiations with Oman on October 13, 2005, with 7 months at the negotiating table and opportunities for Congress to be consulted during that period of time. The administration did that, both at the Member and staff level, throughout negotiations. The agreement was signed January 19, this year, and our own Government's agency, called the International Trade Commission, issued its report on likely economic effects of the agreement in February of this year.

The International Trade Subcommittee of my Finance Committee held hearings on this agreement on March 6. The Finance Committee met May 18 to informally consider proposed legislation implementing this agreement—the proposal that is pretty much as we have it before our body this very minute.

During the committee's informal consideration, I introduced a chairman's modification to the proposed statement of administrative action. My modification called upon the administration to monitor and report on the Omani efforts to prohibit compulsory or coerced labor.

The administration took my modification and broadened it. The statement of administration action that accompanies the bill to the floor of the Senate this very day contains a commitment from the administration to update Congress periodically on the progress that Oman achieves in realizing all commitments made to labor law reform. I believe that is an improvement, even on my own modification. It is an example of how the process of trade promotion authority worked in this case and is a specific case of what I was trying to describe in the opening of my statement.

In sum, this is a strong trade agreement with an important ally. I urge my colleagues to enthusiastically support the implementation of legislation before the Senate.

I yield the floor under the previous unanimous consent agreement so that Senator DORGAN can have it.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I regret I do not agree with my colleague on the merits of this issue. But I do not regret coming to the Chamber to speak on behalf of American workers, on behalf of our country's interests. I come, once again, to talk about a trade agreement that I believe is not consistent with what our country should be doing.

Let me talk about priorities. We have so many issues in front of us.

The other day, I read that the price of prescription drugs has risen triple the rate of inflation in the first 3 months of this year with the advent of this new Government prescription drug program for Medicare recipients. Is there any action on that? No. That provokes a very big yawn here in the Senate.

We have the highest budget deficits in history. We are going to add about $1.4 trillion in debt to this country's shoulders this year—$700-plus billion of trade deficits this year. We are going to borrow, increasing the Federal debt $600-plus billion this year.

We have significant challenges in education and health care.

We have enormous challenges abroad. Obviously we are involved with respect to the war on terrorism. There is a war in Iraq. There is no proposition that anybody should pay for that war. Hundreds of millions of dollars have been brought to the floor of the Senate to pay for it, with the entire cost being added to the Federal debt. We send men and women to risk their lives in Iraq. Some make the ultimate sacrifice on behalf of their country and lose their lives. But there is no discussion here about whether anyone else should probably sacrifice some and be paying for the cost of this. In fact, the administration does not even put money in their budget, when they send their budget to us, for the operations in Iraq and Afghanistan. They do not put the money in because they know then they can ask for emergency funding and just add it to the top of the debt.

We have a lot of challenges. We cannot get action on the floor by this Congress on the subject of stem cell research which will begin, I hope, to unlock the mysteries of dreaded diseases—Parkinson's, Alzheimer's, cancer, heart disease, diabetes, and more. Unlocking the mysteries of those diseases is saving lives. It is pro-life. We can't get a bill on the floor of the Senate to deal with that because we are blocked from considering stem cell research on the floor of the Senate.

We need reimportation of prescription drugs so we can put pressure on the drug companies to lower the price of prescription drugs for the American people. We pay the highest prices in the world for prescription drugs, and it is unfair. The U.S. consumer pays double, triple, in some cases 10 times the price of prescription drugs that is charged to virtually every other consumer in the world, and we can't get a piece of legislation on the floor of this Senate to consider allowing the reimportation of the identical drug, often a drug that was made in this country and then shipped to Canada.

We can't do those things. Those are not priorities for those who schedule the floor of the Senate. But we can bring to the floor of the Senate today a trade agreement, a free-trade agreement with the country of Oman. Here we have another chapter in a book of failures—a free-trade agreement with Oman.

Oman is a country with 3 million people run by a Sultan. I don't come to the floor to in any way cast aspersions or to denigrate the country of Oman. I have not been to Oman. But I do know a lot about trade agreements. I have studied them. And this is what they are ultimately about: the exporting of American jobs to countries where people work for 30 cents an hour and you can work them for 12 to 14 hours a day, 7 days a week. This has caused at least 3 to 4 million jobs to be eliminated from this country.

These free-trade agreements—and this Oman deal is yet another—these free-trade agreements have given the green light to say: Yes, let's ship American jobs overseas; and by the way, even as you ship American jobs overseas, you can bring in low-wage labor from our southern border; and by the way, you can run your income through the Cayman Islands so you don't have to pay taxes.

My colleagues are tired of hearing about the Ugland House, but I am reluctant to mention it again. There is one little house on Church Street in the Cayman islands. It is, I believe, four stories. It is called the Ugland House. It is home to 12,748 corporations. They are not there, of course. That is their official address in order to avoid paying U.S. taxes.

At any rate, these trade agreements, the so-called free-trade agreements, are agreements that in most cases are reached in secret negotiations, are then brought to the Congress under a procedure called fast track. The Congress has actually voted on it. I voted against it. It is absolutely preposterous that Congress decided to say, let's wake up in the morning and put ourselves in a straitjacket and pass legislation that makes sure we can't offer amendments to a trade agreement. That is unbelievable, that Congress has done that, but it has. So we now bring this to the floor under something called fast track.

Fast track means this: Take it or leave it. Here is the agreement. You didn't have any participation in drafting this trade agreement, you have no ability to alter this trade agreement, but take it or leave it, vote up or down, yes or no. That is the process.

With respect to this trade agreement, they actually have begun to do a procedure called a mock markup. In my hometown, you would know what a mock markup is: it is not a markup, it is just a mockery. So they had a mock markup here in the Senate Finance Committee.

My colleague, Senator CONRAD, and I believe Senator BINGAMAN, offered an amendment to the mock markup of a free-trade agreement that is going to be brought to the floor under fast track. That doesn't even sound like English, does it—a mock markup brought to the floor under fast track? So the mock markup is held, and my colleagues offer an amendment that would ban products coming into this country that is produced from sweatshops or slave labor. It passed unanimously in the Finance Committee, in the so-called mock markup.

It turns out that the markup was a mock, or a mockery, because even though that provision passed unanimously, it is not in the trade agreement that emerged on the floor of the Senate. The question is, What has happened to that amendment which was offered in the Senate Finance Committee? Where in the world is Carmen San Diego? Where is this amendment? Maybe we ought to send teams out to look for this amendment. The amendment passed. It was unanimous. But it has just disappeared. Another famous disappearing act.

This trade agreement with Oman is not the largest trade agreement. This is not CAFTA, this is not NAFTA, this is not the free-trade agreement of the Americas. Oman is a relatively small country, and in saying that I do not mean to offend Oman. This is not about whether I think Oman is a wonderful country or not a wonderful country. I want to talk about the ingredients of this trade agreement.

Let me talk a bit about the major concerns I have with this particular trade agreement with Oman. First of all, let me talk about the organizations that oppose this trade agreement. The AFL–CIO, Communications Workers of America, Teamsters, League of Rural Voters, National Farmers Union, Presbyterian Church USA Washington Office, Sierra Club, United Methodist Church, United Steel Workers, Western Organization of Resource Councils, and many more.

Like NAFTA and CAFTA and all the other acronyms that describe recent failures, this agreement fails to put any meaningful protections or any meaningful labor or environmental provisions in the labor agreement. So the lack of any effective provisions dealing with labor or the conditions under which goods will be produced to be sent to America means that it is just ''Katey, bar the door''; whatever happens, happens; we are not going to care much about that.

But particularly recent revelations of massive labor abuses in Jordan should give everyone some pause. The agreement with Jordan was supposed to represent the gold standard with respect to labor standards. Now we have seen recent examples of what has happened in parts of Jordan; that is, human trafficking, 20-hour workdays, widespread failure to pay wages.

Let me talk about last month's New York Times story, which described how a free-trade agreement with the country of Jordan was used to produce sweatshops all over Jordan. It turned out when the agreement was signed in 1999, companies began to fly in so-called guest workers to Jordan from countries such as Bangladesh and China to make products in Jordan to sell at stores in this country—Wal-Mart, Target, and so on. The conditions of these so-called guest workers can only be described as slave-like. Let me read from the New York Times piece:

> Propelled by a free trade agreement with the United States, apparel manufacturing is booming in Jordan, its exports to America soaring twentyfold in the last five years. But some foreign workers in Jordanian factories that produce garments for Target, Wal-Mart, and other retailers are complaining of dismal conditions—of 20-hour days, of not being paid for months, and of being hit by supervisors and jailed when they complain.

Those are the conditions of sweatshop labor that manufacture products in Jordan—by the way, products that used to be produced in this country when we had a textile industry providing jobs to Americans, but that has all migrated.

The question is, Should this sort of thing exist in sweatshops—not only in Jordan but in other parts of the world—to allow products to be produced under these conditions and sold in the United States? The answer to that is clearly no.

Now, consider this: this agreement with Oman provides weaker labor provisions than existed with respect to Jordan.

So with the supposedly good agreement in Jordan, we ended up seeing workers from countries like Bangladesh being flown to Jordan, and forced to work not a 40-hour workweek, but a 40-hour shift, $50 for 5 months of work for one worker, and frequent beatings of workers who complain.

Let me show you some pictures—pretty ugly pictures—from Bangladesh. I will show them for a reason, because it relates to trade agreements that don't have labor protections, and it shows you the face of this global economy. These pictures were taken by a journalist who witnessed firsthand the beating of workers in Bangladesh. Here is an example of a picture taken by a journalist of the beating. This, tragically, is a man shot through the head—a worker subjected to violence and killing. This is another picture of the beatings. Let me show a picture of four young women, if I might, very young girls. You will notice that they are tied together—working in factories, tied together to prevent them from escaping.

Should there be labor standards in trade agreements? Do we give a damn about this? Does this country care about this? I hope it does. But there is no evidence of it because we are going to pass another trade agreement today with no labor standards at all.

So all of the folks in this country who lost their jobs because they wouldn't work for 30 cents an hour, all the folks in this country who saw their jobs moved to Bangladesh, Indonesia, to Sri Lanka, to China, and elsewhere because those who want to produce can find a way to produce it there for 30 cents an hour, not pay health care benefits, work people in unsafe factories, and work them in conditions of sweatshop labor, to all of those people, I ask

this question on their behalf: Is this what competition is about? Is this what this country should allow—allow the import of jobs in these circumstances? The answer is clearly no. Yet this Congress will not put labor standards in a trade agreement. It will not require an administration to put labor standards in a labor agreement. The only one which included labor standards was Jordan.

I just described to you the sweatshops in Jordan by which Bangladeshis and others were flown by the planeload into Jordan to work in sweatshops that produce products to be sent to American shelves. I believe it is an outrage. It ought to be corrected. But it is not going to be corrected with this kind of trade agreement.

I recall the movie ''Casablanca.'' I guess everybody understands the famous words in ''Casablanca'' when the French police chief said he was ''shocked.'' He said: I am just shocked to find gambling in Rick's Café. Of course, he wasn't shocked. Everybody knew there was gambling in Rick's Café in ''Casablanca.''

These pictures ought to shock the sensibilities of everybody. But on some level, we all understand this is going on. It's just a question of whether we are willing to do something about it. Is this country willing to do something about it? And if so, when? If not now, when? Yet this trade agreement does not do a thing about it.

The country of Oman has 3 million people, and half a million people in Oman are so-called guest workers. In fact, the majority of Oman's workers involved in manufacturing and construction are not from Oman at all. The majority of the workers in Oman are brought in from Bangladesh, Sri Lanka, and other poor countries under labor contracts to work in construction and factories.

The State Department's 2004 Report on Human Rights cited Oman for cases of forced labor. And I quote:

> The law prohibits forced or compulsory labor, including children. However, there were reports that such practices occurred. The government did not investigate or enforce the law effectively. Foreign workers at times were placed in situations amounting to forced labor.

They have changed the report just a little bit in anticipation of having an Oman free-trade agreement brought to the floor, but the fact is that this happens in Oman, and we know it happens in Oman.

There are no labor unions in Oman. In 2003, the Sultan of Oman issued a Sultanic decree which categorically denies workers the right to organize and join unions of their choosing. Under some circumstances, I am told that workers in Oman can join ''representative committees,'' but they are not independent of employers. The Sultan of Oman has written to the USTR, our trade ambassador, and promised that he will improve Oman's labor laws by October of this year; that is, after the Senate has voted to approve a free-trade deal with Oman.

The labor provisions in the Oman Free Trade Agreement are much weaker than the labor provisions in the Jordan trade agreement, as I indicated. They simply ask Oman to follow its own laws and its own self-policing. If the supposedly model agreement on labor with Jordan was such a disaster, think of what it will be with respect to the country of Oman. But under fast-track rules, no one has an opportunity to offer any amendment under any of these provisions.

Now, let me describe another point with respect to Oman. After going through a heated debate some months ago over whether Dubai Ports World should be able to manage a half dozen of America's major seaports, we now find that there is a provision buried in annex II of this trade agreement with Oman, which says that Oman has the right to acquire companies that operate U.S. ports, and there is not a thing we can do about it. This provision in the agreement was added to a list of U.S. infrastructure functions that Oman can't be precluded from acquiring: It is as follows:

> [L]andside aspects of port activities, including operation and maintenance of docks, loading and unloading of vessels directly to or from land, marine cargo handling, operations and maintenance of piers, ship cleaning . . .

There was a great deal of controversy about whether the United Arab Emirates and a company owned by that government called Dubai Ports World should be able to take over the management of a half dozen of America's seaports. The answer from this Congress was absolutely not; this country ought to have the capability to manage, for national security purposes and other purposes, its own seaports.

Well, guess what. We have a trade agreement that comes to the floor of the Senate which says, it is going to be all right if Oman takes over our ports. Or for that matter, if a company from the United Arab Emirates that has a subsidiary in Oman takes over our ports.

The folks at USTR say: Don't worry, be happy. There is an exception in the Oman trade agreement that allows us to block acquisitions for national security reasons.

Well, sure, that national security provision is in the agreement. But it means nothing if the President is determined to let the deal go through.

Here is what the President said about the managing of U.S. ports by the United Arab Emirates. He said this on February 2, 2006:

> Brushing aside objections from Republicans and Democrats alike, President Bush endorsed the takeover of shipping operations at six major U.S. seaports by a state-owned business in the United Arab Emirates. He pledged to veto any bill Congress might approve to block the agreement.

The President quite clearly has told the American people that he thinks it is fine to have the United Arab Emirates run America's seaports. Do you think he would think it was not fine for a company owned by the Government of Oman to run America's seaports? It doesn't seem to me he would have great objection to that. What do the supporters of this agreement have to say to this point?

So this is where we are. They have a mock markup and then create a mock trade agreement and have a mock disappearance of a provision dealing with sweat labor, sweatshop labor, and then you bring it to the floor, and we have a mock debate. Everybody is very quiet about it. Then we have a vote on the floor of the Senate, and then it passes. It always passes because there are not enough Senators here who care about this question.

We import $2 billion a day from around the world above that which we export. Each and every day, we are going $2 billion more into debt to the rest of the world. Said another way, each and every day, we sell $2 billion worth of America to foreigners. Each and every day. And $700-plus billion a year in trade deficits. We shuffle around here like there is no hurry, no rush, no worry, be happy. It is unbelievable to me. This is a very serious, unsustainable problem. We cannot sustain this. It will cause a collapse of the dollar, and it will cause economic difficulties you can't imagine unless this Congress gets serious and this administration and this President get serious and decide this is a serious issue which must be solved.

I have spoken often on the issue of trade, and I know there are disagreements about these things. Let me describe the other side of it because I can describe it easily.

They say that all who raise these questions are a bunch of xenophobic, isolationist stooges; you do not have the foggiest idea what is going on. You can't see over the horizon. This is a globalized economy. The world is flat. Are you crazy? You want to build walls around our country? What are you thinking about? That is the other side. Therefore, they say, let's have free trade agreement after free trade agreement because it is a global economy and it will all turn out just fine. Of course, after each and every agreement we have reached, we have had bigger and bigger problems.

We had a small trade surplus with the country of Mexico. We have a trade agreement with Mexico, and it turns into a huge deficit. So we are able to turn a small surplus into a huge deficit.

By the way, those hotshot economists who gave us all that advice—I didn't take that advice, but the majority of my colleagues did—all that advice saying this is going to be just fine; you should understand this is a division of labor. What is going to happen in Mexico under NAFTA is the low-skilled jobs are going to migrate to Mexico and then we will get high-skilled, high-wage jobs back here as a

result. Guess what our three largest imports are from Mexico: automobiles, automobile parts, and electronics—all products of high-skilled, high-wage labor. That is what migrated out of this country. We turned a small surplus with Mexico into a huge deficit.

We turned a modest deficit with Canada into a large deficit. We turned almost a balanced trade deficit with China a couple of decades ago into the largest deficit in humankind. It is unbelievable what we have done. Europe, very large deficit; Japan, an $80 billion-a-year deficit; every single year with Japan, we have a large, recurring deficit. This country had better understand the consequences of this.

This chart represents the trade deficit, and one would have to be colorblind to not understand the consequence of this. You would have to be in a situation where you can't see red. This is red, red, red, growing in a dangerous way, giant trade deficits It is not getting better, it is getting worse. This is simply one more chapter of a book of failures.

What we have been doing is sinking this country into a sea of debt. All of this debt reflects, by the way, the shipment of American jobs elsewhere. We have nearly decimated our textile industry. We are taking apart our manufacturing industry. And it doesn't end there.

I have told the story of Natasha Humphreys who was a software engineer, Stanford graduate. Her last job for her company was to train her replacement in India because an Indian engineer worked for about one-fifth of the price of a U.S. engineer. So she lost her job.

This is not just textiles and manufacturing. Half of the Fortune 500 companies have been outsourcing software development.

That is what the lines on the chart mean. It started with textiles. Everyone knows Fruit of the Loom underwear: T-shirts, shorts, underwear. They would advertise with green grapes, red grapes, dancing down the street. Everyone was happy. Underwear was made here. People had jobs here. The grapes got jobs dancing on television.

Now, however, we do not see dancing grapes talking about American jobs because there is no Fruit of the Loom underwear made in America. That is all gone. There is not one pair of Levis made in America. Huffy bicycles. That is all gone.

I could go on forever, and I have gone on forever, as a matter of fact, in previous discussions about all of the brands. You may be wearing Tony Lama boots, but if so you may be wearing boots made in China. The list is endless.

We built in 100 years in this country something very unusual, and we did it through pain and suffering and through agonizing and debate in the Congress. Part of it was to decide: What kind of country are we? How do we improve the standard of living? How do we build something here that is unique? It was encouraging entrepreneurs, helping people who had a vision to start a business, to take risks, to say go for it, absolutely, to create a hospitable environment where people started businesses and created jobs, and to say on behalf of workers: You have a right, too, a right to organize unions, a right to have a safe workplace, child labor laws. You cannot dump chemicals into the air or water as you produce those things.

James Fyler was shot 56 times—56 times this man was shot. Do you know why? Because in 1917 he believed the people ought to be free to form a labor union to protest the conditions of coal miners deep in the coal mines of Colorado. For that he was shot and killed; 56 times that man was shot.

This history of our country is replete with the people who have decided to exercise the bravery to help build this country and create the standards, the work rules, and the opportunities that we enjoy. Men and women who start businesses, men and women of the labor movement, and Members of Congress decided what the rules are.

Now, in one swoop we can decide a company can move those jobs to China, just like that, shut their American plant, move the job to China—and, by the way, this Congress gives them a tax break for doing so—ship the product back to be sold in this country, run the income through the Ugland House on Church Street, and not pay taxes to the United States.

None of that adds up. So today we have a trade agreement from Oman which persuades me to show, once again, a chart with dancing grapes. Does it relate? Yes, it does, because this is one more chapter in a book of failures.

The question is, Will this country stand up for its economic interests?

I say to Japan—we have had robust trade with the country of Japan for decades. Yet every single year we have these large deficits with Japan and the growing deficits with China which even dwarf the Japanese deficits, yet our country does not seem to care.

All these deficits translate to lost jobs, they threaten this country's economic future and whether we progress and improve the standard of living and expand the middle class. Our government says, you know something, this is a global economy. Whatever happens, happens, and we do not want to offend anyone. We do not want to tell China: Look, the way we will trade with you is this: our trade must be fair trade; you open your markets to us, we open our markets to you; but the methods of production must be fair.

We do not do that. We do not do any of that because we do not have the nerve and the backbone or will to stand up for this country's economic interests. Frankly, it baffles me that this will be passed this afternoon. There is no question about it. This Congress will, once again, snore through this discussion, and we will pass a trade agreement with the country of Oman.

At the end of this year, we will see another record, the highest trade deficit in history.

Alan Blinder is the former Vice Chairman of the Federal Reserve Board. He is not some nut way off on the edge of the political debate. This is a guy who is a mainstream economist. He has written in the Foreign Affairs Journal that there are 42 to 56 million American jobs that are subject to outsourcing.

Let me say that again: 42 to 56 million American jobs in manufacturing, and especially the service sector, that are tradeable jobs, subject to outsourcing. Not all of them will be outsourced, for sure, but even those that remain here will be subject to competing with those in other parts of the world who can do the job for less.

Does that matter to anyone? Doesn't that say to all of us what this is really about? This is about reducing the standard of living in this country. It is not about raising other countries up, it is about pushing us down. That is why this trade strategy is wrong. I don't believe in building walls. I don't believe we ought to decide we should withdraw from the global economy. I just believe there ought to be rules with respect to the global economy that stand up for this country's interests.

For the first 25 years after the Second World War, we were the biggest, the strongest, the toughest. We could beat anybody at almost anything, and we knew it. With one hand tied behind our backs we could trade with anybody and give concessional circumstances and win. It was not a problem.

Then we saw the emergence of shrewd international competitors—yes, Europe, Japan, and others—things changed. But our notions did not change. Our trade policy is still a heavy dose of foreign policy that is, in my judgment, soft headed. We still are concessional. We still do not have the willingness to stand up for this country's economic interests. And we now are seeing the results of that with the highest trade deficit in history.

If I might show that chart one more time, the trade deficits on this chart are the result of these trade agreements. Republicans and Democrats, together—administrations run by both political parties—have failed to do what they should do.

We have a trade deficit with almost every country. And those with whom we do not have a deficit, if we can just get an agreement with them, we will have a deficit. Every single agreement we have made produces a deficit.

We have a huge trade deficit with Korea, which is another country with which we are negotiating a free trade deal.

Here are the cars in Korea: 99 percent of the cars on the road in Korea are Korean-made cars. Why? The Korean government doesn't want other cars in Korea; 99 percent of the cars on the streets in Korea are Korean made.

In Korea, they exported 730,000 Korean cars to the United States last year; 730,000 Korean vehicles were put on ships and sent to America. We were able to export 4,251 into Korea. We almost had a success with the Dodge Durango pickup, but they shut that down. And 95 percent of the cars on the road in Japan are Japanese-made cars in that country. Why? That is the way they want it.

Our country says: That is fine. It does not matter to us. I suppose it is fine because nobody wearing a blue suit and suspenders is losing their jobs. I don't see any CEOs losing their jobs. I don't see any Members of the Senate losing their jobs. The folks making cars are losing their jobs. The textile workers are losing their jobs. Family farmers are having the rug pulled out from under them with bad trade agreements, but folks here are safe. And this administration is, I guess, probably the worst we have had for some while on trade.

But having said that, the Democratic administration that preceded it was not particularly good on trade issues, and no one is very interested in doing anything to address a serious and growing trade problem, which if not addressed will cause havoc with this country's economy and will affect every American worker in a very serious way.

It is probably clear to at least those hearing me that I will vote against the Oman Free Trade Agreement. I think it is a serious mistake. While I think it will pass today, we will await the next bad trade agreement and continue this fight. At some point there will be a tipping point on this issue. The American people will demand the Congress to finally start doing the right thing. No, not building walls, but demanding trade be fair, fair trade on behalf of this country.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REED. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAMBLISS). Without objection, it is so ordered.

Mr. REED. Mr. President, I rise today to speak in opposition to the Oman Free Trade Agreement.

International trade, if reached through the right paths, can confer tremendous benefits on all of its participants. Through this practice and agreements like this one, we have the opportunity not only to open up market access for American business but also to improve economic conditions for all participants.

Unfortunately, the Oman Free Trade Agreement fails to live up to that potential. This agreement does not provide for American business, while at the same time it fails workers both here, I believe, and potentially in Oman.

In 2001, the United States entered into a similar trade agreement with the country of Jordan. At that time, the agreement was heralded for its progressive labor standards. However, we have recently seen in Jordan instances of foreign workers forced into slave labor, stripped of their passports, denied their wages, and compelled to work for days without rest.

These incidents have been occurring in Jordan because Jordanian labor laws are only applicable to its own citizens and preclude protections for foreign workers.

What I sense is happening is that we have allowed, unwittingly, I believe, individuals and corporations in Jordan to exploit this agreement, to actually move people from countries outside of Jordan into Jordan, and to set up conditions that are not only horrible for the individuals but continue to put pressure on American working men and women in terms of reduced wages, and also do not act to raise the standard of living in Jordan.

One of the points of our agreement with Jordan was to provide the kind of conditions that would raise the standard of living for Jordanian workers. So I am terribly concerned about what could happen in Oman.

My fear in Oman is that they have far weaker labor standards, and that would lend itself to even worse conditions than in Jordan. In fact, the potential for seeing these types of abuses is much higher in Oman, where up to 70 percent of its workforce is comprised of foreign workers already.

During the ''mock markup'' of this agreement last month—the practice of the Finance Committee where they would go through and, in theory and concept, make the changes they would like to see take place—the Finance Committee unanimously approved an amendment to explicitly prohibit products made with slave labor or through human trafficking from benefitting from this deal, conditions similar to those in the Jordanian Free Trade Agreement. However, the administration chose not to include this simple, commonsense provision in the final implementing legislation before us today.

When our trade partners are held to different, less stringent standards, no one is better off. When Omani firms can employ workers in substandard conditions, the Omani workers and American workers both lose. The playing field is not level. The enforceable provisions of this free-trade agreement require only that Oman and the United States enforce their existing labor laws.

In Oman, this means that workers can be denied the right to collectively bargain and to strike. More egregious, Omani law is vague in its forbiddance of forced labor. I appreciate the commitments of Oman to clarify these provisions and to improve enforcement. However, the timeline for doing this is far too long. If we implement this agreement, and Oman fails to live up to its promises, then this agreement will benefit a few while hurting many.

I would note that part of the problem with all of these agreements is that they are considered under the President's fast-track authority, under which Congress is forced to take or leave even the most imperfect deals. And when the President ignores valuable input from Congress, particularly on issues such as labor standards, we are put in a position where our only choice is to vote against it.

I am a supporter of free trade, but that does not require me to support bad deals from an administration that is more concerned about getting a deal than getting the deal right.

We cannot allow other countries to break the rules. Our foreign trade partners must play by the same rules as we do because American companies and workers cannot compete with countries that engage in substandard labor practices. We have seen it again and again: trade policies that don't establish a real threshold for labor standards do not work.

So, Mr. President, I will vote against the Oman Free Trade Agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. May I inquire of the Chair, what is the pending matter before the Senate?

The PRESIDING OFFICER. The Oman Free Trade Agreement.

Mr. DODD. I thank the Chair. I gather at some point the Senate will be asked to vote on the trade agreement; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DODD. I thank the Chair.

Mr. President, this legislation effecting the U.S.-Oman Free Trade Agreement is an important one. Implementing legislation for this agreement is currently pending before the Senate and will likely come up for a vote later this afternoon. Regrettably, I will be opposing this proposal.

In the past, I have voted for many free-trade agreements. I think they are very important. If well constructed, free-trade agreements are essential if we are going to have a growing economy, and if the role of the United States is going to be a positive one in the 21st century. But too often these trade agreements neglect critical points when it comes to how they affect American workers, as well as workers in the country with whom we are entering into the agreement. As I said, I have been supportive of a number of free-trade agreements over the

years. I have also opposed a number of them. I will explain why and why I think this particular agreement needs further work and consideration before it is to be adopted.

Properly constructed, I believe that free trade agreements are in the long-term interests of the United States and our trading partners. Today's world is interconnected in ways we couldn't even imagine a generation ago—even 5 or 10 years ago. Faster and more efficient means of transport and communications have made it relatively easy to conduct transactions of all types and in all corners of the globe.

Today, with Internet access, people in the most remote places are better informed about what is happening than ever before.

Globalization has affected countries all around the world. From Latin America to India, Africa to China, no nation has escaped the impact of this process. The difference is that while globalization has helped lift some nations up, it has left others way behind. While it has helped certain entities in various countries, it has left many people in those same nations staggeringly behind in their chances to enjoy greater economic opportunity.

The march toward a more globalized world has significantly affected our own Nation as well. On balance, I believe free trade has benefitted our country in many respects. But quite simply, we haven't done enough in many areas, especially during the past few years, to help ease the transition for many Americans who are struggling. I know the Presiding Officer comes from a part of the country where trade agreements can have a huge impact on major sectors of the economy, as in our Southern States where textiles have been a huge part of economic growth. If not handled properly, for people in these States, many of whom are working for businesses that not many years ago came from New England, trade agreements can have a very negative impact.

Nor have we done enough to ensure a level playing field to ensure that American businesses and workers are protected from would-be violators of the rules.

Ultimately, trade agreements should be designed to lift up people in both countries. I believe in free trade because in order to compete in the global marketplace, America has to keep up and adjust to the changes around us.

We can't just sell goods and services to ourselves and expect to have a growing economy. It is critically important that we have access to these foreign markets. Barriers and tariffs that prevent goods and services from ending up on the shelves in those countries ultimately do great damage to our Nation.

So free and fair trade is critically important to our own economic success. Job loss would be staggering, if we were not able to open up markets around the globe for U.S. products and services.

But for free trade to be beneficial and worthwhile, our trade agreements must also adjust to changes that are occurring around the world.

Much as I regret to say it, the U.S.-Oman Free Trade Agreement does not reflect this reality. Although negotiators had a real opportunity to learn from the past, to raise the standards and to produce a better agreement, we can see in the agreement before us many of the same problems that plagued previous free-trade agreements such as CAFTA–DR.

The issue of labor rights is one key example of how this agreement falls short. I have long been an advocate of vigorous enforcement of U.S. trade laws, especially with respect to those provisions that require our trading partners to respect internationally recognized rights of workers in their countries. Workers rights violations not only give other nations an unfair trade advantage, they also hurt U.S. workers by depressing wages here at home and causing American jobs to be shipped overseas.

Certainly, Oman is not the egregious violator of workers rights that some of our other trading partners are. Indeed, Oman has ratified the International Labor Organization's Convention 29 on forced labor, Convention 182 on the worst forms of child labor, Convention 105 on the abolition of forced labor, and Convention 183 on minimum age of employment. Oman has also ratified the United Nations protocol to prevent, suppress, and punish trafficking in persons, especially women an children.

On the surface, therefore, one might think that there is little to worry about with respect to this agreement, which requires Oman to enforce its labor laws. But this notion overlooks a simple fact—that Oman's labor laws and its enforcement thereof is lacking. Collective bargaining is still not legally enshrined in Oman, nor is the right to strike. Existing law dealing with forced labor is vague. So asking Oman to uphold its own laws is not holding that country to the high standards necessary to protect U.S. workers.

While I understand that Oman is committed to improving its labor laws and enforcement, we should first see some significant action on their end to make sure that both United States and foreign workers are going to be protected. Or better yet, use the ILO standards, not domestic laws, as the benchmark for workers rights provisions in this and other free-trade agreements.

Right now there is an October deadline that Oman has agreed to as a target for achieving some reforms. Besides the late date, I have serious doubts as to what incentives Oman will have to carry out these reforms once this agreement is in place. If this agreement passes before those reforms take place, as may be the case today, many of the incentives for Oman to reform will be gone.

My colleagues should also be aware that we are not just talking about how Omani laws will protect Omani workers.

The fact is that guest workers from impoverished Asian countries perform much of the labor in Oman. These guest workers need to enjoy the same worker protections as Omani citizens. To that end, we have learned in the last 2 months of rampant labor abuses of foreign workers in Jordanian sweatshops.

I don't mean to malign our friends in Jordan. They have been wonderful allies, and very helpful on a number of issues that affect the United States in that part of the world. I am hopeful that abuses by unscrupulous employers in Jordan will be punished and prevented in the future because even the best intentioned countries can never prevent all occurrences of abuses. But given that the Oman Free Trade Agreement has much weaker labor provisions than the Jordanian agreement, the Oman deal certainly seems like it will be a recipe for similar abuses in the future.

I also have concerns about a small provision included in the second annex to the Oman Free Trade Agreement, in the section governing U.S. rights and obligations. In that annex, it is stated that the ''United States reserves the right to adopt or maintain any measure . . . '' except ''landside aspects of port activities, including operation and maintenance of docks.''

Simply put, this raises questions as to whether the United States would be able to prevent Oman from acquiring companies that run U.S. port operations without essentially being sued in the World Trade Organization.

Why are we including provisions such as that in a trade agreement and leaving ourselves vulnerable to legal action if we decide that it is in our own self-interest, because of our concerns about terrorism and national security, to prevent Oman from acquiring port operations in the United States?

The only caveat to this section of the Oman Free Trade Agreement is that Oman must provide similar market access to the United States. Now, according to the U.S. Trade Representative, all of our trade agreements include an article on essential security which basically provides that nothing in the agreement can prevent us from applying measures that we consider necessary for the protection of our essential security interests.

That is all fine and well and would seem to indicate that the President or the Committee on Foreign Investment in the United States could still review proposed acquisitions. But why should our trade agreements contain language such as this that is legally confusing at the least and potentially opens us up to being sued, if we decide that something is in our national security interest?

There are other issues I could raise about the content of the U.S.-Oman Free Trade Agreement, but I believe that the two issues I have mentioned are critically important and reason enough to oppose this agreement.

Once again, the Bush administration had an opportunity to use fast-track authority to promote a trade agreement that would be in the best interest of our Nation, of our workers and businesses. I wish that this was the case when it comes to the Oman Free Trade Agreement. Unfortunately, we are instead seeing more of the same disregard for American workers in the pending proposal.

As a result, I intend to oppose this agreement and urge my colleagues to review it very carefully, review the provisions dealing with labor standards and review the standards when it comes to port operation activities included in this free-trade agreement.

I should mention as well, another reason why I support strong labor provisions in these agreements. It is critically important that our trading partners have enough people who can afford to buy the goods and services that we produce here in the United States. Even if countries open up their borders to our goods, what percentage of their population could ever afford our goods and services if they mainly receive low wages and little or no benefits? The only alternative to strong labor protections is that we drop the prices of our goods tremendously, which would obviously be disadvantageous to our future economic prosperity.

The rationale for insisting that there be labor standards and decent wages provided to these people is a wealth creation idea. Labor protections, therefore, are not only about human rights, which is legitimate enough, but are also about enlightened self-interest.

For those reasons, this agreement should not be approved. When the vote occurs, I will be urging my colleagues to vote against it.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VITTER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I come to the floor today to oppose the Oman Free Trade Agreement. There are two primary reasons that I oppose this agreement.

First, this trade agreement is part of the administration's failed trade policy. I believe strongly that we need to change direction, and we need to change direction now, before our trade and budget deficits cripple our economy.

This chart shows how badly off target our trade policy is. Our trade deficits have exploded. In 1992, our trade deficit was just $40 billion. Thirteen years and 10 trade deals later, our trade deficit last year was $718 billion—$718 billion.

NAFTA provides one example of how these trade deals have affected our trade deficits. In 1993, the year before NAFTA took effect, we had a trade surplus with Mexico of about a little less than $2 billion. Last year, after 12 years of NAFTA, our trade deficit with Mexico had mushroomed to $50 billion. So we went from a trade surplus with Mexico to a massive trade deficit with Mexico.

Agriculture provides another example. When this administration took office, we had a healthy trade surplus of $15 billion in agriculture. But that surplus has been shrinking every year since then. This year the surplus is expected to fall to just $2 billion, the smallest agricultural trade surplus in 35 years. Yet we keep going down the same path, trumpeting each agreement as a resounding success.

If this set of policies is a success, I would hate to see a failure. How can anybody suggest that this is a success? We have gone from being the biggest creditor nation in the world to being the biggest debtor nation in the world, and a key reason are these failed trade policies that over and over have promised the American people that they were going to turn the tide, that they were going to make a difference, that they were going to change the circumstance. And over and over they have failed, not in the world of theory, not in the world of make-believe, but in the real world, in the real world where we can measure the results, and the results have been clear: We mushroomed the trade deficit with this set of trade policies.

There is an old saying that the definition of insanity is doing the same thing over and over again expecting a different result. Under that definition, our trade policy is certifiably nuts. We need to stop giving more than we are getting in trade agreements. We need to stop sending American jobs overseas. We need to reduce our trade deficits. And we need a trade strategy that will boost incomes for American workers and farmers.

The agreement before us is a continuation of this failed trade policy. We are not getting more than we are giving. When we read the fine print and the study done by the United States International Trade Commission, the nonpartisan U.S. agency in charge of analyzing trade agreements, we discover that this agreement will increase our trade deficit with Oman—will increase our trade deficit with Oman.

Why are we entering into more trade agreements that make our trade deficit that is at record levels even worse? What kind of a plan is this?

Imports of apparel from Oman will increase by $42 million annually, according to the International Trade Commission. But the ITC says our exports of all products to Oman will only increase by $14 million to $41 million, depending on how responsive our exports are to tariff reductions.

So this agreement, as I have said, actually makes our trade deficit with Oman worse, not better. Perhaps it should not be surprising that this agreement would increase our trade deficit. It is produced by an administration that says that outsourcing jobs to other countries is a good thing. It is produced by an administration that does not believe in having other countries improve their labor standards so that American workers don't have to compete with workers who are paid pennies an hour to work in abusive conditions. In fact, this administration has repeatedly rebuffed the efforts of my colleagues to strengthen labor laws in Oman so that they meet international labor standards.

I don't think this is a good agreement on its merits, but the process by which it has come to the floor is even worse. The way this bill has been brought to the Senate floor makes a complete mockery of the fast-track process.

The fast-track process is now revealed, for anyone who cares to look, as a complete sham. How so? As all Members of this body already know, the Constitution gives the Congress, not the President, the responsibility for regulating foreign trade. Yet in recognition that we cannot have 535 trade negotiators, the Congress has agreed to the fast-track process for considering trade agreements.

By the way, I have supported that approach in the Senate Finance Committee. I thought it was the right approach to take, given the commitments that were made to us on how these trade agreements would be negotiated, how these talks would be conducted. But what we have seen in this agreement is a flagrant failure to keep the agreement.

In agreeing to fast track, each Senator gives up their most fundamental rights as a Senator. We give up our right to amend. We give up the right to extended debate. In essence, we are giving up our right to protect the interests of our individual States. In return, there is supposed to be detailed consultation with the Congress throughout the process of negotiating trade agreements and developing implementing legislation.

In practice, the Finance Committee, of which I am a member, is the focus of this consultation because the Finance Committee has jurisdiction over trade policy. In theory, the committee has extensive input during the process of negotiating trade agreements and developing the legislation to implement it. Theoretically, it does not then need to amend the implementing bill once it is formally introduced.

When it comes to developing the implementing bill, this consultation occurs through what is known as a mock markup process. The mock markup is the Finance Committee's opportunity to amend the implementing bill before it is formally introduced, and then cannot be amended under fast-track rules.

This informal process has a long history. During consideration of previous trade agreements, the process has lasted months and produced a host of changes.

On the Oman agreement, I offered an amendment in the Finance Committee to prevent products made with slave labor or under sweatshop conditions so egregious to be tantamount to slave labor from benefiting from the agreement. I did so because current law has failed to prevent horrific sweat shops in Jordan under the Jordan FTA. I did so because it is not free trade when foreign workers are locked in factories and forced to work 100 hours a week for pennies an hour. That is not free trade. That is not what Members of this body support when they vote in favor of free trade.

This story from the New York Times entitled ''An Ugly Side of Free Trade: Sweat Shops in Jordan'' tells the story. The recent study in Jordan found that the use of what amounts to slave labor is precisely what has happened. Workers from Bangladesh, China, and other parts of Southeast Asia were promised much greater pay than they could earn in their home countries. They paid hundreds of dollars to recruiters to get a job in a Jordanian apparel factory. When they got to Jordan, their passports were taken away so they could not leave or change jobs. They were then forced to work 90 to 120 hours a week. They were paid far less than Jordan's minimum wage, and if they complained, they were beaten or jailed.

Here is what workers reported, according to the news stories:

> We used to start at 8 in the morning, and we'd work until midnight, 1, or 2 a.m, 7 days a week. When we were in Bangladesh, they promised us we would receive $120 a month, but in the 5 months I was there in Jordan, I only got 1 month's salary, and that was $50.

Mohammed Saiful Islam, a Bangladeshi, said that several times the workers had to work until 4 a.m. and then sleep on the factory floor for a few hours before resuming work at 8 a.m.

> The workers got so exhausted they became sick. They could hardly stay awake at their machines.

Several workers said when they were sick, they did not receive medical care but were instead punished and had their pay docked.

Hazrat Ali said he sometimes worked 48 hours in a row—48 hours in a row—and received no pay for 6 months. ''If we asked for money, they hit us,'' he said.

Nasima Akhter said the western factory gave its workers a half glass of tea for breakfast and often rice and some rotten chicken for lunch. ''In the 4 months I was in Jordan,'' he said, ''they didn't pay us a single penny. When we asked management for our money and for better food, they were very angry at us. We were put in some sort of jail for 4 days without anything to eat, and then they forced us to go back to Bangladesh.''

Mr. President, these conditions are appalling. We should not be asking American workers to compete with these practices, and we should not be giving special trade benefits to products made under these conditions.

In the case of Oman, its labor laws fall far short of the core International Labor Organization standards. Oman, like Jordan, relies heavily on guest workers who are often at a serious disadvantage in trying to assert their rights. Oman has been cited by our own State Department for human trafficking. According to the International Trade Commission, the Oman Free Trade Agreement is expected to greatly increase apparel production and exports to the United States.

This means there are significant reasons to be concerned about the same thing that happened in Jordan. There is good reason to be concerned that they might happen in Oman as well.

That is why I offered the amendment in the Finance Committee. It simply clarified that goods produced with slave labor or de facto slave labor will not get the benefits of the agreement. The administration raised objections in the committee, but the committee rejected the organization's advice and unanimously adopted my amendment—unanimously. It did so because the members of the committee believed that products manufactured in these sorts of abusive conditions should not get special benefits under this trade agreement.

The Finance Committee spoke loudly and clearly. By an 18-to-nothing recorded vote, the committee disagreed with the administration and said that we needed to add protections in this agreement because, clearly, local labor laws and U.S. laws did not work in the case of Jordan. Yet the bill before us today does not include these protections. It does not include my amendment.

This process says that a unanimous vote in the Senate Finance Committee means nothing. It says that adopting an amendment by a unanimous vote is tantamount to rejecting the amendment because the outcome is exactly the same. This makes a complete mockery of the markup system for trade legislation in the Finance Committee. It demonstrates how completely broken this process is. No matter what the Finance Committee says, no matter how strongly it says it, the administration is free to ignore it.

Two years ago we debated the Australia Free Trade Agreement and the Finance Committee adopted an amendment I offered at that time. It then went through procedural contortions to drop the amendment. I said at the time:

> This precedent strikes me as dangerous. It opens the process for abuse, and it reduces the committee's role in crafting trade policy and trade legislation. It may have been expedient, but I believe we will come to regret this precedent. It invites a future President to ignore any recommendations made by the committee on future trade implementing legislation.

Mr. President, that is what has happened here today on the Oman Free Trade Agreement. The administration has concluded that it is free to ignore the unanimous recommendation of the Finance Committee.

I believe this action has serious consequences for the fast-track process itself. If consultation is without meaning, there is no reason Senators should give up their rights under Senate rules to amend and debate trade agreements.

Fast track is up for renewal next year. This egregious abuse of the process is just another nail in the coffin of fast track. It is becoming crystal clear to me that consultation promised in the fast-track process is completely a sham.

Let me conclude. The Oman Free Trade Agreement promises few, if any, benefits to the U.S. economy and will make our trade deficit with Oman worse. Moreover, the safeguards that were supposed to protect against imports made under abusive sweatshop conditions and slave labor have been dropped from the bill.

Finally, the process that the Finance Committee followed sets a terrible precedent. No Senator should welcome the precedent that the administration can simply ignore the will of the Finance Committee on a particular trade issue very important to the people we represent, secure in the knowledge that a trade implementing bill can be pushed through as part of a larger take-it-or-leave-it package.

So I hope my colleagues, even those who generally support free-trade agreements, will think long and hard about this vote. If you believe the Senate and the Finance Committee should not have a voice in trade agreements and trade implementing bills, if you support the use of slave labor and human trafficking and egregious, abusive sweatshops, you should vote for this bill. But if you believe that consultation under fast track should be meaningful, if you believe that the markup process should not be a mockery, and if you oppose slave labor, you should oppose this bill.

I urge my colleagues to stand for a new direction in trade policy, to stand for agreements that benefit America and to vote against the Oman Free Trade Agreement.

I thank the Chair, and I yield the floor.

Mr. HATCH. Mr. President, the Senator makes some good points, but I don't think we should saddle Oman with what happened in Jordan. Saddling this agreement with that accusation, it seems to me, is not quite fair.

Mr. President, whenever I begin my examination and analysis of a proposed free-trade agreement, my first question is always: How will this agreement affect my folks, my people in Utah?

Any objective analysis would indicate that the passage of the United States-Oman Free Trade Agreement will have only a de minimis effect on the State of Utah, since Oman only has a gross domestic product of $24.8 billion.

The second question I ask is whether an agreement will have a positive effect on the American economy. According to the U.S. International Trade

Commission, the FTA will have a small, but it will be a positive, impact.

Specifically, trade between our two nations totaled over $1 billion in 2005, with the U.S. exporting $593 million worth of goods and services to Oman and importing $555 million from that country. This is a trade surplus for us of $38 million, which is a positive development, since our Nation bore a $48 million trade deficit with Oman as recently as 2004. Yet despite this positive trade balance, trade with Oman only accounts for 0.04 percent of all U.S. trade.

So what is the advantage for the American people and the people of Utah?

The United States-Oman Free Trade Agreement, as does the Bahrain FTA that preceded it, sends a very important message that the United States strongly supports the economic development of moderate Middle Eastern nations. This is a vital message in the global war on terrorism.

As you well know, since the end of the Second World War, the United States has, on a number of occasions, accepted nonreciprocal trade concessions in order to further important Cold War and post-Cold War foreign policy objectives. Examples include offering Japan and Europe nonreciprocal access to American markets during the 1950s and 1960s in order to strengthen the economies of our allies and prevent the spread of communism. At the time, this policy was affordable due to the tremendous size of the trade surpluses the United States enjoyed. However, those times have passed.

Our Nation has not enjoyed a trade surplus since 1975, and last year's deficit widened to a record $726 billion, increasing to 5.8 percent of the gross domestic product, from 5.3 percent in 2004 and 4.5 percent in 2003.

My colleagues may look at these hard truths and question the need for any further trade agreements, including the United States-Oman Free Trade Agreement. But I must remind my colleagues that we have a trade surplus with Oman and this agreement will permit more American companies to have full access to the Omani market.

Further, Oman is quickly running out of oil and, as a result, has launched a series of measures to reform its economy. Those measures will require American products, and this free-trade agreement immediately removes Oman's uniform tariff of 5 percent ad valorem on U.S. goods and phases out other tariffs on U.S. goods. Now, this means that the Omanis will have more money to buy what they are buying from us now: machinery, transportation equipment, and measuring instruments—products that provide good jobs for our fellow Americans.

I have also become aware of media reports that state the agreement provides Omani port operators an absolute right to establish or acquire operations to run port facilities within the United States. This, of course, is not accurate. The Oman FTA preserves the right of the United States to determine for itself whether to block a foreign investment in the United States in order to protect our essential security interests, including any potential investment in port authorities and activities. I also should point out this agreement does not affect current U.S. law that authorizes the President to block proposed foreign investment in the United States that threatens U.S. national security.

Mr. President, these Middle Eastern nations such as Oman are countries who work with us in the global war on terrorism. They are people who have taken care of our troops. They are people who help us with our military. They are people who are moderate in nature, and, for the most part, do a lot of good things and have a constructive view of the world. Therefore, I think a free-trade agreement with Oman is very important.

I also want to thank the vast majority of the people of the United Arab Emirates for the friendship they have shown to our country and, really, to the world at large.

Therefore, Mr. President, I will continue to support such agreements as the United States-Oman Free Trade Agreement, and I urge all of our colleagues to join us in supporting this agreement. Let's not give too much credibility to some of these arguments that are being made against this agreement.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask to be permitted to speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ISRAEL AND THE PALESTINIANS

Mr. LAUTENBERG. Mr. President, I rise now to discuss the tense situation we are witnessing in the Middle East between Israel and the Palestinians. It has been said that governing is about choices. Right now, Hamas has to make a choice that can determine the future of the Palestinian people and the Palestinian state.

Hamas is, at its roots, a terrorist organization. That has been established in the view of the United States and in the view of the European Union. So we can't kid ourselves about what it is that we see in front of us. They used a strategy to usurp power in the Palestinian territories. First, Hamas offered some social services among the Palestinian people by running social service programs even as it pursued its terrorist objective, to destroy Israel.

But now Hamas has a choice. Does it really care about the Palestinian people or is it simply too dedicated to its terrorist ways? If Hamas is really concerned about the Palestinian people, they would release, promptly and safely, the Israeli soldier they now hold hostage. We have seen them brag—crow about the fact that they killed a young settler they abducted, 18 years of age.

We see a new tactic being used by terrorists over the last few weeks—by terrorists in general. We saw what happened in Iraq when they kidnapped two of our soldiers, Private Kristian Menchaca and Private Thomas Tucker. They were mutilated and tortured before they were killed. So brutally handled by these terrorists in Iraq. I know our troops are working very hard to find these terrorist killers, and I hope we will.

But now Hamas, replicating that kind of terror behavior, has kidnapped an Israeli soldier, a young corporal—Gilad Shallit his name is—and Israel has been on the search to try to rescue him while trying to get the Palestinian people to understand they cannot win this fight for peace with a government composed of terrorism advocates.

Hamas shows their hand choosing this confrontation. To make matters worse, they then abducted this young man, 18-year-old Eliyahu Asheri—they showed pictures of him—and shot him in the head.

The events of these past few days are vividly illustrating to the world that Hamas is not a valid governing body. They can't be taken seriously as a civilized leader of its people. That has to be understood by the people in those communities. There is so much to be gained by a peaceful resolution of the differences. No, it is probably true that neither side can fully gain all of its own interests. But Hamas, a terrorist organization, cannot be taken seriously as a civilized leader of its people. It is a terrorist organization masquerading as a government.

But now they are faced with a critical choice. If they have decided that the path of violence is the one that they would like to follow, it dooms the Palestinian people to isolation and economic hardship. Or now they can make a humanitarian gesture on behalf of the people they purport to represent.

I have had a deep interest in the area. Israel is a very important ally. They provide us with a degree of presence that we otherwise would have to gain ourselves with more ships, more troops, more airplanes. But this democratic society survives in a sea of totalitarianism.

It has to be understood that we want to work with the Palestinian people. Believe me, when I see pictures of Iraqi children or Palestinian children, families torn apart, a father or mother lost with a child weeping, sobbing alongside the dead parent, brother or sister, we don't want any violence to come to any side in these attempts to govern. But Hamas is a terrorist organization. Suggesting that they represent the view of the people there presents a very sad picture.

Violence is not helping any cause in the Middle East. But Hamas seems intent on continuing the downward spiral of violence and death. One cannot blame the Israelis for fighting to save

their people. That is their responsibility as a government.

We have reached out to Iraq, ostensibly, as is said by the administration, to protect our freedoms in this country. We have come face to face with terror, and it has changed life in America. The downing of the World Trade Center and the attack on the Pentagon, the violation of our territorial borders, the violation of life and the pursuit of regularity by our people—it is all different now.

I happened to visit a community of Native Americans in New Jersey. One man was complaining that he can't fish in the reservoir anymore. He can't put a boat in there because they are afraid that he might be a terrorist. But they still depend on that for sustenance, hunting animals, fishing. When you see that kind of reach—that is not the most terrible thing that has happened in our world, but it just tells you about the extent that terror can inflict punishment on the free world.

So this situation then between Israel and the Palestine territories really exemplifies what can be. They have this young man captive, threatening to kill him. My advice is, return him promptly and safely, and show the real face of the Palestinian people. They are essentially a hard-working, industrious people who ultimately want to have peace for their families and a chance for them to exist with a standard of living that is reasonable.

The United States and the European Union already know Hamas is a terrorist organization. The rest of the world now knows it, too.

The reach of terror is beyond anything that might have been anticipated, whether it is an attack in a Japanese subway or a train in Great Britain or Spain or wherever; everybody is on guard. We are all looking at how horrible examples of terror are. We are going to see tense days in Israel and Gaza. My hope, and I think the hope of everybody who knows anything about the situation, is that Hamas comes to its senses and quickly releases Corporal Shallit.

Some time ago I was with other Senators on a trip to Iraq. On the way we stopped in Israel to meet with Prime Minister Sharon when he was in power. While we were sitting around the table, I and the four other Senators suddenly saw activity, hustle-bustle in the conference room. The Prime Minister, Sharon then, looked like he was suddenly deflated. He slumped in his chair. He said he had bad news. There was a suicide bombing attack in a port just south of Tel Aviv and 10 people were killed and many others wounded.

I volunteered for the five of us that we could adjourn the meeting and permit the Prime Minister to go on and conduct his necessary function.

He said to me: Senator, when you are the Prime Minister of Israel, you must continue to function no matter what the circumstances are. And we will continue our discussions here.

Israel as we know it is going to fight back against terror with every ounce of energy and blood that it can muster. It is not going to let the Palestinians or any other terror come into their country and kill or injure its citizens without paying a terrible price. The price not only is to the people where the perpetrators come from but the tensions that spread throughout the world.

Let's hope that Hamas comes to its senses and quickly returns the young soldier they are holding.

I yield the floor.

The PRESIDING OFFICER. The assistant Democratic leader.

THE HAMDAN DECISION

Mr. DURBIN. Mr. President, we are a nation at war. There is no doubt that America must devote all of its energy and resources to defeating terrorism and stopping those who attacked us on 9/11 and would attack us again.

But we are also a nation of law. No one from the highest ranks in America to the lowest is above the law—even during a war. That is what makes America special and in many ways different from other nations.

Today, across the street from where we meet in the Senate, the United States Supreme Court handed down a decision reminding the Bush administration that no President is above the law. The Court rejected the Bush administration's decision to turn its back on treaties and laws that have served America so well for generations. The Supreme Court held that the Bush administration must comply with the Uniform Code of Military Justice and the Geneva Conventions in its treatment of suspected terrorists.

Why did this matter come before the Supreme Court? Because, with no input from Congress, the Bush administration set aside our treaty obligations and agreements and created new rules for detaining, interrogating, and trying detainees. They claimed that the Congress had no voice in the matter and the courts had no right to review what this President decided.

The administration claimed that it could act as legislator, executive, and judge when it came to the treatment of these prisoners. But today the Constitution prevailed. The Supreme Court made it clear that it is Congress's responsibility to make the laws and the President's responsibility to follow the laws, just as the Constitution provided.

Our Founding Fathers understood that it is a human and a natural political reaction for Kings and Presidents and those in power to try to be more powerful. They warned us.

In writing our Constitution over 200 years ago, they warned us that we needed to separate power in America so no one branch of Government would become too powerful. In the Federalist Papers, James Madison, our fourth President and the primary author of our Constitution, wrote:

The accumulation of all powers, legislative, executive, and judiciary, in the same hands may justly be pronounced the very definition of tyranny.

You do not hear the word ''tyranny'' much anymore. It meant a lot to the men and women who waged the wars and risked their lives in the great revolution creating this Government.

But the decision of the Supreme Court today is entirely consistent with that goal in our Constitution, to make certain that no President, no branch of our Government, becomes so powerful that it isn't held to check by our Constitution and our laws.

Today, the Supreme Court ruled against the Bush administration and for James Madison and for the rule of law. Here is what Justice Anthony Kennedy said:

Concentration of power (in the executive branch) puts personal liberty in peril of arbitrary action by officials, an incursion the Constitution's three-part system is designed to avoid.

This is a historic decision—a decision that reminds this President and every President to come that they must answer first to the Constitution of the United States. It says to President Bush and all of those who promulgated these policies that they must answer to our Constitution.

The Supreme Court has taken the same position that former Secretary of State Colin Powell took almost 5 years ago when the President and his administration first decided to set aside the standards and values of the Geneva Conventions. The Geneva Conventions, of course, were agreements entered into by civilized nations which said we should guide our conduct by common principles. The Geneva Conventions applied until this administration after 9/11 felt we could no longer hold to those standards. They were reminded today by the U.S. Supreme Court that they were wrong.

Secretary of State Colin Powell suggested we could live up to the Geneva Conventions and still fight terrorism and still make America safe. He pointed out that the Geneva Conventions do not limit the ability to hold detainees and do not give POW status to terrorists. That was a straw man created by this administration to avoid generations of legal precedents.

Secretary Powell also said that setting aside the Geneva Conventions ''will reverse over a century of U.S. policy and practice . . . and undermine the protections of the law of war for our own troops . . . It will undermine public support among critical allies, making military cooperation more difficult to sustain.''

These are the words of Colin Powell, a man who dedicated his life to our military, to our country, and to public service.

When you look at the negative publicity about Guantanamo and Abu Ghraib today, you understand that Collin Powell's remarks were prophetic. He was right. Ignoring the law of war hurts our efforts to fight terrorism, and sadly it puts our troops at risk. And it is not the American way.

Unfortunately, the President did not follow Secretary Collin Powell's counsel when it came to this decision. He

listened to others within his administration. That led to this confrontation before the Supreme Court. That led to this decision today.

I hope this decision will set a standard for us when it comes to dealing with this war on terrorism—that we can win this war without losing our souls. The Supreme Court reminded us today that America—this great and strong Nation—can be a safe nation without compromising the values that make us different.

I urge the President to use today's decision to move on a bipartisan basis to establish a standard consistent with our values, consistent with our laws, and consistent with the treaties that we have signed for the treatment of prisoners.

Anyone who is dangerous to America should be held and should not be released. Anyone who has real value to America, in terms of intelligence, should be interrogated properly to find out what they know and how it could help protect us. But the Supreme Court makes it clear today that we have to move beyond where we are holding hundreds of prisoners at Guantanamo and other places without charges and without any clear disposition under the law.

Several of my friends have volunteered to be attorneys for those who are detained at Guantanamo. I have met with my friends in Chicago. They are men who have spent a lifetime in the practice of law, one a former U.S. Attorney for the Northern District of Illinois, another a defense counsel for many decades in the city of Chicago.

They went down to Guantanamo to meet with the detainees that they volunteered to represent and came back to Chicago begging me for a meeting. We got together and they told me the stories. First, they couldn't understand how this could happen, how the United States of America would not be following basic standards of conduct, which everyone assumed we would follow when it came to legal procedure. They asked me how this could happen. I couldn't answer it, but I knew the Supreme Court would have to answer it.

When Chief Justice Roberts, who recused himself from today's decision, and Justice Alito came before the Judiciary Committee, we reminded them that Sandra Day O'Connor, in an earlier decision concerning the treatment of prisoners, made it clear that even during time of war no President is above the law. In the Hamdi decision, she said, ''A state of war is not a blank check for the President.'' We asked each of these nominees if they agreed, and they said they did, without any equivocation.

The decision today by the Supreme Court, this majority decision, is a reminder of the greatness of this Nation. It is a reminder that following the rule of law we can keep America safe. We can treat these prisoners properly and legally. If they are a danger, we can hold them. But there comes a time when this President and every President must be held accountable to our Constitution.

Mr. McCAIN. Mr. President, I strongly support the United States-Oman Free Trade Agreement and urge my colleagues to support this legislation.

Two-way trade between the U.S. and Oman stands at nearly $1 billion, and it is projected to grow under the terms of this new agreement. Upon enactment, 100 percent of industrial and commercial products and 87 percent of agricultural products will be duty free. The agreement, which covers textiles, telecommunications, intellectual property rights, investment, and other sectors, will promote economic growth and prosperity in both countries. American producers, consumers, and investors will benefit from the FTA.

Not only is this free-trade agreement good for the economic prosperity of Americans, it will promote growth and employment in Oman. Given Oman's long strategic ties to the United States and the efforts of Sultan Qaboos to reform the economy and the political process, this agreement is an important sign of our support.

Since 1833, when the United States signed a treaty of friendship with Oman, our ties to that country have been close. The U.S. used Oman's Masirah Island air base during the attempt to rescue U.S. Embassy hostages in Iran during the Carter administration. Oman hosted thousands of U.S. personnel during Operation Enduring Freedom in Afghanistan and during Operation Iraqi Freedom. Our governments have cooperated in the nonsecurity aspects of the war on terror, and Oman has made important strides toward greater democratization. The Sultan has made women's rights an important part of his reform plans. While work remains, the liberalization project in Oman remains on a positive trajectory.

In recognition of this deep cooperation, and to further enhance our economic and security ties, this free-trade agreement should win quick approval by the U.S. Senate. I urge my colleagues to support it

Mr. LEVIN. Mr. President, we have a failed trade policy and the United States-Oman Free Trade Agreement, OFTA, implementation legislation the Senate is being asked to consider today is a continuation of that failed trade policy. This failure is reflected in a trade deficit that reached a record $717 billion last year and in the loss of 2.8 million manufacturing jobs over the past 5 years.

The OFTA implementing legislation fails to insist on basic internationally recognized labor standards, yet this agreement is being rushed through the Senate under fast-track procedures that only allow Members of Congress an up-or-down vote and no chance to amend or improve it one day after it was voted out of the Finance Committee and with no report. Although I support free and fair trade, as well as increasing our economic ties with Oman, I believe any trade agreement entered into by the United States should include commitments to international labor standards.

Writing labor and environmental standards into trade agreements is an important way to ensure that free trade is fair trade. But unlike the 2001 Jordan Free Trade Agreement, the OFTA fails to include internationally recognized, core labor standards supported by most countries in the world. Those standards include the right to organize/associate; the right to bargain collectively; a prohibition on child labor; a prohibition on discrimination in employment; and a prohibition on forced labor.

In the case of Oman, its laws do not meet core International Labor Organization, ILO, standards, and therefore the agreement's requirement that Oman simply ''enforce its own laws'' is inadequate.

Rejecting the OFTA implementing legislation as currently drafted would be a sound rejection of the failed and flawed trade policies of the past and a signal of support for a better approach to trade that is a two-way street and trade that supports the rights of workers.

I am disappointed that the administration ignored the Senate Finance Committee amendment forbidding any goods produced with slave labor or benefiting from human trafficking from benefiting from the agreement. This amendment passed the committee unanimously, yet the administration did not include it in the legislation it sent to Congress. This is especially unfortunate in light of recent revelations that such labor abuses are occurring in Jordan despite a United States-Jordan FTA that included labor and environmental protections unlike the agreement under consideration today. It also shows a blatant disregard on the part of the administration of the advice and input of Congress in developing trade agreements.

I do not support the agreement before us as crafted, and without the chance to improve it, I must oppose it. Trade should not be a race to the bottom in which U.S. workers must compete with countries that do not recognize core international labor standards and basic worker rights.

Mr. LUGAR. Mr. President, I rise today to speak in support of the U.S.-Oman Free Trade Agreement. At a time when commerce routinely crosses national borders, the United States should be positioned to compete in all arenas. Bilateral free trade agreements facilitate this goal. The FTA with Oman is significant for many reasons. Foremost, it encourages trade and economic cooperation with a friend and partner in the Middle East. FTAs are vital tools in providing new opportunities for our domestic companies as well as shaping our international business and foreign policy. Cooperation on the commercial front enhances our ability

to work with nations in other matters, including security and intelligence.

FTAs promote trade and growth which in turn support overall government stability and cooperation in this region. Continued cross-border trade ties will ensure the emergence of new capital markets and provide U.S. firms with new business partners. This agreement with Oman is also a further step in the direction of the goal to have a Middle East Free Trade Area by 2013.

Oman acceded to the World Trade Organization in 2000, and entered into a Trade and Investment Framework Agreement, TIFA, with the U.S. in July 2004. The TIFA provided a foundation upon which the U.S. and Oman were able to begin discussing areas of increased cooperation in trade that could be achieved. Subsequently, this FTA was signed in October 2005 and sent to Congress on June 26 under Trade Promotion Authority timelines.

This agreement will provide for greater market access in services, consistent legal protections for investors, effective enforcement of labor and environmental laws, and protection of intellectual property. There has been some debate over strengthening of labor laws in Oman. The government there passed significant labor reforms in 2003 and has made a commitment to implement further reforms by October of this year. Additionally, the Omani government has committed to increased protections for intellectual property. It has indicated that existing intellectual property protection laws will be enforced and enhanced civil and criminal penalties will be instituted for violators of these protections. Further, in addition to commitments not to relax environmental standards in order to attract investment, there was a separate agreement signed establishing a Joint Forum on Environmental Cooperation, through which ongoing assessments of environmental issues will be addressed.

In 2004, U.S. goods exports to Oman totaled $330 million, and two-way trade was $748 million. Of these amounts, U.S. agriculture comprised $20 million. The stock of U.S. foreign direct investment in Oman in 2003 was $358 million. Enactment of this agreement will further expand the market for U.S. exports which currently include machinery, automobiles, medical instruments, and agricultural products such as vegetable oils, sugars, sweeteners, and beverage bases. In addition to greater market access for agriculture and consumer goods, this agreement will also specifically create greater opportunities for service industries such as banking, insurance and securities.

FTAs provide benefits that enable American companies and workers to compete effectively around the world. I encourage my colleagues to support the U.S.-Oman FTA.

Mrs. BOXER. Mr. President, I oppose the proposed U.S.-Oman Free Trade Agreement. This agreement is not fair to American workers, plain and simple.

The theory behind free trade agreements is that two nations will agree to the free flow of goods as long as there is a relatively even playing field in terms of labor and environmental standards.

Without that even playing field, we face a worldwide ''race to the bottom,'' where the nations that pay their workers the least and offer them the fewest rights and protections, wins.

Sadly, the Bush administration has entered this particular race with gusto.

The Sultanate of Oman does not have much of a track record on worker's rights. There is no right to form independent unions or bargain collectively. The Omani constitution and labor laws do not prohibit the use of forced labor for public services and child labor is still permitted in law and practice.

The country of Oman has only 3 million people—and half a million of them are foreign ''guest workers,'' mainly from Bangladesh, Sri Lanka and other Asian countries. And there have been numerous reports about how guest workers in that region have been exploited and underpaid, enabling their employers to turn out extremely low-cost products.

Unfortunately the trade agreement we are considering today offers no guarantees that Oman will not treat its ''guestworkers'' in the same way, and then be able to sell the products of their labor, duty free, to U.S. companies.

And we are asking American workers to compete against that? That's not free trade, defined as a mutually beneficial arrangement between two nations that raises living standards and general prosperity for the citizens of both countries. That's merely pitting American workers against the poorest, most desperate workers in the world, who work as foreign contract workers and have few legal or institutional protections.

I cannot support that approach to free trade. I proudly join with 400-plus labor, environmental, religious, human rights, consumer, business and family farm organizations, to oppose the U.S.-Oman Free Trade Agreement.

Mr. OBAMA. Mr. President, the Oman Free Trade Agreement is not a threat to American workers, and it could help us build better relations in the Middle East. I believe that the administration has handled its relationship with Congress on this agreement poorly, but our foreign policy interests in the region require greater engagement with it. For this reason, I am voting for this agreement.

The economics of the agreement are negligible. U.S. exports entering Oman today face tariffs that this agreement will remove. As a result, American sales to that country will increase by about 14 percent, or $41 million. This increase is a very small share of U.S. exports to the world—less than .05 percent—making the effect on U.S. output and employment minimal. On the import side, according to the International Trade Commission, ''the expected changes in U.S. trade with Oman . . . would likely be very small and, therefore, have almost no effect on U.S. imports, employment, or welfare.'' In other words, imports would be so small that they don't even register.

Because the economic impact on the United States is not a compelling factor, I believe that we must base our vote on the kind of message it sends about our approach to trade generally and the potential effects of trade agreements on our foreign policy. In general, I believe that more trade between the U.S. and other countries is good. It helps build constructive political relationships and can create wealth both here and abroad. And I would like to see us build better relationships with countries like Oman and its neighbors.

I have been informed by the State Department that Oman has been a valuable partner for the United States in a volatile part of the world. I will not take the time to list all of the areas of cooperation between our two governments, but this relationship is important and is the main reason I am voting for this agreement today. I believe we have a strategic interest in working to enhance our relationships with friendly governments in the region.

I should also point out that Oman, with respect to the Arab world, is forward leaning on a range of economic and political issues, including women's suffrage. This is not to gloss over some of the problems in Oman, including restrictions on the press and a lack of a free and independent judiciary; one only needs to look at the State Department's Human Rights Report to know that there is room for improvement. With this vote, I want to send a signal to the government of Oman that we respect the progress it is making, but expect that there is much more to come.

I would caution the administration, however, not to take for granted Congress' support for trade agreements. We give the President streamlined authority to negotiate trade agreements and send them to Congress to make it easier for Presidents to conclude negotiations. We do that to encourage trade. But that does not mean that he can or should ignore this co-equal branch of government.

The Senate Finance Committee specifically directed the administration to exclude from the Oman agreement goods that were produced with slave labor or benefited from human trafficking. The administration refused to do so. That sends a loud message to Congress that the administration believes fast track authority is the authority to ignore Congress. It is not, and I caution the President that such an approach to trade policy will lead to the death of Trade Promotion Authority and a wave of protectionist policies.

I support this agreement because I believe in the potential of the Middle East and our responsibility to engage and build partnerships in the region.

But I will continue to work to make trade agreements better for workers and the environment as we move forward with the Nation's trade agenda.

Mr. KOHL. Mr. President, I rise today to express my opposition to the Oman Free Trade Agreement implementing legislation before us. I am concerned about shortcomings in Oman's labor laws, in particular the lack of any provisions allowing workers to form independent unions or to bargain collectively. Also, Oman has no legal prohibitions of sweatshop labor.

Some have argued during today's debate that Oman has made improvements in their labor laws and are willing to make more. And it is true that recent labor law reforms in that country have moved the situation for workers from criminal to just terrible. But we should have learned from our experience with Jordan—a country with which we have a free-trade agreement, one that was justified by promised improvements in their labor laws. Just recently, the New York Times published an expose of the dreadful conditions in Jordan's sweatshops. What makes us think that Oman, with weaker labor standards than Jordan, will behave any better after they get their free-trade agreement? Congress needs to stand up for the workers in countries with which we trade before we reward them with unfettered access to our markets—and that means Congress must reject against trade agreements that do not demand strong labor laws and respect for fundamental workers' rights.

My ''no'' vote on the Oman Free Trade Agreement is also a vote against the way in which the Bush administration has handled trade negotiations. A year ago, Congress debated and ratified CAFTA. I voted against CAFTA because I could not see offering trade concessions to countries with labor standards so far below our own. I challenged this administration to negotiate trade agreements with countries that have strong labor laws. So far, they have not responded.

I also voted against CAFTA—and will vote against the Oman agreement today—in protest of a trade policy that is ignoring our rising trade deficit and the job drain that accompanies it. Instead of finding ways to pander to countries with deplorable human rights and worker protection records, the President and his trade negotiators ought to get tough with China and make them play by the rules. In the past 8 months, the President has met with President Hu of China twice. Each meeting was seen as an opportunity to begin to develop policies to respond to China's unfair trade practices, and each time this administration has been eerily silent.

In the meantime, our trade deficit has ballooned to $805 billion, and our trade deficit with China alone has risen to $201 billion. What is the President's plan? The U.S. Trade Representative wants to push through as many trade agreements as it can before fast-track Presidential trade negotiating authority expires in 2007. Peru, Columbia, United Arab Emirates, Thailand, and Korea are all in the queue. When is enough, enough? When will this administration focus on keeping jobs at home rather than handing out trade concessions abroad?

Workers in this country are looking to the President for leadership and answers on how we can keep jobs in the United States. Unfortunately, the Oman Free Trade Agreement offers neither. I urge my colleagues to reject the Oman Free Trade Agreement—and reject the misguided, disastrous trade policy it represents.

Mr. KERRY. Mr. President, today the Senate is considering a free-trade agreement with Oman. And here we are, once again, facing a free-trade agreement with an important ally that is the product of a failed process, an inattentive administration, and a basic neglect of the will of Congress.

I think this is a decent agreement with Oman, and I am not interested in harming relations with an important Middle East ally because of my frustration with the administration. Economic integration of the Middle East is too critically important a goal and vital to our efforts in the war on terror. I understand that deficiencies remain in this agreement. I will monitor Oman's remaining commitments on worker rights very closely. We must continue to engage this volatile region of the world economically if we expect to make progress on a number of fronts.

I have said repeatedly to the administration that our trade agreements must include the basic International Labor Organization, ILO, standards within the four corners of the trade agreement and that those standards must be enforceable. I have said that we must address other abuses such as the recent reports of abhorrent working conditions in Jordan. So what have we done? On CAFTA, I offered an amendment calling on the administration to require equivalent dispute resolution procedures for workers' rights as we provide for patent violations. And even though that vote failed on a 10 to 10 tie, the administration did not even consider strengthening the standards.

On Oman, Senators CONRAD, BINGAMAN and I offered an amendment to strengthen slave labor laws. The committee adopted the amendment unanimously. Inexplicably, the administration has returned the implementing bill without the language—without an explanation—without justification. It is absolutely inconceivable that the administration would not support a ban on the importation of goods produced with slave labor. At a time when America is attempting to restore its image around the world, this certainly sends the signal that as long as this administration is in place, we should not anticipate common sense in Government.

But I will say that the intransigence demonstrated by the administration this week does not bode well for renewal of fast-track authority. Under the Constitution, Congress is empowered to manage our economic relationships. We grant that power to the administration so that we may present the world with one voice in our economic diplomacy. But we must evaluate under what conditions we grant this authority in the future—if we grant it at all. There is no doubt that the system is broken. And I will be actively engaged as we reevaluate this strategy.

Mr. LIEBERMAN. Mr. President, consistent with my longstanding record of supporting trade as good for America's economy and economic development in Arab and Muslim countries as important for peace in the world, I am supporting the Oman Free Trade Agreement. However, I do so with some reluctance because of my concerns about its labor provisions.

For me, trade must be fair. This agreement is flawed in its failure to provide the tools necessary to ensure rigorous labor protections. I have been pressing for some time for the inclusion of stronger labor protections in our trade agreements. While the agreement would bind Oman to enforce its own laws regarding slave labor, I am disturbed by the administration's decision to ignore the bipartisan views of the Finance Committee by not including a unanimously approved stronger provision against slave labor.

Serious labor violations now occurring in Jordan, despite the stronger labor provisions contained in the Jordan FTA, demand that this administration insist on stronger labor protections in our trade agreements and stronger enforcement of the labor protections that do exist.

I will vote for this FTA because Oman is a strategically important nation in the Middle East, with which we enjoy excellent relations. The failure of Congress to pass this agreement would threaten our future relations with Oman and our allies in the Middle East generally. I will also support this FTA because trade helps to open the economies of countries in the Arab world and provides a better path up for its people than the fanaticism and violence al-Qaida offers. In that sense, these trade agreements represent progress in the war for the hearts and minds of the people in the Arab world which is a critical part of our larger war against Islamist terrorism.

But today I want to lay down a marker. I will not continue to support future free-trade agreements unless the administration becomes serious about negotiating labor and other improvement that build on our experience rather than continue to produce a series of FTAs that in the end penalize too many of our workers here at home and do not adequately protect workers overseas.

Mr. GRASSLEY. Mr. President, I want to respond to some of the points made by my colleagues today.

First, I have heard concerns that the United States-Oman Free Trade Agreement will give foreign port operators an absolute right to establish or acquire operations to run port facilities in the United States. As I explained earlier, that is just wrong. The United States clearly has the right to prohibit foreign investments in the United States that would harm our national security. Nothing in the United States-Oman Free Trade Agreement changes that.

Some of my colleagues have also expressed concerns about the process by which the bill we are considering was brought to the Senate floor. They focus on a proposed amendment adopted by the Finance Committee during its informal consideration of proposed legislation to implement our trade agreement with Oman. This amendment was offered by Senator CONRAD. It was meant to withhold benefits under the agreement to products made with the benefit of forced or indentured labor. I voted for the amendment because I shared some of Senator CONRAD's concerns, and I subsequently transmitted the text of the adopted amendment to the U.S. Trade Representative.

In addition to voting for the Conrad amendment, I introduced a chairman's modification to the proposed statement of administrative action which was approved by the committee. My modification called upon the administration to monitor or report on the efforts of the Government of Oman to prohibit compulsory or coerced labor.

Separately, the House Ways and Means Committee had approved the same draft implementing legislation but without approving any amendments. So we had a situation where the Finance Committee and the Ways and Means Committee sent different versions of informal nonbinding recommendations to the President. In this case the differences were limited and discrete. They were not of the type and degree that would warrant a mock conference.

The administration made the determination that existing law already precluded the legal importation of products made with forced or indentured labor. The administration therefore concluded that the Conrad amendment was not necessary or appropriate to implementation of the agreement. I received a letter from the general counsel of the Office of U.S. Trade Representative articulating the legal basis for the administration's position. I distributed this letter to all members of the Finance Committee prior to the committee's formal markup of this implementing legislation. I will ask unanimous consent that this letter be included in the record with my remarks.

I understand that some of my colleagues are upset that the proposed Conrad amendment isn't included in S. 3569. I believe that the process concerns raised by my colleagues could have been avoided if we had had more consultations by the U.S. Trade Representative with members of the Finance Committee. I am going to make it a point to see that there is better dialogue between the Finance Committee and the U.S. Trade Representative in the future. I want to see improved dialogue both during the negotiation of a trade agreements and prior to the point that the administration sends implementing legislation for a trade agreement to the Congress. I am confident that improved consultation and communication will help avoid such process concerns in the future.

With that, Mr. President, I say again that this is a very good trade agreement for both Oman and the United States. I urge my colleagues to lend their enthusiastic support to the bill before the Senate to implement this agreement.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, THE UNITED STATES TRADE REPRESENTATIVE,

Washington, DC, June 22, 2006.

Hon. CHARLES GRASSLEY,
Chairman, Senate Finance Committee,
Washington, DC.

DEAR CHAIRMAN GRASSLEY: During the Finance Committee hearing on May 18, Senator CONRAD introduced an addition to the draft implementing legislation for the United States-Oman Free Trade Agreement (FTA) to "add a provision to prevent goods made with slave labor (including conditions of de facto indentured servitude), or with the benefit of human trafficking, from benefiting from the agreement." At the hearing, I promised to provide you with a letter detailing our views on this proposal.

The proposed addition is neither necessary nor appropriate because the FTA already deals effectively with products of forced or indentured labor. In addition, U.S. law prohibits the importation of products produced with convict, forced, or indentured labor under penal sanctions. Moreover, we are aware of no evidence suggesting that goods are produced in Oman using slave labor or with the benefit of human trafficking.

First, Oman already prohibits forced labor and Oman has promised to take steps to clarify and strengthen its laws further. Article 12 of Oman's Basic Law provides that "Every citizen has the right to engage the work of his choice within the limits of the law. It is not permitted to impose any compulsory work on anyone except in accordance with the Law and for the performance of public service, for a fair wage." Oman has further committed in writing to "issue a Royal Decree, no later than October 31, 2006, specifying the forms of public service that could be required in the event the Government were ever to exercise its power under Article 12, consistent with Convention 29." Oman is, in fact, already a signatory to ILO Conventions 29 and 105, which prohibit forced labor. At your request; the Administration has committed to update the Congress periodically on the progress that Oman achieves in realizing all its commitments made to labor law reform.

Second, Article 16.2.1(a) of the FTA requires Oman to enforce its labor laws. If it fails to do so, then the United States is entitled to resort to the FTA's dispute settlement procedures, and if the United States prevails, Oman may be required to pay up to $15 million per year in fines that can be used for appropriate labor initiatives in Oman, including enforcement.

Third, U.S. law already prohibits the importation of products produced with convict labor, forced labor, and indentured labor under penal sanctions. Specifically, 19 U.S.C. 1307 states as follows:

All goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision. The provisions of this section relating to goods, wares, articles, and merchandise mined, produced, or manufactured by forced labor or/and indentured labor, shall take effect on January 1, 1932; but in no case shall such provisions be applicable to goods, wares, articles, or merchandise so mined, produced, or manufactured which are not mined, produced, or manufactured in such quantities in the United States as to meet the consumptive demands of the United States.

"Forced labor", as herein used, shall mean work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily. For purposes of this section, the team "forced labor or/and indentured labor" includes forced or indentured child labor.

Notably, the statute is not limited to prison labor, but extends to products manufactured with forced or indentured labor. In fact, the statute was specifically amended in 1930 to add forced and indentured labor.

The statute is also not limited to involuntary labor. The term "indentured labor" is understood to mean labor undertaken pursuant to a "'contract entered into by an employee the enforcement of which can be accompanied by process or penalties.'" China Diesel Imports, Inc. v. United States, 855 F. Supp. 380, 384 (CIT 1994) (citing 71 Cong. Rec. 4489 (1929) (statement of Senator Blaine)).

While the statute provides for an exception in the case of goods that are not produced in the United States, we cannot envision a situation where this exception would be applied in practice. Given the broad economic base of the United States, we do not anticipate a situation where the United States would be obliged to import an otherwise banned product from Oman to satisfy domestic demand because it cannot be obtained in the United States.

In determining whether importation of a product should be prohibited, Customs will look closely at the circumstances of the case. For example, the Forced Child Labor Advisory issued by the Department of Treasury and U.S. Customs Service in December 2000 lists several "red flag" factors indicating the existence of forced or indentured child labor. These red flags may alone provide evidence of forced/indentured labor, and include, e.g., slave labor conditions, employment to discharge a debt, financial penalties that eliminate wages, etc. The Advisory also lists several "yellow flag" factors that may indicate the need for further investigation. These yellow flag factors include, for example, employment in violation of local laws and regulations, or employment in hazardous industries or under extreme conditions.

Other agencies have interpreted the statute in a similar way. Pursuant to Executive

Order 13126, the Department of Labor applies the Section 1307 standard in developing a list of products produced by child labor that are not eligible for federal government procurement. According to the Department of Labor, ''The essential elements of the definition [of forced or indentured child labor] are either the presence of coercion or the existence of a contract enforceable by penalties.'' The Department has listed illustrative factors it will look at in making this determination, including, e.g., confinement, little or no pay, deprivation of basic needs, etc. Bureau of International Labor Affairs; Notice of Preliminary List of Products Requiring Federal Contractor Certification as to Forced or Indentured Labor Under Executive Order No. 13126; Request for Comments, 65 Fed. Reg. 54108 (Sept. 6, 2000).

Fourth, Congress recently affirmed that goods made with forced or child labor in violation of international standards cannot be imported into the United States. On February 17, 2005, the President signed into law the Trafficking Victims Protection Reauthorization Act of 2005 (P.L. 109–164). Specifically, section 105(b) of that Act requires United States Government departments and agencies to ''consult with other departments and agencies of the United States Government to reduce forced and child labor internationally and ensure that products made by forced labor and child labor in violation of international standards are not imported into the United States.''

For these reasons, the Administration does not consider the proposed addition to be ''necessary or appropriate to implement'' the Oman-trade agreement under the terms of 19 USC §3803(b)(3)(B)(ii) and the Administration will not include the proposed addition in the text of the legislation implementing the United States—Oman Free Trade Agreement.

Sincerely,

JAMES E. MENDENHALL,
General Counsel.

Mr. REID. Mr. President, I rise to express my deep disappointment over the legislation to implement the U.S.-Oman Free Trade Agreement. When sending this legislation to Congress, President Bush inexplicably deleted an amendment that would have barred goods made with slave labor or forced labor from benefiting under the FTA.

This amendment was originally proposed by Senator CONRAD and other Democrats on the Finance Committee, but ultimately received unanimous bipartisan support from the Finance Committee in a recorded vote.

The amendment was very simple it would have ensured that goods produced with slave labor, goods produced from forced labor, and goods produced based on human trafficking could not come into the U.S. under the preferential rules established by the agreement. I do not know how anyone could oppose this amendment. I think the American public would be united in support for the concept that they do not want to help support slave labor, forced labor, and human trafficking. President Bush really has some explaining to do.

The genesis for this amendment was a report revealing that companies in Jordan were importing workers from Bangladesh, Pakistan, and other poor countries, confiscating their passports, forcing them to work 80 to 100 hours per week, paying them inadequately, if at all, and subjecting them to physical intimidation and in some cases violence. Many of these workers actually paid recruiters thousands of dollars to get these ''good jobs'' and could not leave until they had earned enough money to pay off their debts.

Admittedly, these problems were in Jordan, not Oman. There are important reasons, however, why we need to be even more vigilant about this type of problem in Oman.

First, Oman's basic economic structure is currently based on the use of foreign workers—about 70 percent of Oman's workforce is foreign. Pretty much anywhere in the world, foreign workers are a particularly vulnerable lot.

Second, Oman already has a record on related issues that is cause for concern the International Confederation of Free Trade Unions has stated that migrant workers ''suffered extreme exploitation'' in Oman. And, the U.S. State Department has criticized Oman for inadequate efforts to stop human trafficking:

Oman is a destination country for men and women primarily from Pakistan, Bangladesh, and India who migrate willingly, but may subsequently become victims of trafficking when subjected to conditions of involuntary servitude . . . as . . . laborers. Oman is placed on Tier 2 Watch List because of a lack of evidence of increasing efforts to combat severe forms of trafficking in persons over the last year.

Third, Oman's labor laws, enforcement, and history are much weaker than Jordan's. Oman's labor laws do not currently meet basic international standards. Oman is to be applauded for making numerous changes to its laws in the run up to the FTA to try to improve them. And, it has committed to making additional changes. Still, as I understand it, a few important areas remain where Oman's laws and enforcement fall short of standards that virtually every country in the world has accepted as a minimum.

Negotiations with some Democrats had been ongoing to resolve the continuing labor issues, but the administration appears to have decided that it will ignore their concerns. That was a regrettable decision. I have heard a lot of people lament the decline of bipartisanship in trade policy. I think if you were to date this decline, it would have started in 2001. The administration cannot just roll Democratic concerns one day and then expect a great working environment the next.

I am not sure why President Bush thinks we need excuses to ban goods made from slave labor and forced labor, but if we do, then I think I have just outlined a pretty good rationale.

I have heard some argue that we do not need to ban goods made with slave labor from Oman because U.S. law already bans all goods made with slave labor. People who make this argument are either misinformed or being misleading. The law at issue unfortunately has a ''consumptive demand'' exception—it does not block imports of products made with slave labor if there is not sufficient U.S. production to meet U.S. demand. The Court of International Trade just last year confirmed that the consumptive demand exception applies. Given that our trade deficit stands at over $700 billion, the exception clearly swallows the rule. So, again, anyone making a defense of this indefensible position by pointing to existing law is just plain wrong.

The President's decision to undermine Senate Democrats' efforts to curb slave labor and forced labor is not the only reason that I oppose this bill. As I noted above, Oman's labor laws—while much improved from 3 years ago—are still not up to international norms. The Bush administration has steadfastly refused to incorporate these minimum standards into the text of the agreement itself. There are minimum standards for intellectual property, for protecting the rights of foreign investors, for certain regulatory decisions, and in numerous other areas—as there should be. But the Bush administration has refused to include minimum standards for workers.

Finally, I want to restate my serious concerns about the Arab League Boycott against Israel. For decades now, the United States has had a policy to oppose the Arab League boycott against Israel. There is an entire office in the Department of Commerce tasked with implementing this anti-boycott policy. Congress has also directed USTR to ''vigorously oppose'' WTO admission for countries that engage in the boycott. In my view, it is an implicit corollary of this latter rule that the U.S. should not enter into bilateral trade agreements with countries that participate in the boycott.

Here, Oman has traditionally been one of the good guys. It renounced the boycott—primary, secondary, and tertiary—in 1994. The Government of Oman has stated numerous times that it does not apply any aspect of the boycott.

So, it was confusing to say the least that the Jerusalem Post reported earlier this month that an interview with two separate senior Customs officials in Oman revealed that Oman does in fact enforce the primary boycott. An official from Oman's Directorate of Customs stated, ''Products from Israel are not permitted because of the boycott. . . . You might put yourself in problems if you do that [i.e., if you try to bring in products from Israel].'' The chief of Customs Officers at the capitol airport stated, ''No products from Israel are allowed.''

The Government of Oman quickly sought to correct the record. I again applaud these efforts. Still, it certainly raises a serious question when you have nonpolitical people with no agenda whose very job it is day in and day out to enforce the Oman customs law claiming that the boycott exists. There seems to be a major disconnect here.

The administration should be able to lift the cloud of confusion, but unfortunately, the administration lacks credibility on this issue. Unwittingly or not, USTR has helped obfuscate the issue by giving incomplete, inaccurate, and on occasion misleading information to Congress on the boycott. In light of this lack of credibility, there is too much uncertainty on whether Oman has indeed terminated all aspects of the Arab League boycott. Accordingly, until this uncertainty is cleared up, I cannot support giving Oman the most preferential trade treatment under U.S. law.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FRIST. Mr. President, in a few minutes, we will be voting on the United States-Oman Free Trade Agreement

This agreement is a model for free trade in the Persian Gulf region and will become America's fourth agreement with an Arab country.

We struck similar deals with Jordan in 2000, Morocco in 2004, and Bahrain in 2005. Like these earlier deals, the Oman agreement will open and expand opportunities for exports of many American products to the benefit of America's workers, manufacturers, consumers, farmers, ranchers, and service providers.

As soon as the agreement takes effect, Oman and the United States will provide each other immediate duty-free access on virtually all products in their tariff schedules, including all consumer and industrial products, and will phase out tariffs on the remaining products within 10 years.

Former Trade Representative Rob Portman calls it ''a high quality, comprehensive free trade agreement that will contribute to economic growth and trade.''

America's relationship with Oman dates back to the early years of our Republic, when a treaty of friendship and navigation was signed with Muscat in 1833.

Since then, relations between our two countries have continually expanded. Today we enjoy a close and cooperative partnership.

Although not a formal member of the coalition, Oman has been a committed, dependable ally in the global war on terror. Oman has been a solid partner on terrorist finance issues and has reached out to work with partner nations in the region on trans-border terror threats.

Oman cooperates closely with us and other allies on counterterrorism and has publicly supported the democratic transition in Iraq. It has also supported stabilization operations, and the democratic and economic transition in Afghanistan. And its government and religious leaders consistently and courageously denounce acts of terror and religious intolerance.

Unfortunately, some have sought to undermine the agreement with myths that do not stand up to the scrutiny of the facts. For example, despite claims to the contrary, Oman does not implement any aspect of the boycott of Israel, a position they publicly reaffirmed in a letter from its commerce minister in September of 2005.

Moreover, Oman does not tolerate or allow the use of slave labor. To the contrary, Oman has also substantial commitments to the United States on labor reform and has promised to enact additional reforms by October 31, 2006.

The agreement before us builds on the progress already made and strengthens our relationship with a key friend and ally in the region. Indeed, rejection of the trade agreement would send a strong negative signal to our friends in the Middle East.

I urge my colleagues to vote for this measure. As the 9/11 Commission advised, expanding trade with the Middle East will ''encourage development, more open societies and opportunities for people to improve the lives of their families.''

Passing the free trade agreement will promote economic reform and development in the gulf and advance President Bush's broader goal of freer and more open Middle East. It will help both our allies and America move forward.

I yield back all time for both sides.

The ACTING PRESIDENT pro tempore. Without objection, all time is yielded back.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill, having been read the third time, the question is, Shall the bill pass?

Mr. FRIST. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll

Mr. MCCONNELL. The following Senators were necessarily absent: the Senator from Rhode Island (Mr. CHAFEE) and the Senator from New Hampshire (Mr. GREGG).

Mr. DURBIN. I announce that the Senator from California (Mrs. BOXER), the Senator from Vermont (Mr. LEAHY), the Senator from Washington (Mrs. MURRAY), and the Senator from Michigan (Ms. STABENOW) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) and the Senator from Michigan (Ms. STABENOW) would each vote ''nay.''

The PRESIDING OFFICER (Mr. ALEXANDER). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—60

Alexander	Ensign	Murkowski
Allard	Enzi	Nelson (FL)
Allen	Frist	Nelson (NE)
Baucus	Graham	Obama
Bennett	Grassley	Pryor
Bond	Hagel	Roberts
Brownback	Hatch	Salazar
Bunning	Hutchison	Santorum
Burns	Inhofe	Sessions
Cantwell	Isakson	Shelby
Chambliss	Jeffords	Smith
Clinton	Kerry	Specter
Cochran	Kyl	Stevens
Coleman	Landrieu	Sununu
Cornyn	Lieberman	Talent
Craig	Lott	Thomas
Crapo	Lugar	Thune
DeMint	Martinez	Vitter
DeWine	McCain	Voinovich
Domenici	McConnell	Warner

NAYS—34

Akaka	Dole	Lincoln
Bayh	Dorgan	Menendez
Biden	Durbin	Mikulski
Bingaman	Feingold	Reed
Burr	Feinstein	Reid
Byrd	Harkin	Rockefeller
Carper	Inouye	Sarbanes
Coburn	Johnson	Schumer
Collins	Kennedy	Snowe
Conrad	Kohl	Wyden
Dayton	Lautenberg	
Dodd	Levin	

NOT VOTING—6

Boxer	Gregg	Murray
Chafee	Leahy	Stabenow

The bill (S. 3569) was passed, as follows:

S. 3569

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''United States-Oman Free Trade Agreement Implementation Act''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Purposes.
Sec. 3. Definitions.
TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT
Sec. 101. Approval and entry into force of the Agreement.
Sec. 102. Relationship of the Agreement to United States and State law.
Sec. 103. Implementing actions in anticipation of entry into force and initial regulations.
Sec. 104. Consultation and layover provisions for, and effective date of, proclaimed actions.
Sec. 105. Administration of dispute settlement proceedings.
Sec. 106. Arbitration of claims.
Sec. 107. Effective dates; effect of termination.
TITLE II—CUSTOMS PROVISIONS
Sec. 201. Tariff modifications.
Sec. 202. Rules of origin.
Sec. 203. Customs user fees.
Sec. 204. Enforcement relating to trade in textile and apparel goods.
Sec. 205. Reliquidation of entries.
Sec. 206. Regulations.

TITLE III—RELIEF FROM IMPORTS
Sec. 301. Definitions.
Subtitle A—Relief From Imports Benefiting From the Agreement
Sec. 311. Commencing of action for relief.
Sec. 312. Commission action on petition.
Sec. 313. Provision of relief.
Sec. 314. Termination of relief authority.
Sec. 315. Compensation authority.
Sec. 316. Confidential business information.
Subtitle B—Textile and Apparel Safeguard Measures
Sec. 321. Commencement of action for relief.
Sec. 322. Determination and provision of relief.
Sec. 323. Period of relief.
Sec. 324. Articles exempt from relief.
Sec. 325. Rate after termination of import relief.
Sec. 326. Termination of relief authority.
Sec. 327. Compensation authority.
Sec. 328. Confidential business information.
TITLE IV—PROCUREMENT
Sec. 401. Eligible products.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States and Oman entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States and Oman for their mutual benefit;

(3) to establish free trade between the 2 nations through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGREEMENT.—The term ''Agreement'' means the United States-Oman Free Trade Agreement approved by Congress under section 101(a)(1).

(2) HTS.—The term ''HTS'' means the Harmonized Tariff Schedule of the United States.

(3) TEXTILE OR APPAREL GOOD.—The term ''textile or apparel good'' means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), Congress approves—

(1) the United States-Oman Free Trade Agreement entered into on January 19, 2006, with Oman and submitted to Congress on June 26, 2006; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on June 26, 2006.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Oman has taken measures necessary to bring it into compliance with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Oman providing for the entry into force, on or after January 1, 2007, of the Agreement with respect to the United States.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term ''State law'' includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State, on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) IMPLEMENTING ACTIONS.—

(1) PROCLAMATION AUTHORITY.—After the date of the enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date on which the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date on which the Agreement enters into force.

(2) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under section 104 may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

(3) WAIVER OF 15-DAY RESTRICTION.—The 15-day restriction in paragraph (2) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date on which the Agreement enters into force of any action proclaimed under this section.

(b) INITIAL REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the United States International Trade Commission;

(2) the President has submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met has expired; and

(4) the President has consulted with the Committees referred to in paragraph (2) regarding the proposed action during the period referred to in paragraph (3).

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 20 of the Agreement. The office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year after fiscal year 2006 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office established or designated under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.15.1(a)(i)(C) or article 10.15.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date on which the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement terminates, the provisions of this Act (other than this subsection) and the amendments made by this Act shall cease to be effective.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—

(1) PROCLAMATION AUTHORITY.—The President may proclaim—

(A) such modifications or continuation of any duty,

(B) such continuation of duty-free or excise treatment, or

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 3.2.8, and 3.2.9, and Annex 2–B of the Agreement.

(2) EFFECT ON OMANI GSP STATUS.—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall, on the date on which the Agreement enters into force, terminate the designation of Oman as a beneficiary developing country for purposes of title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.).

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover provisions of section 104, the President may proclaim—

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with Oman regarding the staging of any duty treatment set forth in Annex 2–B of the Agreement,

(3) such continuation of duty-free or excise treatment, or

(4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Oman provided for by the Agreement.

(c) CONVERSION TO AD VALOREM RATES.—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Tariff Schedule of the United States to Annex 2–B of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

SEC. 202. RULES OF ORIGIN.

(a) APPLICATION AND INTERPRETATION.—In this section:

(1) TARIFF CLASSIFICATION.—The basis for any tariff classification is the HTS.

(2) REFERENCE TO HTS.—Whenever in this section there is a reference to a heading or subheading, such reference shall be a reference to a heading or subheading of the HTS.

(b) ORIGINATING GOODS.—

(1) IN GENERAL.—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, a good is an originating good if—

(A) the good is imported directly—

(i) from the territory of Oman into the territory of the United States; or

(ii) from the territory of the United States into the territory of Oman; and

(B)(i) the good is a good wholly the growth, product, or manufacture of Oman or the United States, or both;

(ii) the good (other than a good to which clause (iii) applies) is a new or different article of commerce that has been grown, produced, or manufactured in Oman or the United States, or both, and meets the requirements of paragraph (2); or

(iii)(I) the good is a good covered by Annex 3–A or 4–A of the Agreement;

(II)(aa) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in such Annex as a result of production occurring entirely in the territory of Oman or the United States, or both; or

(bb) the good otherwise satisfies the requirements specified in such Annex; and

(III) the good satisfies all other applicable requirements of this section.

(2) REQUIREMENTS.—A good described in paragraph (1)(B)(ii) is an originating good only if the sum of—

(A) the value of each material produced in the territory of Oman or the United States, or both, and

(B) the direct costs of processing operations performed in the territory of Oman or the United States, or both,

is not less than 35 percent of the appraised value of the good at the time the good is entered into the territory of the United States.

(c) CUMULATION.—

(1) ORIGINATING GOOD OR MATERIAL INCORPORATED INTO GOODS OF OTHER COUNTRY.—An originating good, or a material produced in the territory of Oman or the United States, or both, that is incorporated into a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PRODUCERS.—A good that is grown, produced, or manufactured in the territory of Oman or the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(d) VALUE OF MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the value of a material produced in the territory of Oman or the United States, or both, includes the following:

(A) The price actually paid or payable for the material by the producer of the good.

(B) The freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant, if such costs are not included in the price referred to in subparagraph (A).

(C) The cost of waste or spoilage resulting from the use of the material in the growth, production, or manufacture of the good, less the value of recoverable scrap.

(D) Taxes or customs duties imposed on the material by Oman or the United States, or both, if the taxes or customs duties are not remitted upon exportation from the territory of Oman or the United States, as the case may be.

(2) EXCEPTION.—If the relationship between the producer of a good and the seller of a material influenced the price actually paid or payable for the material, or if there is no price actually paid or payable by the producer for the material, the value of the material produced in the territory of Oman or the United States, or both, includes the following:

(A) All expenses incurred in the growth, production, or manufacture of the material, including general expenses.

(B) A reasonable amount for profit.

(C) Freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant.

(e) PACKAGING AND PACKING MATERIALS AND CONTAINERS FOR RETAIL SALE AND FOR SHIPMENT.—Packaging and packing materials and containers for retail sale and shipment shall be disregarded in determining whether a good qualifies as an originating good, except to the extent that the value of such packaging and packing materials and containers has been included in meeting the requirements set forth in subsection (b)(2).

(f) INDIRECT MATERIALS.—Indirect materials shall be disregarded in determining whether a good qualifies as an originating good, except that the cost of such indirect materials may be included in meeting the requirements set forth in subsection (b)(2).

(g) TRANSIT AND TRANSSHIPMENT.—A good shall not be considered to meet the requirement of subsection (b)(1)(A) if, after exportation from the territory of Oman or the United States, the good undergoes production, manufacturing, or any other operation outside the territory of Oman or the United States, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of Oman or the United States.

(h) TEXTILE AND APPAREL GOODS.—

(1) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 3–A of the Agreement shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of Oman or the United States.

(C) YARN, FABRIC, OR GROUP OF FIBERS.—For purposes of this paragraph, in the case of a textile or apparel good that is a yarn, fabric, or group of fibers, the term ''component of the good that determines the tariff classification of the good'' means all of the fibers in the yarn, fabric, or group of fibers.

(2) GOODS PUT UP IN SETS FOR RETAIL SALE.—Notwithstanding the rules set forth in Annex 3–A of the Agreement, textile or apparel goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless each of the goods in the set is an originating good or the total value of the nonoriginating goods in the set does not exceed 10 percent of the value of the set determined for purposes of assessing customs duties.

(i) DEFINITIONS.—In this section:

(1) DIRECT COSTS OF PROCESSING OPERATIONS.—

(A) IN GENERAL.—The term ''direct costs of processing operations'', with respect to a good, includes, to the extent they are includable in the appraised value of the good when imported into Oman or the United States, as the case may be, the following:

(i) All actual labor costs involved in the growth, production, or manufacture of the good, including fringe benefits, on-the-job training, and the cost of engineering, supervisory, quality control, and similar personnel.

(ii) Tools, dies, molds, and other indirect materials, and depreciation on machinery and equipment that are allocable to the good.

(iii) Research, development, design, engineering, and blueprint costs, to the extent that they are allocable to the good.

(iv) Costs of inspecting and testing the good.

(v) Costs of packaging the good for export to the territory of the other country.

(B) EXCEPTIONS.—The term ''direct costs of processing operations'' does not include costs that are not directly attributable to a good or are not costs of growth, production, or manufacture of the good, such as—

(i) profit; and

(ii) general expenses of doing business that are either not allocable to the good or are not related to the growth, production, or

manufacture of the good, such as administrative salaries, casualty and liability insurance, advertising, and sales staff salaries, commissions, or expenses.

(2) GOOD.—The term ''good'' means any merchandise, product, article, or material.

(3) GOOD WHOLLY THE GROWTH, PRODUCT, OR MANUFACTURE OF OMAN OR THE UNITED STATES, OR BOTH.—The term ''good wholly the growth, product, or manufacture of Oman or the United States, or both'' means—

(A) a mineral good extracted in the territory of Oman or the United States, or both;

(B) a vegetable good, as such a good is provided for in the HTS, harvested in the territory of Oman or the United States, or both;

(C) a live animal born and raised in the territory of Oman or the United States, or both;

(D) a good obtained from live animals raised in the territory of Oman or the United States, or both;

(E) a good obtained from hunting, trapping, or fishing in the territory of Oman or the United States, or both;

(F) a good (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with Oman or the United States and flying the flag of that country;

(G) a good produced from goods referred to in subparagraph (F) on board factory ships registered or recorded with Oman or the United States and flying the flag of that country;

(H) a good taken by Oman or the United States or a person of Oman or the United States from the seabed or beneath the seabed outside territorial waters, if Oman or the United States, as the case may be, has rights to exploit such seabed;

(I) a good taken from outer space, if such good is obtained by Oman or the United States or a person of Oman or the United States and not processed in the territory of a country other than Oman or the United States;

(J) waste and scrap derived from—

(i) production or manufacture in the territory of Oman or the United States, or both; or

(ii) used goods collected in the territory of Oman or the United States, or both, if such goods are fit only for the recovery of raw materials;

(K) a recovered good derived in the territory of Oman or the United States from used goods and utilized in the territory of that country in the production of remanufactured goods; and

(L) a good produced in the territory of Oman or the United States, or both, exclusively—

(i) from goods referred to in subparagraphs (A) through (J), or

(ii) from the derivatives of goods referred to in clause (i),

at any stage of production.

(4) INDIRECT MATERIAL.—The term ''indirect material'' means a good used in the growth, production, manufacture, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the growth, production, or manufacture of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment and buildings;

(D) lubricants, greases, compounding materials, and other materials used in the growth, production, or manufacture of a good or used to operate equipment and buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the growth, production, or manufacture of the good can reasonably be demonstrated to be a part of that growth, production, or manufacture.

(5) MATERIAL.—The term ''material'' means a good, including a part or ingredient, that is used in the growth, production, or manufacture of another good that is a new or different article of commerce that has been grown, produced, or manufactured in Oman or the United States, or both.

(6) MATERIAL PRODUCED IN THE TERRITORY OF OMAN OR THE UNITED STATES, OR BOTH.—The term ''material produced in the territory of Oman or the United States, or both'' means a good that is either wholly the growth, product, or manufacture of Oman or the United States, or both, or a new or different article of commerce that has been grown, produced, or manufactured in the territory of Oman or the United States, or both.

(7) NEW OR DIFFERENT ARTICLE OF COMMERCE.—

(A) IN GENERAL.—The term ''new or different article of commerce'' means, except as provided in subparagraph (B), a good that—

(i) has been substantially transformed from a good or material that is not wholly the growth, product, or manufacture of Oman or the United States, or both; and

(ii) has a new name, character, or use distinct from the good or material from which it was transformed.

(B) EXCEPTION.—A good shall not be considered a new or different article of commerce by virtue of having undergone simple combining or packaging operations, or mere dilution with water or another substance that does not materially alter the characteristics of the good.

(8) RECOVERED GOODS.—The term ''recovered goods'' means materials in the form of individual parts that result from—

(A) the disassembly of used goods into individual parts; and

(B) the cleaning, inspecting, testing, or other processing of those parts as necessary for improvement to sound working condition.

(9) REMANUFACTURED GOOD.—The term ''remanufactured good'' means an industrial good that is assembled in the territory of Oman or the United States and that—

(A) is entirely or partially comprised of recovered goods;

(B) has a similar life expectancy to a like good that is new; and

(C) enjoys a factory warranty similar to that of a like good that is new.

(10) SIMPLE COMBINING OR PACKAGING OPERATIONS.—The term ''simple combining or packaging operations'' means operations such as adding batteries to devices, fitting together a small number of components by bolting, gluing, or soldering, and repacking or packaging components together.

(11) SUBSTANTIALLY TRANSFORMED.—The term ''substantially transformed'' means, with respect to a good or material, changed as the result of a manufacturing or processing operation so that—

(A)(i) the good or material is converted from a good that has multiple uses into a good or material that has limited uses;

(ii) the physical properties of the good or material are changed to a significant extent; or

(iii) the operation undergone by the good or material is complex by reason of the number of different processes and materials involved and the time and level of skill required to perform those processes; and

(B) the good or material loses its separate identity in the manufacturing or processing operation.

(j) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set forth in Annex 3–A and Annex 4–A of the Agreement; and

(B) any additional subordinate category that is necessary to carry out this title, consistent with the Agreement.

(2) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 of the HTS (as included in Annex 3–A of the Agreement).

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim—

(i) modifications to the provisions proclaimed under the authority of paragraph (1)(A) as are necessary to implement an agreement with Oman pursuant to article 3.2.5 of the Agreement; and

(ii) before the end of the 1-year period beginning on the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 of the HTS (as included in Annex 3–A of the Agreement).

SEC. 203. CUSTOMS USER FEES.

Section 13031(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)) is amended by adding after paragraph (16) the following:

''(17) No fee may be charged under subsection (a) (9) or (10) with respect to goods that qualify as originating goods under section 202 of the United States-Oman Free Trade Agreement Implementation Act. Any service for which an exemption from such fee is provided by reason of this paragraph may not be funded with money contained in the Customs User Fee Account.''.

SEC. 204. ENFORCEMENT RELATING TO TRADE IN TEXTILE AND APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the Government of Oman to conduct a verification pursuant to article 3.3 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination—

(A) that an exporter or producer in Oman is complying with applicable customs laws, regulations, procedures, requirements, or practices affecting trade in textile or apparel goods; or

(B) that a claim that a textile or apparel good exported or produced by such exporter or producer—

(i) qualifies as an originating good under section 202, or

(ii) is a good of Oman,

is accurate.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a)(1) includes—

(1) suspension of liquidation of the entry of any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A), in a case in which the request for verification was based on a reasonable suspicion of unlawful activity related to such good; and

(2) suspension of liquidation of the entry of a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

(c) ACTION WHEN INFORMATION IS INSUFFICIENT.—If the Secretary of the Treasury determines that the information obtained within 12 months after making a request for a verification under subsection (a)(1) is insufficient to make a determination under subsection (a)(2), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make a determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action referred to in subsection (c) includes—

(1) publication of the name and address of the person that is the subject of the verification;

(2) denial of preferential tariff treatment under the Agreement to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B); and

(3) denial of entry into the United States of—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

SEC. 205. RELIQUIDATION OF ENTRIES.

Subsection (d) of section 520 of the Tariff Act of 1930 (19 U.S.C. 1520(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''or''; and

(B) by striking ''for which'' and inserting '', or section 202 of the United States-Oman Free Trade Agreement Implementation Act for which''; and

(2) in paragraph (3), by inserting ''and information'' after ''documentation''.

SEC. 206. REGULATIONS.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (i) of section 202;

(2) the amendment made by section 203; and

(3) proclamations issued under section 202(j).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

In this title:

(1) OMANI ARTICLE.—The term ''Omani article'' means an article that—

(A) qualifies as an originating good under section 202(b); or

(B) receives preferential tariff treatment under paragraphs 8 through 11 of article 3.2 of the Agreement.

(2) OMANI TEXTILE OR APPAREL ARTICLE.—The term ''Omani textile or apparel article'' means an article that—

(A) is listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); and

(B) is an Omani article.

(3) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, an Omani article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Omani article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Omani article if, after the date on which the Agreement enters into force with respect to the United States, import relief has been provided with respect to that Omani article under this subtitle.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—

(1) IN GENERAL.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(2) LIMITATION ON RELIEF.—The import relief recommended by the Commission under this subsection shall be limited to that described in section 313(c).

(3) VOTING; SEPARATE VIEWS.—Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) REPORT TO PRESIDENT.—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

SEC. 313. PROVISION OF RELIEF.

(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(b) EXCEPTION.—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) NATURE OF RELIEF.—

(1) IN GENERAL.—The import relief that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex 2–B of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) PROGRESSIVE LIBERALIZATION.—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization of such relief at regular intervals during the period in which the relief is in effect.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), any import relief that the President provides under this section may not, in the aggregate, be in effect for more than 3 years.

(2) EXTENSION.—

(A) IN GENERAL.—If the initial period for any import relief provided under this section is less than 3 years, the President, after receiving a determination from the Commission under subparagraph (B) that is affirmative, or which the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), may extend the effective period of any import relief provided under this section, subject to the limitation under paragraph (1), if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—

(i) INVESTIGATION.—Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) NOTICE AND HEARING.—The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) REPORT.—The Commission shall transmit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date on which the relief terminates.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that has been subject to import relief under this subtitle after the date on which the Agreement enters into force.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Subject to subsection (b), no import relief may be provided under this subtitle after the date that is 10 years after the date on which the Agreement enters into force.

(b) PRESIDENTIAL DETERMINATION.—Import relief may be provided under this subtitle in the case of an Omani article after the date on which such relief would, but for this subsection, terminate under subsection (a), if the President determines that Oman has consented to such relief.

SEC. 315. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act (19 U.S.C. 2251 et seq.).

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking ''and''; and

(2) by inserting before the period at the end '', and title III of the United States-Oman Free Trade Agreement Implementation Act''.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

(a) IN GENERAL.—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of the request and the dates by which comments and rebuttals must be received.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, an Omani textile or apparel article is being imported into the United States in such increased quantities, in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as described in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry to import competition.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), any import relief that the President provides under subsection (b) of section 322 may not, in the aggregate, be in effect for more than 3 years.

(b) EXTENSION.—If the initial period for any import relief provided under section 322 is less than 3 years, the President may extend the effective period of any import relief provided under that section, subject to the limitation set forth in subsection (a), if the President determines that—

(1) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment by the domestic industry to import competition; and

(2) there is evidence that the industry is making a positive adjustment to import competition.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

The President may not provide import relief under this subtitle with respect to any article if—

(1) the article has been subject to import relief under this subtitle after the date on which the Agreement enters into force; or

(2) the article is subject to import relief under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date on which the relief terminates.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.

No import relief may be provided under this subtitle with respect to any article after the date that is 10 years after the date on which duties on the article are eliminated pursuant to the Agreement.

SEC. 327. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 328. CONFIDENTIAL BUSINESS INFORMATION.

The President may not release information that is submitted in a proceeding under this subtitle and that the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information to the President in a proceeding under this subtitle, the party shall also submit a nonconfidential version of the information, in which the confidential business information is summarized or, if necessary, deleted.

TITLE IV—PROCUREMENT

SEC. 401. ELIGIBLE PRODUCTS.

Section 308(4)(A) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)(A)) is amended—

(1) by striking ''or'' at the end of clause (iv);

(2) by striking the period at the end of clause (v) and inserting ''; or''; and

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

''(vi) a party to the United States-Oman Free Trade Agreement, a product or service of that country or instrumentality which is covered under that Agreement for procurement by the United States.''.

Mr. GRASSLEY. With today's passage of S. 3569, the U.S.-Oman Free Trade Agreement Implementation Act, we have solidified our commercial relations with Oman, a longstanding friend and ally for over 200 years. The agreement will result in new economic opportunities for U.S. farmers, manufacturers, and service providers.

None of this would have been possible without the support of my colleagues. In particular, the Senator from Montana, ranking Democrat of the Committee on Finance, Senator MAX BAUCUS. I want to thank Senator BAUCUS for his cooperation and good faith in moving this legislation through the Senate with bipartisan support. We would not be here today without his strong commitment to raising the living standards of people in the United States and abroad.

Senator BAUCUS's trade staff deserves recognition. The Democratic Staff Director on the Finance Committee, Russ Sullivan, and the Deputy Staff Director, Bill Dauster, worked well with my staff and provided helpful insight throughout the process. I also appreciate the efforts of Brian Pomper, Chief International Trade Counsel, as well as Demetrios Marantis, Anya Landau, Janis Lazda, and Chelsea Thomas.

I would also like to thank President Bush for his leadership. His commitment to improving the U.S. economy through increased access to foreign markets has made this agreement a reality. Oman is just one of his latest successes on this front.

The dedication of two former United States Trade Representatives, Robert Zoellick and Rob Portman, merits special thanks. Their efforts at the negotiating table produced a comprehensive, commercially-meaningful agreement. I would like to recognize the current United States Trade Representative, Susan Schwab. Ms. Schwab was confirmed in her current position after negotiations of the agreement were concluded. Her consultations with the U.S. Congress are appreciated. Her negotiating skills and experience make her well suited for future talks. I also appreciate the service and hard work of Assistant United States Trade Representative for Europe and the Middle East Shaun Donnelly.

My trade staff on the Finance Committee deserves recognition. First, my Chief Counsel and Staff Director, Kolan Davis, merits special mention. His legislative expertise has been instrumental in moving countless bills. The work of the Finance Committee's International Trade Counsel, David Johanson and Stephen Schaefer, is invaluable. Their depth of knowledge, dedication, and ability to juggle several policy issues at that same time is key in advancing the Committee's trade agenda. Their long hours are much appreciated. I would like to recognize my former Chief International Trade Counsel, Everett Eissenstat. While on my staff, he worked diligently on this agreement and others. I want also want to thank Tiffany McCullen Atwell, International Trade Policy Advisor on the Committee for her hard work that produces results behind the scenes. Claudia Bridgeford, International Trade Policy Assistant, has also contributed significantly to the Committee's work. Russ Ugone, my detailee from Customs and Border Protection, has lent us his technical expertise.

I am grateful to Justin McCarthy, Assistant United States Trade Representative for Congressional Affairs, and Andy Olson, Deputy Assistant United States Trade Representative for Congressional Affairs, for their work with Congress on the U.S-Oman Free Trade Agreement.

Finally, I would like to thank Polly Craighill of the Office of the Senate Legislative Counsel for the long hours she put into working on this legislation. Without her patience and hard work, today's vote would not have been possible.

I look forward to the signing of this legislation into law by President Bush.

Mr. CARPER. Mr. President, it is with great disappointment that I cast a ''nay'' vote on the Oman Free Trade Agreement today.

Last summer, when we were debating the Central America Free Trade Agreement, or CAFTA, I expressed frustration with the direction of free-trade agreements and free-trade policy, in general. I expressed a hope that the administration would do more to consult with Congress and, particularly, with moderate, free-trade Democrats.

Many times, representatives of this administration have said that they want to bring back the strong bipartisan support for free-trade agreements and ''make it easier for Democrats to support free-trade agreements.'' Well, one of the ways they can do that is by consulting with and responding to concerns expressed by Democrats and moderates in Congress—before we are asked to vote up or down on those agreements.

When the Oman Free Trade Agreement was considered in the Finance Committee, 18 members voted in favor of an amendment offered by Senator Conrad that would ban the import of goods made by slave labor or by workers trapped in abusive conditions through human trafficking. And with that amendment approved, all 19 members of the Finance Committee were able to support the free-trade agreement. Clearly, supporting that language was a way to make it easier for Members of Congress to support this agreement.

Yet the administration decided to ignore that strong signal. They did not try to address the concerns voiced through the adoption of the Conrad amendment. They chose to omit the amendment from the implementing language they sent to the Congress for its approval.

This action may not backfire today: the Oman agreement may still pass. However, it will backfire one day, and I expect it to be in the not so distant future.

Next year, Congress will be asked to reauthorize trade promotion authority. But trade promotion authority is about trust, and the actions taken by this administration in agreement after agreement have not inspired trust. And at this point, they have very little time to reestablish that trust before the vote on trade promotion authority next summer.

Lowering trade barriers and promoting free trade is about more than just economics. It is about increasing opportunities and improving quality of life both here and abroad. In offering access to our markets, we can help to peacefully spread democracy and encourage developing countries to increase transparency in government, strengthen their judiciary, improve conditions for their workforce, and protect their environment. But this administration does not seem to recognize this opportunity, even when strong supporters of trade—like myself—tell them that this is an important part of our support for free-trade agreements.

So today we have been sent a free-trade agreement that does not reflect an understanding of the concerns expressed by Members of Congress. This bill is not amendable. All I can do is vote yes or no. Last summer I voted yes, giving the administration the benefit of the doubt and hoping that they would listen to the concerns expressed by moderates in Congress. Today, I am going to vote no and hope that the administration will recognize that they must listen to the concerns expressed by the legislative branch and that they cannot take our votes for granted.

I invite the administration to use the time between now and the consideration of the Peru Free Trade Agreement to show that you are listening, to incorporate our ideas into that agreement, and to prove that you deserve the trust we showed in granting trade promotion authority.

I believe in lowering trade barriers, and that is why I have supported every trade agreement that has come before me, until today. But that will become considerably more difficult without trade promotion authority. I sincerely hope we can work together over the next year to save it.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

(The remarks of Mr. SPECTER pertaining to the introduction of S. 3614 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. SPECTER. I thank the Chair. I thank my distinguished colleague from West Virginia for waiting. I know he has an important speech to give. I just conferred with the Senator from West Virginia, and it is his Fourth of July speech. It is a little early for the 4th, but there may not be too many people

in the Chamber on the 4th or the 3rd or the 2nd or the 1st or even tomorrow, the 30th of June. I compliment Senator BYRD in advance.

I yield the floor.

Mr. BYRD. Mr. President, I thank my distinguished friend, my longtime friend, the Senator from Pennsylvania, Mr. SPECTER, for his kind reference to me. I value his friendship. I value his views on the Constitution. I do, indeed, always.

Mr. SPECTER. I thank my colleague

A PATRIOTIC FOURTH

Mr. BYRD. Mr. President, this coming Tuesday is the Fourth of July. Two hundred and thirty years ago, in 1776, our Founding Fathers declared independence from Britain, establishing a nation on fundamentally new principles of government. Those principles, laid out in ringing tones in the Declaration of Independence and given flesh and substance in our Constitution, have stood us well for these last 230 years. That is 84,007 days, including leap years, and we are still going strong.

Already, one can see the red, white, and blue bunting decorating stores, and one can see the fireworks for sale in those places where they are permitted. People are purchasing picnic and barbeque makings at the grocery stores and filling the propane tanks that will fuel the backyard grills. Next Tuesday, the Nation's air will be filled with the sizzle and aroma of good old hot dogs and hamburgers, steaks and shishkebobs, and barbeque of infinite regional variety. Sweet, luscious corn on the cob may lay atop the grill, roasting in its own leafy wrapping. Picnic tables will groan under the weight of creamy potato salad—potato salad like they make in Tennessee—tart coleslaw, egg salad or macaroni salad. Cold slabs of watermelon—Mr. President, cold slabs of watermelon—and fresh cherries will tempt some to initiate seed spitting contests. It is hard to imagine a more all-American feast. Even Thanksgiving, with its formality and fine china, does not capture the American spirit in the same manner as a barefoot feast like a Fourth of July picnic.

And the entertainment, too, is all-American. In the morning, we line the sidewalks of countless small towns and communities to watch the parades of fire engines and floats. Small children ride on father's shoulders to get a better view, and dogs—yes, like my little dog—circle below, tangling leashes around legs as they bark happily at the passing show. We wave at bands and we wave at the beauty queens, too, and local politicians before heading home to go boating, fishing, swimming, or just visiting with family in the cool shade of a tall tree. Americans celebrate the Fourth outdoors.

In the evening, we gather after our picnics to listen to concerts and wait for the fireworks. The air now is filled with whizzing acceleration followed by an anticipatory pause, then the bursting pop of the exploding sparks. We ooh and ahh and clap. We are, generally, filled with a pride and love of our nation on the Fourth of July. We feel patriotic—yes, we do—in a general and fuzzy sense—a patriotism borne of a full stomach and stirring martial music, tinged with the scent of black powder and wrapped in red, white and blue bunting.

This general sense of patriotism and this general sense of love of country is, of course, a good thing. We are the very fortunate few, just 299,062,710 or so of the world's 6,524,438,583 citizens as of June 25, 2006, according to the U.S. Census Bureau. That is just 4.6 percent or so of the world's population. We live in a nation richly endowed by nature, generally temperate in climate, and sparsely populated, though that may not seem true to anyone seeking to leave Washington for the beach this weekend. For 230 years—yes, two centuries and two decades—America has expanded geographically, economically and intellectually, literally reaching the moon and the stars. We have made great discoveries in the sciences and in medicine. We look after our own and reach out to help others. Our Nation is far from perfect, to be sure, but I doubt that many of us would willingly trade it for another.

George William Custis wrote that ''A man's country is not a certain area of land, of mountains, rivers, and woods, but it is a principle and patriotism is loyalty to that principle.'' I think he is only partly correct patriotism is loyalty to that principle as well as to the homeland over which that principle governs. We love our Nation for all that it is physically, the collection of geography and peoples that we know and love.

But it is also the principles upon which our Nation was founded 230 years ago—principles to which we must always hold fast, lest they be eroded away.

Our Nation was founded on the principles of equality and the rights of man to life, liberty, and the pursuit of happiness. It is the job of government to ensure and protect these rights, and governments should only be based upon the consent of the people, not some powerful elite. Those fundamental principles should never be taken for granted. Even after 230 years of hearing them, they are not tired, run-of-the-mill, banal, or ordinary. Most of the other 96 percent of the world's population does not enjoy the blessings of those principles. Much of the rest of the world's population must live in the shadow of fear. Their governments have greater power and fewer restraints, and need not pay much attention to public opinion or internal dissent. In too many nations, dissenters can be jailed or simply ''disappeared'' if they dare to raise their voices to question their government's actions or policies.

We are blessed to live under a system of government established to serve all of the people. Mark Twain wrote that ''The government is merely a servant merely a temporary servant; it cannot be its prerogative to determine what is right and what is wrong, and decide who is a patriot and who isn't. Its function is to obey orders, not originate them.'' The orders that it is to obey should come from the people, and from a consensus of what constitutes the common good. That is rare in this world, a treasure to be guarded jealously.

Our Founding Fathers drafted our Constitution to defend individual freedom and to provide opportunity for all. It is a government expressly designed to balance power so that no one person can ever become a tyrant unless the people, in their foolishness or their apathy, allow it. Abraham Lincoln once said that ''America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves.''

In his book, Notes on Virginia, Thomas Jefferson wrote that, ''If once [the people] become inattentive to public affairs, you and I, and Congress and Assemblies, Judges and Governors, shall all become wolves. It seems to be the law of general nature, in spite of individual exceptions.'' We the people are the guardians of our own liberty.

Power and the trappings of power are as addictive as the strongest drug. When people in power come to believe that they know the interests of the Nation better than the people who are the Nation, and when people cease to listen to the people or to remember the folks back home, a dangerous situation is created.

The historian, Henry Steele Commager, said that ''Men in authority will always think that criticism of their policies is dangerous. They will always equate their policies with patriotism, and find criticism subversive.''

Each of us, as citizens of this great land and benefactors of our system of government, must serve as its defenders, against invasion from without, of course, but also against erosion from within. We must be prepared to criticize when government strays from our fundamental principles, when it ceases to be the servant of the people. In doing so, we must be prepared to be called unpatriotic. That is hard to do when we are fired up on barbeque and fireworks and patriotic music. That is hard to do when we have troops in the field and anxious families back home. But criticism is not unpatriotic. Far from it. When we speak up, we emulate our Founding Fathers, who were not afraid to spread criticism where it was warranted.

On the Fourth of July and on every day, Americans should feel patriotic in every sense of that word. We have every right to be proud of our Nation and our history. We Americans have every reason to look forward to a bright future, as long as we protect and

encourage the right of every American to express his or her views and keep this Nation on the track that has carried us so well for so long.

I close with a poem Arthur Nicholas Hosking, ''Land of the Free.'' I wish everyone a Happy Fourth of July.

America, O Power benign, great hearts revere your name, You stretch your hand to every land, to weak and strong the same; You claim no conquest of the sea, nor conquest of the field, But conquest for the rights of man, that despots all shall yield.

America, staunch, undismayed, your spirit is our might; No splendor falls on feudal walls upon your mountain's height, But shafts of Justice pierce your skies to light the way for all, A world's great brotherhood of man, that cannot, must not fall.

America, in God we trust, we fear no tyrant's horde; There's light that leads toward better deeds than conquest by the sword; Yet our cause is just, if fight we must until the world be free Of every menace, breed, or caste that strikes at Liberty.

America, home of the brave, our song in praise we bring—Where Stars and Stripes the winds unfurl, 'tis there that tributes ring; Our fathers gave their lives that we should live in Freedom's light Our lives we consecrate to thee, our guide the Might of Right.

Mr. President, I hope that all the Senate family will have a safe, joyous Fourth of July

THE BUILDING OF THE SHIP

Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!
We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat
Were shaped the anchors of thy hope!
Fear not each sudden sound and shock,
'Tis of the wave and not the rock;
'Tis but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with three,—are all with thee!

—*Henry Wadsworth Longfellow.*

Mr. BYRD. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ISAKSON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask unanimous consent to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURING OUR INDEPENDENCE

Mr. ALLEN. Mr. President, as we all depart in celebration of our Declaration of Independence, our secession from the British monarchy, let us, as Senators and as Americans, assess what should be accomplished to secure our independence and, most importantly, the ideals and the freedom that need to be secured, as was expressed in our Declaration of Independence, authored by Thomas Jefferson 260 years ago.

The people of America are the owners of our Government, and they expect us to do certain things. I hope when we return, after the Independence Day celebration, one of the first things we will recognize is we are a nation of laws, we are a nation of immigrants. We will recognize that at Monticello, Mr. Jefferson's home where there is always an Independence Day naturalization ceremony there, which is always so inspiring. For those of us who believe we should have immigration reform, that is how people should become citizens in this country—legally.

The American people have noticed our country has, for far too long, neglected to secure our borders. The first thing we need to do, when we get back, is to find the funds for border personnel, for detention center capacity, for a fence, for sensors. We need to make sure this is Nation of laws, and a Nation of immigrants, that has been built by immigrants, and improved by immigrants.—My mother is an immigrant, so I appreciate the value and the improvements and the promise of America that have been born by so many people who have come to this country from some other land.

But the American people expect us to do our job. The first responsibility of a government is security. And we need to secure our borders.

Secondly, dealing with independence, is our energy. We are far too dependent as a country on foreign sources of energy. We need to—and I think we can do it—help out not just short term but long term in a policy that has our country less dependent on foreign sources of energy. We need more production of oil and natural gas here at home. Some of it can be in deep waters far off our coast. I would like to share some of those royalties and revenues with the people in the States so they can share in some of the benefits while also making sure we have more oil and natural gas from this country.

For my Commonwealth of Virginia, on a bipartisan basis, our legislature, 2 years running, has passed a measure to allow the Commonwealth of Virginia to opt out of the moratorium or the prohibition of deep sea, deep water offshore exploration. Georgia may want another approach; Louisiana would take a different approach—but if a State were able to share in the royalties. For Virginia I would like to have one-quarter of those royalties go to colleges and universities; and it could be used for scholarships for, young people who have attributes or desires to study and be proficient in science, in technology and engineering, where there is such a great demand for people with those talents and skills in our country.

Then, I would take 50 percent and use it for transportation and roads. There are great needs for roads. And if we were getting hundreds of millions of dollars, 50 percent of it ought to go for transportation and roads and highways in the Commonwealth of Virginia.

And then a quarter of it would go to coastal communities, say, Virginia Beach, for example, that would probably use the money they get for sand or beach replenishment on our coast.

In addition to developing more oil and natural gas in this country, we also ought to recognize that we are the ''Saudi Arabia'' of the world in coal, and we ought to be using clean coal technology for electricity generation. Clean coal technology, in fact, can be used in a way that could be gasified to be like a natural gas and could be used as a fuel similar to diesel fuel.

Natural gas is so important for us for the manufacturing of everything from tires to plastics, to chemicals and fertilizers and forestry products. To be using natural gas for baseload electricity generation, as I have said, is like using bottled water to wash our dishes. It will do the job, but why would you want to use such a clean-burning fuel—which is so important for jobs and manufacturing jobs here in this country, as well as for heating our homes—for electricity generation when we can be using clean-coal technology?

We also ought to be using advanced nuclear technologies for electricity generation.

Beyond that, there are other advancements in technology. With nanotechnology, there are solar powers, solar photovoltaics, which makes more sense now and are much more efficient. There are lithium ion batteries. We can also grow some of our fuels, biofuels, particularly soy diesel. Ethanol in some areas of the corn belt makes a great deal of sense. But I think soy diesel as well as cellulosic biofuels also make a great deal of sense.

My colleagues, not any one of these will solve our energy dependence situation. But if we have diversity of fuels, and more of these fuels and more of this energy grown in America—explored and developed and produced in America for American jobs and American competitiveness and American security—that will improve this country's energy independence rather than having to worry about the whims of some mullah 8,000 miles away.

So let us resolve on this Independence Day week to find ways and actually adopt energy independence policies. We also need to recognize who the owners of the Government are; and that is the people. We ought to be working to lessen the burden, the tax burden, on working people, on families, on family businesses, and on family farms.

REAUTHORIZATION OF THE VOTING RIGHTS ACT

Mr. ALLEN. Mr. President, I also want to speak at length on a very important matter that I hope will also come to a vote on the floor of this Senate shortly; and that is the reauthorization of the Voting Rights Act. I am pleased this bill is moving through the committee process, and I commend Chairman ARLEN SPECTER, who is moving on yet another important piece of legislation this session.

The enactment of the Voting Rights Act was absolutely necessary 41 years ago and was initially passed during a very tumultuous time in our country's history. In fact, the Voting Rights Act should have been passed many years before then. But history has proven that the law was just and appropriate to provide equal opportunities and protections to persons with the desire to express themselves at the ballot box.

This is completely consistent with the spirit of the Declaration of Independence. And I believe we are all better off for the choices that were made back 41 years ago. And that has strengthened the fabric of our country. It has helped make us a more perfect union, and made us stronger as a country as we face challenges presently.

The present legislation before us reauthorizes several key sections of the Voting Rights Act that will expire next year if no action is taken. The expiring parts are section 5, section 203, and sections 6 through 9.

This legislation helps ensure the fundamental right of all eligible citizens to vote. It sends a strong message that no matter what your race, religion, gender, or national origin, if you are a law-abiding citizen you have the right to vote. At the core of representative democracy is the participation of informed people. The people are the owners of this Government.

While the U.S. Constitution surely guarantees the right to vote, legislation was and is still necessary to ensure that in practice that guarantee is never diminished. My Commonwealth of Virginia has come a long way since this law was first enacted, and a reauthorization is necessary to ensure this progress continues throughout the United States, from Florida to New York to Alaska.

Now, some will argue that counties and cities and States cannot be removed from or ''bail out'' of the preclearance aspects of this if they so desire and have a good record on voting rights. Now, the facts are, though, that—and I am just speaking for the Commonwealth of Virginia—11 cities and counties in Virginia have been able to ''bail out'' of the Voting Rights Act by proving that ''no [racial] test or device has been used within such State or political subdivision for the purpose or with the effect of denying or abridging the right to vote on account of race or color.'' The counties in Virginia that have been removed from preclearance review are—in alphabetical order—Augusta, Frederick, Greene, Pulaski, Roanoke, Rockingham, Shenandoah, and Warren, and the cities of Fairfax, Harrisonburg, and Winchester.

Renewal of the act does not mean that the reauthorizing States still engage in voter discrimination on the basis of race. Renewal should instead be viewed as a continued unflagging commitment to ensuring the protection of a law-abiding persons's right to vote without subversion or unwarranted interference.

The Voting Rights Act is a real and visible commitment made to ensure that voter discrimination will be stamped out and effectively prohibited if and when it does occur. Great strides have been made in ending voter discrimination in all of its forms since the Voting Rights Act was passed. It should also be noted that recognizing and addressing these problems is the appropriate prudent approach. It is responsible rather than ignoring those problems.

Thanks in part to the Voting Rights Act, Virginia was the first State in the Nation to popularly elect the first Governor who is an African American. I hope after this November's elections, Virginia is not still the only State with this record, and that there will be two States that have elected Governors who are African Americans.

Now, the election in Virginia, represented an inspirational success for a person, L. Douglas Wilder, who persevered and won that election. It was also an achievement for a State that only decades earlier had counties that closed their public schools rather than integrate them to comply with the U.S. Supreme Court ruling in Brown v. Board of education.

My friend and colleague in the other body, Representative JOHN LEWIS, and I recently returned from a pilgrimage to Farmville, VA, as part of a group organized by the Faith and Politics Institute. During this pilgrimage, and previous pilgrimages I have taken to Birmingham, Montgomery, and Selma, AL, we heard first-hand stories from still-living civil rights leaders and also personal heartbreaking stories from people about the impediments faced by African Americans as they grew up with the racial discrimination that existed at that time.

Now, as we strive for a society where all people are judged by the content of their character rather than by the color of their skin, we must join together in our great country of promise to make sure that everyone has an equal opportunity to participate and to succeed. Reauthorization of the Voting Rights Act is a tool that has, can, and will help achieve this goal of fairness. I am committed and dedicated to ensuring that the voting rights of all law-abiding Americans are protected, and the Voting Rights Act has proven to be an able vessel for accomplishing this important objective.

I urge my colleagues to bring this important piece of legislation to the Senate floor as soon as practicable this summer so we can debate the issues and amendments and ultimately renew the Voting Rights Act.

Mr. President, I wish my colleagues and all Americans a happy, safe, and patriotic Independence Day. With our friends and families, let's reflect on our foundational values that must be preserved. And a lot of these values need to be preserved from monarchical judges who prevent the pledge of allegiance in schools because of the words ''under God,'' but, on the other hand, allow the desecration of the flag.

We have judges who redefine the institution of marriage, but allow local government officials, in a place like New London, CT, to act like lords—the reason we seceded from the monarchy—among those lords in New London, CT, to take people's homes—the American dream—using eminent domain, not because there was a public purpose of a school or a road to be built, but because they wanted to derive more tax revenue off of that property and that land.

As Senators, let us return to act to secure our borders, develop energy independence, confirm sound judges, and renew the Voting Rights Act to make sure this is a land of opportunity for all.

MORNING BUSINESS

Mr. ALLEN. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO DR. GENE SIMON

Mr. DURBIN. Mr. President, I rise today to pay tribute to a man for whom I have great respect: Dr. Gene Simon.

Tomorrow, June 30, Dr. Simon will retire after 31 years of exceptional service as chief executive officer of Chaddock, a nationally acclaimed, faith-based, child welfare agency in Quincy, IL.

In the New Testament, James, the disciple of Jesus, tells us, ''Suppose a brother or sister is without clothes and daily food. If one of you says to him, 'Go, I wish you well; keep warm and well fed,' but does nothing about his physical needs, what good is it? In the same way, faith by itself, if it is not accompanied by action, is dead.''

Gene Simon has taken that Bible lesson to heart his whole life. He has taken action. For more than 30 years, he has provided a home and food and clothing for children who might otherwise have had nowhere to turn.

Chaddock serves more than 6,500 people a year—children and families. Many of the young people Chaddock helps are at-risk. Some have endured serious abuse or neglect. Chaddock provides outpatient and residential treatment and the help young people and their families need to heal.

Chaddock was founded in 1853 as a college. Over the years, it has been a boys school and a treatment center for at-risk young people. It opened its doors to girls in 1982.

Chaddock is proud of its history, but it is not bound by that history.

One of the hallmarks of Gene Simon's leadership is his commitment to continual learning and innovation. You can see that at Chaddock.

Chaddock's school and treatment programs are national models for dealing with changing emotional and behavioral needs of children and their families. Chaddock offers a residential treatment program for adolescents with severe trauma and attachment disorders—one of only a handful of such centers in America.

Chaddock also has an outstanding program that works with families who have adopted children, helping the children and their new families to develop strong, loving bonds. I understand that this program has helped families from more than 20 States.

In recent years, Chaddock has risen to meet another critical need: helping children and adolescents move from foster care to adoption.

Gene Simon was born and raised on a family farm in Farmersville, IL. His parents, Eldon and Beryl Simon, owned a grain and livestock farm.

Dr. Simon holds a bachelor of science degree in agriculture from Southern Illinois University in Carbondale, a master's degree in human development counseling from the University of Illinois-Springfield, a master's of divinity degree from Garrett Evangelical Theological Seminary at Northwestern University in Evanston, IL, and a doctoral degree from Nova Southeastern University in Fort Lauderdale, FL.

From 1959–1971, he served as a United Methodist minister in the Illinois communities of Iroquois, Pontiac, Moweaqua, and Decatur.

With the importance Gene Simon places on family, it should come as no surprise that he is deeply committed to his own family, including his wife Peggy, who has been a constant partner in his work at Chaddock. Gene and Peggy Simon take great pride in their two sons, Chris and Paul, and four grandchildren.

The outstanding work of Gene Simon and the Chaddock staff has brought the agency much praise and many awards.

In 2001, the United Methodist Association of Health and Welfare Ministries honored Dr. Simon as one of the association's Administrators of the Year. And this year, the United Methodist Association named Chaddock its Organization of the Year—so Dr. Simon is going out on a high note.

But the testimonials that mean the most to Gene Simon are not from professional committees; they are from the young men and women who have found new hope at Chaddock.

I would like to close with a quote from one of those testimonials—from a former student of Chaddock. ''Gene Simon and this Chaddock family were here for me when I needed them most. The lessons I learned at Chaddock, such as dealing with emotions and just the everyday needs for love, care, and concern for myself and others, have helped me to become me . . . a good husband, father, employee, and a great friend to many.''

Imagine thousands of similar testimonials and you begin to see the tremendous amount of good he has done and the positive difference he has made in the lives of so many young people and families who have walked through the doors at Chaddock over the years.

On a personal note, Gene has been a source of friendship and inspiration to me for many years. He has helped me understand the reality of the human condition and he has reminded me never to give up on a person in need.

I wish Gene Simon well in his retirement, and I know that the difference his life has made will continue to be felt by the many people he has helped

HONORING OUR ARMED FORCES

SPECIALIST JEREMY JONES

Mr. HAGEL. Mr. President, I rise to express my sympathy over the loss of U.S. Army SPC Jeremy Jones from Nebraska. Specialist Jones died of wounds received from a roadside bomb in Iskandariyah, Iraq on June 27. He was 25 years old.

Specialist Jones was a resident of Omaha and graduated from Millard West High School in 1999, where he competed in football and wrestling. He enlisted in the Army in 2003, shortly after being married to his wife Jenny. He was deployed to Iraq in November, serving with the Army's 1st Battalion, 67th Armored Regiment of Fort Hood, TX. Specialist Jones hoped to make a career in the Army. In April, he reenlisted for another 6 years.

In February, Specialist Jones flew from Iraq to Omaha to see his newborn daughter Mackenzie for the first time. He was a proud father, and he was proud of his service to his country. Thousands of brave Americans like Specialist Jones are currently serving in Iraq.

In addition to his daughter and wife, Specialist Jones is survived by his son Anthony; his mother Diane; his father Scott; and his sister Abbi. Our thoughts and prayers are with them at this difficult time. America is proud of Specialist Jones' heroic service and mourns his loss.

I ask my colleagues to join me and all Americans in honoring SPC Jeremy Jones.

HAMDAN V. RUMSFELD

Mr. LEVIN. Mr. President, today the Supreme Court ruled in the case of Hamdan v. Rumsfeld that Congress did not intend to strip Federal courts of jurisdiction over pending habeas corpus cases when it passed the Detainee Treatment Act of 2005. The Court got it right.

The original amendment offered by Senator GRAHAM on the Senate floor, and which passed the Senate by a vote of 49 to 42, contained language that would have stripped the Federal courts of habeas corpus jurisdiction in both pending and future cases brought by detainees at Guantanamo. The amendment specifically stated that the jurisdiction-stripping provision ''shall apply to any application or other action that is pending on or after the date of the enactment of this Act.''

However, this language was removed from the provision by the subsequently adopted Graham-Levin amendment. The Graham-Levin amendment passed the Senate by a vote of 84 to 14, and replaced the earlier Graham amendment in the bill. The legislative history makes clear that the jurisdiction-stripping provisions did not apply to pending habeas corpus cases.

The day before the Senate adopted the Graham-Levin modification, I said on the Senate floor: ''The amendment will not strip the courts of jurisdiction over [pending] cases. For instance, the Supreme Court jurisdiction in Hamdan is not affected.'' Despite efforts by the House of Representatives during our conference with the House to reinsert language stripping the courts of jurisdiction over pending habeas corpus cases, the final text of the Detainee Treatment Act retained the language of the Graham-Levin amendment.

In today's decision, the Supreme Court, applying ''ordinary principles of statutory construction,'' determined that Congress did not intend to strip the courts of jurisdiction in pending habeas cases. The Court held that ''Congress' rejection of the very language that would have achieved the result the Government urges here weighs heavily against the Government's'' argument that the jurisdiction-stripping language should be interpreted to be retroactive. That was, indeed, the only conclusion that is supported by the language and legislative history of the Detainee Treatment Act.

The substance of the ruling in Hamdan establishes that the President, acting alone, lacks the power to unilaterally determine the legal rights of detainees at Guantanamo Bay, Cuba. Only Congress and the President, acting together, have the power to make such a determination, the Court ruled. Today's decision demonstrates once again the vital constitutional role of the Supreme Court as a check on the actions of the executive and legislative branches of Government.

I believe that Congress should give this issue careful deliberation, including full committee hearings, before we act. I look forward to thorough hearings in the Armed Services Committee this summer in anticipation of consideration of possible legislation in the fall.

IMPORTANCE OF CRIME GUN TRACE DATA

Mr. LEVIN. Mr. President, over the past decade, through the gathering and dissemination of crime gun trace data, the need has been highlighted for stronger measures to stem the flow of guns into the illegal market and too often, into the hands of criminals.

One of the responsibilities of the Bureau of Alcohol, Tobacco, Firearms and Explosives, ATF, is to trace firearms recovered by local law enforcement at crime scenes. The gun is traced from its manufacturer to the first purchase using records maintained by firearms manufactures and sellers. The process begins when law enforcement recovers a gun in the course of a criminal investigation and contacts the ATF with information on the crime being investigated, the name of the gun's manufacturer, the caliber and serial number. The ATF first checks its records of out-of-business dealers and its multiple sales records. If the traced gun is not located in these records, the ATF will then contact the manufacturer for the name of the dealer or distributor to whom the manufacturer first sold the gun. The dealer is then contacted for information on who originally purchased the gun.

This information provides an invaluable investigative tool for law enforcement. Analysis of crime gun traces allows the ATF, as well as State and local law enforcement, to not only investigate specific gun crimes but also to work to identify the sources of guns used in crimes. Crime gun traces can link a suspect to a firearm in a criminal investigation, identify gun traffickers whether they are licensed or unlicensed sellers, and detect both instate and interstate patterns in the sources and types of crime guns.

It was not until the most recent decade that law enforcement agencies have routinely traced guns recovered in crimes. Initially, crime gun traces amounted to about 100,000 a year. Today, gun tracing has resulted in a database of over 2 million crime guns. The database has become a rich source of information for guiding public policy and the work of law enforcement officers.

The rapid expansion of crime gun tracing and the resulting trace database has produced a great deal of valuable information on how the illegal gun market is supplied. It is this information that helps point the way to policies to keep guns out of the hands of criminals.

Mr. LEAHY. Mr. President, I want to make the Senate aware of a report I recently became aware of by the Advocacy Forum, a respected organization which documents human rights violations in Nepal by both government security forces and the Maoists.

The Forum's latest report, released this week, describes the widespread use of torture on persons in custody. The overwhelming majority of documented cases are attributed to the Nepalese police, military and armed police. There are also cases attributed to the Maoists.

The descriptions of the use of torture in this report are difficult to read. It is appalling that such barbaric acts of cruelty occur in the 21st century. Unfortunately, we know that this is not unique to Nepal. Torture is routine in dozens of countries.

Nepal today is at a crossroads. Since popular demonstrations forced King Gyanendra to back away from his foolhardy power grab last February 1, there has been progress towards strengthening Nepal's fledgling democratic institutions and beginning a dialog to resolve the conflict. The future is unpredictable, however, and we continue to receive disturbing reports of extortion and abductions by the Maoists, and of resistance by the Nepalese military to much needed reform.

Addressing these issues, and ending the use of torture and other human rights violations, will require new laws to protect the rights of detainees in accordance with international norms, reform of the judiciary so it is fully independent and has the resources to effectively carry out its responsibilities, reform of the military and police so they are placed fully under civilian authority and subject to the rule of law, and prosecutions of those responsible for violations. The international community can and should help support Nepal in taking these difficult, essential steps.

All Senators should be aware of the cases documented by the Advocacy Forum, and I ask unanimous consent that a summary of the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Advocacy Forum—Nepal]

SHARING EXPERIENCES OF TORTURE SURVIVORS—SUMMARY OF DATA

Advocacy Forum is a non-profit making non-governmental organization working to promote the rule of law and human rights in Nepal. Our core activities are documentation of cases of human rights violations, monitoring of detention centres, providing legal aid to the victims of human rights violations and involving advocacy in contesting impunity. As part of our on-going work to address human rights violations and denials of access to justice, through our central, regional and district-based offices, we make daily visits to a number of police detention centres in 9 districts and document and monitor human rights violations. We do not have access to military detention centres, but victims of torture at these centres have contacted us to report their experiences, as have victims of the Maoists. Evidence of human rights' abuse is systematically and thoroughly documented.

Over a period of five years (July 2001 to April 2006) Advocacy Forum documented 5682 cases of human rights violations focusing on extra-judicial killings (198), forced disappearances (335), torture (2,271), rape of women (41); and illegal detention (2,837) committed by the state security forces and the Maoists. During this period we were put under extreme threatening pressure by the State, Maoist and vigilantes in carrying out our activities. Similarly we observed the great security risk experienced by victims and witnesses.

Last year Advocacy Forum issued a press statement on 26 June covering the cases that we had documented up to March 2005. Because of the political situation we could not provide details of the torture and experiences of the victims. Between March 2005 to April 2006, we documented 951 cases of torture and 17 cases of rape committed by the State and Maoists. This report sets out some of the experiences of those torture victims who managed to survive and want to share their experiences. Some of the victims' names have been changed to protect their safety.

When Advocacy Forum intensified the challenge against illegal detention, last year alone (March 05–April 06) through habeas corpus, 418 people who had been detained illegally for a prolonged period of time were released from different detention centres. We were shocked to learn that every single person arrested by army soldiers and held in military detention reported that they had been severely tortured. Their torture experiences varied from deprivation of food to electric shock and rape of women. We do not have the capacity to measure the psychological torture and its effect on the victims and their families. Many of the victims reported that they were threatened not to share their experiences with anyone, in particular human rights groups. Many said that they were ordered to report to the barracks regularly. There was a complete absence of any protection for the victims. So, they were forced into silence, and no survivor could dare to challenge these atrocities.

Despite all these difficulties, even putting their lives at risk, some victims who had been released from detention played a significant role in the release of others who were languishing in different detention centres undergoing severe torture for a prolonged period of time. By sharing their experiences as to how other fellow detainees were treated in detention and their conditions, they helped us to coordinate our efforts and publicize the whereabouts of some missing people and to release many others.

From July 2001 to April 2006 Advocacy Forum documented 2271 cases of torture. Last year alone (March 2005–April 2006), we documented 951 cases of torture and 17 rape cases. Out of these 951 torture cases, 511 were committed by the police, 371 by the military and 11 by the armed police. We also documented 12 cases of torture by the state sponsored vigilantes and 46 cases of torture inflicted by the Maoists. Because of the security risk, 177 survivors released from military detention did not want to share the full details of their torture with us. Excluding those cases, we have thoroughly documented the details of torture in 774 cases. Children as young as 14 years old were also arrested and detained. Out of 951 torture survivors 349 (37%) were juveniles (below the age of 18 years old).

It should be borne in mind that, due to the limitations on our access to victims, our records only cover a small proportion of the victims of torture. It is impossible to estimate how many victims of torture there are in total in Nepal, but we would guess that we have recorded only 10% of the current cases.

Analyzing the 774 cases documented last year, we have found that the commonly used methods of torture in barracks include blindfolding for a prolonged period of time (up to 21 months), electric shocks, suffocating the victims by pouring water into the nose and mouth, hanging upside down, rape and sexual abuse, piercing under nails, burying, keeping in an abnormal position, tying hands and feet around a stick and swinging the body

around, random beatings, fake executions and threats of killing.

The commonly practiced methods of torture in police detention centers are beatings on soles by plastic pipes, rolling the muscles of thighs, random beatings and forcing victims to sit in an abnormal position.

We also documented 46 cases of torture inflicted by the Maoists. They have also been practicing torture systematically to punish and to terrorize people. The commonly used methods of the Maoists are breaking the legs and bones of different parts of the body by hitting with heavy objects, wounding and random beatings. They have also put people for a prolonged period of time in ''labor camps''.

Out of 371 reported cases of torture in the barracks, Bhairabnath Battalion, Maharajgunj Barracks, Kathmandu, Youdha Bhairab Battalion, Maharajgunj Barracks, Kathmandu, Jagadal Battalion, Chauni Barracks, Kathmandu, Mahabirgan Battalion, Chauni Barracks, Kathmandu, Bhimkali Battalion, Chisapani Barracks, Banke, Rajdal Barracks, Lalitpur, Fulbari Barracks, Pokhara, Kaski, Bijaypur Barracks, Kaski, Shivadal Battalion, Gorusinghe Barracks, Kapilvastu, Dhulikhel Barracks in Kavre, Devi Dutta Battalion, Suparitar Barracks in Makawanpur, and Bhawani Box Battalion, Dailekh Barracks in Dailekh are the ones where most of the victims were tortured.

Out of 511 torture cases by the police, Valley Crime Investigation Branch, Hanumandhoka, Gausala Ward Police Station, Boudha Ward Police Stations, Kalimati Ward Police Stations, Balaju Ward Police Stations, District Police Office Morang, District Police Office Banke, District Police Office Kanchanpur, District Police Office Udapur, District Police Office, Kapilbastu, District Police Office, Kaski are the police stations where most of the victims were tortured. Of those people we interviewed in police detention centres, 35.5% in Nepal, 43.8% in Kathmandu said that they had been tortured. However, Advocacy Forum only has access to those people detained by the police who are then taken to Court for remand. If statistics for people released before being taken to Court were included, we consider the percentage of those who have been tortured by the police may be considerably higher.

Torture is also a result of the failure of the criminal justice system. Though the political context of the country has been changed, the practice of torture has not. Torture is routinely practiced in detention even today. In May 2006 alone we documented 72 cases of torture in 21 different police detention centers. The pattern, ways and techniques of the police remain the same as before. Likewise, the judges and the prosecutors continue with their previous prejudices and practices. Neither the judges nor the public prosecutors are adequately sensitized on the issue.

The existing system forces victims of torture to remain silent. What happens in practice is that if a person is arrested, generally that person will be detained for some days without any custody record, the authority does not even acknowledge the detention of that person, and there is no mechanism that allows inspection or scrutiny of the detention records of the police. During this period the detainee is tortured. When his or her wounds and bruises are healed, the police prepare a paper that shows that the detainee was arrested less than 24 hours previously, 24 hours being the legal limit within which a detainee should be presented to a judge. The detainee is then escorted by the police from the same office to the court. In the presence of the police the judge extends the remand. During this period, detainees are rarely given access to medical services or lawyers. When a detainee goes to prison or comes out of custody only then does he or she share the incidences of torture with others. If a case for compensation is filed, the victim is likely to lose the case as he or she will be fail to prove evidence of torture. In the absence of medical reports, it is hard to convince a judge!

The whole issue of torture is also related to the issues of an independent and professional police system, independent judiciary and the office of the Attorney Generals. So, it is important that we have a wider discussion about making the criminal justice system more functional and efficient in eliminating torture and for the promotion of rule of law and fair trial.

Since 2001, Advocacy forum has helped 40 torture victims to bring a case challenging their torture and demanding compensation. Out of 40 cases, 11 have been already been quashed as the victims were unable to provide sufficient evidence of torture, in particular any medical report proving the claim. Victims have also lost their cases because they were unable to establish that they were in custody when they were tortured. For example, Mainya Tamang was arrested on 7 November 2004 by the police of Ward Police Station, Bouddha. Following her arrest, she was then taken to the same ward police station where she was detained for two days illegally and for two days she was severely beaten and tortured. On 9 November 2004 she was transferred to Kalimati Women's Cell where she was again beaten. On 11 November 2004 the police prepared a paper showing that she was arrested that day and produced her to the District Court of Kathmandu for remand. On 27 December 2004, Advocacy Forum filed a case on her behalf demanding compensation for the torture inflicted upon her while she was in detention. Her case was quashed both in the District Court and on appeal in the Appellate Court as both Courts said that at the time when she claims that she was tortured, there was no evidence to prove that she was in detention!

Out of the 40 cases that we have represented, only 4 victims of torture by the police have so far been awarded compensation of 10,000 Nepali Rupees (approximately US$ 135), but they still have not received this compensation. Other cases are still subjudice of the court.

Advocacy Forum has faced a number of difficulties in bringing cases of torture. In the beginning, the Court would not even let us register a complaint where military were the accused. The Court asks a victim to prove that he or she was tortured rather than the accused having to prove that the victim was not tortured while in their custody. Those people who remained in custody for many weeks and months without any records of their detention, without access to medical services, lawyers or families have very little chance of proving that they were tortured. In addition, the Torture Compensation Act provides that if the complaint is filed with ''malafide'' intention, the victim will be fined up to 5,000 Nepali Rupees. As it is very difficult to prove the case of torture, many victims are discouraged from doing so as the chances of being found guilty of bringing the case with malafide intention and being fined are very high. Thus, the victims have no protection. In many incidents they reported to us that they were put under pressure to retract their complaint. No witness could dare to testify in their favor as they also have no protection. Thus, the whole system is hostile against the victims and favors the perpetrators.

One of the major problems in the case of torture is the failure of the State to criminalize the act of torture. Since 1996 the UN Committee against Torture has been asking the Government of Nepal to criminalize the act of torture, but the State has failed to do so. Furthermore, the existing Torture Compensation Act does not comply with Nepal's international obligations. To make it compatible with Nepal's international obligations, the Torture Compensation Act of Nepal has to be amended in such a way that criminalizes the act of torture, puts the burden of proof on the custody taking officers, includes provisions for the protection of victims and witnesses, ensures lawyers and families have access to detainees right from the beginning of arrest, makes it mandatory for the list of detainees to be made public and put under public scrutiny, if anyone is found to be detained without record, the officer incharge is accountable, makes provision that ensures perpetrators of torture from other countries are extradited or prosecuted, and ensures that no-one will be extradited to any country if there is a risk of torture in that country.

In addition, the following changes to the law are necessary:

Mechanisms of transitional justice to deal with past cases of human rights violations including torture;

An increase in the current maximum amount of compensation, which is currently 100,000 Nepali Rupees (approximately US$ 1,350) plus a change to allow the recovery of medical expenses; and

Changes to the laws of evidence to ensure that evidence produced under torture or duress is inadmissible by making prosecutors provide proof that evidence was voluntary.

In conclusion, the State has the obligation to investigate all past cases of human rights violations including torture and to prevent violations in the future. A functional mechanism has to be set up to address past violations of human rights including torture and to take measures to prevent such occurring in the future. One way to prevent the future occurrence of such violations is to prosecute those responsible for violations committed in the past. It is also urgent to amend the existing Torture Compensation Act to make it compatible with the provisions of the U.N. conventions against torture.

MANUFACTURING EXTENSION PARTNERSHIP

Mr. KOHL. Mr. President, since 2001 America has lost 2.5 million manufacturing jobs, eroding an industry that was once the pride of the United States. Manufacturing represents the cornerstone of our economy and the best in American values. It creates the cars we drive to work, the computers our children use to learn, and the household appliances we use each day. I rise today to talk about the Manufacturing Extension Partnership, MEP, one of the few Federal programs that has provided tangible assistance to the manufacturing sector, keeping companies in business and retaining jobs.

MEP is a public-private partnership working with small and medium sized manufacturers, helping them streamline operations, integrate new technologies, shorten production times, and lower costs. MEP clients surveyed in fiscal year 2004 reported 43,600 jobs created or retained and $1.889 billion in additional sales.

In Wisconsin, where manufacturing employs 512,000 people and contributes

22 percent of the State's gross product, MEP has assisted 1,700 small and medium sized manufacturers to improve their productivity and profitability. One example is the Jor-Mac Company, a metal fabrication company in Grafton, WI, which was beset by fierce Chinese competitors. After working with MEP, Jor-Mac improved its production efficiency, increasing sales by $5 million.

Since its inception in 1988, the Manufacturing Extension Partnership has been an invaluable resource to manufacturers. Without strong Federal support, MEP will be unable to maintain its mission of serving America's small manufacturers. At a time when we want to increase economic activity, expand U.S. exports, and strengthen the manufacturing base of our Nation, MEP is a fiscally sound investment of Federal resources.

RENEWABLE FUELS

Mr. DAYTON. Mr. President, this week is the long-anticipated Energy Week over at the House of Representatives. It is the response of that Chamber's leadership to the soaring energy prices which are hurting this Nation's consumers, families, and businesses.

After hearing the House Energy Week touted for months, I was naturally curious about what would be on the agenda. A plan to put more alternative fuel vehicles on the road? Incentives to make renewable fuels available to more consumers? A plan to rein in the Federal Government's vast consumption of fossil energy?

No, Mr. President, none of those worthy initiatives are being discussed during House Energy Week. In fact, I am told that their only initiative is a plan to weaken a quarter-century ban on offshore drilling. That is it. That is evidently the House's plan to provide relief for Americans from the high cost of energy. Not the slightest mention of the role that renewable fuels might play in solving this energy crisis.

For most American families who drive passenger cars, ethanol is this country's most promising alternative to foreign oil. Ethanol is not merely an additive to gasoline, it is a replacement for gasoline, which is why major oil companies have sought to block its entry into the marketplace.

I have heard from gas station franchise owners in my State of Minnesota that the major oil companies have prevented them from selling E85 with a requirement that only branded products be sold under the company's branded canopy. This means that, rather than selling E85 from one of several existing pumps, a station owner must dig a new hole in the ground somewhere in the parking lot, and install a new pump, often at costs of up to $75,000.

Perhaps this explains why, of the estimated 170,000 service stations in the country, just 800, or less than 5 percent, offer E85 fuel. And of those 800 stations, over one-fourth, or 210 stations, are located in my State of Minnesota.

I have introduced legislation, the Renewable Fuels Promotion Act, that would prohibit oil companies from restricting where E85 and biodiesel can be sold on the premises of franchised gas stations.

E85 is a very popular fuel, where it is available. This year, first quarter sales in Minnesota increased 320 percent over last year, as the price of gas soared. Americans all over the country should have access to E85, and my bill would ensure that every gas station owner who wants to sell it has the ability to do so.

My legislation also targets the Federal Government's failure to embrace renewable fuels. In his State of the Union address, the President said our Nation is addicted to oil. What he failed to mention was that the Federal Government is the biggest addict of them all. The Federal Government is far and away the largest consumer of energy in the United States. In fact, the Department of Defense alone is the single largest consumer of petroleum fuel in the world. So what would happen if the largest consumer in the most energy-hungry nation in the world used its tremendous market power to purchase renewable fuels?

Consider this: In 2004, the Federal Government consumed 2 billion gallons of petroleum diesel fuel. If every gallon of that diesel had been a blend of 20 percent biodiesel and 80 percent diesel fuel, the Government would have consumed 400 million gallons of biodiesel—a great boost for the nascent industry. Instead, the Federal Government is using its massive purchasing power to buy petroleum fuel—a windfall for the oil companies. In 2004, the Federal purchases of ethanol and biodiesel fuels combined amounted to a paltry 3 million gallons, less than two-tenths of 1 percent of the total fuel consumption.

According to the Department of Energy, ''One reason for the relatively low alternative fuel use rate is the lack of sufficient alternative fuel infrastructure.'' ''The Renewable Fuels Promotion Act'' would require every Federal fueling station to be equipped with a renewable fuels pump. On May 17, I sent a letter to President Bush asking him to accomplish the same thing with an Executive order.

In the world of renewable fuels, infrastructure is half the battle. If you don't have the pumps, you can't sell the fuel. My bill addresses the fundamental problem underlying the Federal Government's failure to embrace biofuels: the fuels are not available at Federal fueling stations. In Congress, we can't control the private energy markets, but we do have some sway over the Federal Government. My bill would ensure that the tremendous purchasing power of the Federal Government would take us in the right direction: toward a stronger biofuels industry, and away from reliance on foreign oil.

In conclusion, I wish our House colleagues the best as they proceed with their Energy Week agenda. However, I would caution them that a plan to drill offshore is not really a plan for relief from high energy prices. Even if legislation were passed today, no new oil would come online for a decade or more. Americans don't have a decade to wait.

Ethanol and biodiesel are here today. They are ready for consumers, and automakers are ready with the vehicles. The Renewable Fuels Promotions Act would help bring biofuels to the customers that need energy security today.

INTERNATIONAL POLAR YEAR

Ms. MURKOWSKI. Mr. President, I rise to take this time to speak about the Arctic and the upcoming International Polar Year. The Arctic is still a new frontier for many in Congress. For many, it is too far away, too dark and too cold to merit much attention. But whether you represent Florida, Iowa, or any other State, Americans around the country are connected to events in the Arctic. From climate change and the development of our natural resources, to international treaties and maritime rights, more knowledge about each of these issues is needed to help us formulate and shape the policies that will impact the Arctic and our country for future generations.

It has been nearly 14 years since the United States last developed an Arctic policy. The world was a different place 14 years ago. The Cold War had just ended. Climate change was barely being considered as an issue. An accessible, navigable Arctic Ocean was nowhere near as real a prospect as it is today. The Arctic Council, an intergovernmental organization that addresses many of the common concerns and challenges faced by the Arctic states, was just getting started. And we had nowhere near the sensitivity to the changes life is bringing to indigenous residents of the Arctic.

Times have changed, and we need a new Arctic policy. The upcoming International Polar Year will be the 50th anniversary of the International Geophysical Year of 1957–1958 and continues a tradition of international science years that began in 1882–1883 and again in 1932–1933.

The purpose of the International Polar Year is to spark an interest in those whose expertise may not be in the Polar Regions. Most importantly, the theme is international.

IPY is being led by the International Council for Science, ICSU, and the World Meteorological Organization, WMO. Participating nations so far include Argentina, Australia, Austria, Belgium, Brazil, Canada, Czech Republic, Chile, China, Denmark, Finland, France, Germany, Greenland, Iceland, India, Ireland, Italy, Japan, Korea, Malaysia, New Zealand, Norway, Poland, Portugal, Russia, South Africa, Spain,

Sweden, Switzerland, the Netherlands, Ukraine, United Kingdom, United States of America, Uruguay, and others.

The International Polar Year is actually 2 years, from March 1, 2007, until March 1, 2009, allowing two field seasons of research in both the Arctic and the Antarctic. The timeframe was selected to encourage an intensive burst of effort that can be coordinated among many nations. During this time, scientists will lay the groundwork for sustained assessments of environmental change and variability. In addition, the resulting enhanced infrastructure and observation systems will provide an improved foundation for ongoing science.

In the United States, the administration has asked the National Science Foundation to lead U.S. IPY activities. NSF allocated roughly $13 million for this fiscal year for research opportunities. The announcements for these research grants will occur sometime in late July or August of this year.

Another round of grants is expected in February or March of 2007, as the President requested $62 million for fiscal year 2007 just in time for the start of the IPY.

Other agencies are contributing to IPY, including the National Institute of Health, NASA, the State Department, and the Department of Energy. In fact, the Department of Energy is sponsoring a summit on energy development and rural power as it relates to the Arctic. The core of the summit will be a technology conference held in Anchorage, AK, the week of October 14, 2007. Leading up to the technology conference and following the summit to its completion will be an education and outreach effort with the goal of capturing the interest of the public and decisionmakers and attracting and developing the next generation of scientists, engineers, and leaders.

Despite the many events and research projects that will be happening around the world, it is important that we not lose focus on why we are having IPY: to make a contribution that will not only serve as a benchmark in understanding the polar regions but also help leave a legacy for future scientists and researchers. The worst-case scenario for IPY is for great scientific achievements to happen over the next 2 years, and nobody knows about it. Showcasing IPY is essential.

As scientists work to achieve breakthroughs in their respective fields, they will also be increasing their collaboration with local communities and indigenous people as partners in research from designing the projects and collecting and interpreting the data to disseminating the results.

There are already projects trying to achieve a greater partnership. For example, The STUDENT-PARTNERS Project, SPP, headed by the Woods Hole Research Center in Massachusetts, unites students, teachers, and scientists to study the role of rivers in the Arctic system and create an innovative and effective education and outreach program. By partnering with K–12 grade students and teachers living beside the largest Arctic rivers in Russia, Canada, and Alaska, the high frequency river water samples that are needed to understand hydrologic and biogeochemical fluxes in the river systems will be obtained. In the process, the capability we seek in a multinational Arctic river observing network will be developed.

In the Bering Strait School District in Alaska, teachers are trained to educate students in grades K–12 about climate change data collection and scientific study. The project blends modern science with Native tradition, language, and subsistence needs. Full community involvement has been achieved in 13 of the 15 villages in the school district.

Scientists from the Geophysical Institute at the University of Alaska work with teachers and students to collect data on weather, erosion, sea ice movement, and wave and wind action. Native elders are involved in teaching the students using the Native language, culture, and historical observations. The elders use the data to assist them in predicting dangerous weather and sea conditions as the plan for subsistence activities. What they are doing not only benefits the community and sustains Native traditions, it also generates a new generation of individuals interested in Arctic science.

The upcoming International Polar Year can play a significant role in focusing our Nation, and for that matter the world, on the work that is being done, and needs to be done, in the Arctic. I plan to use the occasion of the International Polar Year to bring more of my colleagues to the north. When I say the north, I mean going to the Permafrost tunnel in Fairbanks or the Toolik Field Station on the North Slope of Alaska to see for themselves what the Arctic is really like.

The IPY is also an opportunity to craft greater coordination and cooperation among Arctic nations so that those who live in the Arctic benefit. And perhaps most important of all, it is an opportunity to develop the next generation of Arctic researchers to carry on this important work.

I look forward to further discussions on the Arctic as the International Polar Year draws closer and the relevance of the Arctic to the Nation and the world as a whole.

CAPE VERDE INDEPENDENCE DAY

Mr. REED. Mr. President, today I recognize the 31st anniversary of the independence of Cape Verde. On July 5, 1975, this island nation gained independence from Portugal and since then has established itself as one of the most politically stable and economically viable countries in Africa.

After discovery by Portuguese explorers in 1457 and then again in 1462, Cape Verde was incorporated into the Portuguese Empire as the first European settlement in the tropics. Over the next several hundred years, it was a lucrative trading post between Europe, Africa, and the Americas.

A few years after World War II, with a growing nationalist movement, Portugal granted Cape Verde overseas province status. Within 5 years a group of Cape Verdeans and neighboring Guinea-Bissauans organized a coalition for the independence of Guinea-Bissau and Cape Verde. After the 1974 Portuguese revolution, the new government signed an independence agreement with all of Portugal's overseas provinces, including Cape Verde. After six centuries of colonial rule, Cape Verde formally gained independence on July 5, 1975.

Since the beginning of its independence, Cape Verde has strived for a democratic government. In 1991, the first multiparty elections in Cape Verdean history were held. Today, the Cape Verdean government is stable, with four parties sharing seats in the National Assembly. It has established market-oriented economic policies that are attracting foreign visitors, ensuring Cape Verde a strong service and tourism economy.

Cape Verde has also been an essential part of international security. Over the past month, Cape Verde has served as the proving grounds for the latest testing of the emerging NATO Response Force, NRF. With over 7,000 soldiers, sailors, and airmen, Exercise Steadfast Jaguar 2006 is a major test of the NRF's ability to operate quickly, strategically, and at distance. Facing a variety of environmental conditions, the NRF is able to execute its largest military maneuvers since its creation exercising a wide array of missions. The archipelago's terrain provide challenging beaches for amphibious assault, arid flatlands for ground warfare, and a mountainous volcano for humanitarian relief after a fictitious eruption. These exercises, while still ongoing, can only be measured as a success and a true representation of international cooperation.

Today there are close to 350,000 Cape Verdeans living in the United States, almost equal to the population of Cape Verde itself. Many of these Cape Verdeans make their home in Rhode Island. On behalf of the residents of my State, I wish to thank them for their contributions to our country.

Finding its place in the international community, Cape Verde has stood up to assist the world's peacekeeping force in their infancy. It is fitting we honor Cape Verde's independence along side of our own. They understand the importance of a democratic society and international responsibility. I send all Cape Verdeans in Rhode Island and around the world my best wishes as they celebrate their homeland's independence

NATIONAL LITERACY DAY

Mr. LAUTENBERG. Mr. President, I rise today to commemorate the 21st anniversary of National Literacy Day, designated on July 2, 1985, by President Ronald Reagan.

In 1986, Caryl Mackin-Wagner, the executive director for Focus on Literacy Inc., worked with Congress to establish recognition by a Senate resolution of a National Literacy Day, which Congress has honored each year since.

Caryl Mackin-Wagner established Focus on Literacy, Inc., to bring a greater awareness to the problem of illiteracy in our Nation and to promote effective ways to address this problem while improving the reading skills of children and adults in America.

Developing one's reading and writing skills is a necessary tool to succeeding in this world today. It is extremely important that Americans continue to advance in order to bring about a more successful nation as a whole. We must not ignore the fact that there are many individuals who are not well educated and who are not contributing to society in ways that they could. What is cause for concern is that with inadequate education, people don't reach their full potential and contribute all that they can to our Nation. On Sunday, July 2, Congress will recognize the significance of improving the literacy of individuals, which further contributes to the growth of our society.

Each year, Congress honors National Literacy Day to celebrate literary accomplishments, which have contributed to developing a better and more educated society. As Caryl Mackin-Wagner has said, ''Illiterate individuals are our untapped resource for they possess underutilized talents and abilities.''

Through hard work and a commitment to helping others, Focus on Literacy, Inc. has made remarkable strides in the battle for literacy and I am proud to salute its efforts on National Literacy Day.

2005 SLOAN AWARD WINNERS

Mr. ALEXANDER. Mr. President, I rise today to congratulate the 2005 winners of the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility, which recognizes companies that have successfully used flexibility to meet both business and employee goals. The Sloan Awards are presented by the When Work Works initiative, which is a project of the Families and Work Institute in partnership with the Center for Workforce Preparation, an affiliate of the U.S. Chamber of Commerce, and the Twiga Foundation. The When Work Works initiative is sponsored by the Alfred P. Sloan Foundation.

I would like to draw your attention to the Sloan Awards because I think these companies are to be commended for their excellence in providing workplace flexibility practices which benefit both employees and employers. Achieving greater flexibility in the workplace—to maximize productivity while attracting the highest quality employees—is one of the key challenges facing American companies in the 21st century.

During the inaugural phase of the Sloan Awards in 2004–05, businesses in the following eight cities were eligible for recognition: Brooklyn, NY; Chicago, IL; Dallas, TX; Detroit, MI; Durham, NC; Long Beach, CA; Providence, RI; and Salt Lake City, UT. The Chamber of Commerce in each city hosted an interactive business forum to share research on workplace flexibility as an important component of workplace effectiveness. In these same communities, businesses applied for, and winners were selected for, the Sloan Awards through a process that included employees' views as well as employer practices.

I would like to take this opportunity to congratulate the inaugural winners of the Alfred P. Sloan Award for Business Excellence in Workplace Flexibility. These businesses are to be commended for their excellence in providing workplace flexibility.

In Long Beach, CA, the winners are Dun & Bradstreet, PeacePartners, Inc., and Ward's Furniture.

In Chicago, IL, the winner is Accenture.

In Detroit, MI, the winners are Accenture, Amerisure Mutual Insurance Company, Brogan & Partners Convergence Marketing, Detroit Regional Chamber of Commerce, Plexus Systems LLC, and Rossetti.

In Brooklyn, NY, the winner is Urban Monster.

In Durham, NC, the winners are the Durham Convention & Visitors Bureau and Durham Family Court.

In Providence, RI, the winners are Atrion Networking Corporation, Citizens Financial Group, Inc., KPMG, LLP, North Star Marketing, Quality Partners of Rhode Island, Rhode Island Housing, Rhode Island Legal Services, Inc., and Sojourner House, Inc.

In Dallas, TX, the winners are Accenture, CareerLink Companies, Center for Housing Resources, Inc., Community Council of Greater Dallas, Lee Hecht Harrison, McQueary Henry Bowles Troy, LLP, Medical City Hospital, Texas Instruments, and TravisWolff & Company, LLP.

In Salt Lake City, UT, the winners are ARUP Laboratories, Enterprise Rent-A-Car, McKinnon-Mulherin, Inc., and Radius Engineering Inc.

2005 was the inaugural year for these awards. Building on the success of the first year, Phase II of the When Work Works initiative will extend the number of participating communities to 17 in 2006 and 24 in 2007. Again, I congratulate the 2005 winners and look forward to the expansion of this exciting initiative.

COMMENDING VOLUNTEER FIREFIGHTERS AND EMERGENCY RESCUE TEAMS

Mr. BINGAMAN. Mr. President, I rise today to commend the efforts and extraordinary dedication of the volunteer firefighters and emergency rescue teams throughout New Mexico who have been working tirelessly to assist in fighting fires and meeting the needs of citizens throughout the State as they cope with the worst fire season in decades.

It has already been an incredibly difficult fire season for the people of the Southwest. New Mexico is suffering a drought of historic proportions. The State spent the winter preparing for a summer fire season they hoped wouldn't happen. Unfortunately, the worst fears of the State are quickly becoming a reality. By the end of June, more than 100,000 acres of land will have burned and the State will have already faced more than 20 named fires and countless unnamed fires of varying size and intensity. Hundreds of people have been evacuated, property lost, and communities changed forever. Bear Paw, Rivera Mesa, Energen, Martinez, Skates, Bear, Eicks, Wilson, and Malpais, are the names of just a few of the large fires that the State has already faced this year.

Throughout this time I have been deeply impressed by the work of Federal, State, Tribal, and local fire fighters. But the work of these professionals would be impossible without the commitment of the volunteer firefighters and rescue teams who have unfailingly answered the call to service. These volunteers exemplify the best spirit of New Mexico. They have courageously worked the fire lines, offered their support and a shoulder to cry on, provided a bed and warm meal to evacuees, and helped to corral and move pets and livestock out of harm's way. They do all this while some of their own families and homes face the same fire danger. While I am not surprised at the selflessness of my fellow New Mexicans, I am forever grateful to these volunteers.

The work of these volunteer firefighters and rescue teams has been essential in meeting the challenges of a very active fire season. Throughout New Mexico volunteer firefighters and rescue teams have responded at all times of the day and night. Some have worked for many days in a row to ensure that all the needs of their community were met and the necessary resources were in place. Their bravery and selflessness has been an example to all New Mexicans, and I strongly commend them for their work.

I know that I am joined today by every New Mexican in saying thank you to our volunteer firefighters and rescue teams and in the hope for their continued safety in the face of the fire dangers they face.

ADDITIONAL STATEMENTS

HANDS-OFF TELEPHONE BAND TEAM

• Mrs. BOXER. Mr. President, today I wish to recognize an exceptional group of students with disabilities in southern California from Hesperia Junior High School. Kattie Greene, Emilee Landon, David Perez, and Eric Coldwell have achieved outstanding success in science and problem solving.

These students formed the Hands-Off Telephone Band Team. Together, they developed an apparatus that allows a cellular telephone to be mounted to a wrist or arm—creating an effective and simple assistive technology device that enables some individuals with disabilities to independently use a cellular phone.

The Hands-Off Telephone Band Team's ingenious creation was chosen as one of eight projects from nationwide to be judged by the renowned Christopher Columbus Foundation, which, along with the National Science Foundation, strive to improve America's middle school students' literacy in mathematics and science. Despite facing formidable competition, the Hands-Off Telephone Band Team's project was deservedly selected as the Gold Medal Award Winning Team. Kattie, Emilee, David, and Eric's commitment to excellence, coupled with their mastery of the scientific process, enabled them to return to Hesperia Junior High School as heroes of the community.

I commend these students not only for their success in this prestigious competition but also because they are the first team comprised of students with disabilities to win this national competition. Each of these incredible young people utilized their abilities and coordinated their efforts to succeed. Eighth grade instructor Barbara Jacobs deserves commendation on her successful mentorship of these young students.

I applaud the dedication of the Hands-Off Telephone Band Team from Hesperia Junior High School. Their success has provided an example of determination to us all.•

TRIBUTE TO PETE WHEELER

• Mr. CHAMBLISS. Mr. President, it is my honor today to pay tribute to a man who has passionately spent his career in service to the United States and past members of its Armed Forces. Mr. Pete Wheeler has served with the Georgia Department of Veteran Services since 1949 and as chairman of the National Veterans Day Committee since 1954. From the beginning of his work, he has served as a dedicated advocate and friend to veterans and their families. For his nearly 60 years of service, Commissioner Wheeler will be honored by the Veterans Council of the Golden Isles as ''Veteran of the Century.''

Pete was born in Albany, GA, in 1922. At the age of 20, he enlisted in the Army as an infantry soldier just a year prior to his 1943 graduation from the University of Georgia. He married Geraldine Odenweller, and the couple raised three children: Chip, Jane Watkins, and Frances Jones. Pete and Geraldine are now the proud grandparents of six grandchildren.

After his graduation from John Marshall Law School in 1948 and his admission to the Georgia State Bar in 1949, Mr. Wheeler began his career with the Georgia Department of Veterans Services. He was appointed the Georgia chairman of the National Veterans Day Committee in 1954 and has served in the office for over 50 years. Commissioner Wheeler has worked on a wide spectrum of Veterans Affairs panels, associations and programs, but in addition to his civilian services, he retired in 1978 as a brigadier general from the Georgia Army National Guard.

Among State directors and commissioners, Pete is known as the ''Dean of Veterans'' because of his influential leadership in State and national veterans affairs. He served as president of the National Association of State Directors of Veterans Affairs from 1964 to 1965. Two years later, President Lyndon B. Johnson appointed Mr. Wheeler to the U.S. Veterans Advisory Commission. His national work has continued since then to include serving as chairman of the 1994 World War II Memorial Advisory Board commissioned by President Clinton and President Bush.

In addition to Mr. Wheeler's national influence in veterans affairs, Georgia is especially proud of Mr. Wheeler's work as State chairman. During his tenure, Mr. Wheeler worked tirelessly to assist veterans and their families throughout Georgia. He was instrumental in the development of innovative programs such as the ''State Supermarket of Veterans Benefits'', a one-stop information service on veterans' benefits, and the ''Georgia Veterans Bulletin,'' a quarterly publication dedicated to keeping veterans and their families informed of law changes, benefits, and special events. Commissioner Wheeler also worked to found the Annual Service Officer School, an event which brings together veterans' benefit counselors and leaders from the State and National veterans groups and offices for veterans issues. Under Mr. Wheeler's leadership, Georgia is still the only State to provide free nursing home and domiciliary care to its eligible veterans. To honor past veterans, he has also helped to establish two veterans cemeteries, including the Georgia National Cemetery in Cherokee County.

Pete Wheeler has lived by his statement that ''there is little that cannot be accomplished if one doesn't care who gets the credit.'' Considering his invaluable contributions to veterans and veterans affairs, it is no wonder that others are quick to pay tribute to Pete for much of what has been accomplished for Georgia veterans.

These tributes among many others, illustrate the tremendous impact of Pete Wheeler's work in veterans affairs. His enduring dedication to his fellow veterans has shown through his nearly 60 years of service to the community, the State of Georgia, and the Nation. I am very proud to join the Georgia Department of Veterans' Services and the Veterans' Council of the Golden Isles in honoring Pete Wheeler as one of the century's finest examples of service to our Nation's veterans.•

125TH ANNIVERSARY OF LARIMORE, NORTH DAKOTA

• Mr. CONRAD. Mr. President, today I wish to recognize a community in North Dakota that will be celebrating its 125th anniversary. On July 13–16, the residents of Larimore will gather to celebrate their community's history and founding.

Founded in 1881 by Anthony Clark and named for Newell Green Larimore, Larimore is located just north of Grand Forks. Many of Clark's descendents still live in Larimore and are part of the tight knit community. Larimore's post office was established on October 31, 1881, with Lyman P. Goodhume as its postmaster.

Today, Larimore continues to thrive with a bustling downtown area that has a grocery store, a flower shop, and an appliance store. During the summer, citizens of Larimore head out to the Larimore Dam for swimming, boating, camping, and fishing. In the winter, the Men's Club of Larimore and the American Legion hold an annual ice fishing derby.

An annual highlight is the celebration of Larimore Days. Each year Larimore holds festivities that are meant to bring the community, family, and friends together. Larimore celebrates with parades, school reunions, and family events. This year, the 125th anniversary of the town will be held in conjunction with the Larimore Days celebrations.

Mr. President, I ask the Senate to join me in congratulating Larimore, ND, and its residents on their first 125 years and in wishing them well through the next century. By honoring Larimore and all the other historic small towns of North Dakota, we keep the great pioneering frontier spirit alive for future generations. It is places such as Larimore that have helped to shape this country into what it is today, which is why this fine community is deserving of our recognition.

Larimore has a proud past and a bright future.•

100TH ANNIVERSARY OF NEWBURG, NORTH DAKOTA

• Mr. CONRAD. Mr. President, today I wish to recognize a community in North Dakota that will be celebrating its 100th anniversary. On July 8–9, the residents of Newburg will gather to celebrate their community's history and founding.

Newburg is a vibrant community in northern North Dakota. Newburg was

established when the Great Northern Railroad built a station in the town and named it after an early settler to the area, Andrew Newborg. About a year after the railroad station opened, the town's post office was established. Newburg is also home to a local inventor and businessman, Frederick Sund. Sund began Sund Manufacturing Company, which employs many community residents.

Along with Sund Manufacturing Company, Newburg is home to several other businesses, many of which support farming business in the town and surrounding area. The town also has many recreational activities, including fishing and duck hunting. Guide services are available to assist wildlife enthusiasts in the area.

The residents of Newburg are proud of all of their accomplishments over the past 100 years and have planned a celebration that includes a parade, a car show, a variety show, a street dance with fireworks, a community-wide pot-luck meal, and an ecumenical church service.

Mr. President, I ask the Senate to join me in congratulating Newburg, ND, and its residents on the first 100 years and in wishing them well through the next century. By honoring Newburg and all the other historic small towns of North Dakota, we keep the great pioneering frontier spirit alive for future generations. It is places such as Newburg that have helped to shape this country into what it is today, which is why this fine community is deserving of our recognition.

Newburg has a proud past and a bright future.●

100TH ANNIVERSARY OF McVILLE, NORTH DAKOTA

● Mr. CONRAD. Mr. President, today I wish to recognize a community in North Dakota that will be celebrating its 100th anniversary. On July 7–9, the residents of McVille will gather to celebrate their community's history and founding.

McVille is a small but welcoming community located in the northeastern part of North Dakota. In 1906, McVille, like many rural towns, relocated to a new townsite along the Great Northern Railroad. McVille has a rich history. It is one of the oldest settled areas in North Dakota outside of the Red River Valley. The name McVille was coined from the many families in the region whose surname began with ''Mc.''

Today, McVille is a great place for outdoor enthusiasts. McVille Dam offers great opportunities for sports fishermen, and is stocked with walleye, northern trout, large mouth bass, blue gills, and perch. McVille also hosts ''McVille Days,'' an annual three-day community celebration that offers residents and visitors many fun and exciting activities to participate in.

McVille is a close-knit community that fosters unity and cooperation among its residents. The citizens of McVille have many exciting events planned to celebrate their centennial, including a dance, art show, basketball tournament, pig race, canoe race, car show, golf tournament, and parade.

Mr. President, I ask the Senate to join me in congratulating McVille, ND, and its residents on their first 100 years and in wishing them well through the next century. By honoring McVille and all the other historic small towns of North Dakota, we keep the great pioneering frontier spirit alive for future generations. It is places such as McVille that have helped to shape this country into what it is today, which is why this fine community is deserving of our recognition.

McVille has a proud past and a bright future.●

MAX SCHUMACHER'S 50TH ANNIVERSARY WITH THE INDIANAPOLIS INDIANS

● Mr. LUGAR. Mr. President, today I wish to celebrate an important milestone in the life of my fellow Hoosier, former classmate, and close friend, Max Schumacher. On July 15, I will have the opportunity to join Max's family and many friends in Indianapolis at Victory Field to celebrate his 50 years of important leadership with the Indianapolis Indians baseball team.

Since I came to know Max while we were both students at Shortridge High School, I have always been impressed by his commitment to leadership and public service. During our time at Shortridge, I admired his remarkable athletic and journalistic abilities. Max went on to study at Butler University where he was a member of the baseball team and editor of the school's newspaper, The Collegian. After receiving a bachelor of science degree in journalism in 1954, Max joined the U.S. Army, where he served until 1956. Butler recently recognized his accomplishments when he was inducted into the Athletic Hall of Fame.

For the past 50 years, Max has worked in several different capacities within the Indians organization, including ticket manager, publicity director, general manager, and now president and chairman of the board. His leadership has helped the Indians achieve 31 consecutive years of profits and business success. In 1988 Max received the John H. Johnson President's Award to recognize him as the individual who ''best exemplifies the standards of a complete baseball franchise.''

Another milestone of Max's leadership of the Indians was the opening of Victory Field 10 years ago. Fans from across the country have marveled at this beautifully modern facility, which has been recognized as one of the premier baseball stadiums in the country. Victory Field has been an important addition to downtown Indianapolis, enabling families to enjoy memorable experiences together in such a welcoming atmosphere.

Max's leadership in the Indianapolis community goes far beyond his work with the Indians. Max has served as president of the Indianapolis Downtown Kiwanis Club, the Indianapolis Kiwanis Foundation board of directors, the board of directors of the Boys and Girls Club of Indianapolis, and is a member of the board of directors of the Greater Indianapolis Chamber of Commerce. As a recognition of this service, Governor Bowen named Max a ''Sagamore of the Wabash'' in 1980, and he was designated a member of the Honorable Order of Kentucky Colonels.

I also congratulate Max's wife Judy and their three children, who have been such an integral part of the Indians family for these many years. I was honored to be an usher in the wedding ceremony when Judy and Max were married, and Max was an usher when Charlene and I were married.

I appreciate this opportunity to congratulate my friend Max Schumacher, and I look forward to many more adventures with him, his family and friends, and the entire Indians organization as we cheer the Indians on to victory.●

HONORING A GREAT COLORADAN

● Mr. SALAZAR. Mr. President, I wish to recognize the work of a great Coloradan, Randy Rusk, and share some thoughts about the role that conservation easements can play in protecting Colorado's open spaces and rural way of life.

Mr. Rusk was recently named one of ''15 People Who Make America Great'' by Newsweek Magazine for the contributions he has made to the protection of Colorado's Wet Mountain Valley. The Wet Mountain Valley is near my own San Luis Valley in southern Colorado. It is known for its lush pastures, for the jagged mountains that flank it, and for the men and women who ranch its lands.

Mr. Rusk's family raises cattle on their 1,500 acres, but it would be a prime setting for second homes, 35–acre ranchettes, or a subdivision. Clearly he could sell his land to a developer if money was his primary concern, but Mr. Rusk would rather that his grandchildren be able to enjoy and work the ranch as he has.

As someone who comes from a ranching family, I can tell you, that ranchers generally don't like to be told what they can or can't do on their lands. But Mr. Rusk decided that the best way to protect his land was to put its development rights in a trust. With a conservation easement on his land, he can be certain that the property will remain intact in perpetuity.

Mr. Rusk has taken this idea beyond his own ranch and has convinced other ranchers in the Wet Mountain Valley to place conservation easements on their land, too. Some get reimbursed for parting with their land's development rights, while others simply donate them. Thanks to Mr. Rusk's leadership, around 11,000 acres of the Wet Mountain Valley will be protected from development.

Knowing how useful conservation easements are to ranchers and farmers across Colorado how much good they have done for preserving our open lands and rural way of life, I am troubled by proposals that would punish those who use conservation easements to protect their lands.

Our current tax law says that donated conservation easements can be claimed as a deduction. This is how it should be. If a rancher donates development rights to a nonprofit, to be held in trust, he or she should be able to claim a Federal tax deduction. This deduction, in conjunction with State and local incentives, is a valuable tool in protecting Colorado's natural heritage.

There have been some instances of fraud in the use of conservation easements. The IRS should punish those responsible and Congress should explore ways of tightening up our laws to avoid abuses of the system. But, by and large, those who place easements on their lands are like Randy Rusk, and they do so for the right reasons.

Mr. President, I am proud of the innovative ways that Coloradans are finding to protect open spaces, strengthen rural economies, and continue traditional ways of life. We have a common interest in supporting the work of ranchers like Mr. Rusk, whose stewardship of his lands yields benefits for all of us. I encourage this body to stand behind these wise conservation practices by protecting the Federal tax deduction for conservation easements.●

TRIBUTE TO COLONEL ROBERT J. DAVIS, JR.

● Mr. SARBANES. Mr. President, I wish to pay tribute today to COL Robert J. Davis, Jr., commander of the Baltimore District, U.S. Army Corps of Engineers. Colonel Davis is retiring after 26 years of distinguished service in the U.S. Army, and I take this opportunity to express my appreciation for his many years of dedicated service to our Nation.

Robert Davis graduated from the U.S. Military Academy at West Point in 1980 and was commissioned into the U.S. Army. He has served in numerous staff and command positions here in the United States and abroad including an associate professorship in the Department of Mechanics and Civil and Mechanical Engineering at West Point, commanding the C Company of the 14th Engineer Battalion in Fort Ord, CA, and directing public works for the 6th Area Support Group in Stuttgart, Germany. He also served as assistant to the commanding general of the U.S. Army Corps of Engineers and as commander of the Detroit District.

Since August, 2003, when Colonel Davis was selected as commander and district engineer for the Baltimore Engineer District, I have had the pleasure of working closely with him on numerous civil works and military construction projects vitally important to the State of Maryland. These included the completion of the first phase of the rewatering of the C&O Canal in Cumberland, MD, the initiation of the Gwynns Falls Restoration Project in Baltimore, the dredging of St. Jerome Creek in Southern Maryland, the advancement of dredged material management plans for the Port of Baltimore and the opening of a new recreational trail at Jennings Randolph Lake. Colonel Davis has continued a long tradition of outstanding leadership of the Baltimore District, and the citizens of Maryland and the other States served by the Baltimore District will benefit from his leadership for years to come.

In recognition of his exceptional service, Colonel Davis has received numerous awards and commendations including the Defense Meritorious Service Medal, Army Meritorious Service Medal, the Army Commendation Medal, and the Army Medal of Achievement. But above all, Colonel Davis has exemplified a steadfast commitment to serving his fellow citizens and country with his very best, most dedicated efforts. In this most honorable mission, he has earned the admiration and high regard of everyone with whom he has worked. I extend my personal congratulations and thanks for his hard work and dedication and wish him the very best in the future.●

TRIBUTE TO RUSSELL AND BETTY BECK

● Mr. THUNE. Mr. President, today I wish to recognize Russell and Betty Beck of Pierre, SD. Russell and Betty Beck will celebrate their 50th wedding anniversary this year on December 22.

Russell and Betty met in June of 1956 at the Central States Fair in Rapid City, SD. Russell, a fly boy in the Air Force, was stationed at Ellsworth AFB, and Betty, who was just a few years out of high school, was working in Rapid City at the time. The couple was later married in their pastor's home with Nancy Gibson and William Clarkson as their witnesses. Russell and Betty eventually made their home in Murdo, SD. where they raised four children: Bernard, Bernardine, Darsey, and Robin.

I offer my congratulations to Russell and Betty on their 50th wedding anniversary and wish them many years of continued happiness.●

KRISTEN CHRISTENSEN

● Mr. THUNE. Mr. President, today I wish to thank Kristen Christensen, an intern in my Washington, DC office, for all of the hard work she has done for me, my staff, and the State of South Dakota this summer.

Kristen is a graduate of Yankton High School in Yankton, SD, and is currently a rising sophomore at the University of South Dakota where she is studying English and psychology. She is a hard worker and has been dedicated to getting the most out of her internship experience.

I would like to give my thanks to Kristen and wish her continued success in the years to come.●

CHRIS TIMMERMAN

● Mr. THUNE. Mr. President, today I wish to thank Chris Timmerman, an intern in my Washington, DC office, for all of the hard work he has done for me, my staff, and the State of South Dakota this summer.

Chris is a graduate of Lincoln High School in Sioux Falls, SD, and is currently a rising junior at Emory University where he is studying philosophy. He is a hard worker and has been dedicated to getting the most out of his internship experience.

I would like to give my thanks to Chris and wish him continued success in the years to come. ●

AIMEE BREWSTER

● Mr. THUNE. Mr. President, today I wish to also thank Aimee Brewster, an intern in my Washington, DC office, for all of the hard work she has done for me, my staff, and the State of South Dakota this summer.

Aimee is a graduate of St. Thomas More High School in Rapid City, SD, and is currently a rising sophomore at the University of Notre Dame where she is studying political science and French. She is a hard worker and has been dedicated to getting the most out of her internship experience.

I would like to give my thanks to Aimee and wish her continued success in the years to come.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:40 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5689. An act to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to make technical corrections, and for other purposes.

At 4:16 p.m., a message from the House of Representatives, delivered by

Ms. Niland, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 440. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate.

At 5 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the following bill, in which it requests the concurrence of the Senate:

H.R. 5672. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2007, and for other purposes.

ENROLLED BILLS SIGNED

At 6:31 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 889. An act to authorize appropriations for the Coast Guard for fiscal year 2006, to make technical corrections to various laws administered by the Coast Guard, and for other purposes.

H.R. 4912. An act to amend section 242 of the National Housing Act to extend the exemption for critical access hospitals under the FHA program for mortgage insurance for hospitals.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. MCCONNELL).

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 5672. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2007, and for other purposes; to the Committee on Appropriations.

H.R. 5689. An act to amend the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users to make technical corrections, and for other purposes; to the Committee on Environment and Public Works.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 3590. A bill to amend title XIX of the Social Security Act to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program.

The following concurrent resolution was read, and placed on the calendar:

H. Con. Res. 408. Commending the Government of Canada for its renewed commitment to the Global War on Terror in Afghanistan.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–7378. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Postponement of Filing Date for Form 8898'' (Notice 2006–57) received on June 18, 2006; to the Committee on Finance.

EC–7379. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Application of the Federal Insurance Contributions Act to Payments Made for Certain Services'' ((RIN1545–BE32)(TD 9266)) received on June 18, 2006; to the Committee on Finance.

EC–7380. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Bureau of Labor Statistics Price Indexes for Department Stores—April 2006'' (Rev. Rul. 2006–33) received on June 18, 2006; to the Committee on Finance.

EC–7381. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Applicable Federal Rates—July 2006'' (Rev. Rul. 2006–35) received on June 18, 2006; to the Committee on Finance.

EC–7382. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Amounts Paid Pursuant to a Leave-Sharing Plan to Assist Employees Affected by a Major Disaster Declared by the President of the United States'' (Notice 2006–59) received on June 21, 2006; to the Committee on Finance.

EC–7383. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Pacific Gas and Electric Company v. United States'' (AOD: TL–R–618–98) received on June 21, 2006; to the Committee on Finance.

EC–7384. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Information Returns Required with Respect to Certain Foreign-Owned Domestic U.S. Corporations'' ((RIN1545–BF49)(TD 9268)) received on June 21, 2006; to the Committee on Finance.

EC–7385. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Safe Harbor Methods for Determining Casualty and Theft Loss Deductions for 2005 Gulf Hurricanes'' (Rev. Proc. 2006–32) received on June 21, 2006; to the Committee on Finance.

EC–7386. A communication from the Regulations Coordinator, Centers for Medicare and Medicaid Services, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medicare Program; Identification of Backward Compatible Version of Adopted Standard for E-Prescribing and the Medicare Prescription Drug Program'' (RIN 0938–AO42) received on June 22, 2006; to the Committee on Finance.

EC–7387. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of firearms sold commercially under contract in the amount of $1,000,000 or more to the Hashemite Kingdom of Jordan; to the Committee on Foreign Relations.

EC–7388. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Relief from Fingerprinting and Criminal History Records Check for Designated Categories of Individuals'' (RIN3150–AH94) received on June 21, 2006; to the Committee on Environment and Public Works.

EC–7389. A communication from the Regulations Coordinator, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Child Support Enforcement Program; Reasonable Quantitative Standard for Review and Adjustment of Child Support Orders'' (RIN0970–AC19) received on June 22, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC–7390. A communication from the Deputy Archivist of the United States, National Archives and Records Administration, transmitting, pursuant to law, the report of the rule entitled ''NARA Facility Location and Hours'' (RIN3095–AB50) received on June 21, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC–7391. A communication from the Director, Regulatory Management Division, Office of Executive Secretariat, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled ''Affidavits of Support on Behalf of Immigrants'' (RIN1615–AB45) received on June 22, 2006; to the Committee on Finance.

EC–7392. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Myclobutanil; Pesticide Tolerances for Emergency Exemptions'' (FRL No. 8068–2) received on June 22, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7393. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments; Change of Address for the Office of Pesticide Programs'' (FRL No. 8070–7) received on June 18, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7394. A communication from the Principal Deputy Associate Administrator, Office of Policy, Economics, and Innovation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Spinosad; Pesticide Tolerance Technical Correction'' (FRL No. 8073–9) received on June 18, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7395. A communication from the United States Trade Representative, Executive Office of the President, transmitting, pursuant to law, a report relative to the United States-Oman Free Trade Agreement; to the Committee on Finance.

EC–7396. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Factoring of Receivables Audit Techniques Guide'' received on June 27, 2006; to the Committee on Finance.

EC–7397. A communication from the Chief, Publications and Regulations Branch, Internal Revenue Service, Department of the

Treasury, transmitting, pursuant to law, the report of a rule entitled ''Distributions of Interests in Loss Corporation from Qualified Trusts'' ((TD 9269)(RIN1545–BC00)) received on June 27, 2006; to the Committee on Finance.

EC–7398. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report entitled ''Operation of the Enterprise for the Americas Initiative and the Tropical Forest Conservation Act—2005 Annual Report''; to the Committee on Foreign Relations.

EC–7399. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, an Accountability Review Board report relative to the examination of the facts and circumstances surrounding attacks on two U.S. motorcades in Iraq; to the Committee on Foreign Relations.

EC–7400. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed authorization for the export of significant military equipment in the amount of $50,000,000 or more to Italy, Kazakhstan, and Russia; to the Committee on Foreign Relations.

EC–7401. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of proposed export authorizations for the manufacture of significant military equipment abroad and the export of defense articles or defense services in the amount of $100,000,000 or more to Japan; to the Committee on Foreign Relations.

EC–7402. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad (Japan); to the Committee on Foreign Relations.

EC–7403. A communication from the Railroad Retirement Board, transmitting, pursuant to law, the Board's 2006 annual report on the financial status of the railroad unemployment insurance system; to the Committee on Health, Education, Labor, and Pensions.

EC–7404. A communication from the Assistant General Counsel for Regulations, Office of Vocational and Adult Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Notice of Waivers for the Native American Vocational Technical Education Program and the Tribally Controlled Postsecondary Vocational and Technical Institutions Program and Funding of Continuation Grants'' (CFDA Numbers 84.101 and 84.245) received on June 27, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC–7405. A communication from the Regulations Coordinator, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Reauthorization of the Temporary Assistance for Needy Families Program'' (RIN0970–AC27) received on June 28, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC–7406. A communication from the Acting Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Liability Pursuant to Section 4062(e) of ERISA'' (RIN1212–AB03) received on June 28, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC–7407. A communication from the Acting Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Benefits Payable in Terminated Single-Employer Plans; Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing and Paying Benefits'' (29 CFR Parts 4022 and 4044) received on June 28, 2006; to the Committee on Health, Education, Labor, and Pensions.

EC–7408. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a report entitled ''Physicians' Comparability Allowance Program Fiscal Year 2006''; to the Committee on Homeland Security and Governmental Affairs.

EC–7409. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems; North American Industry Classification System Based Federal Wage System Wage Surveys'' (RIN3206–AK94) received on June 28, 2006; to the Committee on Homeland Security and Governmental Affairs.

EC–7410. A communication from the Director of Legislative Affairs, Office of the Director of National Intelligence, transmitting, pursuant to law, the report of a vacancy in the position of Principal Deputy Director of National Intelligence, received on June 28, 2006; to the Select Committee on Intelligence.

EC–7411. A communication from the Acting Director, Executive Office for the United States Trustees, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Application Procedures and Criteria for Approval of Nonprofit Budget and Credit Counseling Agencies and Approval of Providers of a Personal Financial Management Instructional Course by United States Trustees'' (RIN1105–AB17) received on June 27, 2006; to the Committee on the Judiciary.

EC–7412. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Contractor Personnel Authorized to Accompany U.S. Armed Forces'' ((RIN0750–AF25)(DFARS Case 2005–D013)) received on June 27, 2006; to the Committee on Armed Services.

EC–7413. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Security-Guard Services Contracts'' ((RIN0750–AF37)(DFARS Case 2006–D011)) received on June 27, 2006; to the Committee on Armed Services.

EC–7414. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Free Trade Agreement—El Salvador, Honduras, and Nicaragua'' ((RIN0750–AF43)(DFARS Case 2006–D019)) received on June 27, 2006; to the Committee on Armed Services.

EC–7415. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Sole Source 8(a) Awards to Small Business Concerns Owned by Native Hawaiian Organizations'' (DFARS Case 2006–D031) received on June 27, 2006; to the Committee on Armed Services.

EC–7416. A communication from the Director, Defense Procurement and Acquisition Policy, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''Berry Amendment Exceptions—Acquisition of Perishable Food, and Fish, Shellfish, or Seafood'' ((RIN0750–AF32)(DFARS Case 2006–D005)) received on June 27, 2006; to the Committee on Armed Services.

EC–7417. A communication from the Director of Legislative Affairs, Office of the Director of National Intelligence, transmitting, pursuant to law, the report of the designation of an acting officer for the position of Principal Deputy Director of National Intelligence, received on June 28, 2006; to the Select Committee on Intelligence.

EC–7418. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Amendment to the Peanut Promotion, Research, and Information Order'' (FV–05–701–FR) received on June 22, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7419. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Sweet Cherries Grown in Designated Counties in Washington; Decreased Assessment Rate'' (FV06–923–2 IFR) received on June 22, 2006; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7420. A communication from the Attorney, Office of Assistant General Counsel for Legislation and Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Weatherization Assistance Program for Low-Income Persons'' (RIN1904–AB56) received on June 27, 2006; to the Committee on Energy and Natural Resources.

EC–7421. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''5 CFR Part 511—Classification Under the General Schedule; 5 CFR Part 532—Prevailing Rate System'' (RIN3206–AH38 and (RIN3206–AI14) received on June 27, 2006; to the Committee on Homeland Security and Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INHOFE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 2023. A bill to amend the Oil Pollution Act of 1990 to improve that Act, and for other purposes (Rept. No. 109–272).

By Mr. GREGG, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 5441. A bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007, and for other purposes (Rept. No. 109–273).

By Mr. DOMENICI, from the Committee on Appropriations, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 5427. A bill making appropriations for energy and water development for the fiscal year ending September 30, 2007, and for other purposes (Rept. No. 109–274).

By Mr. BURNS, from the Committee on Appropriations, with an amendment in the nature of a substitute:

H.R. 5386. A bill making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending September 30, 2007, and for other purposes.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 460. A resolution expressing the sense of the Senate that the United States should increase its support to the people of Somalia in their efforts to end decades of violence, establish lasting peace, form a democratically elected and stable central government, and become an effective partner in

eradicating radicalism and terrorism from their country and the region.

By Ms. COLLINS, from the Committee on Homeland Security and Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1554. A bill to establish an intergovernmental grant program to identify and develop homeland security information, equipment, capabilities, technologies, and services to further the homeland security of the United States and to address the homeland security needs of Federal, State, and local governments.

By Mr. LUGAR, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 105. A concurrent resolution commending the Government of Canada for its renewed commitment to the Global War on Terror in Afghanistan.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mr. SHELBY for the Committee on Banking, Housing, and Urban Affairs.

*James S. Simpson, of New York, to be Federal Transit Administrator.

By Ms. SNOWE for the Committee on Small Business and Entrepreneurship.

Steven C. Preston, of Illinois, to be Administrator of the Small Business Administration.

By Mr. LUGAR for the Committee on Foreign Relations.

*John Clint Williamson, of Louisiana, to be Ambassador at Large for War Crimes Issues.

*Gaddi H. Vasquez, of California, for the rank of Ambassador during his tenure of service as U.S. Representative to the United Nations Agencies for Food and Agriculture.

*Michael E. Ranneberger, of Virginia, to be Ambassador to the Republic of Kenya.

Nominee: Michael E. Ranneberger

Post: Ambassador to the Republic of Kenya.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse: none.
3. Children and Spouses: none.
4. Parents: none.
5. Grandparents: deceased.
6. Brothers and Spouses: none.
7. Sisters and Spouses: none.

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*Robert D. McCallum, Jr., of Georgia, to be Ambassador to Australia.

Nominee: Robert D. McCallum, Jr.

Post: Ambassador to Australia.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self: $1,000, 3/01, Isakson Campaign; $4,000, 12/03, Bush-Cheney Campaign.

2. Spouse: Mary Rankin Weems McCallum, None other than above made from joint account.

3. Children and Spouses: R. Davis McCallum, III, and Sarah Eddy McCallum, son and spouse: $200, 2004, John Kerry Presidential Campaign; $50, 2004, John Edwards Presidential Campaign; $50, 2004, Wesley Clark Presidential Campaign; $50, 2004, Howard Dean Presidential Campaign.

John Bailey McCallum, son: $50, 2003, Howard Dean Presidential Campaign; $50, 2003, Howard Dean Presidential Campaign.

4. Parents: Robert D. and Virginia McCallum; deceased parents: $500, 10/01, TN Republican Party Federal Election Acct.; $1,000, 10/02 TN Republican Party Federal Election Acct.; $500, 9/04, TN Republican Party Federal Election Acct.; $500, 10/04, TN Republican Party Federal Election Acct.; $500, 9/04, John Thune, U.S. Senate; $1,500, 10/02, Volunteer Pac; $500, 9/03, Volunteer Pac; $500, 5/04, Volunteer Pac; $500, 2/05, Volunteer Pac.

5. Grandparents: Deceased.

6. Brothers and Spouses: None.

7. Sisters and Spouses: Virginia McCallum Syer and John B. Syer, sister and spouse: $250, 5/05, Friends of George Allen; $250, 6/03, Bush-Cheney Campaign; $250, 6/03, Bush-Cheney Campaign; $250, 3/04, Bush-Cheney Campaign; $250, 8/02, Virgil Goode for Congress; $250, 4/04, Virgil Goode for Congress; $500, 9/04, Republican National Cmte.; $250, 10/04, Virgil Goode for Congress.

Mary McCallum McDonald and Michael McDonnell, sister and spouse: $1,000, 2004, Bush-Cheney Campaign; $10,000, 2004, Volunteer Pac.

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*Eric M. Bost, of Texas, to be Ambassador to the Republic of South Africa.

Nominee: Eric M. Bost.

Post: Ambassador to the Republic of South Africa.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, donee, date, and amount:

1. Self, Bush for President, 7/2000, $500; Bush-Cheney 2004, 9/2004, $1000; Rep. National Comm., 11/2005, $120.

2. Spouse, Rose Mary Brownridge, none.

3. Children and Spouses, Raynee Brownridge Verner, none; Kevin Brownridge, none; Natalie Brownridge-Kemen, none; Gordson Kemen (Spouse), none; Courtney M. Bost, none; Lauren Brownridge, none.

4. Parents, Mr. and Mrs. Frederick N. Bost, none.

5. Grandparents, Jim Bost, deceased; Sophornia Bost, deceased; C.W. Mills, Deceased; Janie Mills, Deceased.

6. Brothers and Spouses, Harold and Shirley Bost, none; Edwin M. Bost, none.

7. Sisters and Spouses, Fredda and Fred Peay, none.

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*Earl Anthony Wayne, of Maryland, to be Ambassador to Argentina.

Nominee: Earl Anthony Wayne

Post: Argentina

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse: Pamela J.P. Wayne, $100, 09/19/04, Democratic Nat'l Cmte.

3. Children and Spouses: Kristen A. Wayne (daughter), $25, 01/16/04, Howard Dean; Brian Hoss (son-in-law) none; Justin A. Wayne (son) none.

4. Parents: Earl Alfred Wayne—deceased 1980; Letha M. Wayne—deceased 1998.

5. Grandparents: Earl Albert Wayne—deceased around 1930; Grace Wayne Bone—deceased 1960; James Loyd—deceased around 1930; Maybelle MacCauley Loyd—deceased around 1955.

6. Brothers and Spouses: None.

7. Sisters and Spouses: None.

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*Leslie V. Rowe, of Washington, to be Ambassador to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador to the Solomon Islands and Ambassador to the Republic of Vanuatu.

Nomiee: Leslie V. Rowe

Post: Papua New Guinea

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self, none.

2. Spouse: none.

3. Children and Spouses: Paul Dieffenbacher, none; Daniele Dieffenbacher, none; Jacqueline Dieffenbacher, none.

4. Parents: John L. Rowe and Sara Rowe—Both Deceased.

5. Grandparents: John Rowe and Mary E. Rowe—Both deceased; Leon Ventura and Pauline Ventura—Both Deceased.

6. Brothers and Spouses: N/A.

7. Sisters and Spouses: Nancy V. Rowe, none.

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*W. Stuart Symington IV, of Missouri, to be Ambassador to the Republic of Djibouti.

Nominee: W. Stuart Symington IV.

Post: Djibouti.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date and donee:

1. Self, $100, 9–26–02, Ike Skelton for Congress.

2. Spouse: $100, 9–26–02, Ike Skelton.

3. Children and Spouses: Jane W., and W. Stuart, none.

4. Parents: Stuart Symington, Jr. $100, 7–01–05, Ike Skelton for Congress; $500, 1–05–04, Gephardt for President; $50, 10–04–04, W. Lacy Clay for Congress; $500, 3–24–03, Gephardt for President; $100, 9–28–03, Carnahan for Congress. Janey Belle Symington, none.

5. Grandparents: W. Stuart Symington, (deceased); Evelyn W. Symington, (deceased); Sidney M. Studt, (deceased); Jane S. Studt, (deceased).

6. Brothers and Spouses: Sidney S. Symington, $20, 10–03, John Dean for President; John S. Symington, $2100, 2005, Klobuchar for Minnesota; $200, 2004, Kerry for President; and spouse Margaret Symington, $2000, 2005, Klobuchar for Minnesota; $300, 2004, Kerry for President; $100, 2004, Emily's list; $100, 2003, Emily's list; $100, 2003, Boxer for Senate; $100, 2003, Murray for Senate; $200, 2002, DNC; $100, 2002, Democratic Sen. Comm.; $100, 2002, Emily's list; $100, 2002, Richardson for Congress; $100, 2002, Herseth for Congress; $25, 2002, Johnson for Senate.

7. Sisters and Spouses: Anne W. Symington, (deceased).

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*Gayleatha Beatrice Brown, of New Jersey, to be Ambassador to the Republic of Benin.

Nominee: Gayleatha Beatrice Brown.

Post: U.S. Embassy Cotonou, Benin.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:
1. Self: none.
2. Spouse: NA.
3. Children and Spouses: NA.
4. Parents: Mr. David L. Brown (deceased); Mrs. Nellie H. Brown, none.
5. Grandparents: Mr. Will Brown, Mrs. Gayleatha Fullen Brown (deceased).
6. Mr. Tom Hunter, Mrs. Sally Murrell Hunter (deceased), none.
7. Brothers and Spouses: Mr. Curtis H. Brown, none; Mr. David L. Brown II (deceased); Mr. Darrell Jerome Brown (deceased); Mr. Dennis W. Brown (deceased).
8. Sisters and Spouses: NA.

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*Peter R. Coneway, of Texas, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein.

Nominee: Peter Richard Coneway (Pete Coneway)

Post: U.S. Ambassador to Switzerland.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self, $2,100, 11/21/2005, McCaul for Congress; $2,100, 10/24/2005, Hastert for Congress; $200, 6/15/2005, Texans for Senator John Cornyn Inc.; $500, 6/13/2005, Friends of Roy Blunt; $2,000, 3/1/2005, Kay Bailey Hutchison for Senate Committee; $200, 2/21/2005, Kay Bailey Hutchison for Senate Committee; $2,000, 5/18/2004, Pete Sessions for Congress 2004; $7,500, 5/11/2004, 2004 Joint State Victory Committee; $16,500, 5/11/2004, 2004 Joint Candidate Committee; $25,000, 5/11/2004, Republican National Committee; $1,000, 5/6/2004, Committee to Elect Bridgewater; $4,000, 4/30/2004, Texans for Senator John Cornyn Inc.; $2,000, 4/21/2004, Tom DeLay Congressional Committee; $1,000, 3/24/2004, McCaul for Congress Inc.; $1,000, 2/26/2004, McCaul for Congress Inc.; $500, 2/12/2004, Chris Bell U.S. Congress Committee; $2,000, 1/26/2004, Phillips for U.S. Congress Committee; $1,500, 12/31/2003, Kay Bailey Hutchison for Senate Committee; $25,000, 12/29/2003, Republican National Committee; $547, 6/30/2003, Bush-Cheney '04; $1,453, 6/17/2003, Bush-Cheney '04; $2,000, 5/8/2003, Hastert for Congress Committee; $1,000, 10/15/2002, Thune for Senate—South Dakota; $1,000, 10/2/2002, Texas Victory 2000—Rep. Party Texas; $500, 10/2/2002, Chris Bell for Congress Committee; −$5,000, 4/26/2002, Republican Party of Florida Federal Campaign Acct.—refund; $1,000, 4/18/2002, John Cornyn for Senate Inc.; $1,000, 3/20/2002, KPAC; $1,000, 2/20/2002, Ken Bentsen for U.S. Senate Committee; $10,000, 2/1/2002, Republican Party of Florida Federal Campaign Acct.; $1,000, 1/16/2002, Wareing for Congress; $1,000, 11/19/2001, John Cornyn for Senate Inc.; $500, 5/1/2001, Kay Bailey Hutchison for Senate Committee; −$250, 1/31/2001, RNC Republican National State Elections Committee (excluded from limits); $12,500, 2000, RNC Presidential Trust; $2,000, 2000, Jon Corzine for Senate, New Jersey; $1,000, 1999, Gov. G. Bush Exploratory Committee.

2. Spouse: Lynn M. Coneway, $2,200, 2/22/2005, Kay Bailey Hutchison for Senate Committee; $25,000, 5/11/2004, Republic National Committee; $25,000, 12/29/2003, Republican National Committee; $2,000, 12/29/2003, Kay Bailey Hutchison for Senate Committee; $2,000, 6/17/2003, Bush-Cheney '04; $2,000, 5/8/2003, Hastert for Congress Committee; ($250), 1/31/2001, RNC Republic National State Elections Committee—excluded from limits; $12,500, 2000, RNC Presidential Trust; $1,000, 1999, Gov. George W. Bush Exploratory Commission.

3. Children and Spouses: Natalie Coneway Page, (now Natalie Coneway), $2,000, 6/17/2003, Bush-Cheney '04; $1,000, 1999, Gov. George W. Bush Exploratory Committee; Cecile Coneway, (now Cecile Coneway Puckett), $2,000, 6/17/2003, Bush-Cheney '04; $1,000, 1999, Gov. George W. Bush Exploratory Committee.

4. Parents: Albert Earl Coneway, (deceased); Clara Durham Coneway, (deceased).

5. Grandparents: Albert Earl Coneway, (deceased); Rose Klein Coneway, (deceased).

6. Brothers and Spouses: Patrick Michael Coneway, $50, 8/02/2004, RNC; Albert Earl Coneway, Jr., none.

7. Sisters and Spouses: none.

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*Clifford M. Sobel, of New Jersey, to be Ambassador to the Federative Republic of Brazil.

Nominee: Clifford M. Sobel.

Post: Ambassador to Brazil.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date,and donee:

1. Self, $2,061, 01/30/2001, RNC Republican National State Elections Committee; $3,206, 01/30/2001, RNC Republican National State Elections Committee; $2,060, 01/30/2001, RNC Republican National State Elections Committee; $1,350, 02/01/2001, RNC Republican National State Elections Committee; $1,000, 03/08/2001, Friends of Mike Ferguson; $5,000, 03/27/2001, WISH List; $5,000, 03/27/2001, NORPAC; $2,000, 03/10/2004, Bush-Cheney '04 (Primary) Inc.; $25,000, 10/24/2005, Republican State Committee.

2. Spouse: Barbara Sobel, $1,000, 03/08/2001, Friends of Mike Feguson; $50, 04/20/2001, Republican Woman 2000; ($658), 08/15/2001, New Jersey Republican State Committee (refund); $1,300, 04/18/2002, Republican Women 2000; $25,000, 07/10/2003, Republican National Committee; $2,000, 07/10/2003, Bush-Cheney '04 (Primary) Inc; $25,000, 04/20/2004, Republic National Committee; $812, 09/30/2004, Walcher for Congress; $275, 08/29/2004, Fed Political Action Committee (AKA Fed PAC); $2,000, 10/20/2004, Martinez for Senate; $25,000, 09/15/2004, 2004 Joint Candidate Committee; $4,200, 02/27/2006, Tom Kean Jr. for Senate.

3. Children and Spouses: Scott Sobel, $25,000, 03/05/202, RNC Republican National State Elections Committee; $1,000, 06/13/2002, Brown-Waite for Congress; $500, 08/21/2002, Majette for Congress, Inc.; $25,000, 10/04/2002, RNC Republican National State Elections Committee; $2,000, 07/08/2003, Bush-Cheney '04 (Primary) Inc.; $25,000, 10/02/2003, Republican National Committee; $25,000, 10/04/2004, Republican National Committee; $4,200, 03/30/2006, Tom Kean for Senate; Lori Jacobs Sobel (Wife of Scott Sobel) (married 6/18/05), none; Jonathan Sobel (Son of Clifford M. Sobel), $2,000, 07/10/2003, Bush-Cheney '04 (Primary); $4,200, 03/03/2006, Tom Kean for Senate; Julie Sobel Kaplan (Daughter of Clifford M. Sobel), $2,000, 07/10/2003, Bush-Cheney '04 (Primary); $2,500, 10/21/2004, New Jersey Republican State Committee; 4,200, 03/30/2006, Tom Kean for Senate; Matthew Kaplan (Husband of Julie Sobel Kaplan) (married 7/9/05), none.

4. Parents: Theodore Sobel (Father of Clifford M. Sobel), deceased; Claire Sobel (Mother of Clfford M. Sobel), $2,000, 03/20/2001, Bush-Cheney '04 (Primary) Inc.; Eli Grober (Father-in-Law to Clifford M. Sobel), deceased; Katherine B. Grober (Mother-in-Law to Clifford M. Sobel), deceased.

5. Grandparents: N/A.

6. Brothers and Spouses: Peter Sobel (Brother of Clifford M. Sobel), none; Elizabeth Sobel (Sister-in-Law to Clifford M. Sobel), none.

7. Sisters and Spouses: Wendy Sobel Barr (Sister of Clifford M. Sobel), none; Aaron Barr (Brother-in-Law to Clifford M. Sobel), none.

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*Robert O. Blake, Jr., of Maryland, to be Ambassador to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador to the Republic of Maldives.

Nominee: Robert Orris Blake Jr.

Post: Sri Lanka.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

Self: $1,000, 3/8/2002, Sheldon Whitehouse.

1. Spouse: None.

2. Children and Spouses: None.

3. Parents:

Sylvia Blake (mother): $2,000, 12/11/2004, Sheldon Whitehouse; $2,100, 3/31/2005, Sheldon Whitehouse; $2,100, 9/20/2005, Sheldon Whitehouse; (one of these is for the primary, and the other is in escrow to be used in the general election if he wins the primary; $5,000, 3/29/2004, Environment 2004; $2,000, 10/2/2004, Kerry Edwards Victory.

Robert Blake (father); $500, 6/25/2001, Chris Van Hollen; $500, 9/30/2002, Chris Van Hollen; $500, 6/1/2002, Mark Shriver; $500, Oct. 2002, League of Conservation Voters Action Fund.

4. Grandparents: Father's parents Frank Blake and wife Sada Blake are deceased more than four years ago. Mother's parents Sheldon and Mary Whitehouse also are deceased more than four years ago.

5. Brothers and Spouses: No contributions. Names: George and Sylvia Blake.

6. Sisters and Spouses: Lucy Blake (sister); $500, 1/28/2002, Taxpayers for Better Government; $1,000, 10/10/2004, DNC Services Corp; $2,000 (for primary), 6/27/2005, Sheldon Whitehouse; $2,000 (for general election), 9/30/2005, Sheldon Whitehouse.

Steven Nightingale (brother in law): $5,000, 10/24/2002, Searchlight Leadership Fund; $2,100 (for primary), 9/25/2005, Sheldon Whitehouse; $2,100 (for general election), 9/28/2005, Sheldon Whitehouse.

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*Thomas C. Foley, of Connecticut, to be Ambassador to Ireland.

Nominee: Thomas C. Foley.

Post: Ambassador to the Republic of Ireland.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, and donee:

1. Self, $1000, 01/31/02, McConnell Senate Committee; $1000, 09/30/02, Sununu For Senate; $1000, 10/31/02, Thune For Senate; $1000, 11/30/02, Dole 2002 Committee; $1000, 12/31/02, Suzanne Terrell For Senate; $1000, 12/31/02, Suzanne Terrell For Senate; $1000, 06/30/03, Inglis For Congress; $1000, 08/31/03, Republican Governors Assoc.; $2000, 08/31/03, Bush-Cheney '04, Inc.; $1000, 05/31/04, CT Republicans (Federal Account); $1000, 08/31/04, Christopher Shays for Congress; $1000 8/31/04, Friends of Jack Orchulli; $1000, 08/31/04, Nancy Johnson For Congress; $1000, 08/31/04, Simmons For Congress; $2000, 08/31/04, Thune For Senate; $25000, 08/31/04, RNC Presidental Trust; $1000, 10/31/04, Go For It Pac; $1000, 04/30/05, CT Republicans (Federal Account); $2000, 05/31/05, Simmons For Congress; $750, 05/31/05, CT Republicans (Federal Account); $1000, 06/30/05, Shays For Congress; $1000, 09/

30/05, New Friends Pac; $500, 09/30/05, Christopher Shays for Congress; $250, 11/30/05, Steele For Maryland Inc; $600, 12/31/05, Shays For Congress; $500, 12/31/05, Sam For Senate 06; $2100, 12/31/05, Shays For Congress; $1000, 03/29/06, Steele For Maryland Inc; $4200, 03/29/06, Nancy Johnson for Congress; $10000, 03/29/06, CT Republicans Victory 2006 (Federal); $2200, 03/31/06, Simmons For Congress.

2. Spouse: None.

3. Children and Spouses: Thomas C. Foley, Jr. (son), none—No Children's Spouses.

4. Parents: Gifford P. Foley, none; Catherine C. Foley, deceased.

5. Grandparents: Thomas E. Coleman, deceased; Catherine H. Coleman, deceased; John R. Foley, deceased; Theresa L. Foley, deceased.

6. Brothers and Spouses: Gifford T. Foley, deceased; April Foley (spouse), $1000, 3/27/2002, Sue Kelly for Congress; $2000, 5/5/2003, Sue Kelly for Congress; $250, 7/28/2003, Republican National Committee; $2000, 9/13/2003, Bush-Cheney '04 (Primary) Inc.; $2000, 3/7/2004, Sue Kelly for Congress; $500, 7/23/2004, Hudson Valley Victory Fund; $2000, 9/1/2004, Bush-Cheney '04 Compliance Committee Inc.; $1000, 2/15/2005, Sue Kelly for Congress; $1000, 10/31/2005, Sue Kelly for Congress; $5000, 1/2/2005, 55th Presidential Inaugural; $110, 1/31/2006, Republican National Committee; $500, 3/7/2006, Hudson Valley Victory Fund.

7. Sisters and Spouses: Emily Mutz, deceased; Ellen F. James, none; Catherine H. Foley, none; Laura Foley Coleman, none.

Sister's Spouses: Greg Mutz, $1000, 10/25/2002, John Thune for South Dakota; $10,000, 6/30/2003, Illinois Republican Party; $500, 2/26/2004, National Association of Real Estate Investment Trusts, Inc. PAC; $6000, 2/27/2004, McKenna for Senate; $2000, 6/30/2004, John Thune for U.S. Senate; $1000, 10/14/2004, Martinez for Senate; $2000, 10/27/2004, Illinois Republican Party; $400, 1/28/2005, National Multi Housing Council Political Action Committee; $500, 2/15/2005, National Association of Real Estate Investment Trusts, Inc. PAC; $10,000, 3/1/2005, Illinois Republican Party; $300, 8/1/2005, National Association of Real Estate Investment Trusts, Inc., PAC; $1000, 3/15/2006, Nelson for Senate; Gerald Mack, $250, 6/4/2003, Dean for America.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. HAGEL:

S. 3596. A bill to amend the Internal Revenue Code of 1986 to provide a credit to certain concentrated animal feeding operations for the cost of complying with environmental protection regulations; to the Committee on Finance.

By Mr. SCHUMER (for himself and Mr. MENENDEZ):

S. 3597. A bill to increase public access to the Statue of Liberty; to the Committee on Energy and Natural Resources.

By Mr. ROCKEFELLER:

S. 3598. A bill to clarify the effective date of the modification of treatment for retirement annuity purposes of part-time service before April 7, 1986, of certain Department of Veterans Affairs health-care professionals; to the Committee on Veterans' Affairs.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 3599. A bill to establish the Prehistoric Trackways National Monument in the State of New Mexico; to the Committee on Energy and Natural Resources.

By Mr. HARKIN:

S. 3600. A bill to amend the Internal Revenue Code of 1986 to allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives; to the Committee on Finance.

By Mr. SCHUMER:

S. 3601. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to improve the safety of meat and poultry products by enhancing the ability of the Secretary of Agriculture to retrieve the history, use, and location of a meat or poultry product through a recordkeeping and audit system or registered identification, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUNNING:

S. 3602. A bill to provide duty-free treatment for certain parts of motor vehicles; to the Committee on Finance.

By Mr. ISAKSON:

S. 3603. A bill to amend the Internal Revenue Code of 1986 to provide economic incentives for the preservation of open space and conservation of natural resources, and for other purposes; to the Committee on Finance.

By Mr. ISAKSON:

S. 3604. A bill to amend title XVIII of the Social Security Act to provide for coverage, as supplies associated with the injection of insulin, of home needle destruction devices and the disposal of needles and lancets through a sharps-by-mail or similar program under part D of the Medicare program; to the Committee on Finance.

By Mr. LEVIN (for himself and Ms. STABENOW):

S. 3605. A bill to enable the Great Lakes Fishery Commission to investigate the effects of migratory birds on sustained productivity of stocks of fish of common concern in the Great Lakes; to the Committee on Environment and Public Works.

By Mr. BINGAMAN:

S. 3606. A bill to amend title XVIII of the Social Security Act to provide fair payments for care provided in a hospital emergency department; to the Committee on Finance.

By Mr. BAYH (for himself and Mr. OBAMA):

S. 3607. A bill to amend title IV of the Social Security Act to ensure funding for grants to promote responsible fatherhood and strengthen low-income families, and for other purposes; to the Committee on Finance.

By Mr. ALLARD:

S. 3608. A bill to modify the boundary of Mesa Verde National Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. LINCOLN (for herself, Mr. THOMAS, Mr. BUNNING, and Mr. CONRAD):

S. 3609. A bill to amend title XVIII of the Social Security Act to provide for the treatment of certain physician pathology services under the Medicare program; to the Committee on Finance.

By Mr. MENENDEZ:

S. 3610. A bill to suspend temporarily the duty on certain Giardiniera prepared or preserved otherwise than by vinegar or acetic acid in concentrations less than 0.5 percent; to the Committee on Finance.

By Mr. ALLARD (for himself and Mr. SALAZAR):

S. 3611. A bill to authorize the Secretary of the Interior to participate in the implementation of the Platte River Recovery Implementation Program for endangered Species in the Central and Lower Platte River Basin and to modify the Pathfinder Dam and Reservoir; to the Committee on Energy and Natural Resources.

By Mr. KOHL (for himself and Mr. FEINGOLD):

S. 3612. A bill to amend the Federal antitrust laws to provide expanded coverage and to eliminate exemptions from such laws that are contrary to the public interest with respect to railroads; to the Committee on the Judiciary.

By Mrs. CLINTON:

S. 3613. A bill to designate the facility of the United States Postal Service located at 2951 New York Highway 43 in Averill Park, New York, as the ''Major George Quamo Post Office Building''; to the Committee on Homeland Security and Governmental Affairs.

By Mr. SPECTER:

S. 3614. A bill to provide comprehensive procedures for the adjudication of cases involving unprivileged combatants; to the Committee on Armed Services.

By Mr. HARKIN:

S. 3615. A bill to amend the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Federal Food, Drug, and Cosmetic Act to provide for improved public health and food safety through enhanced enforcement, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SCHUMER (for himself, Mr. SMITH, Mr. BOND, Mr. REED, Mrs. MURRAY, and Mr. SARBANES):

S. 3616. A bill to amend the Internal Revenue Code of 1986 to provide an incentive to preserve affordable housing in multifamily housing units which are sold or exchanged; to the Committee on Finance.

By Mr. INHOFE (for himself, Mr. JEFFORDS, Mr. CHAFEE, Mrs. LINCOLN, Mr. CRAPO, Mr. NELSON of Nebraska, Mr. CORNYN, Mr. CRAIG, Mr. COCHRAN, and Mr. BAUCUS):

S. 3617. A bill to reauthorize the North American Wetlands Conservation Act; to the Committee on Environment and Public Works .

By Mrs. CLINTON (for herself, Mr. LEAHY, Mr. JEFFORDS, and Mr. SCHUMER):

S. 3618. A bill to establish the Champlain Quadricentennial Commemoration Commission, the Hudson-Fulton 400th Commemoration Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INHOFE:

S. 3619. A bill to provide for a feasibility study of alternatives to augment the water supplies of the Central Oklahoma Master Conservancy District and cities served by the District; to the Committee on Energy and Natural Resources.

By Mr. LEVIN (for himself, Mrs. DOLE, Mr. REED, Mr. JEFFORDS, Mr. VOINOVICH, and Mr. MARTINEZ):

S. 3620. A bill to facilitate the provision of assistance by the Department of Housing and Urban Development for the cleanup and economic redevelopment of brownfields; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. REID:

S. 3621. A bill to permit certain local law enforcement officers to carry firearms on aircraft; to the Committee on Commerce, Science, and Transportation.

By Mr. CORNYN (for himself and Mr. COLEMAN):

S. 3622. A bill to authorize the President to negotiate the creation of a North American Investment Fund between the Governments of Canada, of Mexico, and of the United

States to increase the economic competitiveness of North America in a global economy; to the Committee on Foreign Relations.

By Mr. BUNNING (for himself, Mr. OBAMA, Mr. LUGAR, Mr. BURNS, Mr. PRYOR, Ms. MURKOWSKI, and Mr. BOND):

S. 3623. A bill to promote coal-to-liquid fuel activities; to the Committee on Energy and Natural Resources.

By Mr. BURR (for himself and Mrs. LINCOLN):

S. 3624. A bill to amend title XVIII of the Social Security Act to enhance disproportionate share hospital treatment for sole community hospitals under the Medicare program; to the Committee on Finance.

By Mr. MENENDEZ (for himself and Mr. LAUTENBERG):

S. 3625. A bill to provide for the reliquidation of certain entries of certain small diameter carbon and alloy seamless standard, line and pressure pipe from Romania; to the Committee on Finance.

By Ms. LANDRIEU:

S. 3626. A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief and reform, and for other purposes; to the Committee on Finance.

By Mr. OBAMA:

S. 3627. A bill to prohibit the Department of Defense and the Department of Energy from selling, distributing, or transferring elemental mercury, to prohibit the export of elemental mercury, and for other purposes; to the Committee on Environment and Public Works.

By Ms. SNOWE (for herself, Mrs. FEINSTEIN, and Mr. KERRY):

S. 3628. A bill to amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes; to the Committee on Finance.

By Mr. ENSIGN (for himself and Mr. DURBIN):

S. 3629. A bill to require a 50-hour workweek for Federal prison inmates, to reform inmate work programs, and for other purposes; to the Committee on the Judiciary.

By Mr. FRIST (for himself, Mr. REID, Mr. STEVENS, and Mr. BYRD):

S.J. Res. 40. A joint resolution authorizing the printing and binding of a supplement to, and revised edition of, Senate Procedure; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CORNYN (for himself and Mr. ROBERTS):

S. Res. 524. A resolution condemning the unauthorized disclosure and publication of classified information about the Terrorist Finance Tracking Program, the National Security Agency's Terrorist Surveillance Program, and other vital counter-terrorism programs; to the Committee on the Judiciary.

By Mr. FEINGOLD (for himself and Mr. OBAMA):

S. Res. 525. A resolution to amend the Standing Rules of the Senate to provide greater transparency in the legislative process; to the Committee on Rules and Administration.

By Mrs. CLINTON (for herself and Mr. BROWNBACK):

S. Res. 526. A resolution condemning the murder of United States journalist Paul Klebnikov on July 9, 2004, in Moscow, and the murders of other members of the media in the Russian Federation; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 330

At the request of Mr. ENSIGN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 330, a bill to amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

S. 408

At the request of Mr. DEWINE, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 408, a bill to provide for programs and activities with respect to the prevention of underage drinking.

S. 470

At the request of Mr. DODD, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 470, a bill to amend the Public Health Service Act to expand the clinical trials drug data bank.

S. 576

At the request of Mr. BYRD, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 576, a bill to restore the prohibition on the commercial sale and slaughter of wild free-roaming horses and burros.

S. 912

At the request of Mr. FEINGOLD, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 912, a bill to amend the Federal Water Pollution Control Act to clarify the jurisdiction of the United States over waters of the United States.

S. 1035

At the request of Mr. INHOFE, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 1035, a bill to authorize the presentation of commemorative medals on behalf of Congress to Native Americans who served as Code Talkers during foreign conflicts in which the United States was involved during the 20th century in recognition of the service of those Native Americans to the United States.

S. 1309

At the request of Mr. BAUCUS, the name of the Senator from New Jersey (Mr. MENENDEZ) was added as a cosponsor of S. 1309, a bill to amend the Trade Act of 1974 to extend the trade adjustment assistance program to the services sector, and for other purposes.

S. 1353

At the request of Mr. REID, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1353, a bill to amend the Public Health Service Act to provide for the establishment of an Amyotrophic Lateral Sclerosis Registry.

S. 1687

At the request of Ms. MIKULSKI, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 1687, a bill to amend the Public Health Service Act to provide waivers relating to grants for preventive health measures with respect to breast and cervical cancers.

S. 1779

At the request of Mr. AKAKA, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 1779, a bill to amend the Humane Methods of Livestock Slaughter Act of 1958 to ensure the humane slaughter of nonambulatory livestock, and for other purposes.

S. 1930

At the request of Mr. REID, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1930, a bill to expand the research, prevention, and awareness activities of the National Institute of Diabetes and Digestive and Kidney Diseases and the Centers for Disease Control and Prevention with respect to inflammatory bowel disease.

S. 2125

At the request of Mr. OBAMA, the names of the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Louisiana (Ms. LANDRIEU), the Senator from South Dakota (Mr. JOHNSON), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of S. 2125, a bill to promote relief, security, and democracy in the Democratic Republic of the Congo.

S. 2250

At the request of Mr. GRASSLEY, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 2250, a bill to award a congressional gold medal to Dr. Norman E. Borlaug.

S. 2393

At the request of Mr. COLEMAN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2393, a bill to amend the Public Health Service Act to advance medical research and treatments into pediatric cancers, ensure patients and families have access to the current treatments and information regarding pediatric cancers, establish a population-based national childhood cancer database, and promote public awareness of pediatric cancers.

S. 2419

At the request of Mr. STEVENS, the name of the Senator from Colorado (Mr. SALAZAR) was added as a cosponsor of S. 2419, a bill to ensure the proper remembrance of Vietnam veterans and the Vietnam War by providing a deadline for the designation of a visitor center for the Vietnam Veterans Memorial.

S. 2460

At the request of Mr. MENENDEZ, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 2460, a bill to permit access to certain information in the Firearms Trace System database.

S. 2616

At the request of Mr. SANTORUM, the name of the Senator from Tennessee (Mr. ALEXANDER) was added as a cosponsor of S. 2616, a bill to amend the

Surface Mining Control and Reclamation Act of 1977 and the Mineral Leasing Act to improve surface mining control and reclamation, and for other purposes.

S. 2652

At the request of Mrs. FEINSTEIN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 2652, a bill to amend chapter 27 of title 18, United States code, to prohibit the unauthorized construction, financing, or, with reckless disregard, permitting the construction or use on one's land, of a tunnel or subterranean passageway between the United States and another country.

S. 2725

At the request of Mrs. CLINTON, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2725, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal Minimum wage and to ensure that increases in the Federal minimum wage keep pace with any pay adjustments for Members of Congress.

S. 2819

At the request of Mr. COLEMAN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2819, a bill to amend part C of title XVIII of the Social Security Act to provide for a minimum payment rate by Medicare Advantage organizations for services furnished by a critical access hospital and a rural health clinic under the Medicare program.

S. 2990

At the request of Mr. VITTER, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2990, a bill to amend title XVIII of the Social Security Act to restore financial stability to Medicare anesthesiology teaching programs for resident physicians.

S. 3274

At the request of Mr. SPECTER, the names of the Senator from Tennessee (Mr. ALEXANDER), the Senator from Ohio (Mr. DEWINE) and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 3274, a bill to create a fair and efficient system to resolve claims of victims for bodily injury caused by asbestos exposure, and for other purposes.

S. 3325

At the request of Mr. BUNNING, the names of the Senator from Wyoming (Mr. THOMAS) and the Senator from Florida (Mr. MARTINEZ) were added as cosponsors of S. 3325, a bill to promote coal-to-liquid fuel activities.

S. 3571

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3571, a bill to suspend temporarily the duty on certain footwear valued over $20 a pair with coated or laminated textile fabrics.

S. 3572

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3572, a bill to suspend temporarily the duty on certain women's footwear with coated or laminated textile fabrics.

S. 3573

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3573, a bill to suspend temporarily the duty on certain men's footwear with coated or laminated textile fabrics.

S. 3574

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3574, a bill to suspend temporarily the duty on certain men's footwear valued over $20 a pair with coated or laminated textile fabrics.

S. 3575

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3575, a bill to suspend temporarily the duty on certain women's footwear valued over $20 a pair with coated or laminated textile fabrics.

S. 3576

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3576, a bill to suspend temporarily the duty on certain other footwear valued over $20 a pair with coated or laminated textile fabrics.

S. 3577

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3577, a bill to reduce temporarily the duty on certain men's footwear covering the ankle with coated or laminated textile fabrics.

S. 3578

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3578, a bill to reduce temporarily the duty on certain footwear not covering the ankle with coated or laminated textile fabrics.

S. 3579

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3579, a bill to reduce temporarily the duty on certain women's footwear covering the ankle with coated or laminated textile fabrics.

S. 3580

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3580, a bill to reduce temporarily the duty on certain women's footwear not covering the ankle with coated or laminated textile fabrics.

S. 3581

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3581, a bill to reduce temporarily the duty on certain other footwear covering the ankle with coated or laminated textile fabrics.

S. 3587

At the request of Mr. CARPER, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 3587, a bill to reduce temporarily the duty on certain footwear with coated or laminated textile fabrics.

S. 3593

At the request of Mr. KENNEDY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 3593, a bill to amend the Higher Education Act of 1965 to provide additional support to students.

S. CON. RES. 92

At the request of Mr. DEMINT, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. Con. Res. 92, a concurrent resolution encouraging all 50 States to recognize and accommodate the release of public school pupils from school attendance to attend off-campus religious classes at their churches, synagogues, houses of worship, and faith-based organizations.

S. CON. RES. 96

At the request of Mr. BROWNBACK, the names of the Senator from Florida (Mr. MARTINEZ), the Senator from Alabama (Mr. SESSIONS) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. Con. Res. 96, a concurrent resolution to commemorate, celebrate, and reaffirm the national motto of the United States on the 50th anniversary of its formal adoption.

S. RES. 507

At the request of Mr. BIDEN, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. Res. 507, a resolution designating the week of November 5 through November 11, 2006, as ''National Veterans Awareness Week'' to emphasize the need to develop educational programs regarding the contributions of veterans to the country.

S. RES. 513

At the request of Mr. GRAHAM, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. Res. 513, a resolution expressing the sense of the Senate that the President should designate the week beginning September 10, 2006, as ''National Historically Black Colleges and Universities Week''.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER:

S. 3598. A bill to clarify the effective date of the modification of treatment for retirement annuity purposes of part-time service before April 7, 1986, of certain Department of Veterans Affairs health-care professionals; to the Committee on Veterans' Affairs.

Mr. ROCKEFELLER. Mr. President, today, I am introducing legislation to correct an unfair decision that hurts

aging, retired VA nurses. This legislation is designed to correct a problem from a bill we passed in 2001, to help VA nurses. That legislation improved nurses' pensions, and Congress intended it to be retroactive. Unfortunately, administrative officials took a very narrow view of that law. Currently VA nurses who retired between 1986 and 2002, do not get the full pension benefits as current retirees do.

In the 1980s, VA aggressively recruited nurses to fill a huge need at VA medical centers by promising full retirement for part-time work. Sadly, the VA and the Office of Personnel Management, OPM, does not want to fulfill that promise. This legislation would explicitly require the Federal Government to honor its commitment to our retired VA nurses. Pension benefits are a vital promise. It is disturbing when we do not fulfill our obligations, and we simply must correct this error.

Nurses play a critical role in our health care system, including the VA. Recruiting and retaining nurses is important, and this pension shortfall does not help. It is time to deliver full pension benefits to the nurses who cared for our veterans.

By Mr. BINGAMAN (for himself and Mr. DOMENICI):

S. 3599. A bill to establish the Prehistoric Trackways National Monument in the State of New Mexico; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I am pleased to introduce legislation today to protect a site of worldwide scientific significance in the Robledo Mountains in New Mexico. The bill, which is cosponsored by my colleague from New Mexico, Senator DOMENICI, would create a national monument to preserve and allow for the continuing scientific investigation of a remarkable ''megatracksite'' of 280,000,000 year-old fossils and trackways.

The vast tidal mudflats that made up much of modern New Mexico 60 million years before the first dinosaurs preserved the marks of some of the earliest life on our planet to make its way out of the ocean. The fossil record of this time is scattered throughout New Mexico but, until this discovery, there were few places where the range of life and their interactions with each other could be studied.

Las Cruces resident and paleontologist Jerry MacDonald first brought the find to light in 1988 when he revealed that there was far more to be found in the Robledos than the occasional fossil that local residents had been seeing for years. The trackways he hauled out on his back, some over 20 feet long, showed that there was a great deal of useful information buried in the rock there. The trackways include footprints of numerous amphibians, reptiles, and insects, including previously unknown species. These trackways help complete the puzzle of how these ancient creatures lived in a way that we cannot understand from only studying their fossilized bones.

Senator DOMENICI and Representative Skeen joined me in sponsoring legislation, passed in 1990, to protect the area and study its significance. In 1994, the Bureau of Land Management, along with scientists from the New Mexico Museum of Natural History & Science, the University of Colorado, and the Smithsonian Institution, completed their study and documented the importance of the find. Particularly owing to the quality of the specimens and the wide range of animals that had left their imprint there, the study found that the site was of immense scientific value. The study concluded, in part, ''[t]he diversity, abundance and quality of the tracks in the Robledo Mountains is far greater than at any other known tracksite or aggregation of tracksites.'' The study also described the site as containing ''the most scientifically significant Early Permian tracksites'' in the world. However, despite the recognition of the significance of the site, it has remained essentially unprotected, and many of the trackways and fossils have been lost or damaged. This bill would take the next logical step to follow up from these efforts and set in place permanent protections and allow for scientific investigation of these remarkable resources.

In addition to permanently protecting the fossils, the bill would authorize the continuation of existing uses in the area, such as motorized recreation, as long as the trackway resources aren't harmed. The bill would also help ensure that local residents get the opportunity to see these unique specimens and participate in their curation. This should provide a unique scientific and educational opportunity to Las Cruces and the surrounding community.

I look forward to working with my colleagues to protect these important resources and allow for their continuing contribution to our understanding of life on the ancient Earth.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3599

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Prehistoric Trackways National Monument Establishment Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) MONUMENT.—The term ''Monument'' means the Prehistoric Trackways National Monument established by section 4(a).

(2) PUBLIC LAND.—The term ''public land'' has the meaning given the term ''public lands'' in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 3. FINDINGS.

Congress finds that—

(1) in 1987, a major deposit of Paleozoic Era fossilized footprint megatrackways was discovered in the Robledo Mountains in southern New Mexico;

(2) the trackways contain footprints of numerous amphibians, reptiles, and insects (including previously unknown species), plants, and petrified wood dating back approximately 280,000,000 years, which collectively provide new opportunities to understand animal behaviors and environments from a time predating the dinosaurs;

(3) title III of Public Law 101–578 (104 Stat. 2860)—

(A) provided interim protection for the site at which the trackways were discovered; and

(B) directed the Secretary of the Interior to—

(i) prepare a study assessing the significance of the site; and

(ii) based on the study, provide recommendations for protection of the paleontological resources at the site;

(4) the Bureau of Land Management completed the Paleozoic Trackways Scientific Study Report in 1994, which characterized the site as containing ''the most scientifically significant Early Permian tracksites'' in the world;

(5) despite the conclusion of the study and the recommendations for protection, the site remains unprotected and many irreplaceable trackways specimens have been lost to vandalism or theft; and

(6) designation of the trackways site as a National Monument would protect the unique fossil resources for present and future generations while allowing for public education and continued scientific research opportunities.

SEC. 4. ESTABLISHMENT.

(a) IN GENERAL.—In order to conserve, protect, and enhance the unique and nationally important paleontological, scientific, educational, scenic, and recreational resources and values of the public land described in subsection (b), there is established the Prehistoric Trackways National Monument in the State of New Mexico.

(b) DESCRIPTION OF LAND.—The Monument shall consist of approximately 5,367 acres of public land in Doña Ana County, New Mexico, as generally depicted on the map entitled ''Prehistoric Trackways National Monument'' and dated June 1, 2006.

(c) MAP; LEGAL DESCRIPTION.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall prepare and submit to Congress an official map and legal description of the Monument.

(2) CORRECTIONS.—The map and legal description submitted under paragraph (1) shall have the same force and effect as if included in this Act, except that the Secretary may correct any clerical or typographical errors in the legal description and the map.

(3) CONFLICT BETWEEN MAP AND LEGAL DESCRIPTION.—In the case of a conflict between the map and the legal description, the map shall control.

(4) AVAILABILITY OF MAP AND LEGAL DESCRIPTION.—Copies of the map and legal description shall be on file and available for public inspection in the appropriate offices of the Bureau of Land Management.

(d) MINOR BOUNDARY ADJUSTMENTS.—If additional paleontological resources are discovered on public land adjacent to the Monument after the date of enactment of this Act, the Secretary may make minor boundary adjustments to the Monument to include the resources in the Monument.

SEC. 5. ADMINISTRATION.

(a) MANAGEMENT.—

(1) IN GENERAL.—The Secretary shall manage the Monument—

(A) in a manner that conserves, protects, and enhances the resources and values of the Monument, including the resources and values described in section 4(a); and

(B) in accordance with—

(i) this Act;

(ii) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.); and

(iii) other applicable laws.

(2) NATIONAL LANDSCAPE CONSERVATION SYSTEM.—The Monument shall be managed as a component of the National Landscape Conservation System.

(3) PROTECTION OF RESOURCES AND VALUES.—The Secretary shall manage public land adjacent to the Monument in a manner that is consistent with the protection of the resources and values of the Monument.

(b) MANAGEMENT PLAN.—

(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary shall develop a comprehensive management plan for the long-term protection and management of the Monument.

(2) COMPONENTS.—The management plan under paragraph (1)—

(A) shall—

(i) describe the appropriate uses and management of the Monument, consistent with the provisions of this Act; and

(ii) allow for continued scientific research at the Monument during the development of the management plan; and

(B) may—

(i) incorporate any appropriate decisions contained in any current management or activity plan for the land described in section 4(b); and

(ii) use information developed in studies of any land within or adjacent to the Monument that were conducted before the date of enactment of this Act.

(c) AUTHORIZED USES.—The Secretary shall only allow uses of the Monument that the Secretary determines would further the purposes for which the Monument has been established.

(d) INTERPRETATION, EDUCATION, AND SCIENTIFIC RESEARCH.—

(1) IN GENERAL.—The Secretary shall provide for public interpretation of, and education and scientific research on, the paleontological resources of the Monument, with priority given to exhibiting and curating the resources in Doña Ana County, New Mexico.

(2) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with appropriate public entities to carry out paragraph (1).

(e) SPECIAL MANAGEMENT AREAS.—

(1) IN GENERAL.—The establishment of the Monument shall not change the management status of any area within the boundary of the Monument that is—

(A) designated as a wilderness study area and managed in accordance with section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782(c)); or

(B) managed as an area of critical environment concern.

(2) CONFLICT OF LAWS.—If there is a conflict between the laws applicable to the areas described in paragraph (1) and this Act, the more restrictive provision shall control.

(f) MOTORIZED VEHICLES.—

(1) IN GENERAL.—Except as needed for administrative purposes or to respond to an emergency, the use of motorized vehicles in the Monument shall be allowed only on roads and trails designated for use by motorized vehicles under the management plan prepared under subsection (b).

(2) PERMITTED EVENTS.—The Secretary may issue permits for special recreation events involving motorized vehicles within the boundaries of the Monument, including the ''Chile Challenge''—

(A) to the extent the events do not harm paleontological resources; and

(B) subject to any terms and conditions that the Secretary determines to be necessary.

(g) WITHDRAWALS.—Subject to valid existing rights, any Federal land within the Monument and any land or interest in land that is acquired by the United States for inclusion in the Monument after the date of enactment of this Act are withdrawn from—

(1) entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) operation of the mineral leasing laws, geothermal leasing laws, and minerals materials laws.

(h) GRAZING.—The Secretary may allow grazing to continue in any area of the Monument in which grazing is allowed before the date of enactment of this Act, subject to applicable laws (including regulations).

(i) HUNTING.—

(1) IN GENERAL.—Nothing in this Act diminishes the jurisdiction of the State of New Mexico with respect to fish and wildlife management, including regulation of hunting on public land within the Monument.

(2) REGULATIONS.—The Secretary, after consultation with the New Mexico Department of Game and Fish, may issue regulations designating zones in which and establishing periods during which hunting shall not be allowed for reasons of public safety, administration, or public use and enjoyment.

(j) WATER RIGHTS.—Nothing in this Act constitutes an express or implied reservation by the United States of any water or water rights with respect to the Monument.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Mr. DOMENICI. Mr. President, the fossilized trackways near the Robledo Mountains in Dona Ana County came to my attention in the early 1990s. During the 101st Congress, I cosponsored Senator BINGAMAN's legislation that directed the Bureau of Land Management to study and report on the prehistoric sites.

I understand the very difficult challenge we face in managing our public lands in a responsible and environmentally sensitive manner. I believe our Federal lands are truly National treasures that demand our most thoughtful management. Local leaders, special interest groups, multiple users, New Mexico State University, and the Bureau of Land Management, BLM, have identified numerous land issues in the Las Cruces area that need to be addressed. The trackways are but one of these issues that can and should be addressed in the context of a broader lands bill. I believe that introduction of comprehensive or omnibus legislation is a preferable approach, rather than the introduction of individual bills to deal each separate issue.

I support the intent of this bill, as the trackways are remarkable artifacts that need and deserve protection. While I am very supportive of the overall goal to protect these prehistoric trackway sites, there are several particulars in this bill that I do not fully embrace and on which I want to continue to work with Senator BINGAMAN, such as ensuring that we authorize all uses in the area that are not inconsistent with the purposes of the bill, and reworking the section regarding BLM authority with respect to hunting activities. As we work through the committee process, I look forward to working with Senator BINGAMAN to accomplish the objective of protecting the prehistoric trackway sites, while at the same time addressing some of the broader Federal land issues that need to be addressed in Dona Ana County.

By Mr. HARKIN:

S. 3600. A bill to amend the Internal Revenue Code of 1986 to allow the allocation of the alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives; to the Committee on Finance.

Mr. HARKIN. Mr. President, today I am introducing the Agricultural Cooperative Renewable Fuel Stations Act of 2006. This legislation closes a gap in the existing tax incentive for installing alternative refueling stations. The bill extends the existing alternative fuel vehicle refueling property credit to patrons of agricultural cooperatives.

Our continued dependence on foreign oil is extremely worrisome. Today, about 60 percent of our oil comes from overseas. Last year, Americans imported almost 5 billion barrels of oil. Our Nation's overreliance on oil-derived gasoline poses a threat to National security and places a heavy economic burden on the citizens of our Nation. In addition, this heavy dependence on oil negatively impacts the environment.

That is why Senator LUGAR and I, with strong bipartisan support, have pushed to replace foreign oil with more home-grown biofuels and biobased products. We recently introduced the Biofuels Security Act to aggressively ramp up the production and use of ethanol and biodiesel, ensure greater E–85 availability as well as what are known as flex-fuel cars, those that can run on E–85, a blend of 85 percent ethanol and 15 percent gasoline. Last year I authored critically important biomass research, development and deployment provisions to the energy bill. This new measure complements such efforts.

Cooperatives play an important role in the marketing of agricultural products. According to the USDA, there are over 3,000 agricultural cooperatives in America today representing millions of American farmers and investors. The production and distribution of bioenergy offers a new and lucrative economic opportunity for these organizations.

This year the ethanol industry alone will add more than 5 billion gallons of clean burning, renewable fuel to our energy supply. Between now and 2012 ethanol is expected to contribute $200 billion to the GDP. Not surprisingly, many cooperatives are eager to participate in the budding bioeconomy. One way for them to do this is to offer E–85

to their customers. This is a natural fit for farmer cooperatives, given that they already often produce the feedstocks as well as the ethanol itself that goes into E–85.

Section 30C of the Internal Revenue Code—26 U.S.C. §30C—provides a tax credit of 30 percent of the cost of qualified alternative fuel vehicle refueling properties up to $30,000. This legislation would simply allow agricultural cooperatives to pass the section 30C tax credit through to their members. It parallels pass-through provisions we have enacted previously, such as the small-producer ethanol tax credit and the wind power tax credit of the Energy Policy Act of 2005. The section 30C credit is fostering the creation and expansion of alternative fueling infrastructure and this legislation would bolster its effectiveness.

The benefits of this legislation are clear. By supporting the production, distribution and use of renewable fuels such as E–85 we can help reduce pollution, increase farm income, create jobs, bolster economic growth and promote energy and national security. Farmer owned agricultural cooperatives can and will be leading the way in the months and years ahead.

By Mr. BUNNING:

S. 3602. A bill to provide duty-free treatment for certain parts of motor vehicles; to the Committee on Finance.

Mr. BUNNING. Mr. President, I rise today to introduce a bill to provide for relief from duties on the import of certain parts of motor vehicles. It is my intention that this duty suspension bill will be considered for inclusion in the Miscellaneous Tariff Bill, MTB, that the Senate Finance Committee is expected to consider this year.

As the Members of the Senate are aware, Congress on occasion passes a bill, known as the Miscellaneous Tariff Bill or MTB, as a vehicle for enacting pending noncontroversial duty suspensions. The rules for the inclusion of a duty suspension in the MTB are straight forward. First and foremost, in order to be included in the MTB, a bill must be noncontroversial. A bill will be controversial if it is objected to by a domestic producer of the product for which the duty reduction is being sought. Secondly, the cost for each bill must amount to less than $500,000 of lost revenue per year.

As my colleagues are aware, the MTB provides an opportunity to temporarily eliminate or reduce duties on narrowly defined products that are imported into the United States because there is not available domestic source for the products. These duty suspensions reduce input costs for U.S. businesses and thus ultimately increase the competitiveness of their products.

I have been approached by a number of manufacturers in Kentucky that use imported inputs while making their products. These manufacturers have represented to me that, to their knowledge, there currently exists no American-made source for these inputs.

In an effort to assist these Kentucky manufacturers, I have introduced in the past month a number of these duty suspension bills so that the items they address will be able to be considered for inclusion in the MTB prepared by the Senate Finance Committee.

My intention in introducing these bills is to begin the process of public comment and technical analysis by the International Trade Commission, ITC, on the items addressed by the bills. During this review, the ITC will determine which of these bills are necessary and meet the selection criteria. My support for a duty suspension for the items is contingent on a determination by the ITC analysts that the items in question are proper candidates for inclusion in the noncontroversial MTB.

I look forward to working with Chairman GRASSLEY, Ranking Member BAUCUS and my colleagues on the Senate Finance Committee as the process for assembling a final MTB package continues.

By Mr. LEVIN (for himself and Ms. STABENOW):

S. 3605. A bill to enable the Great Lakes Fishery Commission to investigate the effects of migratory birds on sustained productivity of stocks of fish of common concern in the Great Lakes; to the Committee on Environment and Public Works.

Mr. LEVIN. Mr. President, I join my colleague, Senator STABENOW, in introducing the Great Lakes Migratory Bird Research and Management Act to learn more about a potential problem regarding double-crested cormorants.

Cormorants are dark-feathered water birds with voracious appetites for alewives, perch and other fish in the Great Lakes. The double-crested cormorants reside throughout North America, but according to the U.S. Fish & Wildlife Service, the largest concentration of double-crested cormorants is in the Great Lakes. The Great Lakes cormorant population migrates south, along the Atlantic coast and Mississippi River drainage to the southeastern States and Gulf of Mexico.

The Great Lakes population of cormorants was once in great jeopardy. By the early 1970s, the population had been severely harmed by chemical exposure and human contact. The U.S. Fish and Wildlife Service reports that around that time the Great Lakes population fell sharply, with few birds remaining or breeding successfully. Since then, however, there has been a huge turnaround due to conservation and pollution reduction efforts. And today the Great Lakes population of double-crested cormorants is at an historically high level.

Double-crested cormorants are very skilled at diving for fish. The increased population have led many people to believe that cormorants are at least partly responsible for declining fish populations near several northern Michigan communities.

To help provide better information on the impact of cormorants on the fish populations in the Great Lakes, we are introducing this legislation, which authorizes the Great Lakes Fishery Commission to develop a coordinated double-crested cormorant research program. As part of that research program, the Commission will recommend measures that will provide maximum sustained productivity of fishery stocks.

Under this legislation, the Great Lakes Fishery Commission would establish a committee that represents the multiple jurisdictions engaged in cormorants management to identify all of the existing control tactics and strategies in the Great Lakes region, determine the effectiveness of those tactics and strategies, and compare the tactics and strategies to the known life history of cormorant populations in the Great Lakes. In determining the effectiveness of existing control practices, the Commission will examine the impact that cormorants have on the Great Lakes fisheries.

Congress has authorized tens of millions of dollars for programs designed to restore and protect fish in the Great Lakes. Those efforts are in jeopardy because of our ignorance about the impact of double-crested cormorants on the Great Lakes fisheries. Having the best possible information about this unique problem is critical for ensuring a healthy balance between the cormorant and the fish populations.

By Mr. BINGAMAN:

S. 3606. A bill to amend title XVIII of the Social Security Act to provide fair payments for care provided in a hospital emergency department; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I rise today to introduce legislation entitled the Save Our Safety—SOS—Net Act of 2006. This legislation will help repair the fraying safety net that provides critical health care to patients throughout the United States. This legislation is important to the continued survival of many of our Nation's emergency departments and rural hospitals that provide services to millions of American's on a daily basis. It is these facilities that are there for us in the most remote regions of the country, it is these facilities that are there for us at all times of day and night, and it is these facilities that will be there for us in time of disaster. We need to take the steps to ensure the survival of this safety net.

This week, The Institute of Medicine's—IOM—Committee on the Future of Emergency Care in the United States Health System released a series of reports detailing the problems facing emergency care in the U.S. These reports make it clear that emergency departments—EDs—struggle daily with overcrowding, ambulance diversion, the boarding of admitted patients in the ED, limited staffing, and poor reimbursement. They face all of these challenges while continuing to provide access to safe, high-quality care without regard to ability of the patient to

pay for their care. Similarly, rural hospitals face shortages of staff and specialists, poor reimbursement, and the isolation that sometimes complicates medical care. This system is stressed and is poorly prepared to accept the additional burdens that could occur in a disaster or terrorist attack. These safety net systems and the people who work within them deserve our support and yet the trends are not promising.

The demand for emergency departments has been growing fast. In the recent study conducted by the Institute of Medicine, emergency department visits grew by 26 percent between 1993 and 2003, but due to lack of funding 425 emergency departments have closed resulting in almost 200,000 less hospital beds in the U.S. In my own State of New Mexico, we have seen a decrease from 4.2 to 3.6 beds per 1,000 population from 1990 to 2002. Ambulances are frequently diverted from overcrowded emergency departments an average of once every minute. With the growth of the number of elderly patients and the growth of uninsured patients seeking care in the ED, these statistics will only worsen if nothing is done.

There are approximately 535 sole community hospitals in 46 States. Congress has long recognized the special role of these facilities, because they serve as safety net providers offering hospital services to isolated communities and regions. These hospitals struggle with poor reimbursement and difficulty finding staff. Despite the service they provide, these facilities face the possibility of closing on a yearly basis.

To improve the ability of our safety net facilities to function, this bill proposes several steps. By improving Medicare payments for emergency department services, this bill would provide SOS payments to physicians and hospitals for the care that is provided in the emergency department. It would improve reimbursement to emergency departments by an additional 10 percent for outpatient services delivered to Medicare beneficiaries.

This legislation will also permanently extend outpatient hold harmless payment protections to some of the Nation's most vulnerable institutions, small rural hospitals and sole community hospitals that serve as safety net providers in rural communities.

Finally, to further strengthen the rural hospital safety net, this bill will improve disproportionate share hospital—DSH—payments to these facilities. Congress has historically provided additional payments to health care providers who treat large numbers of indigent patients. Disproportionate share hospital payments are made in addition to the base payments hospitals receive from the Medicare and Medicaid Programs for inpatient services. This bill will eliminate the cap that is present on DSH add-on payments to rural hospitals. This will remove some of the inequities between urban and rural hospitals.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3606

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Save Our Safety Net Act of 2005''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Ensuring adequate physician payment for emergency department visits.
Sec. 3. Ensuring adequate hospital outpatient fee schedule amounts for clinic and emergency department visits.
Sec. 4. Permanent extension of adjustment to limit decline in payments for certain hospitals under hospital outpatient PPS.
Sec. 5. Fairness in the Medicare disproportionate share hospital (DSH) adjustment for rural hospitals.

SEC. 2. ENSURING ADEQUATE PHYSICIAN PAYMENT FOR EMERGENCY DEPARTMENT VISITS.

Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended by adding at the end the following new subsection:

''(v) SAVE OUR SAFETY NET PAYMENTS FOR PHYSICIANS' SERVICES PROVIDED IN AN EMERGENCY DEPARTMENT.—In the case of physicians' services furnished to an individual covered under the insurance program established by this part in an emergency department on or after January 1, 2006, in addition to the amount of payment that would otherwise be made for such services under this part, there also shall be paid to the physician or other person (or to an employer or entity in the cases described in clause (A) of section 1842(b)(6)) from the Federal Supplementary Insurance Trust Fund an amount equal to 10 percent of the payment amount for the service under this part.''.

SEC. 3. ENSURING ADEQUATE HOSPITAL OUTPATIENT FEE SCHEDULE AMOUNTS FOR CLINIC AND EMERGENCY DEPARTMENT VISITS.

(a) IN GENERAL.—Section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)) is amended—

(1) in paragraph (3)(C)(ii), by striking ''paragraph (8)(B)'' and inserting ''paragraphs (8)(B), (11)(B), and (13)(A)(i)'';

(2) in paragraph (3)(C)(iii), by inserting ''(but not the conversion factor computed under paragraph (13)(B))'' after ''this subparagraph'';

(3) in paragraph (3)(D)—

(A) in clause (i), by striking ''conversion factor computed under subparagraph (C) for the year'' and inserting ''applicable conversion factor computed under subparagraph (C), paragraph (11)(B), or paragraph (13)(B) for the year''; and

(B) in clause (ii), by inserting '', paragraph (9)(A), or paragraph (13)(C)'' after ''paragraph (2)(C)'';

(4) in paragraph (9), by amending subparagraph (B) to read as follows:

''(B) BUDGET NEUTRALITY ADJUSTMENT.—

''(i) IN GENERAL.—If the Secretary makes revisions under subparagraph (A), then the revisions for a year may not cause the estimated amount of expenditures under this part for the year to increase or decrease from the estimated amount of expenditures under this part (including expenditures attributable to the special rules specified in paragraph (13)) that would have been made if the revisions had not been made.

''(ii) EXEMPTION FROM REDUCTION.—The relative payment weights determined under paragraph (13)(C) and the conversion factor computed under paragraph (13)(B) shall not be reduced by any budget neutrality adjustment made pursuant to this subparagraph.''; and

(5) by redesignating paragraphs (13) through (16) as paragraphs (14) through (17), respectively, and by inserting after paragraph (12) the following new paragraph:

''(13) SPECIAL RULES FOR CALCULATING MEDICARE OPD FEE SCHEDULE AMOUNT FOR CLINIC AND EMERGENCY VISITS.—

''(A) IN GENERAL.—In computing the medicare OPD fee schedule amount under paragraph (3)(D) for covered OPD services that are furnished on or after January 1, 2006, and classified within a group established or revised under paragraph (2)(B) or (9)(A), respectively, for clinic and emergency visits (as described in subparagraph (D)), the Secretary shall—

''(i) substitute for the conversion factor calculated under paragraph (3)(C) the conversion factor calculated under subparagraph (B); and

''(ii) substitute for the relative payment weight established or revised under paragraph (2)(C) or (9)(A), respectively, the relative payment weight determined under subparagraph (C) for such group.

''(B) CALCULATION OF CONVERSION FACTOR.—For purposes of subparagraph (A)(i), the conversion factor calculated under this subparagraph is—

''(i) for services furnished during 2006, an amount equal to the product of—

''(I) the conversion factor specified for such year in the final rule published on November 10, 2005, increased by the percentage by which such conversion factor is reduced for such year pursuant to paragraph (2)(E), and not taking into account any subsequent amendments to such final rule; and

''(II) 1.10; and

''(ii) for services furnished in a year beginning on or after January 1, 2007, the conversion factor computed under this subparagraph for the previous year increased by the OPD fee schedule increase factor specified under paragraph (3)(C)(iv) for the year involved.

''(C) DETERMINATION OF RELATIVE PAYMENT WEIGHTS.—For purposes of subparagraph (A)(ii), the relative payment weight determined under this subparagraph for a covered OPD service that is classified within such a group is—

''(i) for services furnished during 2006, the relative payment weight specified for such group for such period in the final rule published November 10, 2005, and not taking into account any subsequent amendments to such final rule; and

''(ii) for services furnished in a year beginning on or after January 1, 2007—

''(I) for ambulatory patient classification group 0601 (relating to mid-level clinic visits), or a successor to such group, the relative payment weight specified for such group in the final rule referred to in clause (i); and

''(II) for other ambulatory patient classification groups described in subparagraph (D), the relative payment weight established or revised under paragraph (2)(C) or (9)(A), respectively, for such group for such year (but without regard to any budget neutrality adjustment under paragraph (9)(B)).

''(D) GROUPS FOR CLINIC AND EMERGENCY VISITS.—For purposes of this paragraph, the groups established or revised under paragraph (2)(B) or (9)(A), respectively, for clinic and emergency visits are ambulatory patient

classification groups 0600, 0601, 0602, 0610, 0611, 0612, and 0620 as defined for purposes of the final rule referred to in subparagraph (C)(i) (and any successors to such groups).''.

(b) LIMITATION ON SECRETARIAL AUTHORITY.—Notwithstanding section 1833(t) of the Social Security Act (42 U.S.C. 1395l(t)), as amended by subsection (a), the Secretary of Health and Human Services may not make any adjustment under—

(1) paragraph (2)(F), (3)(C)(iii), (9)(B), or (9)(C) of section 1833(t) of the Social Security Act (42 U.S.C. 1395 *l*(t)); or

(2) any other provision of such section;

to ensure that the amendments made by subsection (a) do not cause the estimated amount of expenditures under part B of title XVIII of such Act (42 U.S.C. 1395j et seq.) to exceed the estimated amount of expenditures that would have been made under such part but for such amendments.

SEC. 4. PERMANENT EXTENSION OF ADJUSTMENT TO LIMIT DECLINE IN PAYMENTS FOR CERTAIN HOSPITALS UNDER HOSPITAL OUTPATIENT PPS.

(a) IN GENERAL.—Section 1833(t)(7)(D)(i) of the Social Security Act (42 U.S.C. 1395l(t)(7)(D)(i)), as amended by section 5105 of the Deficit Reduction Act of 2005 (Public Law 109–171), is amended—

(1) in the clause heading—

(A) by striking ''TEMPORARY'' and inserting ''PERMANENT''; and

(B) by striking ''RURAL''

(2) by striking subclause (II);

(3) by striking ''(I) In the case'' and inserting ''In the case'';

(4) by striking ''located in a rural area, for'' and inserting '', for''; and

(5) by striking ''furnished before January 1, 2006''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to covered OPD services furnished on or after January 1, 2006.

SEC. 5. FAIRNESS IN THE MEDICARE DISPROPORTIONATE SHARE HOSPITAL (DSH) ADJUSTMENT FOR RURAL HOSPITALS.

Section 1886(d)(5)(F)(xiv)(II) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended—

(1) by striking ''or, in the case'' and all that follows through ''subparagraph (G)(iv)''; and

(2) by inserting at the end the following new sentence: ''The preceding sentence shall not apply to any hospital with respect to discharges occurring on or after October 1, 2006.''.

By Mr. BAYH (for himself and Mr. OBAMA):

S. 3607. A bill to amend title IV of the Social Security Act to ensure funding for grants to promote responsible fatherhood and strengthen low-income families, and for other purposes; to the Committee on Finance.

Mr. OBAMA. Mr. President, today, I wish to join my good friend, Senator BAYH, in introducing the Responsible Fatherhood and Healthy Families Act of 2006. This bill addresses a crisis afflicting too many communities and shortchanging the opportunities of too many kids in America: the absence of supportive fathers.

If we are serious about breaking the cycle of poverty in America and raising healthy kids, we have to get serious about the breakdown of families. We can do that without blame or fingerpointing. We can do it an openness to new ideas.

It is the same story all across America. More than a quarter of all families with children have only one parent present, and more than a third live without their father. And 40 percent of children who live without their father have not seen him their father in over a year.

Many single mothers are doing a heroic job raising their kids. They are working two and three jobs, dropping the kids off at school and daycare, and, quite simply, being both a mother and a father to their children. I appreciate the work of single mothers, because my own father was not around during my life, and my mother and grandparents had to step up to the plate to fill my father's role. But most people would agree that children are almost always better off with a father contributing his fair share, and the data shows this. Children are more likely to be poor and to do worse in school without a father in their life. And a healthy relationship between children and their father is important to healthy growth and development.

The Responsible Fatherhood and Healthy Families Act addresses these problems by removing government barriers to healthy relationships and responsible fatherhood. It improves the economic stability of parents who accept their parenting responsibility. Our bill sets a high standard for parents and helps them to reach it with incentives, support, and tougher enforcement of child support obligations.

We can't simply legislate healthy families and expect all parents to get and stay married. We can't legislate good parenting skills or good behavior role models. We can't legislate economic success for all families. But we can eliminate some of the roadblocks that parents face, roadblocks often created by the government. And we can provide some tools to help these parents succeed.

The first way this act removes governmental roadblocks is by eliminating a perverse disincentive to marriage in the Temporary Assistance to Needy Families Program. Congress is now telling States that they may be penalized for serving married couples. That is the wrong message to send. There should be equality for two-parent families receiving TANF, and States should not be required to meet a separate work participation rate for the two-parent families in their caseload.

Second, this act makes important improvements to the child support system which affects noncustodial fathers as much or more than any other government program. We restore funding for child support enforcement and we require States to pass the full amount of child support collected along to the family. A father is more likely to pay child support if he knows that the money is going to his kids. Research from States that have implemented a ''full pass through'' confirm this.

We also require States to review the amount of child support arrears that are owed to the State and we clarify existing State authority to forgive such arrearages. A father who earns only $10,000 per year, and who has $20,000 of child support debt because the State billed him for the Medicaid birthing costs of his child, is probably going to work underground and avoid paying child support altogether. He needs an incentive to get a legitimate job and to begin taking care of his family. It is in everybody's best interest.

States are also providing funding to assess any other barriers to healthy family formation or sustainable employment created by their child support and criminal justice systems. They are encouraged to establish commissions to propose State law changes that would be in the best interest of children.

Another important aspect of this act is fostering economic stability for fathers and their families. This act establishes three employment demonstration programs. One program is supervised by courts or State child support agencies that serve parents who are determined to be in need of employment services in order to pay child support obligations. The court can arrange temporary employment services for the father rather than throwing him in jail for nonpayment of support. The second is a transitional jobs program that combines temporary subsidized employment with activities that help fathers develop skills and remove barriers to employment. The third program establishes public-private partnerships to provide fathers with ''career pathways'' that help them advance from jobs at low skill levels to jobs that require greater skills and provide family-sustaining wages and benefits.

These programs are modeled on successful initiatives in Indiana and Illinois and will be subject to rigorous evaluations to ensure the goals are being achieved.

This bill fixes the earned-income tax credit to increase the incentive for fathers to engage in full-time work and paying child support obligations. The EITC is one of the most successful anti-poverty programs because it rewards work and supplements wages that may be too low to support a family. Our bill ensures that the work incentives under the EITC also apply to noncustodial parents who pay child support. To be eligible for the enhanced credit, a low-income parent must be working and current on all child support obligations. We also accelerate marriage penalty relief for families who receive the earned-income tax credit. Perversely under the U.S. Tax Code, these families have been the last to get such relief.

Finally, this bill improves the Responsible Fatherhood and Marriage Promotion Programs that were funded by the Deficit Reduction Act. Funding is increased and all fatherhood and marriage programs are required to coordinate with domestic violence prevention services to reduce instances of

domestic violence and promote healthy, nonviolent relationships.

This bill takes these steps because Congress needs to get serious about the problem of family breakdown. This is a problem that cuts across all income levels, religions, races and ethnicities, and communities across this country. There is no segment of our population that is immune to these challenges.

But some segments of the population are worse off than others. I would like to speak specifically, for a moment, about family breakdown in the African-American community—and not just because I, myself, am an African American. I am addressing this because I know, as Senator BAYH knows, and as most of my colleagues know, that a problem for one community is a problem for all of America. Hope deferred for one group is hope delayed for us all.

Around 70 percent of Black children are born outside of marriage. Of the 30 percent born to married parents, more than half experience a divorce. That means that about 85 percent of Black children spend some or all of their childhood in a home without their father. Fewer than 6 of every 10 young Black men are employed, and in some of our urban and rural areas the rate of unemployment is over 50 percent. Roughly one-third of young Black men are involved in some way with the criminal justice system. And young Black men have the lowest educational attainment among Black and White men and women.

These factors contribute to low marriage rates among African-American men. But by age 34, nearly half of Black men are fathers. And roughly two-thirds of all Black men leaving prison are fathers. I could quote statistics all day, but the bottom line is, as hard as some of these men try, it is likely that their children will also be denied the advantages of healthy parental relationships and married families. Their children will be more likely to live in poverty and to become young, unmarried parents themselves. Their children's life chances will be limited. The cycle of despair will continue.

But there is reason for hope. At the time of the birth of the child, most fathers are close to both the mother and their child. The challenge is to maintain healthy relationships between parents and to strengthen the early bonds between fathers and their children. The challenge is to improve economic opportunity for all parents so they can support themselves and their families. The challenge is to break the cycle by strengthening America's most vulnerable and fragile families.

That is what this bill does, and it is fully paid for by revenue raised by closing abusive corporate tax loopholes and blocking the exploitation of tax havens. This is a solid first step forward in removing government barriers to healthy family formation, and addressing the crisis of fatherhood among our Nation's low-income populations. I urge you to support the Responsible Fatherhood and Healthy Families Act of 2006.

By Mr. ALLARD:

S. 3608. A bill to modify the boundary of Mesa Verde National Park, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ALLARD. Mr. President, I rise today on the 100th anniversary of Mesa Verde National Park to offer legislation that would expand the boundary of this national treasure. Mesa Verde is one of our Nation's most impressive national parks. In addition to its role preserving the home of some of our Nation's earliest inhabitants, it also serves as an impressive educational resource. The park also acts as the preeminent example of heritage tourism in the Nation. Allowing visitors to actively experience the rich historical and cultural history our Nation has to offer. The park is able to draw people with over 4,400 recorded archeological sites, including the impressive cliff dwellings which number more than 600. People travel from all around the world to see what we in Colorado are fortunate to have at our fingertips: one of the most well preserved and exhibited active archeological sites in the world. Mesa Verde also represents an impressive example of collaboration; they work with everyone from local elementary school students to international scholars. Mesa Verde, like its former inhabitants who flourished here for more than 700 years, has displayed an impressive resiliency and mystique over the years. The fire the park experienced a few years ago even revealed to us more of the area's secrets with newly discovered archeological sites.

I am pleased to be able to introduce this legislation today, because this legislation shows how the Government should preserve public lands. This is a good example of finding public support and working with outside groups and private property owners to find mutually beneficial ways to preserve our land. The majority of the land that will be added to the park will come from the Henneman family, who has owned this land for generations. During this time the Henneman family have been great stewards of their land. I commend them for their work as land managers. I would also like to commend the Conservation Fund for their willingess to work with the Henneman's and the park to protect this land. In addition I would like to thank the Mesa Verde Park Foundation for the land that they are generously donating to the park.

Mesa Verde National Park protects some of the best preserved and notable archeological sites in the world and this legislation will not only expand its boundaries but also its ability to preserve an important part of our history.

By Mr. KOHL (for himself and Mr. FEINGOLD):

S. 3612. A bill to amend the Federal antitrust laws to provide expanded coverage and to eliminate exemptions from such laws that are contrary to the public interest with respect to railroads; to the Committee on the Judiciary.

Mr. KOHL. Mr. President, I rise to introduce the Railroad Antitrust Enforcement Act of 2006. This legislation will eliminate obsolete antitrust exemptions that protect freight railroads from competition. The unneeded exemptions stand in stark contrast to the historical basis for antitrust law and once again allow railroads to abuse their dominant market power and raise rates for those who rely on them.

Antitrust law was born out of these same circumstances. Rail barons abused the power they had over shippers—especially farmers. Any American history student can describe the anti-consumer policies that led to the birth of the Sherman Act and later the Clayton Act—the building blocks of today's antitrust law.

The historical ties between the railroads and the birth of antitrust law make the situation we face today remarkable. I have heard from a growing number of shippers in Wisconsin—and I know many of my colleagues have heard from their shippers in their States—about the monopolistic practices in which the freight railroads are currently engaged. Consolidation in the railroad industry, allowed under antitrust exemptions my legislation would repeal, has resulted in only four class I railroads providing over 90 percent of the Nation's rail transportation.

Many industries—known as ''captive shippers''—are served by only one railroad. These captive shippers face constantly rising rail rates. They are the victims of monopolistic practices and price gouging by the single railroad that serves them, price increases which they are forced to pass along into the price of their products and, ultimately, to consumers. And in many cases, the ordinary protections of antitrust law are unavailable to these captive shippers—instead, the railroads are protected by a series of exemptions from the normal rules of antitrust law to which all other industries must abide.

In Wisconsin, victims of a lack of railroad competition abound. In fact, a coalition has formed, consisting of more than thirty affected organizations—Badger CURE. From Dairyland Power Cooperative in La Crosse to Wolf River Lumber in New London, companies in my State are feeling the crunch of years of railroad consolidation. The reliability, efficiency, and affordability of freight rail have all declined, and Wisconsin consumers feel the pinch.

There is no better example than Wisconsin's electric utilities. Dairyland Power serves the electricity needs of more than 575,000 people. As of January of this year, they faced a 93 percent average increase in rail rates. According to Dairyland, it will now cost about $80 million to ship $35 million worth of coal, costs that Wisconsin consumers

will absorb if Congress does not take action soon. And this problem is not unique to Wisconsin—shippers across the Nation suffer from monopolistic practices of the dominant railroads in their regions.

That is why I am introducing the Railroad Antitrust Enforcement Act of 2006. This legislation will force railroads to play by the rules of free competition like all other businesses.

The current antitrust exemptions protect a wide range of railroad industry conduct from scrutiny by governmental antitrust enforcers. Railroad mergers and acquisitions are exempt from antitrust law and are reviewed solely by the Surface Transportation Board. Railroads that engage in collective ratemaking are also exempt from antitrust law. Railroads subject to the regulation of the Surface Transportation Board are also exempt from private antitrust lawsuits seeking the termination of anti-competitive practices via injunctive relief. Our bill will eliminate these exemptions.

No good reason exists for them. While railroad legislation in recent decades including most notably the Staggers Rail Act of 1980—deregulated much railroad rate setting from the oversight of the Surface Transportation Board, these obsolete antitrust exemptions remained in place, insulating a consolidating industry from obeying the rules of fair competition.

Our bill will bring railroad mergers and acquisitions under the purview of the Clayton Act, allowing the Federal Government, state attorneys general, and private parties to file suit to enjoin anti-competitive mergers and acquisitions. It will restore the review of these mergers to the agencies where they belong—the Justice Department's Antitrust Division and the Federal Trade Commission. It will eliminate the exemption that prevents FTC's scrutiny of railroad common carriers. It will eliminate the antitrust exemption for railroad collective ratemaking. It will allow state attorneys general and other private parties to sue railroads for treble damages and injunctive relief for violations of the antitrust laws, including collusion that leads to excessive and unreasonable rates.

In sum, by clearing out this thicket of outmoded antitrust exemptions, railroads will be subject to the same laws as the rest of the economy. Government antitrust enforcers will finally have the tools to prevent anti-competitive transactions and practices by railroads. Likewise, private parties will be able to utilize the antitrust laws to deter anti-competitive conduct and to seek redress for their injuries.

As ranking member on the Antitrust Subcommittee, I have found—in industry after industry—that vigorous application of our Nation's antitrust laws is the best way to eliminate barriers to competition, to end monopolistic behavior, to keep prices low and quality of service high. The railroad industry is no different. All those who rely on railroads to ship their products—whether it is an electric utility for its coal, a farmer to ship grain, or a factory to acquire its raw materials or ship out its finished product—deserve the full application of the antitrust laws to end the anti-competitive abuses all too prevalent in this industry today. I urge my colleagues support the Railroad Antitrust Enforcement Act of 2006.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3612

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Railroad Antitrust Enforcement Act of 2006''.

SEC. 2. INJUNCTIONS AGAINST RAILROAD COMMON CARRIERS.

The proviso in section 16 of the Clayton Act (15 U.S.C. 26) ending with ''Code.'' is amended to read as follows: ''*Provided*, That nothing herein contained shall be construed to entitle any person, firm, corporation, or association, except the United States, to bring suit for injunctive relief against any common carrier that is not a railroad subject to the jurisdiction of the Surface Transportation Board under subtitle IV of title 49, United States Code.''.

SEC. 3. MERGERS AND ACQUISITIONS OF RAILROADS.

The sixth undesignated paragraph of section 7 of the Clayton Act (15 U.S.C. 18) is amended to read as follows:

''Nothing contained in this section shall apply to transactions duly consummated pursuant to authority given by the Secretary of Transportation, Federal Power Commission, Surface Transportation Board (except for agreements described in section 10706 of title 49, United States Code, and transactions described in section 11321 of that title), the Securities and Exchange Commission in the exercise of its jurisdiction under section 10 (of the Public Utility Holding Company Act of 1935), the United States Maritime Commission, or the Secretary of Agriculture under any statutory provision vesting such power in the Commission, Board, or Secretary.''.

SEC. 4. LIMITATION OF PRIMARY JURISDICTION.

The Clayton Act is amended by adding at the end thereof the following:

''SEC. 29. In any civil action against a common carrier railroad under section 4, 4C, 15, or 16 of this Act, the district court shall not be required to defer to the primary jurisdiction of the Surface Transportation Board.''.

SEC. 5. FEDERAL TRADE COMMISSION ENFORCEMENT.

(a) CLAYTON ACT.—Section 11(a) of the Clayton Act (15 U.S.C. 21(a)) is amended by striking ''subject to jurisdiction'' and all that follows through the first semicolon and inserting ''subject to jurisdiction under subtitle IV of title 49, United States Code (except for agreements described in section 10706 of that title and transactions described in section 11321 of that title);''.

(b) FTC ACT.—Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 44(a)(1)) is amended by striking ''common carriers subject'' and inserting ''common carriers, except for railroads, subject''.

SEC. 6. EXPANSION OF TREBLE DAMAGES TO RAIL COMMON CARRIERS.

Section 4 of the Clayton Act (15 U.S.C. 15) is amended by—

(1) redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) inserting after subsection (a) the following:

''(b) Subsection (a) shall apply to common carriers by rail subject to the jurisdiction of the Surface Transportation Board under subtitle IV of title 49, United States Code, without regard to whether such railroads have filed rates or whether a complaint challenging a rate has been filed.''.

SEC. 7. TERMINATION OF EXEMPTIONS IN TITLE 49.

(a) IN GENERAL.—Section 10706 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A), by striking '', and the Sherman Act (15 U.S.C. 1 et seq.),'' and all that follows through ''or carrying out the agreement'' in the third sentence;

(B) in paragraph (4)—

(i) by striking the second sentence; and

(ii) by striking ''However, the'' in the third sentence and inserting ''The''; and

(C) in paragraph (5)(A), by striking '', and the antitrust laws set forth in paragraph (2) of this subsection do not apply to parties and other persons with respect to making or carrying out the agreement''; and

(2) by striking subsection (e) and inserting the following:

''(e) APPLICATION OF ANTITRUST LAWS.—

''(1) IN GENERAL.—Nothing in this section exempts a proposed agreement described in subsection (a) from the application of the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12, 14 et seq.), the Federal Trade Commission Act (15 U.S.C. 41 et seq.), section 73 or 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9), or the Act of June 19, 1936 (15 U.S.C. 13, 13a, 13b, 21a).

''(2) ANTITRUST ANALYSIS TO CONSIDER IMPACT.—In reviewing any such proposed agreement for the purpose of any provision of law described in paragraph (1), the Board and any other reviewing agency shall take into account, among any other considerations, the impact of the proposed agreement on shippers, on consumers, and on affected communities.''.

(b) COMBINATIONS.—Section 11321 of title 49, United States Code, is amended—

(1) in subsection (a)—

(A) by striking ''The authority'' in the first sentence and inserting ''Except as provided in sections 4 (15 U.S.C. 15), 4C (15 U.S.C. 15c), section 15 (15 U.S.C. 25), and section 16 (15 U.S.C. 26) of the Clayton Act (15 U.S.C. 21(a)), the authority''; and

(B) by striking ''is exempt from the antitrust laws and from all other law,'' in the third sentence and inserting ''is exempt from all other law (except the antitrust laws referred to in subsection (c)),''; and

(2) by adding at the end the following:

''(c) APPLICATION OF ANTITRUST LAWS.—

''(1) IN GENERAL.—Nothing in this section exempts a transaction described in subsection (a) from the application of the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12, 14 et seq.), the Federal Trade Commission Act (15 U.S.C. 41 et seq.), section 73 or 74 of the Wilson Tariff Act (15 U.S.C. 8–9), or the Act of June 19, 1936 (15 U.S.C. 13, 13a, 13b, 21a).

''(2) ANTITRUST ANALYSIS TO CONSIDER IMPACT.—In reviewing any such transaction for the purpose of any provision of law described in paragraph (1), the Board and any other reviewing agency shall take into account, among any other considerations, the impact of the transaction on shippers and on affected communities.''.

(c) CONFORMING AMENDMENTS.—

(1) The heading for section 10706 of title 49, United States Code, is amended to read as follows: ''**Rate agreements**''.

(2) The item relating to such section in the chapter analysis at the beginning of chapter 107 of such title is amended to read as follows:

''10706. Rate agreements.''.

By Mrs. CLINTON:

S. 3613. A bill to designate the facility of the United States Postal Service located at 2951 New York Highway 43 in Averill Park, New York, as the ''Major George Quamo Post Office Building''; to the Committee on Homeland Security and Governmental Affairs.

Mrs. CLINTON. Mr. President, I am proud to introduce legislation which would designate the United States Postal Service located at 2951 New York Highway 43 in Averill Park, NY, as the Major George Quamo Post Office Building.

MAJ. George Quamo was a highly decorated Green Beret who served in the Special Forces Unit of the Army in the Vietnam war. In the years George Quamo served, he established himself as one of the Army's most highly respected field commanders. Quamo commanded three reconnaissance teams, leading a number of covert missions and saving the lives of 14 of his men. During his distinguished career he was awarded 26 medals which included the Distinguished Service Cross, Two Silver Stars, Bronze Star, Legion of Merit and Presidential Unit Citations. While conducting a mission in Vietnam, Major Quamo's helicopter crashed. He was killed at the young age of 27. He was the youngest major ever to have served in the Special Forces Unit.

MAJ. George Quamo was a Class of 1958 graduate of Averill Park High School in upstate New York. A natural leader, he was president of his high school junior class and a quarterback on the football team. After joining the Army he attended Officer Candidate School. While he died at a young age, it is clear that his presence was profound on those around him. ''I still receive phone calls from guys who served under him,'' said his brother James Quamo, now of Spencerport, Monroe County, NY. ''Some of them even cry telling me how they felt about my brother.''

I ask that the Senate come together and honor this brave American hero for his service to our Nation.

By Mr. SPECTER:

S. 3614. A bill to provide comprehensive procedures for the adjudication of cases involving unprivileged combatants; to the Committee on Armed Services.

Mr. SPECTER. Mr. President, I have sought recognition to discuss the case of Hamdan v. Rumsfeld which was decided by the Supreme Court of the United States today and to address the question as to where we go from here. There have already been many inquiries as to what is the import of this Supreme Court decision and what are the next steps in order to establish a framework to deal with the people who are detained at Guantanamo Bay.

Since the opinions were released this morning, my staff and I have been reviewing them: 177 pages, 6 opinions. The essence of the decision of the Supreme Court of the United States on a 5-to-3 vote is that the President did not have the authority to establish the military commissions and that the authority rests with the Congress under the Constitution.

The Court dealt with the issue of the resolution that authorizes the use of military force, a resolution which the administration has sought as authority for amending the Foreign Intelligence Surveillance Act, and when the Court dealt with the resolution authorizing the use of military force, the Court said that it did not give the President the authority to establish the military commissions. The Court did not deal with any issue of inherent authority. But the decision that the President lacked the authority to establish the military commissions makes it obvious that the conclusion of the Supreme Court is that there is no inherent authority, an inference and a proposition which may have some weight as we consider collateral matters, for example, on the electronic surveillance under NSA.

The Constitution of the United States is explicit in article I, section 8, which states, and I am leaving out some of the irrelevant language: Congress has the authority ''to make rules concerning captures on land and water.'' So it is a congressional matter.

In reaching its conclusion, the Supreme Court of the United States found that the military commissions violated the Code of Military Justice and also violated the terms of the Geneva Convention. The Court found that the military commissions violated the Code of Military Justice because they did not provide for very basic due process considerations. The Court said that the military commissions violated the Geneva Convention, which the Court found applicable, reversing the Court of Appeals for the District of Columbia where the Supreme Court said: The Geneva Convention, common article 3, plainly affords some minimal protection to individuals, associated with a signatory or even a nonsignatory, who are involved in a conflict.

The Court dealt with the issue of jurisdiction by saying the Government contention that the Supreme Court had no jurisdiction was wrong. The Supreme Court referred to a provision of the Detainee Treatment Act of 2005, which provides:

> No court shall have jurisdiction to hear or consider an application for habeas corpus filed by an alien detained at Guantanamo Bay. . . .

There was a reference to the statutory provision which gave exclusive jurisdiction, according to the statute, to the District of Columbia court.

The statute provided specifically:

> . . . the United States Court of Appeals for the District of Columbia Circuit shall have exclusive jurisdiction to determine the validity of any final decision of a Combatant Status Review Tribunal which determines that an alien is properly detained as an enemy combatant.

I argued as forcefully as I could when that amendment was considered, that it was really atrocious—without any hearings, without any extended floor debate, and I had 2 minutes to speak under the rules governing the amendment—that we would be taking away jurisdiction of the Federal courts except for the District of Columbia. On its face, that language would say that the Supreme Court of the United States had no jurisdiction.

The Supreme Court made short shrift of that point, saying that it did have jurisdiction. When you deal with a constitutional issue, it is hard for this lawyer to understand how you can take away jurisdiction from the Supreme Court of the United States. How can you do that, when we know since Marbury v. Madison in 1803 that the Supreme Court of the United States is final arbiter of the Constitution? But this language, this clumsy language sought to vest exclusive jurisdiction in the Court of Appeals for the District of Columbia. The Supreme Court made short shrift of that.

On a personal note, and relevant to this consideration as well, in Justice Scalia's dissent he cites my floor argument in a footnote saying, at page 12 of his opinion:

> An earlier part of the amendment provides that no court, justice or judge shall have jurisdiction to consider the application for writ of habeas corpus. . . .Under the language of exclusive jurisdiction in the D.C. Circuit, the U.S. Supreme Court would not have jurisdiction to hear the Hamdan case. . . . Id., at [Senate Congressional Record] S12796 (statement of Sen[ator] Specter).

Interesting that Justice Scalia, who doesn't believe in congressional intent or congressional deliberation, would make that citation. But when I made the point that the statute, on its face, took away jurisdiction from the Supreme Court of the United States, I made it plain that I did not think it had any validity. A statute can not do that.

What the statute was trying to do, in part, was to look to a favorable court. The DC Circuit was a favorable court—they engaged in a little court shopping—and there was an effort to take away the jurisdiction of the district court from habeas corpus proceedings.

Under the logic of Hamdan, where you have a statutory provision that the DC Circuit has sole jurisdiction and the Supreme Court interprets that as not taking away jurisdiction of the Supreme Court, inferentially the same conclusion would follow for the district court.

It doesn't say the district court does not have jurisdiction, just like it does not say the Supreme Court does not have jurisdiction. It just says exclusive jurisdiction is in the DC circuit. It is a little hard to see how that would work out if you filed a petition for a writ of habeas corpus in the DC Circuit. That

would be anomalous. Those petitions are filed in the district court.

In any case, the Supreme Court claimed jurisdiction over the case and found that the procedures which the administration has prescribed do not comport with law.

The Judiciary Committee held a hearing on Guantanamo and made a field trip there. A number of us, including myself, went to take a look at Guantanamo, to see it firsthand and to question people there. I had gone there with the expectation of having a field hearing there. I wanted to hear from the officials at Guantanamo. When I got to Guantanamo, after the flight in, I was told there would be no field hearing—which was a disappointment, and really contrary to what I had understood the arrangement to be. But we held a hearing and devoted a considerable amount of work to the issue. Knowing, or thinking that, the administration's military commissions would be struck down because they did so little and had no real relationship to due process, we prepared legislation.

I had it put in final form last week when we considered the Department of Defense authorization bill, and one Senator did talk about legislation. I considered offering it at that time but decided that it was not a good time to do so. But we have it ready to go, ready for introduction.

Senator DURBIN and I introduced a bill to handle the Guantanamo detainees on February 13, 2002. The issue was not picked up again until the Judiciary Committee held hearings last June, and this bill, which I am introducing today, I believe, will satisfy the requirements of the Supreme Court of the United States.

This bill provides for two divisions. One is for the people who are charged with specific offenses. We retain the description of a military commission. We provide that there would be three officers on the commission, one president—a presiding judge from the Judge Advocate General's Office. Also an attorney will be provided for the accused, there will be competent evidence, there will be cross-examination and a unanimous verdict.

In the event of the use of classified information, we prescribe that the provisions of the Confidential Information Protection Act would govern, which is a statute which has been used in our courts for many years, which authorizes the presiding judge to sift through the information and make available to the defense whatever is appropriate and not classified. And if it is classified, then to make it available at the discretion of the judge to the attorney.

The attorney for the accused would be cleared through regular channels to deal with classified information so that we would be protecting the classified information by having it viewed only by someone authorized to take a look at it, so that the defense lawyer would be able to use it in the defense of his client. That is not a perfect situation, but that is the way we have dealt with confidential information under the so-called Confidential Information Protection Act.

In our legislation, we also deal with the enemy combatants. These are the individuals who have been detained at Guantanamo under an arrangement where there is no limit as to the length of their detention. That has caused considerable angst, considerable objection. But it is a very difficult matter. When we are in a war, fighting terrorists—and we should never lose our focus that we are in that war and that there are continuing dangers and we have to protect Americans—until somebody has a better idea, they are going to be detained. Some have been released and some of those released have been found on the battlefields killing Americans, so the detention of enemy combatants is an ongoing issue.

Our legislation provides that there would be a classification tribunal so that there would be a review of their status, to make a determination on a periodic basis that they continue to be a threat to the United States, either on the continent or because they will go back and fight a war. We provide for an attorney, again, an attorney who would be cleared to view classified information.

The issue of evidence is much more difficult because these enemy combatants are frequently taken into custody in a battlefield situation where competent evidence is not present, so we allow for hearsay.

In the Supreme Court opinion, if there is a showing of necessity, there is leeway granted in terms of defining sufficient due process. The Supreme Court found, for example, that the President had demonstrated sufficiently that there could not be trials in the U.S. Federal district courts, so ruling that out was fine. It was acceptable. And leeway, too, for some deviation from all of the generalized rules might be acceptable. The Supreme Court really didn't reach the issue of granting leeway because they didn't have a specific situation, but there would have to be a showing of necessity, a showing that no other system would work.

So in dealing with the enemy combatants, we are still struggling with how to handle the issue of indefinite detention, recognizing that they continue to be a threat.

The legislation which I am introducing today has received considerable thought and considerable analysis. As I say, it picks up on legislation which Senator DURBIN and I introduced on February 13, 2002. But it still requires a great deal more analysis and a great deal more thought, which we will give it in due course on the legislative process. We have altered our schedule in the Judiciary Committee to reserve July 11 for a hearing, the second day we are back—on that Tuesday we really swing into action—we will take up an analysis of Hamdan v. Rumsfeld in greater detail than we could do this afternoon in a short floor statement and with only a few hours to digest the 6 opinions and 177 pages. We will consider this legislation at that time.

I ask unanimous consent that the full text of the bill be printed in the CONGRESSIONAL RECORD at the conclusion of my comments, and a short summary of the bill, which will enable the reader to follow without going through the extended text.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3614

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

SECTION 1. SHORT TITLE; AUTHORITY; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Unprivileged Combatant Act of 2006''.

(b) AUTHORITY.—The requirements, conditions, and restrictions established by this Act are made under the authority of Congress under clauses 1, 10, 11, 12, 13, 14, and 18 of article I, section 8 of the Constitution of the United States.

(c) FINDINGS.—Congress finds the following:

(1) Article I, section 8, of the Constitution provides that the Congress has the power to ''constitute Tribunals inferior to the Supreme Court; ... define and punish ... Offenses against the Law of Nations; ... make Rules concerning Captures on Land and Water; ... make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof''.

(2) The Supreme Court has repeatedly recognized military tribunals, as stated in Madsen v. Kinsella 343 U.S. 341, 1952, ''[s]ince our nation's earliest days, such tribunals have been constitutionally recognized agencies for meeting many urgent governmental responsibilities related to war....They have taken many forms and borne many names. Neither their procedure nor their jurisdiction has been prescribed by statute. It has been adapted in each instance to the need that called it forth.'' Madsen, citing In re Yamashita, 327 U.S. 1 (1946).

(3) The President has inherent authority to convene military tribunals arising from his role as Commander and Chief of the Armed Forces under article II of the Constitution and from title 10 of the United States Code. Due to the extraordinary circumstances of the ongoing war on terrorism, it is appropriate for Congress to provide additional and explicit authorization of and procedures for military tribunals to adjudicate and punish offenses relating to the war on terrorism.

(4) This Act is in direct response to the United State Supreme Court's ruling in Rasul v. Bush. With the passage of this Act, the 109th Congress will have addressed the concerns of the Supreme Court's Rasul majority, and therefore alien enemy combatants detained or prosecuted under this Act may not challenge their detentions in the Federal courts of the United States via the habeas or any other statute.

SEC. 2. DEFINITIONS.

As used in this Act, the following definitions apply:

(1) CLASSIFICATION TRIBUNAL.—The term ''classification tribunal'' means any tribunal conducted under section 9 or any related proceeding.

(2) CLASSIFICATION TRIBUNAL BOARD.—The term ''classification tribunal board'' means a board established pursuant to section 9(d).

(3) CLASSIFIED INFORMATION.—The term ''classified information'' has the meaning given that term in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.).

(4) COMMISSION.—The term ''commission'' means a military commission established pursuant to section 3.

(5) CRIMINAL PROSECUTION.—The term ''criminal prosecution'' means a prosecution for a violation of any criminal law, including subchapter X of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice) or pursuant to the Department of Defenses Military Commission Instruction number two.

(6) DETAINEE.—The term ''detainee'' means a person who is in the custody of the Department of Defense at Guantanamo Bay, Cuba, and who has not been charged with a criminal offense during that period.

(7) INTERNATIONAL TERRORISM.—The term ''international terrorism'' has the meaning given that term in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

(8) JUDGE.—The term ''judge'' means a United States military judge designated by the Secretary of Defense to hear cases under this Act.

(9) PROTECTED INFORMATION.—The term ''protected information'' means information—

(A) that is classified information;

(B) protected by law or rule from unauthorized disclosure;

(C) the disclosure of which may endanger the physical safety of participants in Commission proceedings, including prospective witnesses;

(D) concerning intelligence and law enforcement sources, methods, or activities; or

(E) the disclosure of which would otherwise jeopardize national security interests.

(10) UNITED STATES PERSON.—The term ''United States person'' has the meaning given that term in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

(11) UNPRIVILEGED COMBATANT.—The term ''unprivileged combatant'' means an individual—

(A) who has been designated as an enemy combatant by a Combatant Status Review Tribunal prior to the enactment of this Act; or

(B) who a Field Tribunal conducted by the United States military as provided in this Act determines—

(i) is not entitled to the protections set out in the Convention Relative to the Treatment of Prisoners of War, done at Geneva, August 12, 1948 (6 UST 3516) (referred to in this Act as the ''Geneva Convention''); and

(ii) has—

(I) knowingly assisted, conspired with, or solicited for a group or an individual hostile to the United States;

(II) knowingly attempted to assist others in taking up arms against the United States;

(III) conspired with or solicited others to take up arms against the United States; or

(IV) has taken up arms against, or intentionally assisted combat operations against, the United States.

(12) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the Committee on the Judiciary and the Committee on Armed Services of the Senate and the Committee on the Judiciary and the Committee on Armed Services of the House of Representatives.

SEC. 3. AUTHORIZING MILITARY COMMISSIONS.

The President is authorized to establish military commissions for the trial of individuals for offenses as provided in this Act.

SEC. 4. JURISDICTION.

(a) UNPRIVILEGED COMBATANTS.—This Act establishes exclusive jurisdiction to hear any matter involving an unprivileged combatant who has been detained by the Department of Defense for not less than 180 consecutive days at Guantanamo Bay, Cuba.

(b) OFFENSES.—

(1) CRIMINAL PROSECUTIONS.—A commission shall have jurisdiction to hear any criminal prosecution involving international terrorism, including any offense under chapter 113B of title 18, United States Code.

(2) OFFENSES AGAINST THE LAWS OF WAR.—A commission shall have exclusive jurisdiction over violations of the laws of war committed by unprivileged combatants.

(3) OTHER OFFENSES.—A commission shall have jurisdiction over other offenses traditionally triable by military commissions or pursuant to the Department of Defense's Military Commission Instruction Number Two.

SEC. 5. APPELLATE JURISDICTION.

(a) FINAL DECISIONS.—The United States Court of Military Appeals shall have exclusive jurisdiction of appeals from all final decisions of a classification tribunal board or commission under this Act.

(b) REVIEW BY SUPREME COURT.—

(1) CERTIORARI.—The decisions of the United States Court of Military Appeals are subject to review by the Supreme Court by writ of certiorari.

(2) EXEMPTION FROM CERTAIN PETITION REQUIREMENTS.—A person who files a petition for a writ of certiorari under paragraph (1) shall not be required to submit—

(A) prepayment of any fees and costs or security therefor; or

(B) the affidavit required by section 1915(a) of title 28, United States Code.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Section 1005 of the Detainee Treatment Act of 2005 (10 U.S.C. 801 note) is amended—

(A) in subsection (e), by striking paragraphs (2) through (4); and

(B) by striking subsection (h) and inserting the following:

''(h) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.''.

(2) HABEAS.—Section 2241(e) of title 28, United States Code, is amended—

(A) in the matter preceding paragraph (1), by striking ''section 1005 of the Detainee Treatment Act of 2005'' and inserting ''the Unprivileged Combatant Act of 2006'';

(B) by striking paragraph (2)(B) and inserting the following:

''(B) has been determined by a classification tribunal to meet the requirements of paragraph (1) or (2) of section 9(a) of the Unprivileged Combatant Act of 2006.''.

SEC. 6. COMMISSION.

(a) COMMISSION PERSONNEL.—

(1) MEMBERS.—

(A) APPOINTMENT.—The Secretary of Defense shall designate no less than 12 United States military judges to serve as members of a commission and to assume other duties assigned in this Act.

(B) NUMBER OF MEMBERS.—Each commission shall consist of at least 3 military officers, at least one of whom shall be a military judge.

(C) ALTERNATE MEMBERS.—For each such commission, there shall also be 1 or 2 alternate members. The alternate member or members shall attend all sessions of the commission. In case of incapacity, resignation, or removal of any member, an alternate member shall take the place of that member.

(D) QUALIFICATIONS.—Each member and alternate member of the commission shall be a military officer.

(E) PRESIDING OFFICER.—

(i) IN GENERAL.—From among the members of the commission, the Secretary of Defense shall designate a presiding officer who is a military judge to preside over the proceedings of that commission.

(ii) DUTIES.—The duties of the presiding officer shall be as follows:

(I) The presiding officer shall admit or exclude evidence at trial in accordance with the rules of this Act. The presiding officer shall have authority to close proceedings or portions of proceedings in accordance with this Act or for any other reason necessary for the conduct of a full and fair trial.

(II) The presiding officer shall ensure that the discipline, dignity, and decorum of the proceedings are maintained, shall exercise control over the proceedings to ensure proper implementation of the President's Military Order and this Act, and shall have authority to act upon any contempt or breach of commission rules and procedures. Any attorney authorized to appear before a commission who is thereafter found not to satisfy the requirements for eligibility or who fails to comply with laws, rules, regulations, or other orders applicable to the commission proceedings or any other individual who violates such laws, rules, regulations, or orders may be disciplined as the presiding officer deems appropriate, including revocation of eligibility to appear before that commission. The Court may further revoke that attorney's or any other person's eligibility to appear before any other commission convened under this Act.

(III) The presiding officer shall ensure the expeditious conduct of the trial. In no circumstance shall accommodation of counsel be allowed to delay proceedings unreasonably.

(IV) The presiding officer may certify interlocutory questions to the Military Commission Review Panel for the Armed Forces as the presiding officer deems appropriate.

(b) POWERS OF A COMMISSION.—A commission shall have the following powers:

(1) To summon witnesses to the trial and to require their attendance and testimony and to put questions to them.

(2) To require the production of documents and other evidentiary material.

(3) To administer oaths to witnesses.

(4) To appoint officers for the carrying out of any task designated by the commission, including the power to have evidence taken.

SEC. 7. PERSONS IN CUSTODY.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Defense shall develop—

(1) a complete listing of all persons who—

(A) are being detained by the Department of Defense at Guantanamo Bay, Cuba; and

(B) the Government wishes to continue to detain as an unprivileged combatant; and

(2) a detailed summary of the evidence upon which the determination to keep a person described in paragraph (1) in custody was made.

(b) CONGRESSIONAL OVERSIGHT.—Not later than 10 days after developing the list described in subsection (a), the Secretary of Defense shall submit an unclassified version of that list to the appropriate committees of Congress. A classified, unredacted version of that list shall also be submitted to the appropriate committees of Congress for review.

(c) UPDATED LIST.—

(1) IN GENERAL.—Not less than once every 60 days after the date the list described in subsection (a) is completed, the Secretary of Defense shall update the list of the persons described in subsection (a) and submit to the appropriate committees of Congress a detailed report for each person on such list that includes—

(A) the name and nationality of each such person; and

(B) with respect to each such person—

(i) a detailed statement of why such person has not been charged, repatriated, or released;

(ii) a statement of when the United States intends to charge, repatriate, or release such person;

(iii) a description of the procedures to be employed by the United States to determine whether to charge, repatriate, or release such person and a schedule for the employment of such procedures; and

(iv) if the Secretary of Defense has transferred or has plans to transfer such person from the custody of the Secretary to another agency or department of the United States, a description of such transfer.

(2) FORM OF REPORTS.—Each report required by this subsection shall be submitted in an unclassified form, to the maximum extent practicable, and may include a classified annex, if necessary.

(3) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this subsection, the term ''appropriate committees of Congress'' means—

(A) the Committee on Armed Services, the Committee on the Judiciary, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Armed Services, the Committee on the Judiciary, and the Permanent Select Committee on Intelligence of the House of Representatives.

(d) CONGRESSIONAL OVERSIGHT.—Not later than 10 days after updating the list of persons under subsection (c), the Secretary of Defense shall submit that updated list to the appropriate committees of Congress in both unclassified and unredacted, classified form.

SEC. 8. FIELD TRIBUNALS.

(a) IN GENERAL.—Not more than 30 days after a suspected unprivileged combatant has been detained by United States forces, the Department of Defense shall conduct a field tribunal in order to determine whether the detainee is an unprivileged combatant and whether the detainee is entitled to the rights afforded under the Geneva Convention.

(b) PROCEDURES.—The procedures governing a field tribunal shall be promulgated by the Department of Defense

SEC. 9. CLASSIFICATION TRIBUNALS.

(a) IN GENERAL.—A detainee shall be released and repatriated to an appropriate country unless a classification tribunal board finds by a preponderance of the evidence that—

(1) the detainee is a threat to the national security interest of the United States; or

(2) there are reasonable grounds to believe that if released the detainee would take up arms against the United States.

(b) COMPLIANCE WITH GENEVA CONVENTIONS.—If a detainee is found to be a privileged combatant entitled to provisions under the Convention Relative to the Treatment of Prisoners of War, done at Geneva, August 12, 1948 (6 UST 3516), then the detainee must be treated in accordance with that convention.

(c) CITIZEN OF THE UNITED STATES.—If a detainee is found to be a citizen of the United States of America, the detainee shall not be held or tried under this Act.

(d) CLASSIFICATION TRIBUNAL BOARD.—A classification tribunal shall be conducted by a board appointed by the Secretary of Defense and consist solely of line officers, one of whom shall be an attorney.

(e) DETERMINATION.—

(1) IN GENERAL.—If a classification tribunal board finds that a detainee meets the requirements of subsection (a), the classification tribunal board shall order that the detainee shall continue to be detained by the Department of Defense, subject to periodic review under subsection (h).

(2) TIME PERIOD.—The time period for the detention of a detainee under paragraph (1) may not exceed the time period that United States forces are engaged in combat operations as defined by the Department of Defense in the nation or theater where the detainee was captured so long as the detainee is found to be a privileged combatant.

(3) CONCLUSION OF COMBAT.—At the conclusion of combat operations within a given theater or nation—

(A) a privileged combatant that was captured in that area shall be either indicted under this Act or repatriated to the appropriate country; and

(B) an unprivileged combatant may continue to be detained pursuant to subsection (a).

(f) CONSIDERATIONS.—

(1) IN GENERAL.—In making a determination under subsection (a), a classification tribunal board shall consider any information brought to its attention regarding the need for continued detention, including—

(A) the detainee's alleged position or rank in any hostile organization;

(B) the activities of that hostile organization;

(C) any statements made by the detainee in response to interrogation; and

(D) the detainee's history of violence or terrorist activity.

(2) PRIMA FACIE EVIDENCE.—If the Government represents that a detainee was captured during a military engagement while taking up arms against, or supporting military operations against, the Armed Forces of the United States or its allies, there shall be prima facie evidence that, if released, the detainee would take up arms against the United States.

(g) TIMING.—A detainee shall be afforded a classification tribunal as soon as is reasonably practicable but not later than 180 days after the detainee's capture and not later than 30 days after the detainee is listed under section 7, unless continued.

(h) PERIODIC REVIEW.—

(1) IN GENERAL.—

(A) SEMIANNUAL REVIEW.—The classification tribunal shall conduct a classification hearing for each detainee not less frequently than every 180 days, in accordance with the procedures established under this section and section 10.

(B) ACTION PERIOD.—A detainee apprehended during a military engagement while taking up arms against, or supporting military operations against, the Armed Forces of the United States or its allies may be detained until the cessation of armed hostilities in the nation or region in which they were captured.

(2) ARGUMENT.—The Government and the detainee may be heard regarding the review under paragraph (1).

SEC. 10. CLASSIFICATION TRIBUNAL PROCEDURES.

(a) DETAINEES.—

(1) IN GENERAL.—A detainee shall not be required to testify or present any evidence at a classification tribunal.

(2) PRESENCE.—A detainee shall be entitled to be present at the classification tribunal, unless the head of the tribunal has decided to admit classified information.

(b) COUNSEL.—

(1) IN GENERAL.—A detainee is entitled to the assistance of counsel admitted to practice under this Act at every stage of the classification tribunal, including the periodic review of orders under subsection (e).

(2) RIGHT TO APPOINTED COUNSEL.—A detainee who is unable to obtain counsel is entitled to have counsel admitted to practice before a commission under this Act.

(3) REFUSAL OF COUNSEL.—A detainee may waive counsel but shall not be entitled to protected information.

(c) DISCOVERY.—

(1) GOVERNMENT'S DISCLOSURE.—Not later than 3 days prior to the classification tribunal, the Government shall make available for inspection by counsel for the detainee any affidavit or affirmation the Government intends to offer in support of continuing to detain the detainee. A classification tribunal board shall maintain a copy of any submissions made by the Government for inspection by the detainee and for transmittal, if necessary, to that tribunal.

(2) DETAINEE'S DISCLOSURE.—If the detainee chooses to submit any evidence, such evidence, including a list of any witnesses the detainee intends to call, shall be made available to the Government for inspection not later than 3 days prior to the classification tribunal.

(d) EVIDENCE.—

(1) IN GENERAL.—The Federal Rules of Evidence shall not apply to a classification tribunal.

(2) ADMISSIBILITY STANDARD.—Evidence shall be admitted if the classification tribunal board determines the evidence would have probative value to a reasonable person.

(3) AFFIDAVIT OR AFFIRMATION.—The Government may proceed by proffer and submit any relevant information by affidavit or affirmation, unless decided unreliable by the members of the classification tribunal board.

(4) CROSS-EXAMINATION.—

(A) GOVERNMENT WITNESSES.—If a Government chooses to call witnesses, the detainee may cross-examine those witnesses on all relevant facts.

(B) DETAINEE WITNESSES.—If a detainee calls any witnesses, they shall be subject to cross examination.

(C) DETAINEE.—If the detainee chooses to testify, the detainee shall be subject to cross-examination.

(e) DEFENSES.—A detainee may challenge whether the detainee satisfies the elements required under subsection (a).

(f) PROCEEDINGS.—

(1) IN GENERAL.—A classification tribunal shall be closed to the public.

(2) SECURITY CLEARANCES.—Each person present at a classification tribunal, other than the detainee, shall possess a security clearance appropriate to the level of any classified information being presented.

(3) PUBLIC INFORMATION REGARDING PROCEEDINGS.—After the classification tribunal board rules in the classification tribunal, the parties shall propose a nonclassified summary to that board. The board shall publicly release a summary, containing any information generated at the tribunal which can be disclosed in a manner consistent with the Classified Information Procedures Act (18 U.S.C. App.) and the national security of the United States.

(g) REINSTITUTING CLASSIFICATION PROCEEDINGS.—

(1) IN GENERAL.—If a matter involving the classification tribunal of a detainee is dismissed without prejudice by the classification tribunal or withdrawn by the Government at, or prior to, the classification tribunal, the Government may reinstitute the matter with the tribunal board that dismissed or permitted the withdrawal of the matter.

(2) TIME LIMIT.—A complaint reinstituting proceedings under paragraph (1) shall be filed not later than 10 days after the dismissal or withdrawal of the matter.

(3) NUMBER.—The Government may reinstitute proceedings under paragraph (1) not more than twice and only if approved by the ranking member on the classification tribunal board.

SEC. 11. CONTINUANCE OF CLASSIFICATION TRIBUNALS.

(a) CONTINUANCES.—

(1) IN GENERAL.—A classification tribunal board may, for cause shown, grant a continuance of a classification tribunal.

(2) CONTINUANCE.—

(A) IN GENERAL.—Upon motion of the Government, the classification tribunal board may grant a continuance for as long as necessary, but no longer than a 6-month period, under paragraph (1) if the classification tribunal board determines that the detainee is a high level individual in the planning or financing of terrorist activities or the individual possess information vital to the safety of the United States or its citizens.

(B) SUBSEQUENT CONTINUANCES.—The Government may obtain subsequent continuances for additional 6-month periods so long as the classification tribunal board finds such continuances are necessary to the informational gathering purposes as it related to the national security of the United States.

(3) EX PARTE APPLICATIONS.—

(A) IN GENERAL.—The Government may move for a continuance under paragraph (1) ex parte.

(B) DETAINEE RIGHTS.—A detainee—

(i) is not entitled to representation by counsel in connection with any such ex parte motion; and

(ii) shall not be given notice of the request for a hearing prior to the ruling of the classification tribunal board on the Government's request for a continuance pursuant to paragraph (2).

(b) GRANT OF CONTINUANCE.—For each continuance granted under subsection (a), the classification tribunal board shall note on the record of the proceedings—

(1) the grounds for granting each such continuance;

(2) the identity of the party requesting the continuance;

(3) the new date and time for the tribunal hearing; and

(4) the reasons that the date under paragraph (3) was chosen.

SEC. 12. CRIMINAL PROSECUTION PROCEDURES GENERALLY.

(a) COUNSEL.—

(1) IN GENERAL.—A defendant in a criminal proceeding under this Act has a right to be represented by counsel admitted to practice before a commission under this Act.

(2) APPOINTED COUNSEL.—

(A) IN GENERAL.—A defendant who is unable to obtain counsel is entitled to have counsel appointed and to be represented by such counsel at every stage of the proceeding subsequent to being indicted.

(B) APPOINTMENT PROCEDURE.—The Secretary of Defense shall determine the rules for appointing counsel to practice before the commission.

(b) DISCOVERY.—

(1) CLASSIFIED DOCUMENTS AND OBJECTS.—The Government shall provide the defense with access to evidence the Government intends to introduce at trial and with access to evidence known to the Government or which should be known to the Government that tends to exculpate the accused. Information disclosed to the defense may not be disclosed to the defendant if it is classified as defined by this Act. The defense may submit classified information for review under section 12(b)(2).

(2) SEPARATE COMMISSION CONCERNING CLASSIFIED INFORMATION.—The Secretary of Defense shall appoint a commission to conduct a thorough review of the classification system for national security information, including the policy, procedures, and practices of the system. The Secretary of Defense shall determine what level of security clearance is necessary to conduct the review under this paragraph. No person shall be appointed as a member of the commission who does not have a security clearance at or above the level of clearance so designated by the Secretary. The commission shall make recommendations to the Secretary of Defense as to the declassification of information relevant to the trial of detainees.

(3) REGULATING DISCOVERY.—

(A) IN GENERAL.—A commission may, for good cause, deny, restrict, or defer discovery or inspection, or grant other appropriate relief.

(B) EX PARTE REQUEST.—A party may make an ex parte request in writing that a commission deny, restrict, or defer discovery or inspection under subparagraph (A). If the a commission grants a request under this subparagraph, the Commission shall preserve the entire text of the party's request under seal.

(C) FAILURE TO COMPLY.—If a party fails to comply with the rules of discovery applicable to a commission, the commission may—

(i) order that party to permit the discovery or inspection, specify its time, place, and manner, and prescribe other just terms and conditions; or

(ii) grant a continuance.

(c) OPEN PROCEEDINGS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a proceeding before a commission shall be open to the public.

(2) CLASSIFIED INFORMATION.—

(A) IN GENERAL.—Upon motion by the Government, a proceeding before a commission shall be closed to the public if necessary to avoid disclosure of classified information.

(B) NONDISCLOSURE.—A priority under subparagraph (A) shall not disclose any information presented during a closed session to individuals excluded from such proceeding or part thereof including the defendant.

(3) OTHER BASES.—A commission may order that a hearing be held, in whole or in part, in camera, if the commission determines—

(A) it is appropriate for the security of a witness or a Government employee or to protect public safety; or

(B) that an open hearing would deter a witness from testifying freely or prevent the witness from testifying at all.

(4) EXTRAJUDICIAL STATEMENTS.—At the discretion of a commission, the commission may issue an order limiting extrajudicial statements by the parties.

(d) PROTECTED INFORMATION.—

(1) IN GENERAL.—A commission may issue protective orders as necessary to safeguard protected information in a proceeding before that commission.

(2) NOTIFICATION.—As soon as practicable, a party shall notify a commission of any intent to offer evidence including protected information .

(3) TRIAL RECORD.—

(A) IN GENERAL.—All exhibits admitted as evidence but containing protected information shall be sealed and annexed to the record of trial.

(B) PROTECTED INFORMATION NOT ADMITTED.—Any protected information not admitted as evidence, but reviewed by a commission in camera and withheld from the defendant's counsel over objection shall be sealed and annexed to the record of the trial, with any associated motions and responses and any materials submitted in support thereof, as additional exhibits.

(e) RECORD OF TRIAL.—

(1) REQUIREMENT FOR RECORD.—A record of each proceeding by a commission shall be prepared promptly after the conclusion of the trial.

(2) VERBATIM TRANSCRIPT.—The record of trial shall include a verbatim written transcript of all sessions of the trial.

(3) EXHIBITS AND OTHER EVIDENCE.—The record of trial shall also include all exhibits and other real or demonstrative evidence, except that photographs may be substituted for any large written or graphic exhibits and any other real or demonstrative evidence. If a photograph is substituted for an exhibit or other evidence, the Government shall retain the original exhibit or other evidence, respectively, until no further appeal of the results of the trial is authorized.

(4) CLASSIFIED INFORMATION.—In the case of a conviction of a charge on which classified information is admitted as evidence by a commission, the copy of the record of trial submitted to the commission shall include the classified information.

SEC. 13. TRIAL PROCEDURES FOR UNPRIVILEGED COMBATANTS.

(a) SPECIALIZED PROCEDURES.—

(1) STANDARD OF PROOF.—All 3 members of a commission shall agree that the defendant is guilty beyond a reasonable doubt for a defendant to be found guilty.

(2) RULES OF PROCEDURE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary of Defense shall draft supplementary rules to govern all proceedings under this section.

(B) STANDARD.—Evidence is admissible if the Secretary of Defense determines that the evidence would have probative value to a reasonable person.

(3) FORM OF TRIAL.—Any trial under this subsection shall take place before 2 military officers or attorneys and at least one military judge.

(4) BAD ACTS.—Other bad acts may be considered if they would have fallen within the definition under this Act of either terrorism or terrorist activity and they are deemed to be relevant by a commission including propensity.

(b) CUSTODY.—The Department of Defense shall retain custody of any person determined by a commission to be unprivileged combatants after the person has been either convicted or sentenced in accordance with this Act, unless the Department of Defense deems otherwise. Decisions made by a commission in regards to a detainee's guilt or innocence may be considered by a tribunal when assessing the need to continue the detention of a detainee.

SEC. 14. COMMUNICATION WITH PERSONS IN CUSTODY.

An individual detained, indicted, or convicted under this Act shall only be permitted to communicate with the interpreter assigned to the individual, the counsel representing the individual, prison personnel, and any other individual approved by the Secretary of Defense.

SEC. 15. COMMISSION COUNSEL.

(a) IN GENERAL.—A person shall be admitted to practice before a commission if the person—

(1) is a United States citizen;

(2) has been admitted to the practice of law in a State, district, territory, or possession of the United States, or before a Federal court;

(3) has not been sanctioned or otherwise the subject of disciplinary action by any court, bar, or other competent governmental authority for misconduct;

(4) is eligible for access to information classified at the level of secret as defined by the Department of Defense; and

(5) signs a written agreement to comply with all applicable regulations or instructions for counsel, including any rules of court for conduct during the course of proceedings.

(b) CONSULTATION WITH COLLEAGUES.—Any person admitted under subsection (a) shall not confer with any colleague who does not have the appropriate clearance.

(c) SECURITY CLEARANCE.—

(1) EXPEDITED CONSIDERATION.—The Secretary of Defense shall ensure that a person seeking to be admitted under subsection (a) is timely processed for the security clearance required for access to materials necessary for providing a defendant with effective assistance of counsel.

(2) COUNSEL INELIGIBLE FOR CLEARANCE.—If the Secretary of Defense determines a person is not eligible for the necessary security clearance, the person shall not be permitted to represent an individual in any proceeding before the Commission. The determination of the Secretary of Defense shall be final and is not subject to appeal to, or other review by, any court of the United States.

(d) TRAVEL EXPENSES.—The Secretary of Defense shall reimburse any person not employed by the Government who is representing an individual before the Commission for travel away from the home or regular place of business of the person in connection with such representation. The rates for the payment of travel expenses under this subsection shall be those authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Unprivileged Combatants Act of 2006 is a follow-up to the Military Commissions Procedures Act of 2002 (S. 1937, 107th Congress) which you cosponsored with Senator DURBIN in February 2002. The goal of this bill is to balance the need for national security (interrogations and detention of combatants) with the need to afford detainees with sufficient due process so that nations such as Great Britain and Australia will not place undue pressure on the United States to release their citizens from Guantanamo Bay. This bill addresses only those combatants currently held at Guantanamo Bay. The Act clarifies the procedures used in Combatant Status Review Tribunals and establishes procedures for the trial of detainees. These procedures constitute ''a meaningful opportunity to contest the factual basis for that detention before a neutral decisionmaker.'' (Hamdi v. Rumsfeld, 542 U.S. 507, O'Connor, J.) This bill does not address the issue of unprivileged combatants contesting their detentions through habeas appeals. Although the Graham-Kyl-Levin amendment to the 2005 DoD appropriations bill has addressed this issue, a forthcoming Supreme Court decision (Hamdan v. Rumsfeld, 04–5393) will probably require additional legislation on this matter.

Section 301: Findings: This title is in direct response to the United States Supreme Court's ruling in Rasul v. Bush.

Section 302: Definition Section: Definition section of the bill which defines primary terms such as field tribunal, classification tribunal, military commission, and unprivileged combatant.

Section 303: Authorizing Military Commissions: The President is authorized to establish military commissions for the trial of individuals for offenses as provided in this title.

Section 304: Jurisdiction Over Unprivileged Combatants: This title establishes exclusive jurisdiction to hear any matter involving an unprivileged combatant who has been detained by the Department of Defense at Guantanamo Bay, Cuba. These detainees may be tried via laws of war or pursuant to the Department of Defense's Military Commission Instruction Number Two.

Section 305: Appellate Jurisdiction: The U.S. Courts of Military Appeals shall have exclusive jurisdiction over appeals from all final decisions of a classification tribunal board or military commission under this tide. These decisions are then subject to review by the Supreme Court by writ of certiorari.

Section 306: Military Commission: The Commissions shall consist of three military officers, at least one of whom is a Judge Advocate General. These Commissions shall decide the guilt or innocence of detainees charged under section 304 of this Act. This is basically what happens now.

Section 307: Persons in Custody: Not more than 60 days after the enactment of this Act, the Secretary of Defense is required to develop a list of all persons who are being detained at Guantanamo Bay, Cuba, and whom the government wishes to continue to detain as an unprivileged combatant. The Act requires that the original list and subsequent lists, updated at least once every 60 days, be submitted to the appropriate House and Senate committees.

Section 308: Field Tribunals: Not more than 30 days after a suspected unprivileged combatant has been detained by United States forces, the Department of Defense shall conduct a field tribunal (''FT'') in order to determine whether the detainee is an unprivileged combatant and whether the detainee is entitled to the rights afforded under the Geneva Convention. The procedures governing a field tribunal shall be promulgated by the Department of Defense.

Section 309: Classification Tribunals: A Classification Tribunal (''CT'') is very similar to the current Combatant Status Review Tribunal. The CT shall be composed of three military officers, one of whom shall be an attorney. Pursuant to a hearing before a CT, a designee shall be released and repatriated to an appropriate country unless a CT finds by a preponderance of the evidence that—(1) the detainee is a threat to the national security interest of the United States; or (2) there are reasonable grounds to believe that if released the person would take up arms against the United States. Decisions of the CT shall be repeated every six months. Detainees may be released only when the CT or the Administrative Board determines the detainee is no longer a threat to national security. This section also expressly states that a detainee who is also a United States citizen may not be held or tried under this act.

Section 310: Classification Tribunal Procedures: Procedures for CT's are the same as those of Combatant Status Review Tribunals except detainees shall be represented by counsel and are permitted to view unclassified discovery that the prosecution plans to present before the tribunal.

Section 311: Continuance of Classification Tribunals: Classification tribunals may be continued in order for the government to continue their interrogation of a detainee. Upon a motion from the Government, the classification tribunal board may grant a continuance for up to a 6-month period, if the classification tribunal board determines that: 1) the individual being detained is a high level individual in the planning or financing of terrorist activities, or 2) the individual possesses information vital to the safety of the United States or its citizens. The Government may obtain more than one continuance if it demonstrates that such continuances are necessary for information gathering purposes as it relates to national security. Said applications for Continuances shall be made ex parte and before a detainee is given an attorney. Accordingly, a detainee is only given an attorney once the tribunal is informed that the interrogation efforts have been exhausted.

Section 312 & 313: Criminal Prosecution Procedures: Military Commission procedures will be the same as the current procedures afforded detainees under the current system.

Section 314: Communication with Persons in Custody: Limits communications by any detainee indicted or convicted under this Act to the individual's interpreter, assigned counsel, prison personnel, and any other individual(s) approved by the Secretary of Defense.

Section 315: Commission Counsel: Provides the following criteria for persons to be admitted to practice before a commission: 1) U.S. Citizen, 2) has been admitted to practice law in a State, district, territory or possession of the United States or before Federal Court, 3) has not been disciplined by any court, bar or other competent governmental authority for misconduct, 4) maintains a minimum of ''secret'' clearance and 5) signs a written agreement to comply with all applicable regulations aid instructions for counsel during the course of proceedings. It further provides persons admitted to practice will not confer with any colleague who does not have at least a ''secret'' clearance. This section provides that individuals seeking to practice before a commission will be expedited in consideration for obtaining the necessary security clearance. The decision of the Secretary of Defense regarding the granting or not of the security clearance is final and is not eligible for appeal or review. Finally, this section provides that persons practicing before the commission are eligible to have their travel expenses reimbursed.

By Mr. HARKIN:

S. 3615. A bill to amend the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Federal Food, Drug, and Cosmetic Act to provide for improved public health and food safety through enhanced enforcement, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HARKIN. Mr. President, today, I am introducing the Safe and Fair Enforcement and Recall for Meat, Poultry, and Food—SAFER—Act. This legislation will protect consumers from contaminated meat and poultry by giving the Department of Agriculture, USDA, and the Department of Health and Human Service's Food and Drug Administration, FDA, greater authority to remove unsafe products from the market.

If enacted, the bill would give USDA and FDA the following three key tools in keeping food safe for consumers: authority to mandate that a company recall unsafe meat, poultry, and food products if a company fails to voluntarily recall unsafe or unwholesome food; require companies to notify USDA or FDA if they know a product is adulterated or misbranded; and authority to USDA and FDA to levy civil penalties if a company violates federal meat, poultry, or food laws. USDA and FDA are lacking fundamental authorities to maintain a safe and secure food supply. This legislation would change that.

Foodborne illness continues to be a far too common problem in the United States. The Centers for Disease Control and Prevention, CDC, estimate that each year 76 million illnesses, 325,000 hospitalizations, and 1,800 deaths can be attributed to foodborne diseases. USDA's Economic Research Service estimates that the cost of foodborne illness is $6.9 billion a year in medical

costs, productivity losses, and premature deaths. Even in the face of such numbers, companies say USDA and FDA do not need more effective tools to enforce food safety standards. They say the food industry is compliant with voluntary recalls. It is true most companies do comply, but there have been problems and delays in recalls. The problem is, USDA and FDA have no backup authority to order a recall if the company refuses. What happens then? Without this legislation, USDA and FDA have to lose precious time to get unsafe product off the shelves. Another criticism of this legislation is that it would give USDA too much power to mandate recalls, and may even push the Department to go too far. However, the bill has a procedure for due process, so that if a company has evidence that a recall or civil penalties are unjustified, they are appealable before an administrative law judge.

In addition to mandatory recall authority, the authority to levy a financial penalty if a company does not comply with our food safety laws is crucial to enforcing the standards. Civil penalties are an effective deterrent to stop violators and are already used to enforce analogous federal safety standards. Currently, USDA and FDA can only withdraw inspectors and shut down a plant that repeatedly or willfully violates our meat, poultry and food laws, which can often be a lengthy and costly process. Such drastic action is very seldom even taken. The ability to levy civil penalties gives USDA and FDA a much-needed tool for ensuring compliance with our food safety laws.

USDA recently proposed a rule to provide the public with valuable information about meat and poultry that is voluntarily recalled. The rule will disclose the names and locations of stores where such products have been sold. While I believe this is a step in the right direction, it is not enough to protect consumers. This USDA rule does little more than place the burden on consumers to protect their families or themselves from foodborne illnesses. The SAFER Meat, Poultry, and Food Act would act as a complement to this USDA proposal, and would give USDA, as well as FDA, the power to enforce the food safety standards they have set. I urge my colleagues to support this legislation to protect the American consumer.

By Mr. SCHUMER (for himself, Mr. SMITH, Mr. BOND, Mr. REED, Mrs. MURRAY, and Mr. SARBANES):

S. 3616. A bill to amend the Internal Revenue Code of 1986 to provide an incentive to preserve affordable housing in multifamily housing units which are sold or exchanged; to the Committee on Finance.

Mr. SCHUMER. Mr. President, today I rise to introduce mine and Senator GORDON SMITH's bill, The Affordable Housing Preservation Act of 2006. Our bill provides a solution to preserve federally assisted affordable multifamily housing.

I want to thank all of our colleagues— Senators BOND, REED, MURRAY, and SARBANES—for realizing the importance of this issue and agreeing to cosponsor our legislation.

I have often said that few Federal programs have helped mothers and fathers keep their families together more than our low income and public housing programs. And while I always fight to make sure New York and the country at large gets all the money it can from Washington, frankly I am not the kind of elected official who believes that all government programs are equally good. But low income housing programs are some of the best things our government has ever done to help families, mothers, the elderly, and the disabled.

Unfortunately—the current housing climate has reached a crisis point and the good that we are doing just is not enough anymore. Consider that in 2001, 95 million people—a whopping one third of the nation—had housing problems: ranging from high cost burden, to overcrowding, to poor quality, or worse to homelessness.

In the same year, 41 million people, 14.6 percent of the U.S. population, were without health insurance and 12 percent of all people in the U.S.—33.6 million—lacked food security. These are all interrelated. If rent is too high—you go without health insurance. Maybe you trim down spending on groceries.

Sixty-five million Americans with housing problems are low income, and 87 percent of them face high housing cost burdens. In New York, the numbers are even worse. New York State ranks 47th out of the 50 States in renter affordability.

Across the board, housing problems are plaguing low income people who live in both renter and owner households, and by people in all age groups, including children and seniors.

The bottom line is that twice as many people who lack health insurance and three times more people who struggle on a regular basis to put food on their table have housing problems.

But for whatever reason, the housing issue does not attract the same level of public concern and political attention as other programs. And that's why housing programs have been cut back by more than just about any other program over the last decade.

Whenever I speak to New Yorkers—there is a common refrain: from gas prices to milk costs to rent hikes, the cost of living in New York keeps going up and up.

It is a demonstrated pattern and we have worked diligently to try to defend every penny. We have had some successes but it is a yearly battle and I unfortunately have no doubt that we will continue to fight to defend every penny of funding for housing programs.

But scraping our pockets for money is not enough. I served on the Housing Subcommittee for my entire 25 years in Congress and I'm tired of just playing defense and preventing things from happening.

If we want to actually get something done to improve the housing market and prospects for millions of low income families we've got to not just be satisfied with a good defense.

What we need right now is a good offense. As the newest member on the Senate Finance Committee in addition to my current post on the Banking, Housing and Urban Affairs Committee, I intend to use this position to help fight for housing and particularly new funding for housing for New York and America.

Today I am introducing legislation with my fellow Finance Committee member, Senator GORDON SMITH—proposing that we bring this fight to a playing field many more are comfortable on. We should focus on housing tax incentives rather than just relying solely on new spending to expand the number of affordable housing units.

Since its inception the Tax Reform Act of 1986, the low-income housing tax credit, for example, has helped build and convert 1.6 million apartments with rents affordable to low income families, by providing investors in affordable housing developments with a dollar-for-dollar reduction in their Federal tax liability.

We anticipate that the Affordable Housing Preservation Act of 2006 will afford renters and developers similar benefits. Our legislation will work to ensure that we can preserve the current supply of affordable housing by providing tax relief to owners.

At the moment the inadequate present stock of affordable housing might shrink even further—much of it was built in the 60s and 70s and is aging and needs to be rehabilitated.

Under normal circumstances—developers who own this housing and have no interest in rehabilitating it themselves would sell it to another developer who would refinance and rehabilitate it for affordable housing.

But because a so called ''exit tax'' is placed on any developer who plans to sell their subsidized property—more and more are deciding not to sell and to just sit on the property until they die.

Let's say back in the 70s Developer Dan purchased a plot of land in Queens for $200,000 and built $800,000 worth of affordable housing on it—for a total investment of $1 million.

At the time, Developer Dan was able to secure tax benefits as part of the accelerated tax depreciation program and was able to deduct 70 cents on every dollar invested in affordable housing over a 15-year period.

So now in 2004 his accelerated depreciation has expired and Dan is getting on in his years and wants to sell the property—simply to break even and get out of the business.

But he can't do it very easily. If Dan sells the property for $1 million he must then pay an exit tax. The exit tax for Dan will be 25 percent applied to the building that was subsidized. So Dan must pay a $200,000 tax when he sells the building. That is not a very appealing situation for our friend Dan.

So Dan entertains two other options—instead of keeping the units as affordable housing he sells his property into the traditional housing market where he can garner a greater price which includes the amount of the exit tax but removes the units from the affordable housing market.

Or even more likely, Dan holds onto the property and neglects its upkeep at a detriment to his tenants and waits until he dies because then the tax consequence is erased. The property is likely sold in the traditional market and lost to the affordable housing community.

The Local Initiatives Support Coalition estimates that there are 1 million housing units held in this manner because owners are unwilling to sell and take on the new tax burden.

That is 1 million housing units—many of which are rapidly deteriorating and not providing good homes for the people who are living in them and one million units that will eventually be removed from the affordable market if we don't do something to make it easier and more attractive for affordable housing owners to sell their properties to other affordable housing developers.

So today, we are proposing a plan to waive exit taxes for owners who sell their properties to buyers who agree to keep the properties affordable for no less than 30 years. It is a simple fix—and one that could save us 1 million affordable housing units.

While we await a full scoring of our proposal from the CBO, our back of the envelope estimate shows that waiving the exit taxes to preserve this supply of affordable housing represents a $422 million incentive program over a 10-year period.

We hope this bill will move quickly, especially since we have clear support in both the House and the Senate. Congressman JIM RAMSTAD has introduced a similar bill on the House side. In addition, we have widespread support from the housing, real estate and investment community

Before I close I want to make clear—this and similar types of housing tax proposals are not meant to replace funding for current housing programs. We will still fight for full funding of every housing program—from section 8 to CDBG. We just need to modify our strategy and operate more on the offense rather than the defense.

Mr. SMITH. Mr. President, I rise to join Senator SCHUMER in offering legislation that will help maintain our Nation's affordable housing inventory. Our country's stock of affordable rental housing is shrinking. Every day, we lose affordable units to rent increases, deterioration, and conversions to market-rate housing or commercial use. For millions of Americans, this means that it is getting harder to put a roof over their family's heads and food on the table.

In 2000—recognizing that we had a looming crisis—Congress established the bipartisan Millennial Housing Commission. The Commission was tasked with studying the importance of affordable housing to the infrastructure of the United States as well as the various methods to increase the effectiveness and efficiency of the private sector's role in providing affordable housing.

The bill Senator SCHUMER and I are introducing is based on a recommendation by the Millennial Housing Commission. Our bill would waive the depreciation recapture tax liability if investors sell their property to owners who will preserve the property as affordable housing for 30 years. Through a simple change in the Tax Code, our bill will help preserve the federally assisted affordable housing stock of the United States at a minimal cost to the Federal Government. This proposal is supported by a broad coalition of affordable housing advocates, including the National Housing Conference, the National Housing Trust, the National Low-Income Housing Coalition, and the National Council of State Housing Agencies.

According to Oregon Housing and Community Services, OHCS, there are approximately 4,000 households at risk of losing their homes in the OHCS portfolio alone. There are another 6,000 households at risk in section 8 projects not currently in the OHCS portfolio. All of these properties could benefit from the change Senator SCHUMER and I are proposing.

The Neighborhood Partnership Fund of Portland estimates that an additional 215 Rural Housing Service properties with more than 6,000 units in Oregon could also benefit.

I thank the Senator from New York, Mr. SCHUMER, for working with me on this bill. I believe this is important legislation and will help stem affordable housing losses in the United States. I look forward to working with my colleagues to see the legislation passed and signed into law.

By Mrs. CLINTON (for herself, Mr. LEAHY, Mr. JEFFORDS, and Mr. SCHUMER):

S. 3618. A bill to establish the Champlain Quadricentennial Commemoration Commission, the Hudson-Fulton 400th Commemoration Commission, and for other purposes; to the Committee on Energy and Natural Resources.

Mrs. CLINTON. Mr. President, it gives me pride and pleasure to introduce revised legislation to establish the Champlain Quadricentennial Commemoration Commission and the Hudson-Fulton 400th Commemoration Commission.

I began this effort with legislation I introduced 4 years ago during the 107th Congress. Because my colleagues in the other body and I were not able to enact our bill that time, we returned in the 108th Congress with new legislation including needed revisions. I now lay down the next version of the bill that incorporates welcomed input and reflects a consensus reached among key leaders who share the goal of honoring important events in our Nation's and New York State's history.

The United States of America has long been celebrated for its leadership in innovation, exploration, and ingenuity. These qualities have been evident dating back as far as 1609 when Englishman Henry Hudson became the first European to sail up the river later named for him in the vessel Half Moon. Also in 1609, French explorer Samuel de Champlain became the first European to see the lake later named for him, as well as the shores in Northern New York and Vermont.

These explorations led to the establishment of trading posts, military posts, and settlements as far south as Lake George. From these early establishments came trade, commerce, cultural, and religious impact deep into the Mohawk Valley and as far west as Lake Erie. These settlements influenced our Nation's history, culture, law, commerce, and traditions of liberty that extend to the present day.

Almost 200 years later, in 1807, Robert Fulton navigated the Hudson River from the city of New York to Albany in the steamboat Clermont, successfully inaugurating steam navigation on a commercial basis. This event helped revolutionize waterborne commerce on the great rivers of the United States and fostered international relations through transoceanic travel and trade.

We are now almost 400 years removed from the voyages of Hudson and Champlain and 200 years removed from the voyage of Fulton. If America intends to continue in its role as a world leader in innovation, exploration, and ingenuity, it is important that we provide a suitable observance of those before us who have contributed to what our nation is today.

The Champlain Quadricentennial Commemoration Commission and the Hudson-Fulton 400th Commemoration Commission represents a unique opportunity to celebrate New York, Vermont and America's glorious heritage. In 1909, Americans celebrated the 300th anniversaries of these events with maritime celebrations and art exhibitions. The Dutch built the first replica of Hudson's ship, the Half Moon, and sent it up the Hudson River for the observance. In 1959, Congress recognized the 350th anniversary by establishing a similar commission to coordinate federal participation in the celebrations.

I ask that the Senate come together not only to honor these events that have contributed to our past, but to celebrate the effects they will have on our future.

By Mr. LEVIN (for himself, Mrs. DOLE, Mr. REED, Mr. JEFFORDS, Mr. VOINOVICH, and Mr. MARTINEZ):

S. 3620. A bill to facilitate the provision of assistance by the Department of Housing and Urban Development for the cleanup and economic redevelopment of brownfields; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LEVIN. Mr. President, today I introduced the Brownfields Redevelopment Enhancement Act of 2006 with Senators DOLE, REED, JEFFORDS, VOINOVICH, and MARTINEZ. This bill would allow the U.S. Department of Housing and Urban Development to assist communities in transforming idle brownfield sites into productive uses. Brownfields are abandoned or underused industrial and commercial properties where redevelopment is complicated by real or perceived environmental contamination. More than 450,000 of these sites taint our Nation and limit the economic growth of communities. Brownfields redevelopment can provide new opportunities for businesses, housing, and recreational spaces such as urban parks.

Brownfields redevelopment is a fiscally sound way to bring investment back to neglected neighborhoods, clean up the environment and maximize use of existing infrastructure. My home State of Michigan has benefited from hundreds of brownfields redevelopment projects, and this bill would help to ensure that federal tools are in place to continue with these successes in Michigan and throughout the Nation.

The Brownfields Redevelopment Enhancement Act would provide the Department of Housing and Urban Development with new tools to spur brownfields redevelopment. This bill would provide local governments with increased accessibility to HUD's Brownfields Economic Development Initiative grants by allowing HUD to make brownfields grants without requiring that communities pledge their future community development block grant funds as collateral. Removing this restriction from the HUD Brownfields Economic Development Initiative program would allow many more communities, especially smaller communities, to participate in the program. The bill also adopts the definition of brownfields used by the EPA, which would bring greater consistency and clarity to the federal government's brownfields programs.

The bill authorizes $50 million annually for this important Federal program, which provides funding for a wide variety of brownfield redevelopment activities—from site remediation to construction. Supporters of this bill include the U.S. Conference of Mayors, the National Association of Home Builders, the National Association of Industrial and Office Properties, the Real Estate Roundtable, the National Association of Development Organizations, the Northeast-Midwest Institute, the National Association of Local Government Environmental Professionals, the Associated General Contractors of America, the National Association of Real Estate Investment Trusts, and the Environmental Bankers Association.

I want to thank my Senate colleagues for working with me on this bill, and I want to especially thank JACK REED who played a key role in the early drafting of the bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3620

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Brownfields Redevelopment Enhancement Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) grants under the Brownfields Economic Development Initiative of the Department of Housing and Urban Development provide local governments with a flexible source of funding to pursue brownfields redevelopment through land acquisition, site preparation, economic development, and other activities;

(2) to be eligible for such grant funds, a community must be willing to pledge community development block grant funds as partial collateral for a loan guarantee under section 108 of the Housing and Community Development Act of 1974, and this requirement is a barrier to many local communities that are unable or unwilling to pledge such block grant funds as collateral; and

(3) by providing grants for the economic development of brownfield sites independent from section 108 loan guarantees and the related pledge of community development block grant funds, more communities will have access to funding for redevelopment of brownfield sites.

(b) PURPOSE.—The purpose of this Act is to provide units of general local government and Indian tribes with increased accessibility to brownfields redevelopment funds by permitting the Secretary of Housing and Urban Development to make grants for brownfields development independent from section 108 loan guarantees.

SEC. 3. BROWNFIELDS DEVELOPMENT INITIATIVE.

Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding at the end the following new section:

''SEC. 123. BROWNFIELDS DEVELOPMENT INITIATIVE.

''(a) IN GENERAL.—The Secretary may make grants under this section, on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545), only to eligible public entities (as such term is defined in section 108(o) of this title) and Indian tribes for carrying out projects and activities to assist the development and redevelopment of brownfield sites, which shall include mine-scarred lands.

''(b) USE OF GRANT AMOUNTS.—Amounts from grants under this section—

''(1) shall be used, as provided in subsection (a) of this section, only for activities specified in section 105(a) in connection with a brownfield site;

''(2) shall be subject to the same requirements that, under section 101(c) and paragraphs (2) and (3) of section 104(b), apply to grants under section 106; and

''(3) shall not be provided or used in a manner that reduces the financial responsibility of any nongovernmental party that is responsible or potentially responsible for contamination on any real property and the provision of assistance pursuant to this section shall not in any way relieve any party of liability with respect to such contamination, including liability for removal and remediation costs.

''(c) AVAILABILITY OF ASSISTANCE.—The Secretary shall not require, for eligibility for a grant under this section, that such grant amounts be used only in connection or conjunction with projects and activities assisted with a loan guaranteed under section 108.

''(d) APPLICATIONS.—Applications for assistance under this subsection shall be in the form and in accordance with the procedures established by the Secretary.

''(e) SELECTION CRITERIA.—

''(1) IN GENERAL.—The Secretary shall establish criteria for awarding assistance under this subsection.

''(2) CRITERIA.—The criteria established under paragraph (1) shall include—

''(A) the extent of need for such assistance;

''(B) the level of distress in the community to be served and in the jurisdiction applying for assistance;

''(C) the quality of the plan proposed and the capacity or potential capacity of the applicant to successfully carry out the plan; and

''(D) such other factors as the Secretary determines to be appropriate.

''(f) DEFINITION OF BROWNFIELD SITE.—For purposes of this section, the term 'brownfield site'—

''(1) has the meaning given such term in section 101(39) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(39)); and

''(2) includes a site that meets the requirements under subparagraph (D) of such section for inclusion as a brownfield site for purposes of section 104(k) of such Act (42 U.S.C. 9604(k)).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $50,000,000, for each of fiscal years 2007, 2008, 2009, 2010, and 2011.''.

SEC. 4. TECHNICAL AMENDMENT TO ALLOW USE OF CDBG FUNDS TO ADMINISTER RENEWAL COMMUNITIES.

Section 105(a)(13) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(13)) is amended by inserting ''and renewal communities'' after ''enterprise zones''.

SEC. 5. APPLICABILITY.

The amendments made by this Act shall apply only with respect to amounts made available for fiscal year 2007 and fiscal years thereafter for use under the provisions of law amended by this Act.

Mrs. DOLE. Mr. President, across North Carolina and our Nation, many local communities face the challenge of what to do with blighted lands where factories and businesses once thrived. Though abandoned, these sites still hold great promise for prosperity. In fact, around the country, deserted, contaminated industrial facilities, called brownfields, are being reclaimed, cleaned up and redeveloped. Communities are partnering with the private sector and State and Federal agencies to turn brownfields into productive sites that promote economic growth and job creation.

With nearly 1 million brownfields remaining in the United States, we need to strengthen these important public-private partnerships. That is why I am very pleased to introduce the Brownfields Redevelopment Enhancement Act with my colleagues, Senators MARTINEZ, LEVIN, REED, VOINOVICH, and JEFFORDS. This legislation will enable more local communities to use grant funding from the Department of Housing and Urban Development's Brownfields Economic Development Initiative, BEDI, program to literally unearth opportunity.

For several years, HUD has provided more than $200 million to local governments in BEDI grants of up to $3 million to support demolition, site clearance, site preparation, infrastructure upgrades, and redevelopment activities that are needed to transform brownfields into productive sites once again. This HUD support for brownfields projects is critical because redevelopment requires more than the environmental assessment and cleanup funding that is provided by the U.S. Environmental Protection Agency.

BEDI grants generate tremendous private investment in brownfields redevelopment. In fact, every dollar in BEDI grant funding generates 10 dollars in private sector support for brownfields projects. Still, these funds could be provided in a much more effective way. Currently BEDI grants are available only if they are coupled with HUD section 108 loan guarantees, typically in a high loan-to-grant ratio. These section 108 loans must be backed and collateralized by the local government's future allocations of HUD community development block grant, CDBG, funds. This requirement is unworkable for many communities. For smaller localities that do not have an entitlement to CDBG funds, BEDI funds are very difficult to obtain. And larger CDBG entitlement communities also have great difficulty in obtaining BEDI funding, either because they have reached their allowable CDBG borrowing limit or because the demand for scarce CDBG funding is so great.

The legislation we introduce today would amend the Housing and Community Development Act of 1974 by untying the BEDI program from the requirement to obtain Section 108 loans, thus making BEDI funding more accessible for communities large and small. The legislation also would authorize $50 million in annual HUD grant funding for brownfields projects.

Communities around the country, including many in my home State of North Carolina, would benefit tremendously from this adjustment in BEDI grant requirements. For example, Wilson, N.C. wants to clean up and redevelop 30 acres of vacant tobacco warehouses in the downtown district. But because Wilson is not a CDBG entitlement community, these BEDI funds currently are unattainable under the section 108 requirement. And in Winston-Salem, city leaders seek to make a corridor of underutilized brownfield land into part of the Piedmont Triad Research Park, a global center for life science and medical technology. Winston-Salem, though a CDBG entitlement city, cannot access any additional BEDI funding because the city is nearing its CDBG debt guarantee limit. The legislation we propose today would remove these barriers for places like Wilson and Winston-Salem and enable our communities to turn great visions for economic development into reality.

The House of Representatives has already approved a similar measure to spur brownfields cleanup, and this legislation is broadly supported by many localities and private sector organizations, including the U.S. Conference of Mayors, the National Association of Development Organizations, the National Association of Local Government Environmental Professionals, the National Association of Homebuilders, the Associated General Contractors of America, the National Association of Industrial and Office Properties, the National Brownfield Association, the Real Estate Roundtable, the National Association of Real Estate Investment Trusts, and North Carolina-based Cherokee Investment Partners.

With such strong support—in Congress and in communities across the Nation—for this improvement to the BEDI program, I urge the Senate to act swiftly on this legislation. Brownfields revitalization projects are models of successful public-private partnering, and we at the Federal level must do our part to encourage and enable these endeavors to continue.

By Mr. REID:

S. 3621. A bill to permit certain local law enforcement officers to carry firearms on aircraft; to the Committee on Commerce, Science, and Transportation.

Mr. REID. Mr. President, I rise today to reintroduce legislation I originally introduced last Congress, a bill to make air travel safer by allowing local law enforcement to carry their firearms on aircrafts, the Safer Skies Act of 2006.

This legislation is needed to increase the safety of our airplanes, as well as to make it easier for local law enforcement to travel across the county. Whether on official travel or personal travel, Federal law enforcement officers are allowed to carry firearms with them throughout their flights. The legislation I am introducing today would extend the same privilege—and responsibility—to local law enforcement officers.

Ever since the horrific terrorist attacks that occurred on September 11, 2001, we have seen how our local emergency responders, including local law enforcement officers, play a vital role in protecting not just their local communities, but the entire Nation. Hurricanes Katrina and Rita are the most recent examples. We think of local law enforcement officers as our Nation's first responders, but they are also the Nation's early preventers. They are the first to identify local crimes that could turn into national attacks. They are the first to report suspicious behavior that could thwart a future terrorist attack. And they are the ones who can keep our nation safe by stopping a terrorist threat before it becomes an attack. Their eyes, ears and experience are critical to our national security, and that includes on airplanes.

Hundreds, thousands of police officers use the Nation's airlines each day. Authorizing certain qualified local police officers to carry their weapons onto planes, whether on or off duty, will give airline personal access to additional assistance if needed. The unique, long-term training in handling various disturbances including hostage situations, barricaded subjects, drunken persons and the mentally ill will provide added security to our Nation's flights and enhance passenger safety. Authorizing qualified local officers to carry their duty weapons on aircrafts is a way to be proactive in enhancing the security of our Nation's air travel. It will also have a deterrent effect on potential hijackers, knowing their may be more armed law enforcement on any given flight.

A terrorist attack in any city is a national concern. Local law enforcement officers are a crucial element of the plan to protect our Nation. I want to thank the Las Vegas Police Protective Association and the National Association of Police Organizations for their support of this important legislation. In particular, I would like to thank Detective David Kallas, Executive Director Las Vegas Police Protective Association, Detectives Chris Collins and Michelle Jotz, and John Dean Harper for their input and advice.

With their help, we have produced legislation that will keep our country safe, by giving law enforcement the standing they deserve as they continue to protect our hometowns and the nation. I ask unanimous consent that both this letter of support from the National Association of Police Organizations and the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3621

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Safer Skies Act of 2006''.

SEC. 2. AUTHORITY OF LOCAL LAW ENFORCEMENT OFFICERS TO CARRY FIREARMS ON AIRCRAFT.

(a) IN GENERAL.—Subchapter I of chapter 449 of title 49, United States Code, is amended by adding at the end the following:

''§ 44926. Authority of local law enforcement officers to carry firearms on aircraft

''(a) IN GENERAL.—Not later than 30 days after the date of the enactment of the Safer Skies Act of 2006, the Under Secretary of Transportation for Security shall prescribe

regulations that permit qualified local law enforcement officers to carry accessible weapons while onboard an aircraft to the same extent and subject to the same limits as Federal law enforcement officers are permitted under section 1544.219 of title 49, Code of Federal Regulations, or any successor regulation.

''(b) QUALIFIED LOCAL LAW ENFORCEMENT OFFICER.—In this section, the term 'qualified local law enforcement officer' means any full-time State or local enforcement officer, whether or not on official travel, who—

''(1) is a direct employee of a government agency that—

''(A) employs more than 400 employees; and

''(B) is accredited by a nationally recognized law enforcement accreditation program;

''(2) is armed in accordance with an agency-wide policy established by the employing agency by directive or policy statement; and

''(3) otherwise complies with the requirements relating to Federal law enforcement officers.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 449 of title 49, United States Code, is amended by inserting after the item related to section 44925 the following:

''Sec. 44926. Authority of local law enforcement officers to carry firearms on aircraft.''.

NATIONAL ASSOCIATION OF POLICE ORGANIZATIONS, INC.,
Washington, DC, June 29, 2006.

Hon. HARRY REID,
U.S. Senate,
Washington, DC.

DEAR SENATOR REID: On behalf of the National Association of Police Organizations (NAPO), representing 238,000 rank-and-file police officers from across the United States, I would like thank you for introducing the ''Safer Skies Act of 2006,'' and advise you of our support for the legislation. If enacted, this legislation would provide additional protection to those flying our nation's skies by permitting qualified local law enforcement officers to carry accessible weapons while onboard an aircraft.

NAPO was actively involved in fighting for the passage of the ''Law Enforcement Officers' Safety Act,'' which rightly allows off-duty and retired police officers to carry their firearms for the protection of themselves, their families and our nation's communities. NAPO stands by this law and firmly believes that allowing an officer the right to carry an accessible weapon on a plane is a natural and appropriate extension of this law.

''Safer Skies Act of 2006'' is necessary and beneficial for the general welfare of the public, especially after the events of September 11, 2001. NAPO supports the bill and looks forward to working with you to expand its coverage in the future. Ultimately, we feel it is important to include all of our nation's law enforcement officers in order to provide greater protection to the officers and our nation's citizens flying the American skies. If you have any questions, please feel free to contact me, or NAPO's Legislative Assistant, Andrea Mournighan.

Sincerely,

WILLIAM J. JOHNSON,
Executive Director.

By Mr. CORNYN (for himself and Mr. COLEMAN):

S. 3622. A bill to authorize the President to negotiate the creation of a North American Investment Fund between the Governments of Canada, of Mexico, and of the United States to increase the economic competitiveness of North America in a global economy; to the Committee on Foreign Relations.

Mr. CORNYN. Mr. President, I rise today to introduce legislation—previously introduced in the 108th Congress—which I believe is important to the long-term competitiveness of North America. And I would like to thank my distinguished colleague, Mr. COLEMAN, for his support and recognition of the value of this legislation. He is an original co-sponsor of the bill, and I look forward to working with him and others to ensure its success.

Currently, a significant development gap exists between Mexico and the United States and Canada. I believe it is in our best interests to find creative ways to bridge this development gap.

As my colleagues undoubtedly are aware, Mexico will elect a new President this weekend. When President Fox was elected in 2000 it was a watershed event for Mexico because the election was fair and the transfer of power was peaceful. I hope that the same fair, peaceful process takes place this weekend. So I wish all the candidates well and I look forward to working with the new Administration and the new Congress on issues of mutual importance to our countries.

Considered in the context of history, Mexico has—particularly within the past decade—made significant strides related to its system of government and its trade policies. However, much work remains to be done, and I think it is important that we explore ways to help our neighbor move their development efforts to the next level, to assist them as they continue on a path of prosperity and growth.

I have come to view the creation of a North American Investment Fund as both central to our relationship with Mexico and necessary to ensure the economic prosperity of North America as part of an ever-changing and growing global economy. I hope that this legislation will be a useful vehicle to help jump-start discussions on this very important topic.

My bill authorizes the President to negotiate the creation of a North American Investment Fund with the governments of Canada and Mexico. The fund can only be created if Mexico satisfies two conditions.

First, the Government of Mexico must raise tax revenue to 18 percent of the gross domestic product of Mexico. Their current tax rate is approximately 9 percent.

Second, Mexico must develop and execute a program of economic reforms to increase private investment and economic growth, while also maintaining economic stability in Mexico.

These steps are of the utmost importance because any lasting changes in Mexico must start from within.

The purpose of this fund is to reinforce efforts already underway in Mexico to ensure their own economic development. The funding would make grants available for projects to construct roads in Mexico to facilitate trade, to develop and expand their education programs, to build infrastructure for the deployment of communications services and to improve job training and workforce development for high-growth industries.

As I have mentioned on several occasions, I have heard from Mexico leaders who say they want desperately to ''export goods and services, not people'' to our country. Well, I think we all recognize that opportunity in one's home country and immigration are linked, and I believe we should be more involved in helping to promote the strength and stability of our neighbors.

Development provides a positive and stabilizing influence on economies, on government institutions, and also on immigration. We've seen, in past years, a steady flow of immigrants—particularly undocumented workers—coming across our borders. A vast number of these immigrants are here to work hard so they can send money home to their families and relatives. They may be well-intentioned, but at the same time, these hard workers are doing nothing to help their own economies.

Mexico does not want the most entrepreneurial members of its society to permanently leave. What it wants most of all is for economic development to grow in their region, so that citizens would have real opportunities to stay and grow the economy there. But with the entrepreneurs and risk-takers coming to the United States, Mexico cannot hope to improve its own economy.

Economic growth creates new jobs and raises incomes. This growth lifts people out of poverty even as it spurs positive economic reform. The potential for good is nearly limitless; as with such a fund we could spur sustainable development, strengthen private property rights, while also encouraging competition, regional integration, the open flow of technology.

So the best solution for all of us is a Mexico economy that is vibrant—and one important way is to ensure its continued development of infrastructure and resources. The legislation I am proposing today would encourage this development, and I urge my colleagues to support it.

I have no illusions that Congress will move quickly to approve the idea of a North American Investment Fund. In fact, I think it will likely take some time to make our case regarding the important role this fund would play in helping spur much-needed reforms in Mexico. But this investment in Mexico's future will only serve to contribute to a more stable and prosperous North America, which should be a goal we all work to actively support.

It is important that we consider not only what is immediately feasible, but also what is ultimately desirable—the ultimate goal—in terms of the relationship between our three countries, and so I urge my colleagues to cosponsor this important legislation.

By Ms. LANDRIEU:

S. 3626. A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief and reform, and for other purposes; to the Committee on Finance.

Ms. LANDRIEU. Mr. President, this is a bill that will reduce the estate tax and reform a system that needs to be reformed. It is an issue that many of us have been working on for several—not only several months but for several years. Leaders on both sides of the aisle and Members on both sides of the aisle have been trying to come up with a compromise position that would be respectful of the fiscal situation of our country and also mindful that this tax in its current form, at least the rates and the way it is applied in its current form, can simply not be sustained. It makes no sense for this tax to be in place 1 year and go completely away the next year and then come back in the next year at a completely different rate.

We have been trying to make this much more simple for taxpayers who have to comply with it and much more fair so that it is not a discouragement for people who want to start businesses at later years. We want to try to be fair to the Federal Treasury and to the many demands.

At one point, I supported the total repeal of this tax. That one time was when we were running a surplus and before we were engaged in the wars in Afghanistan and Iraq. The war in Iraq is costing this country approximately $4 billion to $6 billion a month. It has been going on for 3 years. Unfortunately, there does not seem to be an end in sight because things are not going as well as many of us had hoped. We must continue to make a priority of this Nation supporting our men and women in uniform—whether they are here at home or in Iraq in the frontline or in Afghanistan in the frontline or other frontlines around the world. So we simply cannot afford to repeal this tax. It takes too much money out of the Treasury at a time when we need it to support our troops. Most Americans, regardless of how they feel about the war, realize we need the money to support our troops and keep them safe and help bring them home as soon as possible.

I offer this bill in the spirit of compromise. Hopefully, it will give some guidance to those who may be looking for something they can support, that costs significantly less than what Chairman THOMAS has proposed, what Senator KYL has proposed, and what others have proposed, yet gives that assurance to businesses that they will not have to pay a fluctuating rate.

The most important thing I think my bill does is it completely eliminates the estate tax for 99.9 percent of the people in Louisiana and a great percentage of people throughout the country. If you are an estate of less than $10 million, you will pay no tax. If you are a single person with $5 million or an estate worth $10 million, you have to pay income tax, you will pay capital gains tax, you will pay payroll tax, you will pay a lot of other taxes that come with the rights and privileges of being an American citizen, but you will not pay an estate tax. Only those estates over $10 million will pay the tax. And those over $100 million—which I would call superstates—would pay a little more than those that are in the middle.

As a Democrat and as a Senator, I believe in a free enterprise system where people can make money and benefit from their hard work. We need to balance between the individual's right to keep as much money as they can make and the Nation's needs to conduct wars, to protect our borders, to protect our coasts, to build our highway system—which is 50 years old today and certainly did not get built on a wish and a prayer. It got built with good design, good political will, and a lot of money that went into building that highway system that we can be proud of. It needs to be improved.

So for those who say every American should be able to keep all the money they make, I don't know who would keep the public sector that does so much good—from the men and women in uniform, to building the highways, to keeping our air clean and water clean, and other things that we depend on Government to help operate and collect in a sensible way.

I offer this in a spirit of compromise. It is something I certainly can support, and I look forward to working with my colleagues as we move through this recess to come to terms with something that is fiscally responsible and also cognizant of trying to get this tax leveled so people can plan on what they are going to have to pay and it will not become a burden on anyone and so everyone can plan, even those with a great deal of money.

By Mr. OBAMA:

S. 3627. A bill to prohibit the Department of Defense and the Department of Energy from selling, distributing, or transferring elemental mercury, to prohibit the export of elemental mercury, and for other purposes; to the Committee on Environment and Public Works.

Mr. OBAMA. Mr. President, last December, the Chicago Tribune published an in-depth report on the extent of mercury contamination in the fish eaten by the American people.

As I am sure my colleagues know, mercury is a potent neurotoxin that can cause serious developmental problems in children, ranging from severe birth defects to mental retardation. As many as 630,000 children born annually in the U.S. are at risk of neurological problems related to mercury.

In adults, mercury can cause major neurological problems affecting vision, motor skills, blood pressure and fertility. As many as 10 percent of women in the U.S. of childbearing age have mercury in their blood at a level that could put a baby at risk.

Mercury, in short, is a poison, and it often reaches humans through the fish that we eat.

Sampling conducted by the Tribune showed surprisingly high levels of mercury concentrations in freshwater and saltwater fish purchased by Chicago area consumers—fish like tuna, swordfish, orange roughy, and walleye. The Tribune series also reported on how existing programs at the Food and Drug Administration and the Environmental Protection Agency have failed to adequately test and evaluate mercury levels in fish.

As someone who regularly eats fish, I was surprised at the range of species with high mercury levels in the Tribune tests. Fish is an excellent source of nutrients and other compounds indispensable for good health. More of us should eat more fish. But for all Americans—and especially pregnant women and other at-risk groups—there are risks to eating fish with high mercury levels. That's why we need to work harder to get at the root causes of mercury contamination.

You see, the long-term solution isn't eating less fish, or issuing consumption advisories, or printing labels on tuna cans, or posting placards at the supermarket. If we're really serious about making fish safer to eat, we need to reduce the amount of mercury in fish, which means reducing the amount of mercury used in industry.

But, the solution can't be just a U.S. one. Half of mercury settles near where it is emitted and the other half gets transported around the globe—often settling in oceans, lakes, and rivers nowhere near mercury sources. For that reason, we need a comprehensive, global strategy, and the two bills I am introducing today are designed to be part of that strategy.

My first bill, the Mercury Market Minimization Act, or M3 Act, establisbes a ban on U.S. exports of mercury by the year 2010. Such a ban, when coupled with a European Union proposal to ban mercury exports by 2011, will constrain global supply of commercially available mercury in sufficient quantities that developing nations that still use mercury will be compelled to switch to affordable alternatives to mercury that are already widespread in industrialized nations.

My second bill, the Missing Mercury in Manufacturing Monitoring and Mitigation Act, or M5 Act, requires the remaining eight of more than 30 chlor-alkali plants in the United States to complete the transition from mercury to alternative technologies.

Chlor-alkali facilities manufacture chlorine gas and caustic soda, important chemicals that serve as the building blocks of many of the products and plastics essential to modem everyday life. For decades, mercury was a key component in the chlorine process, but today, more than 90 percent of the chlor-alkali industry has switched to an alternative catalyst. Only eight chlor-alkali plants remain in the U.S.

that still use mercury. The chlorine industry has instituted voluntary policies to help capture and reduce mercury missions into the atmosphere—with laudable success. The time has come, however, to finish these upgrades and end the use of mercury in the chlor-alkali process.

The amount of mercury emitted or lost by these eight chlor-alkali plants rivals the amount of mercury emitted by all of the coal-fired plants in the United States. In 2003, the average chlor-alkali facility released 1,055 lbs. of mercury into the air—six times as much as the 183 lbs. of mercury released by the average coal-fired powerplant. And it is likely that the actual amount of mercury released by chlor-alkali plants is even higher because of emissions that escape through unmonitored ventilation systems and other leaks.

The M5 Act also solves another gap in the current system; it puts procedures in place to track and report mercury input and output statistics in the chlor-alkali industry. The evidence suggests that between 2000 and 2004, the industry could not account for more than 130 tons of mercury, in addition to the 29 tons that were released into the environment. The EPA calls this ''an enigma.'' The M5 Act puts an end to this enigma and requires documented tracking of mercury.

Although this bill deals with chlor-alkali plants, it's important to acknowledge that coal-fired powerplants are a significant contributor to the mercury in our atmosphere. We must continue to pursue balanced policies that address those emissions, but our policy approaches on mercury cannot single out coal-fired power plants alone. In truth, the largest source of global mercury contamination is the continued worldwide use of mercury in developing countries, particularly in gold mining and general industry, even thought there are proven and economically viable mercury substitutes.

Mr. President, I believe these two bills will go a long ways towards improving the health of the American people. I urge the swift enactment of these bills.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3627

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Missing Mercury in Manufacturing Monitoring and Mitigation Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) mercury and mercury compounds are highly toxic to humans, ecosystems, and wildlife;

(2) as many as 10 percent of women in the United States of childbearing age have mercury in their bloodstreams at a level that could pose risks to their unborn babies, and as many as 630,000 children born annually in the United States are at risk of neurological problems relating to mercury exposure in utero;

(3) the most significant source of mercury exposure to people in the United States is ingestion of mercury-contaminated fish;

(4) the Environmental Protection Agency reports that, as of 2004, as a result of mercury contamination—

(A) 44 States have fish advisories covering more than 13,000,000 lake acres and more than 750,000 river miles;

(B) in 21 States, the freshwater fish advisories are statewide; and

(C) in 12 States, the coastal fish advisories are statewide;

(5) the long-term solution to mercury pollution is to minimize global mercury use and releases of mercury to eventually achieve reduced contamination levels in the environment, rather than reducing fish consumption, since uncontaminated fish represents a critical and healthy source of nutrition for people worldwide;

(6) an estimated additional 24,000 to 30,000 tons of mercury are used at mercury cell chlor-alkali plants worldwide;

(7) mercury pollution is a transboundary pollutant that—

(A) is deposited locally, regionally, and globally; and

(B) affects bodies of water near industrial areas, such as the Great Lakes, as well as bodies of water in remote areas, such as the Arctic Circle;

(8)(A) of the approximately 30 plants in the United States that produce chlorine, only 8 use the obsolete ''mercury cell'' chlor-alkali process; and

(B) the 8 plants described in subparagraph (A) that use the mercury cell chlor-alkali process release or lose a quantity of mercury that rivals the mercury emissions of all coal-fired power plants in the United States;

(9)(A) only about 10 percent of the total quantity of chlorine and caustic soda produced comes from the chlor-alkali plants described in paragraph (8) that use the mercury cell chlor-alkali process; and

(B) cost-effective alternatives are available and in use in the remaining 90 percent of chlorine and caustic soda production, and other countries, including Japan, have already banned the mercury cell chlor-alkali process;

(10) as of the date of enactment of this Act, the chlor-alkali industry in the United States possesses approximately 2,500 tons of mercury at facilities using the mercury cell process and historically has used substantially greater quantities of mercury because many more facilities in the past used the mercury cell process;

(11) the chlor-alkali industry acknowledges that—

(A) mercury can contaminate products manufactured at mercury cell facilities; and

(B) the use of some of those products results in the direct and indirect release of mercury;

(12) despite those quantities of mercury known to have been used or to be in use, the chlor-alkali industry and the Environmental Protection Agency have failed—

(A) to adequately account for the disposition of the mercury used at those facilities; and

(B) to accurately estimate current mercury emissions; and

(13) it is critically important that the United States work aggressively toward the monitoring and mitigation of domestically-used mercury.

SEC. 3. STATEMENT OF POLICY.

Congress declares that the United States should develop policies and programs that will—

(1) reduce mercury use and emissions within the United States;

(2) reduce mercury releases from the reservoir of mercury currently in use or circulation within the United States; and

(3) reduce exposures to mercury, particularly exposures of women of childbearing age and young children.

SEC. 4. USE OF MERCURY IN CHLORINE AND CAUSTIC SODA MANUFACTURING.

(a) IN GENERAL.—Title I of the Toxic Substances Control Act (15 U.S.C. 2601 et seq.) is amended by inserting after section 6 the following:

''SEC. 6A. USE OF MERCURY IN CHLORINE AND CAUSTIC SODA MANUFACTURING.

''(a) DEFINITIONS.—In this section:

''(1) CHLOR-ALKALI FACILITY.—The term 'chlor-alkali facility' means a facility used for the manufacture of chlorine or caustic soda using a mercury cell process.

''(2) HAZARDOUS WASTE; SOLID WASTE.—The terms 'hazardous waste' and 'solid waste' have the meanings given those terms in section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903).

''(b) PROHIBITION.—Effective beginning January 1, 2012, the manufacture of chlorine or caustic soda using mercury cells is prohibited in the United States.

''(c) REPORTING.—

''(1) IN GENERAL.—Not later than April 1, 2007, and annually thereafter through April 1, 2012, the owner or operator of each chlor-alkali facility shall submit to the Administrator and the State in which the chlor-alkali facility is located a report that identifies—

''(A) each type and quantity of mercury-containing hazardous waste and nonhazardous solid waste generated by the chlor-alkali facility during the preceding calendar year;

''(B) the mercury content of the wastes;

''(C) the manner in which each waste was managed, including the location of each off-site location to which the waste was transported for subsequent handling or management;

''(D) the volume of mercury released, intentionally or unintentionally, into the air or water by the chlor-alkali facility, including mercury released from emissions or vaporization;

''(E) the volume of mercury estimated to have accumulated in pipes and plant equipment of the chlor-alkali facility, including a description of—

''(i) the applicable volume for each type of equipment; and

''(ii) methods of accumulation; and

''(F) the quantity and forms of mercury found in all products produced for sale by the chlor-alkali facility.

''(2) AVOIDANCE OF DUPLICATION.—To avoid duplication, the Administrator may permit the owner or operator of a facility described in paragraph (1) to combine and submit the report required under this subsection with any report required to be submitted by the owner or operator under subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6921 et seq.).

''(d) INVENTORY.—

''(1) IN GENERAL.—For each chlor-alkali facility that ceases operations on or after July 1, 2008, not later than 1 year after the date of cessation of operations, the Administrator, in consultation with the State in which the facility is located, shall conduct a comprehensive mercury inventory covering the life and closure of the chlor-alkali facility, taking into the account—

''(A) the total quantity of mercury purchased to start and operate the chlor-alkali facility;

''(B) the total quantity of mercury remaining in mercury cells and other equipment at the time of closure of the chlor-alkali facility;

''(C) the estimated quantity of mercury in hazardous waste, nonhazardous solid waste, and products generated at the chlor-alkali facility during the operational life of the chlor-alkali facility; and

''(D) the estimated aggregate mercury releases from the chlor-alkali facility into air and other environmental media.

''(2) RECORDS AND INFORMATION.—In carrying out paragraph (1), the Administrator shall obtain mercury purchase records and such other information from each chlor-alkali facility as are necessary to determine, as accurately as practicable from available information, the magnitude and nature of mercury releases from the chlor-alkali facility into air and other environmental media.

''(e) TRANSFER TO STORAGE.—

''(1) REGULATIONS.—Not later than July 1, 2008, the Administrator shall promulgate regulations establishing the terms and conditions necessary to facilitate the transfer and storage of mercury located at closed or closing chlor-alkali facilities, including the allocation of costs and potential liabilities of that transfer and storage.

''(2) DEADLINE FOR TRANSFER.—Beginning on July 1, 2008, elemental mercury located at a closed or closing chlor-alkali facility that has ceased operations shall be transferred to a storage facility established by the Administrator in accordance with the regulations promulgated under paragraph (1).

''(f) HEALTH ASSESSMENT.—Not later than July 1, 2009, for each chlor-alkali facility that continues to operate as of July 1, 2008, the Administrator, in coordination with the Administrator of the Agency for Toxic Substances and Disease Registry, shall conduct a health assessment of employees at the chlor-alkali facility.

''(g) REGULATIONS.—In addition to regulations described in subsection (e)(1), the Administrator may promulgate such regulations, including the establishment of a reporting form for use in accordance with subparagraph (c), as are necessary to carry out this section.''.

(b) CONFORMING AMENDMENT.—The table of contents of the Toxic Substances Control Act (15 U.S.C. 2601 note) is amended by inserting after the item relating to section 6 the following:

''Sec. 6A. Use of mercury in chlorine and caustic soda manufacturing.''.

By Ms. SNOWE (for herself, Mrs. FEINSTEIN, and Mr. KERRY):

S. 3628. A bill to amend the Internal Revenue Code of 1986 to improve and extend certain energy-related tax provisions, and for other purposes; to the Committee on Finance.

Ms. SNOWE. Mr. President, today I am introducing another piece of legislation with Senator FEINSTEIN that addresses the critical issue of the Nation's energy policy, the EXTEND the Energy Efficiency Incentives Act of 2006. The Senator from California and I have come together once again—given where we are as a Nation in terms of reliance on foreign oil, the historically high costs of energy, the state of our environment, and the status of our technological know-how—to introduce realistic, doable legislation that represents one of the best opportunities for developing bipartisan consensus on tax policy to further securing our Nation and its future.

The EXTEND Act, also cosponsored by Senator KERRY, takes a comprehensive and practical approach to assure that America gets the maximum possible energy savings and relief from high energy prices at the lowest cost. It builds on the incentives for efficient buildings adopted in the Energy Policy Act of 2005, EPAct 2005, and modifies them where necessary to achieve these policy goals.

The bill extends the temporary tax incentives for energy efficiency buildings established in EPAct 2005, providing 4 years of assured incentives for most situations, and some additional time for projects with particularly long lead times, such as commercial buildings. A sufficient length of time is needed by the business community to make rational investments. The bill is meant to incentivize not discourage. I want to encourage businesses to make investments to qualify for energy efficiency tax incentives. Commercial buildings and large residential subdivisions have lead times for planning and construction of 2 to 4 years. This is why the EXTEND Act provides 4 years of assured incentives for most situations, and some additional time for projects with long lead times.

I am pleased to have the support of Finance Committee Chairman GRASSLEY for crafting the correct policy for large-scale commercial projects, recognizing that these large commercial building projects take years to design and build. As a mater of fact, I entered into a colloquy with the chairman the day EPAct 2005 passed the Senate and received his assurance that he will continue to work with me to make this a long-term policy of the Tax Code.

Also, the EXTEND Act makes modifications to the EPAct 2005 incentives so that the incentives are not based on cost but based on actual performance. These are measured by on-site ratings for whole buildings and factory ratings for products like solar water heaters and photovoltaic systems as well as air conditioners, furnaces, and water heaters. The EXTEND bill provides a transition from the EPAct 2005 retrofit incentives, which are based partially on cost and partially on performance, to a new system that can provide larger dollar amounts of incentives based truly on performance.

The Snowe-Feinstein legislation also extends the applicability of the EPAct 2005 incentives so that the entire commercial and residential building sectors are covered. The current EPAct 2005 incentives for new homes are limited to owner-occupied properties or high rise buildings. Our bill extends these provisions to rental property and offers incentives whether the owner is an individual taxpayer or a corporation. This extension does not increase costs significantly, but it does provide greater fairness and clearer market signals to builders and equipment manufacturers.

I have worked hard over the past 5 years for performance-based energy tax incentives for commercial buildings—one-third of energy usage is from the building sector, so there are great energy savings to be made with the extension of these incentives. My energy efficiency tax incentives provisions for commercial buildings that came to fruition in the EPAct 2005 were tasked to Treasury to promulgate regulations to harmonize with the law. On June 2, 2006, the Internal Revenue Service issued guidance on how to comply with section 179D of the Internal Revenue Code establishing a deduction for commercial buildings that achieve a reduction in energy consumption of 50 percent.

Unfortunately, the guidance is inadequate, according to energy efficiency experts, which may stem from the fact that we are into some uncharted territory and there may be a basic lack of understanding of what it takes to make energy efficiency tax incentives work, and specifically those based on performance, not cost. It is critical that the IRS guidance is written correctly so as to actually incentivize greater energy efficiencies while making sure any guidance promotes the best use of taxpayer dollars. I brought these issues to the attention of the now Secretary of the Treasury Paulson at his nomination hearing in the Senate Finance Committee on June 27, and I look forward to working with his people at Treasury to resolve these important issues relating to the IRS guidance.

It is reasonable to expect many annual benefits after 10 years if we put into place the appropriate incentives. For instance, direct savings of natural gas would amount to 2 quads per year or 7 percent of total projected natural gas use in 2017. And, to this figure must be added the indirect gas savings from reduced use of gas as an electricity generation fuel. Total natural gas savings would be 35 quads per year, or 12 percent of natural gas supply. Total electric peak power savings would be 115,000 megawatts; almost 12 percent of projected nationwide electric capacity for the year 2017.

In addition, reduction in greenhouse gas emissions would be 330 million metric tons of carbon dioxide annually, about 16 percent of the carbon emissions reductions compared to the base case necessary to bring the U.S. into compliance with the Kyoto Protocol; or roughly 5 percent of projected U.S. emissions in 2017. Also, importantly, the bill will result in the creation, on net, of over 800,000 new jobs.

The value of energy savings should not be overlooked as both business and residential consumers will be saving over $50 billion annually in utility bills by 2017, as a direct result of the reductions in energy consumption induced by the appropriate incentives. Also, the projected decrease in natural gas prices will be saving businesses and households over an additional $30 billion annually.

I would also like to take this opportunity to comment on the Feinstein-Snowe 10 in 10 CAFE standards legislation introduced this past week as the bill is yet another piece for solving the Nation's energy crisis.

The ten in ten measure is straightforward—we increase the average mileage of each company's vehicles fleet by 10 miles per gallon in 10 years—10 in 10. This would save 2.5 million barrels of oil a day by 2025—the same amount we currently import daily from the Persian Gulf—while eliminating 420 million metric tons of carbon dioxide emissions, a climate change-causing greenhouse gas, from entering the atmosphere.

Certainly, we ought to be able to at least meet these goals. Yet, thus far, Congress and the administration have regrettably sent exactly the wrong message at a time when we have already witnessed a crisis—and that is, a ''can't do'' attitude, rather than the ''can do'' spirit that has defined progress in America since our fledgling days as a nation. We have the means, we have seen the demonstrated necessity, we possess the entrepreneurial spirit, what exactly is there left not to get?

There should be no question that increasing fuel economy standards an average of 1 mile per gallon across a manufacturer's fleet for the next 10 years is a challenge to which this country can rise—in fact, it is long overdue. We are long past the point of watching and waiting it out while the U.S. auto makers dither—Congress has a responsibility to provide leadership on this issue by refusing to accept the notion that ''this is as good as it gets.''

We must reject the administration's request that we just cede to the Department of Transportation our statutory authority to reform CAFE standards for passenger cars—especially as DOT has had the opportunity to increase CAFE standards for SUVs, minivans, and light pickups, but only incrementally increased the miles per gallon to 22.2 mpg by model year 2007 that is an increase of less than 1 mile per gallon. This minimal increase will save less than 2 weeks worth of gasoline each year for the next 2 decades. We can do better and under our legislation we will do better.

A wide variety of experts, including some of those who took part in the 2001 congressionally mandated National Academy of Sciences report on CAFE standards, agree that the most effective action we could take today to decrease the price of gasoline is to increase fuel economy standards for all vehicles—passenger cars and light trucks. Yet the only time we raised fuel economy standards for passenger cars was back in 1976. Think about it—in 1976, our computers were about the size of cars—and now we hold them in the palm of our hand—are we really saying the United States of America doesn't have the technological wherewithal to provide 10 more miles-per-gallon over the next 10 years, at a time when the transportation sector accounts for fully 40 percent of all the Nation's fossil fuel consumption?

Morever, we give manufacturers the flexibility to develop an entire fleet that accomplishes the overall fuel economy standard in the most cost-effective manner—it can be done and it must be done. And with a third of American drivers now considering trading their current vehicle for another that gets great fuel economy, frankly, if our auto makers had embraced higher fuel economy standards when our SUV loophole bill was first introduced in 2001, or way back in the early 1990s when an increase in CAFE was a compelling argument for that decade's energy bill, perhaps the U.S. industry would be in better shape today. Consumers certainly would be.

And how can there be any question—at this time when our reliance on foreign oil has skyrocketed from 44 percent 3 decades ago to 72 percent this year—and prices hover at near historic highs of $70 per barrel—that we must take a page from America's greatest quests—like putting a man on the Moon—to finally reduce our consumption of precious fossil fuels. We are financing the ambitions of radical leaders in some of the most volatile regions of the world to supply the energy to power America's future. This makes no sense—not when our bill, through its resulting fuel savings, would effectively develop Middle Eastern oil production within our own country within just the next 19 years.

Mr. President, these two bills, the EXTEND Act and the 10 in 10 Act, are synonymous with the security of America's future. These bills are two pieces of an overall national energy picture that we need to address now. Consumers throughout the United States, from small businesses to families, are demanding leadership on energy prices. Congress should advance past rhetoric, gimmicks, and photo-ops and move to substantive legislation such as the EXTEND Act and the 10 in 10 CAFE bill. It is imperative that Congress begin these policy discussions—we cannot wait for yet another crisis.

I look forward to working with my Senate colleagues and the administration to provide the American people the leadership they deserve on these issues.

By Mr. FRIST (for himself, Mr. REID, Mr. STEVENS, and Mr. BYRD):

S.J. Res. 40. A joint resolution authorizing the printing and binding of a supplement to, and revised edition of, Senate Procedure; considered and passed.

S.J. RES. 40

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRINTING OF SUPPLEMENT TO, AND REVISED EDITION OF, SENATE PROCEDURE.

(a) IN GENERAL.—Each of the following documents shall be prepared under the supervision of Alan Frumin, Parliamentarian and Parliamentarian Emeritus of the Senate, and shall be printed and bound as a Senate document:

(1) A supplement to ''Riddick's Senate Procedure'', to be styled ''Frumin's Supplement to Riddick's Senate Procedure''.

(2) A revised edition of ''Riddick's Senate Procedure'', to be styled ''Frumin's Senate Procedure''.

(b) COPIES.—One thousand five hundred copies of each document described in subsection (a) shall be printed for distribution to Senators and for the use of the Senate.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 524—CONDEMNING THE UNAUTHORIZED DISCLOSURE AND PUBLICATION OF CLASSIFIED INFORMATION ABOUT THE TERRORIST FINANCE TRACKING PROGRAM, THE NATIONAL SECURITY AGENCY'S TERRORIST SURVEILLANCE PROGRAM, AND OTHER VITAL COUNTER-TERRORISM PROGRAMS

Mr. CORNYN (for himself and Mr. ROBERTS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 524

Whereas on June 22, 2006, news organizations publicly disclosed the existence of an ongoing, highly classified national security program to track terrorists' financial transactions, known formally as the ''Terrorist Finance Tracking Program'';

Whereas the President condemned the unauthorized leak and subsequent publication in the strongest possible terms, calling those acts ''disgraceful'' and explaining that public disclosure of the Terrorist Finance Tracking Program ''does great harm to the United States of America'';

Whereas the Secretary of the Treasury noted that this unauthorized leak of classified information and subsequent publication ''undermined a highly successful counter-terrorism program and alerted terrorists to the methods and sources used to track their money trails'';

Whereas similar to the leaks and public disclosure of the National Security Agency's Terrorist Surveillance Program, the disclosure of the Terrorist Finance Tracking Program puts America's terrorist enemies on notice of tactics used to hunt them down and makes defending against further terrorist attacks more difficult;

Whereas Administration officials and the co-chairmen of the 9/11 Commission (a Democrat and a Republican) urged news organizations to refrain from publicly disclosing the existence of the Terrorist Finance Tracking Program because of the probable harm to America's national security;

Whereas there have been no credible allegations of abuse or infringements on civil liberties in the execution of the Terrorist Finance Tracking Program;

Whereas the 9/11 Commission in its Final Report concluded that ''information about terrorist money helps us to understand their networks, search them, and disrupt their operations'';

Whereas the 9/11 Commission had given the Administration high marks in its pursuit of terrorist-finance networks, and recommended that ''vigorous efforts to track terrorist financing must remain front and

center in U.S. counter-terrorism efforts''; and

Whereas the United States must remain vigilant in its War on Terror: Now, therefore, be it

Resolved, That—

(1) the Senate joins the President in condemning the damaging leaks and subsequent publication of vital national security information about the Terrorist Finance Tracking Program and the National Security Agency's Terrorist Surveillance Program; and

(2) it is the sense of the Senate that the Department of Justice should vigorously and tirelessly investigate and prosecute any and all persons responsible for the unauthorized disclosure to news organizations of the Terrorist Finance Tracking Program, the National Security Agency's Terrorist Surveillance Program, and other vital counter-terrorism programs.

SENATE RESOLUTION 525—TO AMEND THE STANDING RULES OF THE SENATE TO PROVIDE GREATER TRANSPARENCY IN THE LEGISLATIVE PROCESS

Mr. FEINGOLD (for himself and Mr. OBAMA) submitted the following resolution; which was referred to the Committee on Rules and Administration.

S. RES. 525

Resolved,

SECTION. 1. SHORT TITLE.

This resolution may be cited as the ''Senate Legislative Transparency and Accountability Resolution of 2006''.

SEC. 2. ELIMINATION OF FLOOR PRIVILEGES FOR FORMER MEMBERS, SENATE OFFICERS, AND SPEAKERS OF THE HOUSE WHO ARE LOBBYISTS OR SEEK FINANCIAL GAIN.

Rule XXIII of the Standing Rules of the Senate is amended by—

(1) inserting ''1.'' before ''Other'';

(2) inserting after ''Ex-Senators and Senators elect'' the following: '', except as provided in paragraph 2'';

(3) inserting after ''Ex-Secretaries and ex-Sergeants at Arms of the Senate'' the following: '', except as provided in paragraph 2'';

(4) inserting after ''Ex-Speakers of the House of Representatives'' the following: '', except as provided in paragraph 2''; and

(5) adding at the end the following:

''2. (a) The floor privilege provided in paragraph 1 shall not apply to an individual covered by this paragraph who is—

''(1) a registered lobbyist or agent of a foreign principal; or

''(2) is in the employ of or represents any party or organization for the purpose of influencing, directly, or indirectly, the passage, defeat, or amendment of any legislative proposal.

''(b) The Committee on Rules and Administration may promulgate regulations to allow individuals covered by this paragraph floor privileges for ceremonial functions and events designated by the Majority Leader and the Minority Leader.''.

SEC. 3. BAN ON GIFTS FROM LOBBYISTS.

Paragraph 1(a)(2) of rule XXXV of the Standing Rules of the Senate is amended by—

(1) inserting ''(A)'' after ''(2)''; and

(2) adding at the end the following:

''(B) This clause shall not apply to a gift from a registered lobbyist or an agent of a foreign principal.''.

SEC. 4. TRAVEL RESTRICTIONS AND DISCLOSURE.

(a) IN GENERAL.—Paragraph 2 of rule XXXV of the Standing Rules of the Senate is amended by adding at the end the following:

''(f)(1) Before a Member, officer, or employee may accept transportation or lodging otherwise permissible under this paragraph from any person, other than a governmental entity, such Member, officer, or employee shall—

''(A) obtain a written certification from such person (and provide a copy of such certification to the Select Committee on Ethics) that—

''(i) the trip was not financed in whole, or in part, by a registered lobbyist or foreign agent;

''(ii) the person did not accept, directly or indirectly, funds from a registered lobbyist or foreign agent specifically earmarked for the purpose of financing the travel expenses;

''(iii) the trip was not planned, organized, or arranged by or at the request of a registered lobbyist or foreign agent; and

''(iv) registered lobbyists will not participate in or attend the trip;

''(B) provide the Select Committee on Ethics (in the case of an employee, from the supervising Member or officer), in writing—

''(i) a detailed itinerary of the trip; and

''(ii) a determination that the trip—

''(I) is primarily educational (either for the invited person or for the organization sponsoring the trip);

''(II) is consistent with the official duties of the Member, officer, or employee;

''(III) does not create an appearance of use of public office for private gain; and

''(iii) has a minimal or no recreational component; and

''(C) obtain written approval of the trip from the Select Committee on Ethics.

''(2) Not later than 30 days after completion of travel, approved under this subparagraph, the Member, officer, or employee shall file with the Select Committee on Ethics and the Secretary of the Senate a description of meetings and events attended during such travel and the names of any registered lobbyist who accompanied the Member, officer, or employee during the travel, except when disclosure of such information is deemed by the Member or supervisor under whose direct supervision the employee is employed to jeopardize the safety of an individual or adversely affect national security. Such information shall also be posted on the Member's official website not later than 30 days after the completion of the travel, except when disclosure of such information is deemed by the Member to jeopardize the safety of an individual or adversely affect national security.''.

(b) DISCLOSURE OF NONCOMMERCIAL AIR TRAVEL.—Paragraph 2 of rule XXXV of the Standing Rules of the Senate, as amended by subsection (a), is amended by adding at the end the following:

''(g) A Member, officer, or employee of the Senate shall—

''(1) disclose a flight on an aircraft that is not licensed by the Federal Aviation Administration to operate for compensation or hire, excluding a flight on an aircraft owned, operated, or leased by a governmental entity, taken in connection with the duties of the Member, officer, or employee as an officeholder or Senate officer or employee; and

''(2) with respect to the flight, file a report with the Secretary of the Senate, including the date, destination, and owner or lessee of the aircraft, the purpose of the trip, and the persons on the trip, except for any person flying the aircraft.''.

(c) PUBLIC AVAILABILITY.—Paragraph 2(e) of rule XXXV of the Standing Rules of the Senate is amended to read as follows:

''(e) The Secretary of the Senate shall make available to the public all disclosures filed pursuant to subparagraphs (f) and (g) as soon as possible after they are received and such matters shall be posted on the Member's official website but no later than 30 days after the trip or flight.''.

SEC. 5. POST EMPLOYMENT RESTRICTIONS.

(a) IN GENERAL.—Paragraph 9 of rule XXXVII of the Standing Rules of the Senate is amended by—

(1) designating the first sentence as subparagraph (a);

(2) designating the second sentence as subparagraph (b); and

(3) adding at the end the following:

''(c) If an employee on the staff of a Member or on the staff of a committee whose rate of pay is equal to or greater than 75 percent of the rate of pay of a Member and employed at such rate for more than 60 days in a calendar year, upon leaving that position, becomes a registered lobbyist under the Lobbying Disclosure Act of 1995, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby any Member, officer, or employee of the Senate for a period of 1 year after leaving that position.''.

(b) EFFECTIVE DATE.—This section shall take effect 60 days after the date of adoption of this resolution.

SEC. 6. PUBLIC DISCLOSURE BY MEMBERS OF CONGRESS OF EMPLOYMENT NEGOTIATIONS.

Rule XXXVII of the Standing Rules of the Senate is amended by adding at the end the following:

''14. A Member shall not directly negotiate or have any arrangement concerning prospective private employment until after the election for his or her successor has been held, unless such Member files a statement with the Secretary of the Senate, for public disclosure, regarding such negotiations or arrangements within 3 business days after the commencement of such negotiation or arrangement, including the name of the private entity or entities involved in such negotiations or arrangements, the date such negotiations or arrangements commenced, and must be signed by the Member.''.

SEC. 7. PROHIBIT OFFICIAL CONTACT WITH SPOUSE OR IMMEDIATE FAMILY MEMBER OF MEMBER WHO IS A REGISTERED LOBBYIST.

Rule XXXVII of the Standing Rules of the Senate is amended by—

(1) redesignating paragraphs 10 through 12 as paragraphs 11 through 13, respectively; and

(2) inserting after paragraph 9, the following:

''10. (a) If a Member's spouse or immediate family member is a registered lobbyist under the Lobbying Disclosure Act of 1995, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, the Member shall prohibit all staff employed by that Member (including staff in personal, committee and leadership offices) from having any official contact with the Member's spouse or immediate family member.

''(b) In this paragraph, the term 'immediate family member' means the son, daughter, stepson, stepdaughter, son-in-law, daughter-in-law, mother, father, stepmother, stepfather, mother-in-law, father-in-law, brother, sister, stepbrother, or stepsister of the Member.''.

SEC. 8. INFLUENCING HIRING DECISIONS.

Rule XLIII of the Standing Rules of the Senate is amended by adding at the end the following:

''6. No Member shall, with the intent to influence on the basis of partisan political affiliation an employment decision or employment practice of any private entity—

''(1) take or withhold, or offer or threaten to take or withhold, an official act; or

''(2) influence, or offer or threaten to influence the official act of another.''.

SENATE RESOLUTION 526—CONDEMNING THE MURDER OF UNITED STATES JOURNALIST PAUL KLEBNIKOV ON JULY 9, 2004, IN MOSCOW, AND THE MURDERS OF OTHER MEMBERS OF THE MEDIA IN THE RUSSIAN FEDERATION

Mrs. CLINTON (for herself and Mr. BROWNBACK) submitted the following resolution; which was referred to the Committee on the Foreign Relations:

S. RES. 526

Whereas, on July 9, 2004, United States journalist Paul Klebnikov was murdered by gunmen as he exited the Moscow offices of Forbes Magazine;

Whereas no person has been convicted of any offense in connection with the murder of Mr. Klebnikov;

Whereas Mr. Klebnikov is survived by his wife Helen and his 3 young children;

Whereas 12 journalists have been murdered in the Russian Federation since 2000 and Mr. Klebnikov was the first and only citizen of the United States among those journalists;

Whereas the Office of the Russian Prosecutor General arrested and tried Musa Vahaev and Kazbek Dukzov for the murder of Mr. Klebnikov;

Whereas Musa Vahaev and Kazbek Dukzov were acquitted on May 5, 2006, of the charges of murdering Mr. Klebnikov;

Whereas the Government of Russia has stated that the murder of Mr. Klebnikov was ordered by Khozh-Akhmed Nukhayev, a fugitive Chechen criminal gang leader, but has not publicly released any evidence of the complicity of Mr. Nukhayev;

Whereas it remains unclear who ordered the murder of Mr. Klebnikov or if any party will be convicted of that crime;

Whereas the attorneys that represented the Klebnikov family have alleged that numerous procedural violations occurred during the trial;

Whereas a group of investigative journalists from the United States has launched an independent inquiry into the death of Mr. Klebnikov;

Whereas the 2005 Country Reports on Human Rights Practices published by the Department of State indicated that the Government of Russia had continued to weaken the independence and freedom of expression of the media industry of Russia, particularly among the major national television networks and regional media outlets of that country; and

Whereas, on June 4, 2006, President Putin told a conference of the World Association of Newspapers that ''A progressive state requires a free press.'': Now, therefore, be it

Resolved, That the Senate—

(1) condemns—

(A) the murder of United States journalist Paul Klebnikov on July 9, 2004, in Moscow; and

(B) the murders of other members of the media in the Russian Federation;

(2) commends the Office of the Russian Prosecutor General for its continuing investigation of the murder of Mr. Klebnikov;

(3) urges the Government of Russia—

(A) to continue its inquiries to determine all parties involved in the murder of Mr. Klebnikov; and

(B) to bring those parties responsible for the murder of Mr. Klebnikov to justice;

(4) urges the Government of Russia to accept offers of assistance with the investigation of the murder of Mr. Klebnikov from—

(A) the United States; and

(B) other concerned governments;

(5) urges the Government of Russia, upon request, to extend appropriate assistance to investigative journalists who have started to conduct independent inquiries relating to the death of Mr. Klebnikov, to the extent that such assistance conforms with the privacy safeguards and the laws of Russia; and

(6) urges the Government of Russia to take appropriate action to protect the independence and freedom of—

(A) the media of Russia; and

(B) all visiting members of the media.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4545. Mr. MCCONNELL (for Mr. OBAMA) proposed an amendment to the bill S. 2125, to promote relief, security, and democracy in the Democratic Republic of the Congo.

SA 4546. Mr. MCCONNELL (for Mr. ENSIGN) proposed an amendment to the bill S. 1021, to reauthorize the Workforce Investment Act of 1998, and for other purposes.

TEXT OF AMENDMENTS

SA 4545. Mr. MCCONNELL (for Mr. OBAMA) proposed an amendment to the bill S. 2125, to promote relief, security, and democracy in the Democratic Republic of the Congo; as follows:

On page 1, line 6, strike ''2005'' and insert ''2006''.

On page 3, beginning on line 7, strike ''promoting security, peace, and prosperity in the'' and insert ''a secure, peaceful, and prosperous''.

Beginning on page 4, strike line 19 and all that follows through page 5, line 18, and insert the following:

(9) According to the 2005 Department of State report on human rights practices in the Democratic Republic of the Congo, ''In all areas of the country, the human rights record remained poor, and numerous serious abuses were committed; however, there were some improvements during the year.''.

On page 6, beginning on line 4, strike ''fair and democratic elections within the timeframe provided by the Sun City Peace Accords'' and insert ''that the elections scheduled to be held on July 30, 2006, and future elections in the Democratic Republic of the Congo are carried out in a fair and democratic manner''.

On page 6, line 23, insert ''through the provision of necessary equipment and training'' after ''establish''.

On page 7, line 15, insert ''and other illegally armed groups'' before the semicolon at the end.

On page 12, beginning on line 7, strike ''2005 (division D of the Consolidated Appropriations Act, 2005; Public Law 108-447; 118 Stat. 3015)'' and insert ''2006 (Public Law 109-102; 119 Stat. 2218)''.

On page 14, line 20, strike ''60'' and insert ''180''.

On page 15, after section (b) insert:

(c) ELIGIBILITY OF DEPARTMENT OF STATE EMPLOYEES.—The individual designated to serve as the Special Envoy may be an employee of the Department of State with the rank of Deputy Assistant Secretary or higher.

On page 16, line 9, strike ''IN GENERAL.—''.

On page 19, strike lines 3 through 11.

On page 20, strike lines 3 through 15 and insert the following:

(b) SUPPORT CONTINGENT ON PROGRESS.—If the Secretary of State determines that the Government of the Democratic Republic of the Congo is not making sufficient progress towards accomplishing the policy objectives in section 102, the President shall consider withdrawing United States support for the assistance described in subsection (a) when future funding decisions are considered.

SA 4546. Mr. MCCONNELL (for Mr. ENSIGN) proposed an amendment to the bill S. 1021, to reauthorize the Workforce Investment Act of 1998, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce Investment Act Amendments of 2005''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 111. Purpose.
Sec. 112. State workforce investment boards.
Sec. 113. State plan.
Sec. 114. Local workforce investment areas.
Sec. 115. Local workforce investment boards.
Sec. 116. Local plan.
Sec. 117. Establishment of one-stop delivery systems.
Sec. 118. Eligible providers of training services.
Sec. 119. Eligible providers of youth activities.
Sec. 120. Youth activities.
Sec. 121. Adult and dislocated worker employment and training activities.
Sec. 122. Performance accountability system.
Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

Sec. 141. Native American programs.
Sec. 142. Migrant and seasonal farmworker programs.
Sec. 143. Veterans' workforce investment programs.
Sec. 144. Youth challenge grants.
Sec. 145. Technical assistance.
Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
Sec. 147. National dislocated worker grants.
Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

Sec. 151. Requirements and restrictions.
Sec. 152. Reports.
Sec. 153. Administrative provisions.
Sec. 154. Use of certain real property.
Sec. 155. General program requirements.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

Subtitle G—Conforming Amendments

Sec. 171. Table of contents.
Sec. 172. Conforming amendments.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

Sec. 201. Short title; purpose.

Sec. 202. Definitions.
Sec. 203. Authorization of appropriations.
Sec. 204. Home schools.
Sec. 205. Reservation of funds; grants to eligible agencies; allotments.
Sec. 206. Performance accountability system.
Sec. 207. State administration.
Sec. 208. State distribution of funds; matching requirement.
Sec. 209. State leadership activities.
Sec. 210. State plan.
Sec. 211. Programs for corrections education and other institutionalized individuals.
Sec. 212. Grants and contracts for eligible providers.
Sec. 213. Local application.
Sec. 214. Local administrative cost limits.
Sec. 215. Administrative provisions.
Sec. 216. National Institute for Literacy.
Sec. 217. National leadership activities.
Sec. 218. Integrated English literacy and civics education.
Sec. 219. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

Sec. 401. Short title.
Sec. 402. Technical amendments to table of contents.
Sec. 403. Purpose.
Sec. 404. Rehabilitation Services Administration
Sec. 405. Definitions.
Sec. 406. Administration of the Act.
Sec. 407. Reports.
Sec. 408. Carryover.

Subtitle A—Vocational Rehabilitation Services

Sec. 411. Declaration of policy; authorization of appropriations.
Sec. 412. State plans.
Sec. 413. Eligibility and individualized plan for employment.
Sec. 414. Vocational rehabilitation services.
Sec. 415. State rehabilitation council.
Sec. 416. Evaluation standards and performance indicators.
Sec. 417. Monitoring and review.
Sec. 418. State allotments.
Sec. 419. Reservation for expanded transition services.
Sec. 420. Client assistance program.
Sec. 421. Incentive grants.
Sec. 422. Vocational rehabilitation services grants.
Sec. 423. GAO studies.

Subtitle B—Research and Training

Sec. 431. Declaration of purpose.
Sec. 432. Authorization of appropriations.
Sec. 433. National Institute on Disability and Rehabilitation Research.
Sec. 434. Interagency committee.
Sec. 435. Research and other covered activities.
Sec. 436. Rehabilitation Research Advisory Council.
Sec. 437. Definition.

Subtitle C—Professional Development and Special Projects and Demonstrations

Sec. 441. Training.
Sec. 442. Demonstration and training programs.
Sec. 443. Migrant and seasonal farmworkers.
Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

Sec. 461. Architectural and Transportation Barriers Compliance Board.
Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

Sec. 471. Projects with industry.
Sec. 472. Projects with industry authorization of appropriations.
Sec. 473. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

Sec. 481. State plan.
Sec. 482. Statewide Independent Living Council.
Sec. 483. Independent living services authorization of appropriations.
Sec. 484. Program authorization.
Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
Sec. 487. Standards and assurances for centers for independent living.
Sec. 488. Centers for independent living authorization of appropriations.
Sec. 489. Independent living services for older individuals who are blind.
Sec. 490. Program of grants.
Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.
Sec. 502. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act 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 the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by redesignating paragraphs (1) through (4), (5) through (16), (17), (18) through (41), and (42) through (53) as paragraphs (2) through (5), (7) through (18), (20), (23) through (46), and (48) through (59), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for—

''(A) goods or other tangible property received;

''(B) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

''(C) other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.'';

(3) in paragraph (2) (as redesignated by paragraph (1)), by striking ''Except in sections 127 and 132,'' and inserting ''Except in section 132,'';

(4) by striking paragraph (5) (as redesignated by paragraph (1)) and inserting the following:

''(5) BASIC SKILLS DEFICIENT.—The term 'basic skills deficient' means, with respect to an individual, that the individual—

''(A) has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test; or

''(B) is unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the individual's family, or in society.'';

(5) by inserting after paragraph (5) (as redesignated by paragraph (1)) the following:

''(6) BUSINESS INTERMEDIARY.—The term 'business intermediary' means an entity that brings together various stakeholders with an expertise in an industry or business sector.'';

(6) in paragraph (9) (as redesignated by paragraph (1)), by inserting '', including a faith-based organization,'' after ''nonprofit organization'';

(7) in paragraph (10) (as redesignated by paragraph (1)), in subparagraph (C), by striking ''for not less than 50 percent of the cost of the training.'' and inserting ''for—

''(i) a significant portion of the cost of training as determined by the local board, taking into account the size of the employer and such other factors as the local board determines to be appropriate; and

''(ii) in the case of customized training (as defined in subparagraphs (A) and (B)) with an employer in multiple local areas in the State, a significant portion of the cost of the training, as determined by the Governor, taking into account the size of the employer and such other factors as the Governor determines to be appropriate.'';

(8) in paragraph (11) (as redesignated by paragraph (1))—

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (C), by striking ''or'' after the semicolon;

(C) in subparagraph (D), by striking the period and inserting ''; or''; and

(D) by adding at the end the following:

''(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

''(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).'';

(9) in paragraph (12)(A) (as redesignated by paragraph (1))—

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

''(ii) is the dependent spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and'';

(10) in paragraph (14)(A) (as redesignated by paragraph (1)), by striking ''section 122(e)(3)'' and inserting ''section 122'';

(11) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

''(19) HARD-TO-SERVE POPULATIONS.—The term 'hard-to-serve populations' means populations of individuals who are hard to serve, including displaced homemakers, low-income individuals, Native Americans, individuals with disabilities, older individuals, ex-offenders, homeless individuals, individuals with limited English proficiency, individuals who do not meet the definition of literacy in section 203, individuals facing substantial cultural barriers, migrant and seasonal farmworkers, individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), single parents (including single pregnant women), and such other groups as the Governor determines to be hard to serve.'';

(12) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

''(21) INTEGRATED TRAINING PROGRAM.—The term 'integrated training program' means a program that combines occupational skills training with English language acquisition.

''(22) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a), and subparagraphs (A) and (B) of section 102(a)(1), of the Higher Education Act of 1965 (20 U.S.C. 1001(a), 1002(a)(1)).'';

(13) in paragraph (30) (as redesignated by paragraph (1))—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);'';

(14) in paragraph (31) (as redesignated by paragraph (1)), by inserting after ''fields of work'' the following: '', including occupations in computer science and technology and other emerging high-skill occupations,'';

(15) in paragraph (35) (as redesignated by paragraph (1)), by inserting '', subject to section 121(b)(1)(C)'' after ''121(b)(1)'';

(16) by striking paragraph (38) (as redesignated by paragraph (1)) and inserting the following:

''(38) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means an out-of-school youth as defined in section 129(a)(1)(B).'';

(17) by inserting after paragraph (46) (as redesignated by paragraph (1)) the following:

''(47) SELF-SUFFICIENCY.—The term 'self-sufficiency' means self-sufficiency within the meaning of subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section 134.'';

(18) in paragraph (49) (as redesignated by paragraph (1)), by striking ''clause (iii) or (v) of section 136(b)(3)(A)'' and inserting ''section 136(b)(3)(A)(iii)'';

(19) in paragraph (58) (as redesignated by paragraph (1)), by striking ''(or as described in section 129(c)(5))'' and inserting ''(or as described in section 129(a)(2))''; and

(20) in paragraph (59) (as redesignated by paragraph (1)), by striking ''established under section 117(h)'' and inserting ''that may be established under section 117(h)(2)''.

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 111. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended to read as follows:

''SEC. 106. PURPOSES.

''The purposes of this subtitle are the following:

''(1)(A) Primarily, to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, self-sufficiency, and earnings of participants, and increase occupational skill attainment by participants.

''(B) As a result of the provision of the activities, to improve the quality of the workforce, reduce welfare dependency, increase self-sufficiency, and enhance the productivity and competitiveness of the Nation.

''(2) To enhance the workforce investment system of the Nation by strengthening one-stop centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment and training and related services, establishing a targeted approach to serving youth, improving performance accountability, and promoting State and local flexibility.

''(3) To provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.

''(4) To provide workforce investment systems that are demand-driven and responsive to the needs of all employers, including small employers.

''(5) To provide workforce investment systems that work in all areas of the Nation, including urban and rural areas.

''(6) To allow flexibility to meet State, local, regional, and individual workforce investment needs.

''(7) To recognize and reinforce the vital link between economic development and workforce investment activities.

''(8) To provide for accurate data collection, reporting, and performance measures that are not unduly burdensome.

''(9) To address the ongoing shortage of essential skills in the United States workforce related to both manufacturing and knowledge-based economies to ensure that the United States remains competitive in the global economy.

''(10) To equip workers with higher skills and contribute to lifelong education.

''(11) To eliminate training disincentives for hard-to-serve populations and minority workers, including effectively utilizing community programs, services, and agencies.

''(12) To educate limited English proficient individuals about skills and language so the individuals are employable.

''(13) To increase the employment, retention and earnings of individuals with disabilities.''.

SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) in paragraph (1), by striking subparagraph (C) and inserting the following:

''(C) representatives appointed by the Governor, who—

''(i) are the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners, except that—

''(I) in any case in which no lead State agency official has responsibility for such a program or activity, the representative shall be a representative in the State with expertise relating to such program or activity; and

''(II) in the case of the programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), the representative shall be the director of the designated State unit, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705);

''(ii) are the State agency officials responsible for economic development;

''(iii) are representatives of business in the State, including small businesses, who—

''(I) are owners of businesses, chief executive or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority;

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations, business trade associations, and local boards;

''(iv) are chief elected officials (representing cities and counties, where appropriate);

''(v) are representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) are such other State agency officials and other representatives as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C. 2821(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2821(d)) is amended—

(1) in paragraph (1), by striking ''development'' and inserting ''development, implementation, and revision'';

(2) in paragraph (2)—

(A) by striking ''section 134(c)'' and inserting ''section 121(e)''; and

(B) in subparagraph (A), by inserting after ''section 121(b)'' the following: '', including granting the authority for the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) to plan and coordinate employment and training activities with local boards'';

(3) by striking paragraph (3) and inserting the following:

''(3) reviewing and providing comment on the State plans of all one-stop partner programs, where applicable, in order to provide effective strategic leadership in the development of a high quality, comprehensive statewide workforce investment system, including commenting at least once annually on the measures taken pursuant to section 113(b)(3) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)(3)) and title II of this Act;'';

(4) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively;

(5) by inserting after paragraph (3) the following:

''(4) development and review of statewide policies affecting the coordinated provision of services through the one-stop delivery system described in section 121(e) within the State, including—

''(A) the development of objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers under section 121(g);

''(B) the development of guidance for the allocation of one-stop center infrastructure funds under section 121(h)(1)(B);

''(C) the development of—

''(i) statewide policies relating to the appropriate roles and contributions of one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in the one-stop delivery system;

''(ii) statewide strategies for providing effective outreach to individuals, including hard-to-serve populations, and employers who could benefit from services provided through the one-stop delivery system;

''(iii) strategies for technology improvements to facilitate access to services provided through the one-stop delivery system,

in remote areas, and for individuals with disabilities, which may be utilized throughout the State; and

''(iv) strategies for the effective coordination of activities between the one-stop delivery system of the State and the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

''(D) identification and dissemination of information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies, including for hard-to-serve populations; and

''(E) conduct of such other matters as may promote statewide objectives for, and enhance the performance of, the one-stop delivery system;'';

(6) in paragraph (5) (as redesignated by paragraph (4)), by inserting ''and the development of statewide criteria to be used by chief elected officials for the appointment of local boards consistent with section 117'' after ''section 116'';

(7) in paragraph (6) (as redesignated by paragraph (4)), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(8) in paragraph (9) (as redesignated by paragraph (4))—

(A) by striking ''employment statistics system'' and inserting ''workforce and labor market information system''; and

(B) by striking ''and'' after the semicolon;

(9) in paragraph (10) (as redesignated by paragraph (4))—

(A) by inserting ''section 136(i) and'' before ''section 503''; and

(B) by striking the period and inserting ''; and''; and

(10) by adding at the end the following:

''(11) increasing the availability of skills training, employment opportunities, and career advancement, for hard-to-serve populations.''.

(c) ALTERNATIVE ENTITY.—Section 111(e) (29 U.S.C. 2821(e)) is amended—

(1) in paragraph (1), by striking ''For'' and inserting ''Subject to paragraph (3), for''; and

(2) by adding at the end the following:

''(3) FAILURE TO MEET PERFORMANCE MEASURES.—If a State fails to have performed successfully, as defined in section 116(a)(2), the Secretary may require the State to establish a State board in accordance with subsections (a), (b), and (c) in lieu of the alternative entity established under paragraph (1).''.

(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29 U.S.C. 2821(f)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(e) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C. 2821(g)) is amended—

(1) by inserting '', and modifications to the State plan,'' before ''prior''; and

(2) by inserting '', and modifications to the State plan'' after ''the plan''.

(f) AUTHORITY TO HIRE STAFF.—Section 111 (29 U.S.C. 2821) is amended by adding at the end the following:

''(h) AUTHORITY TO HIRE STAFF.—

''(1) IN GENERAL.—The State board may hire staff to assist in carrying out the functions described in subsection (d) using funds allocated under sections 127(b)(1)(C) and 132(b).

''(2) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the State board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.''.

SEC. 113. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended—

(1) by inserting '', or a State unified plan as described in section 501,'' before ''that outlines'';

(2) by striking ''5-year strategy'' and inserting ''4-year strategy''; and

(3) by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the State board shall review and, as needed, amend the 4-year State plan to reflect labor market and economic conditions. In addition, the State shall submit a modification to the State plan at the end of the first 2-year period of the State plan, which may include redesignation of local areas pursuant to section 116(a) and specification of the levels of performance under sections 136 for the third and fourth years of the plan.''.

(b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b)) is amended—

(1) in paragraph (8)(A)—

(A) in clause (ix), by striking ''and'' after the semicolon; and

(B) by adding at the end the following:

''(xi) programs authorized under title II of the Social Security Act (42 U.S.C. 401 et seq.) (relating to Federal old-age, survivors, and disability insurance benefits), title XVI of such Act (42 U.S.C. 1381 et seq.) (relating to supplemental security income), title XIX of such Act (42 U.S.C. 1396 et seq.) (relating to medicaid), and title XX of such Act (42 U.S.C. 1397 et seq.) (relating to block grants to States for social services), programs authorized under title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.), and programs carried out by State agencies relating to mental retardation and developmental disabilities; and'';

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

''(10) a description of how the State will use funds the State received under this subtitle to leverage other Federal, State, local, and private resources, in order to maximize the effectiveness of such resources, expand resources for the provision of education and training services, and expand the participation of businesses, employees, and individuals in the statewide workforce investment system, including a description of incentives and technical assistance the State will provide to local areas for such purposes;'';

(3) in paragraph (12)(A), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(4) in paragraph (14), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(5) in paragraph (15), by striking ''section 116(a)(5)'' and inserting ''section 116(a)(4)'';

(6) in paragraph (17)—

(A) in subparagraph (A)—

(i) in clause (iii)—

(I) by inserting ''local'' before ''customized training''; and

(II) by striking ''and'' at the end;

(ii) in clause (iv), by striking ''(including displaced homemakers),'' and all that follows through ''disabilities)'' and inserting '', hard-to-serve populations, and individuals training for nontraditional employment''; and

(iii) by adding after clause (iv) the following:

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities), including the provision of outreach, intake, the conduct of assessments, service delivery, the development of adjustments to performance measures established under section 136, and the training of staff; and''; and

(B) in subparagraph (B), by striking ''and'' at the end;

(7) in paragraph (18)(D)—

(A) by striking ''youth opportunity grants under section 169'' and inserting ''youth challenge grants authorized under section 169 and other federally funded youth programs''; and

(B) by striking the period and inserting a semicolon; and

(8) by adding at the end the following:

''(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be utilized throughout the State;

''(20) a description of the State strategy for coordinating workforce investment activities and economic development activities, and promoting entrepreneurial skills training and microenterprise services;

''(21) a description of the State strategy and assistance to be provided for ensuring regional cooperation within the State and across State borders as appropriate;

''(22) a description of how the State will use funds the State receives under this subtitle to—

''(A) implement innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

''(B) provide incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts to contribute to the economic well-being of the local area, as determined appropriate by the local board;

''(23) a description of the State strategy—

''(A) for ensuring cooperation between transportation providers, including public transportation providers, and providers of workforce investment activities; and

''(B) for ensuring coordination among appropriate State agencies and programs to make available skills training, employment services and opportunities, and career advancement activities, that will assist ex-offenders in reentering the workforce;

''(24) a description of how the State will assist local areas in assuring physical and programmatic accessibility for individuals with disabilities at one-stop centers;

''(25) a description of the process and methodology that will be used by the State board to—

''(A) review statewide policies and provide guidance on the coordinated provision of services through the one-stop delivery system described in section 121(e);

''(B) establish, in consultation with chief elected officials and local boards, objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system as described in section 121(g); and

''(C) determine—

''(i) one-stop partner program contributions for the costs of the infrastructure of one-stop centers under section 121(h)(2); and

''(ii) the formula for allocating the funds described in section 121(h)(2) to local areas;

''(26) a description of the State strategy for ensuring that activities carried out under this title are placing men and women in jobs,

education, or training that lead to comparable pay; and

''(27) a description of the technical assistance available to one-stop operators and providers of training services for strategies to serve hard-to-serve populations and promote placement in nontraditional employment.''.

(c) MODIFICATIONS TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended—

(1) by striking ''5-year period'' and inserting ''4-year period''; and

(2) by adding at the end the following: ''In addition, the State shall submit the modifications to the State plan required under subsection (a), under circumstances prescribed by the Secretary that are due to changes in Federal law that significantly affect elements of the State plan.''.

SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1) (29 U.S.C. 2831(a)(1)) is amended—

(A) in subparagraph (A), by striking ''paragraphs (2), (3), and (4)'' and inserting ''paragraphs (2) and (3)''; and

(B) in subparagraph (B), by adding at the end the following:

''(vi) The extent to which such local areas will promote maximum effectiveness in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—The Governor shall approve a request for designation as a local area that is submitted prior to the submission of the State plan, or of a modification to the State plan relating to area designation, from any area that—

''(i) is a unit of general local government with a population of 500,000 or more, except that after the initial 2-year period following such designation pursuant to this clause that occurs after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation from such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(ii) was a local area under this title for the preceding 2-year period (prior to the date of approval), if such local area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(iii) is served by a rural concentrated employment program grant recipient, except that after the initial 2-year period following any such designation under the initial State plan submitted after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity; or

''(iv) was a local area under section 116(a)(2)(C) (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), except that after the initial 2-year period following such designation pursuant to this clause that occurs after that date of enactment, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity.

''(B) DEFINITIONS.—For purposes of this paragraph:

''(i) PERFORMED SUCCESSFULLY.—The term 'performed successfully', when used with respect to a local area, means the local area performed at 80 percent or more of the adjusted level of performance for core indicators of performance described in section 136(b)(2)(A) for 2 consecutive years.

''(ii) SUSTAINED FISCAL INTEGRITY.—The term 'sustained fiscal integrity', used with respect to an area, means that the Secretary has not made a formal determination during the preceding 2-year period that either the grant recipient or the administrative entity of the area misexpended funds provided under this title due to willful disregard of the requirements of the Act involved, gross negligence, or failure to comply with accepted standards of administration.''.

(3) CONFORMING AMENDMENTS.—Section 116(a) (29 U.S.C. 2831(a)) is amended—

(A) by striking paragraph (3);

(B) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively;

(C) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking ''(including temporary designation)''; and

(ii) by striking ''(v)'' and inserting ''(vi)''; and

(D) in paragraph (4) (as redesignated by subparagraph (B))—

(i) by striking ''under paragraph (2) or (3)'' and inserting ''under paragraph (2)''; and

(ii) by striking the second sentence.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

''(b) SINGLE LOCAL AREA STATES.—

''(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a)(2), the Governor of any State that was a single local area for purposes of this title as of July 1, 2004, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

''(2) REDESIGNATION.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a)(2) requests such designation as a separate local area.

''(3) EFFECT ON LOCAL PLAN.—In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.''.

(c) REGIONAL PLANNING.—Section 116(c) (29 U.S.C. 2831(c)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) PLANNING.—

''(A) IN GENERAL.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State, after consultation with local boards and chief elected officials, may require the local boards for the designated region to prepare, submit, and obtain approval of a single regional plan that incorporates local plans for each of the local areas in the region, as required under section 118. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures pursuant to section 134(a)(2)(B)(iii).

''(B) TECHNICAL ASSISTANCE.—If the State requires regional planning as provided in subparagraph (A), the State shall provide technical assistance and labor market information to such local areas in the designated regions to assist with such regional planning and subsequent service delivery efforts.'';

(2) in paragraph (2), by inserting ''information about the skill requirements of existing and emerging industries and industry clusters,'' after ''information about employment opportunities and trends,''; and

(3) in paragraph (3), by adding at the end the following: ''Such services may be required to be coordinated with regional economic development services and strategies.''.

SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b) (29 U.S.C. 2832(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking subclause (II) and inserting the following:

''(II) collectively, represent businesses with employment opportunities that reflect the employment opportunities of the local area, and include representatives of businesses that are in high-growth and emerging industries, and representatives of businesses, including small businesses, in the local area; and'';

(B) by striking clause (ii) and inserting the following:

''(ii)(I) a superintendent representing the local school districts involved or another high-level official from such districts;

''(II) the president or highest ranking official of an institution of higher education participating in the workforce investment activities in the local area; and

''(III) an administrator of local entities providing adult education and literacy activities in the local area;'';

(C) in clause (iv), by inserting '', hard-to-serve populations,'' after ''disabilities'';

(D) in clause (v), by striking ''and'' at the end; and

(E) by striking clause (vi) and inserting the following:

''(vi) a representative from the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) who is serving the local area; and

''(vii) if the local board does not establish or continue a youth council, representatives with experience serving out-of-school youth, particularly out-of-school youth facing barriers to employment; and''; and

(2) by adding at the end the following:

''(6) SPECIAL RULE.—In the case that there are multiple school districts or institutions of higher education serving a local area, the representatives described in subclause (I) or (II) of paragraph (2)(A)(ii), respectively, shall be appointed from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such agencies or institutions.''.

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''AUTHORITY''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) CONFORMING AMENDMENT.—Section 117(c)(1)(C) (29 U.S.C. 2832(c)(1)(C)) is amended by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(iii)''.

(d) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (1), insert after ''Governor'' the following: '', and shall develop jointly with the head of the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) appropriate components of such plan to maximize coordination, improve service delivery, and avoid duplication of services'';

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) by inserting ''(except as provided in section 123(b))'' after ''basis''; and

(ii) by inserting ''(where appropriate)'' after ''youth council''; and

(B) by adding at the end the following:

''(E) CONSUMER CHOICE REQUIREMENTS.—Consistent with sections 122 and paragraphs (3) and (4) of 134(d), the local board shall work to ensure there are sufficient providers of intensive services and training services serving the local area in a manner that maximizes consumer choice, including providers with expertise in assisting individuals with disabilities.'';

(3) in paragraph (3)(B), by striking clause (ii) and inserting the following:

''(ii) STAFF.—

''(I) IN GENERAL.—The local board may hire staff.

''(II) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the local board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule, as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.'';

(4) in paragraph (4), by inserting '', and shall ensure the appropriate use and management of the funds provided under this subtitle for such programs, activities, and system'' after ''area'';

(5) in paragraph (6)—

(A) by striking ''EMPLOYMENT STATISTICS SYSTEM'' and inserting ''WORKFORCE AND LABOR MARKET INFORMATION SYSTEM''; and

(B) by striking ''employment statistics system'' and inserting ''workforce and labor market information system'';

(6) in paragraph (8)—

(A) by inserting '', including small employers,'' after ''private sector employers''; and

(B) by striking the period and inserting '', taking into account the unique needs of small businesses.''; and

(7) by adding at the end the following:

''(9) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services, in remote areas, for services authorized under this subtitle and carried out in the local area.''.

(e) CONFORMING AMENDMENT.—Section 117(f)(2) (29 U.S.C. 2832(f)(2)) is amended by striking ''described in section 134(c)''.

(f) CONFLICT OF INTEREST.—Section 117(g)(1) (29 U.S.C. 2832(g)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(g) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) COUNCILS.—The local board may establish or continue councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include—

''(1) a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system involved;

''(2) a youth council composed of experts and stakeholders in youth programs to advise the local board on youth activities; and

''(3) such other councils as the local board determines are appropriate.''.

(h) ALTERNATIVE ENTITY PROVISION.—Section 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''and paragraphs (1) and (2) of subsection (h),'';

(2) by striking subparagraph (B) and inserting the following:

''(B) was in existence on August 7, 1998, pursuant to State law; and'';

(3) by striking subparagraph (C); and

(4) by redesignating subparagraph (D) as subparagraph (C).

SEC. 116. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended—

(1) by striking ''5-year'' and inserting ''4-year''; and

(2) by adding at the end the following: ''At the end of the first 2-year period of the 4-year plan, the local board shall review and, as needed, amend the 4-year plan to reflect labor market and economic conditions.''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''and'' after the semicolon;

(B) by striking subparagraph (B) and inserting the following:

''(B) a description of how the local board will facilitate access to services provided through the one-stop delivery system involved, in remote areas, including facilitating access through the use of technology; and''; and

(C) by adding at the end the following:

''(C) a description of how the local board will ensure physical and programmatic accessibility for individuals with disabilities at one-stop centers;'';

(2) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(3) by redesignating paragraph (10) as paragraph (16); and

(4) by inserting after paragraph (9) the following:

''(10) a description of how the local board will coordinate workforce investment activities carried out in the local area with economic development activities carried out in the local area, and promote entrepreneurial skills training and microenterprise services;

''(11) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well-being of the local area, as determined appropriate by the local board, consistent with the objectives of this title;

''(12) a description of how the local board will expand access to education and training services for eligible individuals who are in need of such services through—

''(A) the utilization of programs funded under this title; and

''(B) the increased leveraging of resources other than those provided under this title, including tax credits, private sector-provided training, and other Federal, State, local, and private funds that are brokered through the one-stop centers for training services;

''(13) a description of how the local board will coordinate workforce investment activities carried out in the local area with the provision of transportation, including public transportation, in the local area;

''(14) a description of plans for, assurances concerning, and strategies for maximizing coordination of services provided by the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and services provided in the local area through the one-stop delivery system described in section 121(e), to improve service delivery and avoid duplication of services;

''(15) a description of how the local board will coordinate workforce investment activities carried out in the local area with other Federal, State, and local area education, job training, and economic development programs and activities; and''.

SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) by striking subparagraph (A) and inserting the following:

''(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

''(i) provide access through the one-stop delivery system to the programs and activities carried out by the entity, including making the core services described in section 134(d)(2) that are applicable to the program of the entity available at the one-stop centers (in addition to any other appropriate locations);

''(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop system that meets the requirements of subsection (c);

''(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

''(v) provide representation on the State board to the extent provided under section 111.'';

(B) in subparagraph (B)—

(i) by striking clause (v);

(ii) by redesignating clauses (vi) through (xii) as clauses (v) through (xi), respectively;

(iii) in clause (x) (as redesignated by clause (ii)), by striking ''and'' at the end;

(iv) in clause (xi) (as redesignated by clause (ii)), by striking the period and inserting ''; and''; and

(v) by adding at the end the following:

''(xii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).''; and

(C) by adding at the end the following:

''(C) DETERMINATION BY THE GOVERNOR.—

''(i) IN GENERAL.—An entity that carries out programs referred to in subparagraph (B)(xii) shall be included in the one-stop partners for the local area, as a required partner, for purposes of this title unless the Governor of the State provides the notification described in clause (ii).

''(ii) NOTIFICATION.—The notification referred to in clause (i) is a notification that—

''(I) is made in writing of a determination by the Governor not to include such entity in the one-stop partners described in clause (i); and

''(II) is provided to the Secretary and the Secretary of Health and Human Services.''.

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—Section 121(b)(2)(A) (29 U.S.C. 2841(b)(2)(A)) is amended to read as follows:

''(A) IN GENERAL.—With the approval of the local board and chief elected official, in addition to the entities described in paragraph (1), other entities that carry out human resource programs described in subparagraph (B) may be one-stop partners and carry out the responsibilities described in paragraph (1)(A).''.

(B) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19);

''(ii) employment and training programs carried out by the Small Business Administration;

''(iii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));''.

(b) LOCAL MEMORANDUM OF UNDERSTANDING.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

''(iv) methods to ensure the needs of hard-to-serve populations are addressed in providing access to services through the one-stop system; and

''(v) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 2-year period to ensure appropriate funding and delivery of services; and''.

(c) CONFORMING AMENDMENT.—Section 121(d)(2) (29 U.S.C. 2841(d)(2)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(d) PROVISION OF SERVICES.—

(1) ELIMINATION OF PROVISIONS CONCERNING ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C. 2841) is amended by striking subsection (e).

(2) REDESIGNATION.—Subtitle B of title I is amended—

(A) in section 134 (29 U.S.C. 2864), by redesignating subsection (c) as subsection (e); and

(B) by transferring that subsection (e) so that the subsection appears after subsection (d) of section 121.

(3) ONE-STOP DELIVERY SYSTEMS.—Paragraph (1) of section 121(e) (29 U.S.C. 2841(e)) (as redesignated by paragraph (2)) is amended—

(A) in subparagraph (A), by striking ''subsection (d)(2)'' and inserting ''section 134(d)(2)'';

(B) in subparagraph (B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(d)'';

(ii) by striking ''individual training accounts'' and inserting ''career scholarship accounts''; and

(iii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(d)(4)(G)'';

(C) in subparagraph (C), by striking ''subsection (e)'' and inserting ''section 134(e)'';

(D) in subparagraph (D), by striking ''section 121(b)'' and inserting ''subsection (b)''; and

(E) in subparagraph (E), by striking ''information described in section 15'' and inserting ''data, information, and analysis described in section 15(a)''.

(e) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—Section 121 (29 U.S.C. 2841) is amended by adding at the end the following:

''(g) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board, in consultation with chief local elected officials and local boards, shall establish objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system.

''(2) CRITERIA.—The procedures and criteria developed under this subsection shall include minimum standards relating to the scope and degree of service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers, consistent with the guidelines and guidance provided by the Governor and by the State board, in consultation with the chief elected official and local boards, for such partners' participation under subsections (h)(1)(B) and subsection (i), respectively, and such other factors relating to the quality, accessibility, and effectiveness of the one-stop delivery system as the State board determines to be appropriate.

''(3) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

''(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

''(1) IN GENERAL.—

''(A) OPTIONS FOR INFRASTRUCTURE FUNDING.—

''(i) LOCAL OPTIONS.—The local board, chief elected officials, and one-stop partners in a local area may choose to fund the costs of the infrastructure of one-stop centers through—

''(I) methods described in the local memorandum of understanding, if, the local board, chief elected officials, and one-stop partners agree to such methods; or

''(II) the State infrastructure funding mechanism described in paragraph (2).

''(ii) FAILURE TO REACH AGREEMENT ON FUNDING METHODS.—If, as of July 1, 2006, the local board, chief elected officials, and one-stop partners in a local area fail to reach agreement on methods of sufficient funding of the infrastructure costs of one-stop centers, as determined by the local area, the State infrastructure funding mechanism described in paragraph (2) shall be applicable to such local area.

''(B) GUIDANCE FOR INFRASTRUCTURE FUNDING.—In addition to carrying out the requirements relating to the State mechanism for one-stop center infrastructure funding described in paragraph (2), the Governor, after consultation with chief local elected officials, local boards, and the State board, and consistent with the guidelines provided by the State board under subsection (i), shall provide—

''(i) guidelines for State administered one-stop partner programs in determining such programs' contributions to and participation in the one-stop delivery system, including funding for the costs of infrastructure as defined in paragraph (2)(D), negotiated pursuant to the local memorandum of understanding under subsection (c); and

''(ii) guidance to assist local areas in identifying equitable and stable alternative methods of funding of the costs of the infrastructure of one-stop centers in local areas.

''(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—

''(A) PARTNER CONTRIBUTIONS.—

''(i) IN GENERAL.—Subject to clause (iii), a portion determined under clause (ii) of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the programs described in subsection (b)(1) and administered by one-stop partners for a fiscal year shall be provided to the Governor from such programs to assist in paying the costs of infrastructure of one-stop centers in those local areas of the State not funded under the option described in paragraph (1)(A)(i)(I).

''(ii) DETERMINATION OF GOVERNOR.—

''(I) IN GENERAL.—Subject to subclause (II) and clause (iii), the Governor, after consultation with chief local elected officials, local boards, and the State board, shall determine the portion of funds to be provided under clause (i) by each one-stop partner from each program described in clause (i). In making such determination, the Governor shall calculate the proportionate use of the one-stop centers for the purpose of determining funding contributions pursuant to clause (i)(II) or (ii) of paragraph (1)(A) by each partner, and the costs of administration for purposes not related to one-stop centers for each partner. The Governor shall exclude from such determination the portion of funds and use of one-stop centers attributable to the programs of one-stop partners for those local areas of the State where the infrastructure of one-stop centers is funded under the option described in paragraph (1)(A)(i)(I).

''(II) SPECIAL RULE.—In a State in which the State constitution places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II and for postsecondary vocational and technical education activities authorized under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), or vocational rehabilitation services offered under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the determination described in subclause (I) with respect to the programs authorized under that title and those Acts shall be made by the chief officer of the entity with such authority in consultation with the Governor.

''(III) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(iii) LIMITATIONS.—

''(I) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the program limitations with respect to the portion of funds under such program that may be used for administration.

''(II) CAP ON REQUIRED CONTRIBUTIONS.—

''(aa) WIA FORMULA PROGRAMS AND EMPLOYMENT SERVICE.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by the programs authorized under chapters 4 and 5 and under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) shall not be in excess of 3 percent of the amount of Federal funds provided to carry out each such program in the State for a fiscal year.

''(bb) OTHER ONE-STOP PARTNERS.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by a one-stop partner from a program described in subsection (b)(1) other than the

programs described under item (aa) shall not be in excess of 1½ percent of the amount of Federal funds provided to carry out such program in the State for a fiscal year.

''(cc) SPECIAL RULE.—Notwithstanding items (aa) and (bb), an agreement, including a local memorandum of understanding, entered into prior to the date of enactment of the Workforce Investment Act Amendments of 2005 by an entity regarding contributions under this title that permits the percentages described in such items to be exceeded, may continue to be in effect until terminated by the parties.

''(dd) VOCATIONAL REHABILITATION.—Notwithstanding items (aa) and (bb), an entity administering a program under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) shall not be required to provide, for the purposes of this paragraph, an amount in excess of—

''(AA) 0.75 percent of the amount provided for such program in the State for the second program year that begins after the date of enactment of the Workforce Investment Act Amendments of 2005;

''(BB) 1.0 percent of the amount provided for such program in the State for the third program year that begins after such date;

''(CC) 1.25 percent of the amount provided for such program in the State for the fourth program year that begins after such date; and

''(DD) 1.5 percent of the amount provided for such program in the State for the fifth and each succeeding program year that begins after such date.

''(III) FEDERAL DIRECT SPENDING PROGRAMS.—An entity administering a program funded with direct spending as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not be required to provide, for purposes of this paragraph, an amount in excess of the amount determined to be equivalent to the cost of the proportionate use of the one-stop centers for such program in the State.

''(IV) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection or subsection (i). The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

''(B) ALLOCATION BY GOVERNOR.—From the funds provided under subparagraph (A), the Governor shall allocate the funds to local areas in accordance with the formula established under subparagraph (C) for the purposes of assisting in paying the costs of infrastructure of one-stop centers.

''(C) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

''(D) COSTS OF INFRASTRUCTURE.—In this subsection, the term 'costs of infrastructure', used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including assessment-related products and adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center's strategic planning activities, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination of an appropriate allocation of the funds and noncash resources in local areas.''.

SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(d)(4) (referred to in this section as 'training services') to receive funds provided under section 133(b) for the provision of training services.

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to an associate degree, baccalaureate degree, or industry-recognized certification;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d) for so long as the provider remains certified by the Department of Labor to carry out the programs described in paragraph (2)(B).

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established by the Governor pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle (taking into consideration the characteristics of the population served and relevant economic conditions);

''(B) the need to ensure access to training services throughout the State, including any rural areas;

''(C) the information such providers are required to report to State agencies with respect to Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs;

''(D) the requirements for State licensing of providers of training services, and the licensing status of each provider of training services if applicable;

''(E) to the extent practicable, encouraging the use of industry-recognized standards and certification;

''(F) the ability of the providers to offer programs that lead to a degree or an industry-recognized certification;

''(G) the ability to provide training services to hard-to-serve populations, including individuals with disabilities; and

''(H) such other factors as the Governor determines are appropriate to ensure—

''(i) the quality of services provided;

''(ii) the accountability of the providers;

''(iii) that the one-stop centers in the State will ensure that such providers meet the needs of local employers and participants;

''(iv) the informed choice of participants under chapter 5; and

''(v) that the collection of information required is not unduly burdensome or costly to providers.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on degrees and industry-recognized certifications received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants (taking into consideration the characteristics of the population served and relevant economic conditions), which may include information specifying the percentage of such participants who entered unsubsidized employment in an occupation related to the program.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for biennial review and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

''(5) INFORMATION TO ESTABLISH INITIAL ELIGIBILITY.—

''(A) IN GENERAL.—In an effort to provide the highest-quality training services and responsiveness to new and emerging industries, providers may seek initial eligibility under this section as providers of training services. The criteria established by the Governor shall require that a provider who has not previously been an eligible provider of training services under this section provide the information described in subparagraph (B).

''(B) INFORMATION.—The provider shall provide verifiable program-specific performance information supporting the provider's ability to serve participants under this subtitle. The information provided under this subparagraph may include information on outcome measures such as job placement and wage increases for individuals participating in the program, information on business partnerships and other factors that indicate high-quality training services, and information on alignment with industries targeted for potential employment opportunities.

''(C) PROVISION.—The provider shall provide the information described in subparagraph (B) to the Governor and the local boards in a manner that will permit the Governor and the local boards to make a decision on inclusion of the provider on the list of eligible providers described in subsection (d).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds provided under section 133(b) for the provision of training services, and identify the respective roles of the State and local areas in receiving and reviewing the applications and in making determinations of such eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants in choosing employment and training activities under chapter 5 and in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined to be eligible under this section in the State, accompanied by appropriate information, is provided to the one-stop delivery system in the State. The accompanying information shall consist of information provided by providers described in subparagraphs (A) and (C) of subsection (a)(2) in accordance with subsection (b) (including information on receipt of degrees and industry-recognized certifications, and costs of attendance, for participants receiving training services under this subtitle in applicable programs) and such other information as the Secretary determines is appropriate. The list and the accompanying information shall be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved may be terminated, or other appropriate action may be taken.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career scholarship accounts provided in another State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—In establishing criteria, procedures, requirements for information, and the list of eligible providers described in subsection (d), the Governor shall provide an opportunity for interested members of the public to make recommendations and submit comments regarding such criteria, procedures, requirements for information, and list.

''(h) TRANSITION PERIOD FOR IMPLEMENTATION.—The requirements of this section shall be implemented not later than December 31, 2006. In order to facilitate early implementation of this section, the Governor may establish transition procedures under which providers eligible to provide training services under chapter 5 as such chapter was in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005 may continue to be eligible to provide such services until December 31, 2006, or until such earlier date as the Governor determines to be appropriate.

''(i) ON-THE-JOB TRAINING, CUSTOMIZED TRAINING, OR INCUMBENT WORKER TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training, customized training, or incumbent worker training shall not be subject to the requirements of subsections (a) through (h).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from providers of on-the-job training, customized training, and incumbent worker training as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.''.

SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan described in section 112 and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis under subsection (a).''.

SEC. 120. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C. 2852) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''opportunity'' and inserting ''challenge''; and

(B) in paragraph (2), by striking ''make allotments'' and all that follows and inserting ''make allotments and grants, and enter into contracts and cooperative agreements, in accordance with subparagraphs (A)(iv), (B), and (C) of subsection (b)(1).''; and

(2) by striking subsection (b) and inserting the following:

''(b) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS AND YOUTH ACTIVITIES FOR FARMWORKERS AND NATIVE AMERICANS.—

''(i) IN GENERAL.—For each fiscal year in which the amount appropriated under section 137(a) exceeds $1,000,000,000, the Secretary shall reserve a portion of the amount to provide youth activities under section 167 (relating to migrant and seasonal farmworker programs) and provide youth challenge grants and other activities under section 169 (relating to youth challenge grants).

''(ii) PORTION.—The portion referred to in clause (i) shall equal, for a fiscal year—

''(I) except as provided in subclause (II), the difference obtained by subtracting $1,000,000,000 from the amount appropriated under section 137(a) for the fiscal year; or

''(II) for any fiscal year in which the amount is $1,250,000,000 or greater, $250,000,000.

''(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—For a fiscal year described in clause (i), the Secretary shall reserve the greater of $10,000,000 or 4 percent of the portion described in clause (i) for a fiscal year to provide youth activities under section 167. For a fiscal year not described in clause (i), the Secretary shall reserve $10,000,000 of the amount appropriated under section 137(a) to provide youth activities under section 167.

''(iv) YOUTH ACTIVITIES FOR NATIVE AMERICANS.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under clause (i) or (iii), the Secretary shall reserve not more than 1½ percent of such appropriated amount to provide youth activities under section 166 (relating to Native Americans).

''(B) OUTLYING AREAS.—

''(i) IN GENERAL.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under subparagraph (A), the Secretary shall reserve not more than ¼ of 1 percent of the appropriated amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities.

''(ii) LIMITATION FOR FREELY ASSOCIATED STATES.—

''(I) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States to carry out youth activities and statewide workforce investment activities.

''(II) AWARD BASIS.—The Secretary shall award grants pursuant to subclause (I) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

''(III) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive assistance under this subparagraph

shall submit an application to the Secretary and shall include in the application for assistance—

''(aa) information demonstrating that the Freely Associated State will meet all conditions that apply to States under this title;

''(bb) an assurance that, notwithstanding any other provision of this title, the Freely Associated State will use such assistance only for the direct provision of services; and

''(cc) such other information and assurances as the Secretary may require.

''(IV) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under subclause (I) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this clause.

''(iii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to assistance provided to those areas, including the Freely Associated States, under this subparagraph.

''(C) STATES.—

''(i) IN GENERAL.—From the remainder of the amount appropriated under section 137(a) for a fiscal year that exists after the Secretary determines the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot to the States—

''(I) an amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2005 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), in accordance with the requirements of clause (ii) of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I), in accordance with clause (ii).

''(ii) FORMULA.—Of the amount described in clause (i)(II)—

''(I) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all States;

''(II) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

''(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—

''(I) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

''(II) MAXIMUM PERCENTAGE.—Subject to subclause (I), the Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this subparagraph that is less than the total of—

''(I) 3/10 of 1 percent of $1,000,000,000 of the remainder described in clause (i) for the fiscal year; and

''(II) if the remainder described in clause (i) for the fiscal year exceeds $1,000,000,000, 2/5 of 1 percent of the excess.

''(2) DEFINITIONS.—For the purposes of paragraph (1):

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received by the State involved through an allotment made under this subsection for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the State involved for fiscal year 2005.

''(B) DISADVANTAGED YOUTH.—Subject to paragraph (3), the term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(i) the poverty line; or

''(ii) 70 percent of the lower living standard income level.

''(C) FREELY ASSOCIATED STATE.—The term 'Freely Associated State' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(3) SPECIAL RULE.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.''.

(b) REALLOTMENT.—

(1) AMENDMENT.—Section 127(c) (29 U.S.C. 2852(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year for which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect for the program year that begins after the date of enactment of this Act.

(c) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) (29 U.S.C. 2853(a)) is amended to read as follows:

''(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the State under section 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of section 132(b) for a fiscal year for statewide workforce investment activities.

''(2) USE OF FUNDS.—Regardless of whether the reserved amounts were allotted under section 127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of section 132(b), the Governor may use the reserved amounts to carry out statewide activities under section 129(b) or statewide employment and training activities, for adults or dislocated workers, under section 134(a).''.

(2) WITHIN STATE ALLOCATION.—Section 128(b) (29 U.S.C. 2853(b)) is amended to read as follows:

''(b) WITHIN STATE ALLOCATIONS.—

''(1) IN GENERAL.—Of the amount allotted to the State under section 127(b)(1)(C) and not reserved under subsection (a)(1)—

''(A) a portion equal to not less than 80 percent of such amount shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) a portion equal to not more than 20 percent of such amount may be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the portion described in paragraph (1)(A), the Governor shall allocate—

''(i) 33⅓ percent on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all local areas in the State;

''(ii) 33⅓ percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and

''(iii) 33⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is more than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—In this paragraph:

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the portion described in paragraph (1)(A) that is received by the local area involved through an allocation made under this paragraph for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the

date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the local area involved for fiscal year 2005.

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who—

''(I) is age 16 through 21;

''(II) is not a college student or member of the Armed Forces; and

''(III) received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(aa) the poverty line; or

''(bb) 70 percent of the lower living standard income level.

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor may allocate the portion described in paragraph (1)(B) to local areas where there are a significant number of eligible youth, after consultation with the State board and local boards.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—

(A) AMENDMENT.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(i) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(ii) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(iii) by amending paragraph (3)—

(I) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(II) by striking ''for the prior program year'' the first place it appears and inserting ''for the program year for which the determination is made'';

(III) by striking ''such prior program year'' and inserting ''such program year''; and

(IV) by striking the last sentence; and

(iv) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area that does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect for the later of—

(i) the program year that begins after the date of enactment of this Act; or

(ii) program year 2006.

(d) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible to participate in activities carried out under this chapter during any program year an individual shall, at the time the eligibility determination is made, be an out-of-school youth or an in-school youth.

''(B) OUT-OF-SCHOOL YOUTH.—In this title the term 'out-of-school youth' means an individual who is—

''(i) not younger than age 16 nor older than age 21; and

''(ii) one of the following:

''(I) A school dropout.

''(II) A youth who is within the age for compulsory school attendance, but has not attended school for at least 1 school year calendar quarter.

''(III) A recipient of a secondary school diploma or its equivalent who is—

''(aa) deficient in basic skills, including limited English proficiency;

''(bb) a low-income individual; and

''(cc) not attending any school.

''(IV) Subject to the juvenile or adult justice system or ordered by a court to an alternative school.

''(V) A low-income individual who is pregnant or parenting and not attending any school.

''(VI) A youth who is not attending school or a youth attending an alternative school, who is homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(VII) A low-income individual who is not attending school and requires additional assistance to enter or complete an educational program or to secure or hold employment.

''(C) IN-SCHOOL YOUTH.—In this section the term 'in-school youth' means an individual who is—

''(i) not younger than age 14 nor older than age 21;

''(ii) a low-income individual; and

''(iii) one or more of the following:

''(I) Deficient in basic literacy skills, including limited English proficiency.

''(II) Homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(III) Pregnant or parenting.

''(IV) An offender (other than an individual described in subparagraph (B)(ii)(IV)).

''(V) An individual who requires additional assistance to complete an educational program or to secure or hold employment.

''(2) EXCEPTION.—Not more than 5 percent of the individuals assisted under this section in each local area, in the case of individuals for whom low income is a requirement for eligibility under this section, may be individuals who are not low income.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) IN GENERAL.—For any program year, not more than 60 percent of the funds available for statewide activities under subsection (b), and not more than 60 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B).

''(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

''(i) after an analysis of the eligible youth population in the local area, the State determines that the local area will be unable to use at least 40 percent of the funds available for activities under subsection (b) or (c) to serve out-of-school youth due to a low number of out-of-school youth; and

''(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed increased percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

''(II) the request is approved by the Secretary.

''(4) CONSISTENCY WITH COMPULSORY SCHOOL ATTENDANCE LAWS.—In providing assistance under this section to an individual who is required to attend school under applicable State compulsory school attendance laws, the priority in providing such assistance shall be for the individual to attend school regularly.''.

(e) STATEWIDE ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) shall be used, regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or under paragraph (1)(B) or (2)(B) of section 132(b) for statewide activities, which may include—

''(A) conducting—

''(i) evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(ii) research; and

''(iii) demonstration projects;

''(B) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this title, and for performance by local areas as described in section 136(i)(2);

''(C) providing technical assistance and capacity building activities to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), and the provision of technology to facilitate remote access to services provided through the one-stop delivery system in the State;

''(D) operating a fiscal and management accountability information system under section 136(f);

''(E) carrying out monitoring and oversight of activities carried out under this chapter and chapter 5, which may include a review comparing the services provided to male and female youth;

''(F) providing additional assistance to local areas that have high concentrations of eligible youth;

''(G) supporting the development of alternative programs and other activities that enhance the choices available to eligible youth and encourage such youth to reenter secondary education, enroll in postsecondary education and advanced training, and obtain career path employment;

''(H) supporting the provision of core services described in section 134(d)(2) in the one-stop delivery system in the State; and

''(I) supporting financial literacy, including—

''(i) supporting the ability to create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

''(ii) supporting the ability to manage spending, credit, and debt, including credit card debt, effectively;

''(iii) increasing awareness of the availability and significance of credit reports and credit scores in obtaining credit, the importance of their accuracy (and how to correct inaccuracies), their effect on credit terms, and the effect common financial decisions may have on credit scores;

''(iv) supporting the ability to ascertain fair and favorable credit terms;

''(v) supporting the ability to avoid abusive, predatory, or deceptive credit offers and financial products;

''(vi) supporting the ability to understand, evaluate, and compare financial products, services, and opportunities;

''(vii) supporting the ability to understand resources that are easily accessible and affordable, and that inform and educate an investor as to the investor's rights and avenues of recourse when the investor believes the investor's rights have been violated by unprofessional conduct of market intermediaries;

''(viii) increasing awareness of the particular financial needs and financial transactions (such as the sending of remittances) of consumers who are targeted in multilingual financial literacy and education programs and improving the development and distribution of multilingual financial literacy and education materials;

''(ix) promoting bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining accounts with financial institutions; and

''(x) improving financial literacy and education through all other related skills, including personal finance and related economic education, with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted to a State under section 127(b)(1)(C) shall be used by the State for administrative activities carried out under this subsection or section 134(a).

''(3) PROHIBITION.—No funds described in this subsection may be used to develop or implement education curricula for school systems in the State.''.

(f) LOCAL ELEMENTS AND REQUIREMENTS.—

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c)(1)) is amended—

(A) in the matter that precedes subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to 1 or more of the performance measures relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as redesignated by clause (i)) the following:

''(i) activities leading to the attainment of a secondary school diploma or its equivalent, or another recognized credential;'';

(iii) in clause (ii) (as redesignated by clause (i)), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as redesignated by clause (i))—

(I) by inserting ''instruction based on State academic content and student academic achievement standards established under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311)'' after ''academic''; and

(II) by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by striking clause (v) (as redesignated by clause (i)) and inserting the following:

''(v) effective connections to all employers, including small employers, in sectors of the local and regional labor markets that are experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''the requirements for a secondary school diploma or its recognized equivalent (including recognized alternative standards for individuals with disabilities) or for another recognized credential, including dropout prevention strategies'';

(B) in subparagraph (B), by inserting '', with a priority on exposing youth to technology and nontraditional jobs'' before the semicolon;

(C) in subparagraph (F), by striking ''during nonschool hours'';

(D) in subparagraph (I), by striking ''and'' at the end;

(E) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(F) by adding at the end the following:

''(K) on-the-job training opportunities;

''(L) opportunities to acquire financial literacy skills;

''(M) entrepreneurial skills training and microenterprise services; and

''(N) information about average wages for a range of jobs available in the local area, including technology jobs.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth''.

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is amended by striking paragraphs (4) and (5).

(5) PROHIBITIONS AND LINKAGES.—Section 129(c) (29 U.S.C. 2854(c)), as amended by paragraph (4), is further amended—

(A) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6), respectively;

(B) in paragraph (4) (as redesignated by subparagraph (A))—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(C) in paragraph (5) (as redesignated by subparagraph (A)), by striking ''youth councils'' and inserting ''local boards''.

SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) RESERVATIONS.—Section 132(a)(2)(A) (29 U.S.C. 2862 (a)(2)(A)) is amended by striking ''national emergency grants, other than under subsection (a)(4), (f), and (g)'' and inserting ''national dislocated worker grants, other than under subparagraph (D) or (E) of subsection (a)(1), subsection (e), and subsection (f)''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended—

(A) in paragraph (1)(A)(ii), by striking ''section 127(b)(1)(B),'' and all that follows and inserting ''section 127(b)(1)(B).'';

(B) by striking paragraph (1)(B)(ii) and inserting the following:

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

''(I) 40 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

''(II) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States; and

''(III) 35 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States, except as described in clause (iii).'';

(C) in paragraph (1)(B)—

(i) in clause (iii), by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(iii)'';

(ii) in clause (iv)—

(I) in subclause (I)—

(aa) by striking ''Subject to subclause (IV), the'' and inserting ''The''; and

(bb) by striking ''than the greater of'' and all that follows and inserting ''than an amount based on 90 percent of the allotment percentage of the State for the preceding fiscal year.'';

(II) in subclause (II), by striking ''subclauses (I), (III), and (IV)'' and inserting ''subclauses (I) and (III)''; and

(III) by striking subclause (IV); and

(iii) in clause (v), by striking subclause (VI); and

(D) in paragraph (2)(A)(ii), by striking ''section 127(b)(1)(B)'' and all that follows and inserting ''section 127(b)(1)(B).''.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year for programs funded under subsection (b)(1)(B) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year (including amounts allotted to the State in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''under this section for such activities for the prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for the program year for which the determination is made''; and

(ii) by striking ''under this section for such activities for such prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means—

''(A) with respect to funds allotted under subsection (b)(1)(B), a State that does not have an amount of such funds available for

reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allotted under subsection (b)(2)(B), a State that does not have an amount of such funds available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(4) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(b) WITHIN STATE ALLOCATIONS.—

(1) ALLOCATION.—Section 133(b)(2)(A)(i) (29 U.S.C. 2863(b)(2)(A)(i)) is amended—

(A) in subclause (I), by striking ''33⅓ percent'' and inserting ''40 percent'';

(B) in subclause (II), by striking ''33⅓ percent'' and inserting ''25 percent''; and

(C) in subclause (III), by striking ''33⅓ percent'' and inserting ''35 percent''.

(2) TRANSFER AUTHORITY.—Section 133(b)(4) (29 U.S.C. 2863(b)(4)) is amended by striking ''20 percent'' each place it appears and inserting ''100 percent''.

(3) REQUIREMENTS.—Clauses (i) and (ii) of section 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(4) REALLOCATION.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by inserting '', and under subsection (b)(2)(B) for dislocated worker employment and training activities,'' after ''activities'';

(B) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year for programs funded under paragraphs (2)(A) and (3) of subsection (b) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year (including amounts allocated to the local area in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the local area in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year.'';

(C) by striking paragraph (3) and inserting the following:

''(3) REALLOCATION.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State—

''(A) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under paragraphs (2)(A) or (3) of subsection (b), an amount based on the relative amount allocated to such local area under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for such program year; and

''(B) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under subsection (b)(2)(B), an amount based on the relative amount allocated to such local area under subsection (b)(2)(B) for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under subsection (b)(2)(B) for such program year.''; and

(D) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means—

''(A) with respect to funds allocated under paragraphs (2)(A) or (3) of subsection (b), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allocated under subsection (b)(2)(B), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(5) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(c) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—Section 134(a)(2)(A) (29 U.S.C. 2864(a)(2)(A)) is amended to read as follows:

''(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—

''(i) IN GENERAL.—A State shall carry out statewide rapid response activities using funds reserved by a Governor for a State under section 133(a)(2). Such activities shall include—

''(I) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials for the local areas; and

''(II) provision of additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials for the local areas.

''(ii) USE OF UNEXPENDED FUNDS.—Funds reserved under section 133(a)(2) to carry out this subparagraph that remain unexpended after the first program year for which such funds were allotted may be used by the Governor to carry out statewide activities authorized under subparagraph (B) and paragraph (3)(A) in addition to activities under this subparagraph.''.

(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) (regardless of whether the funds were allotted to the States under section 127(b)(1)(C) or paragraphs (1)(B) or (2)(B) of section 132(b)) shall be used for statewide employment and training activities, including—

''(i) disseminating—

''(I) the State list of eligible providers of training services, including eligible providers of nontraditional training services and eligible providers of apprenticeship programs described in section 122(a)(2)(B);

''(II) information identifying eligible providers of on-the-job training, customized training, and incumbent worker training;

''(III) information on effective business outreach, partnerships, and services;

''(IV) performance information and information on costs of attendance, as described in subsections (d) and (i) of section 122; and

''(V) information on physical and programmatic accessibility for individuals with disabilities;

''(ii) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(iii) providing incentive grants to local areas, in accordance with section 136(i);

''(iv) developing strategies for ensuring that activities carried out under this section are placing men and women in jobs, education, and training that lead to comparable pay;

''(v) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

''(vi) operating a fiscal and management accountability system under section 136(f); and

''(vii) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4.''.

(C) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A)) is amended to read as follows:

''(A) IN GENERAL.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) or (2)(B) (regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b)) may be used to carry out additional statewide employment and training activities, which may include—

''(i) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, including regional skills alliances, sectoral skills partnerships (in which representatives of multiple employers for a specific industry sector or group of related occupations, economic development agencies, providers of training services described in subsection (d)(4), labor federations, and other entities that can provide needed supportive services tailored to the needs of workers in that sector or group, for a local area or region, identify gaps between the current and expected demand and supply of labor and skills in that sector or group for that area or region and develop a strategic skills gap action plan), career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the

State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(ii) developing strategies for effectively serving hard-to-serve populations and for coordinating programs and services among one-stop partners;

''(iii) implementing innovative programs for displaced homemakers, which for purposes of this clause may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(iv) implementing programs to increase the number of individuals training for and placed in nontraditional employment;

''(v) carrying out activities to facilitate remote access to services, including training services described in subsection (d)(4), provided through a one-stop delivery system, including facilitating access through the use of technology;

''(vi) supporting the provision of core services described in subsection (d)(2) in the one-stop delivery system in the State;

''(vii) coordinating with the child welfare system to facilitate services for children in foster care and those who are eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677);

''(viii) activities—

''(I) to improve coordination between workforce investment activities carried out within the State involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services;

''(II) to improve coordination between employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(III) to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(IV) to improve coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a);

''(V) to develop and disseminate workforce and labor market information;

''(VI) to improve coordination with the corrections system to facilitate provision of training services and employment opportunities that will assist ex-offenders in reentering the workforce; and

''(VII) to promote financial literacy, including carrying out activities described in section 129(b)(1)(I);

''(ix) conducting—

''(I) research; and

''(II) demonstration projects; and

''(x) adopting, calculating, or commissioning a minimum self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations.''.

(2) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is amended—

(i) in clause (i), by striking ''described in subsection (c)'';

(ii) in clause (iii), by striking ''and'' at the end;

(iii) in clause (iv), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(v) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries; and

''(vi) in order to improve service delivery to avoid duplication of services and enhance coordination of services, to require the colocation of employment services provided under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) at the one-stop centers.''.

(B) CORE SERVICES.—Section 134(d)(2) (29 U.S.C. 2864(d)(2)) is amended—

(i) in the matter preceding subparagraph (A), by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)'';

(ii) in subparagraph (C), by inserting ''(including literacy, numeracy, and English language proficiency)'' after ''skill levels'';

(iii) by striking subparagraph (D) and inserting the following:

''(D) labor exchange services, including—

''(i) job search and placement assistance and, in appropriate cases, career counseling, including—

''(I) exposure to high wage, high skill jobs; and

''(II) nontraditional employment; and

''(ii) appropriate recruitment and other business services for all employers, including small employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system;'';

(iv) in subparagraph (E)(iii)—

(I) by inserting '', career ladders,'' after ''earnings''; and

(II) by striking ''and'' at the end;

(v) in subparagraph (F)—

(I) by striking ''and program cost information''; and

(II) by striking ''described in section 123'';

(vi) by striking subparagraph (H) and inserting the following:

''(H) provision of accurate information, in formats that are usable and understandable to all one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.), benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the earned income tax credit under section 32 of the Internal Revenue Code of 1986, and assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other supportive services and transportation provided through funds made available under such part, available in the local area, and referral to such services or assistance as appropriate;''; and

(vii) in subparagraph (J), by striking ''for—'' and all that follows through ''(ii) programs'' and inserting ''for programs''.

(C) INTENSIVE SERVICES.—Section 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers, respectively—

''(I) who are unemployed and who, after an interview, evaluation, or assessment, have been determined by a one-stop operator or one-stop partner to be—

''(aa) unlikely or unable to obtain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through core services described in paragraph (2); and

''(bb) in need of intensive services to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; or

''(II) who are employed, but who, after an interview, evaluation, or assessment are determined by a one-stop operator or one-stop partner to be in need of intensive services to obtain or retain employment that leads to self-sufficiency.

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding at the end the following:

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness.

''(ix) Financial literacy services, such as activities described in section 129(b)(1)(I).

''(x) Out-of-area job search assistance and relocation assistance.

''(xi) English language acquisition and integrated training programs.''.

(D) TRAINING SERVICES.—Section 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide training services to adults and dislocated workers, respectively—

''(I) who, after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through the intensive services described in paragraph (3);

''(bb) be in need of training services to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) who select programs of training services that are directly linked to the employment opportunities in the local area or region involved or in another area to which the adults or dislocated workers are willing to commute or relocate;

''(III) who meet the requirements of subparagraph (B); and

''(IV) who are determined to be eligible in accordance with the priority system in effect under subparagraph (E).

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of

the participant conducted pursuant to another education or training program.'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) in subparagraph (D)—

(I) in clause (viii), by striking ''and'' after the semicolon;

(II) in clause (ix), by striking the period and inserting ''; and''; and

(III) by adding at the end the following:

''(x) English language acquisition and integrated training programs.'';

(iv) in subparagraph (F)—

(I) in clause (ii), by striking ''referred to in subsection (c), shall make available—'' and all that follows and inserting ''shall make available a list of eligible providers of training services, and accompanying information, in accordance with section 122(d).'';

(II) in the heading of clause (iii), by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(III) in clause (iii)—

(aa) by striking ''identifying information'' and inserting ''accompanying information'';

(bb) by striking ''clause (ii)(I)'' and inserting ''clause (ii)''; and

(cc) by striking ''an individual training account'' and inserting ''a career scholarship account''; and

(IV) by adding at the end the following:

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career scholarship accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.''; and

(v) in subparagraph (G)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(II) in clause (i), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career scholarship account'';

(bb) in subclause (II), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(cc) in subclause (II) by striking ''or'' after the semicolon;

(dd) in subclause (III), by striking ''special participant populations that face multiple barriers to employment'' and inserting ''hard-to-serve populations'';

(ee) in subclause (III), by striking the period and inserting ''''; or''; and

(ff) by adding at the end the following:

''(IV) the local board determines that it would be most appropriate to award a contract to an institution of higher education in order to facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.''; and

(IV) by striking clause (iv).

(3) PERMISSIBLE ACTIVITIES.—Section 134(e) (29 U.S.C. 2864(e)) is amended—

(A) by striking the matter preceding paragraph (2) and inserting the following:

''(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) IN GENERAL.—

''(A) ACTIVITIES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved—

''(i) customized screening and referral of qualified participants in training services described in subsection (d)(4) to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to enable members of hard-to-serve populations, including individuals with disabilities, to navigate among multiple services and activities for such populations;

''(iv) technical assistance and capacity building for serving individuals with disabilities in local areas, for one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the provision of outreach, intake, assessments, and service delivery, and the development of performance measures;

''(v) employment and training assistance provided in coordination with child support enforcement activities of the State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vi) activities to improve coordination among employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vii) activities to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(viii) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

''(ix) activities—

''(I) to improve coordination between workforce investment activities carried out within the local area involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services; and

''(II) to improve services and linkages between the local workforce investment system including the local one-stop delivery system, and all employers, including small employers in the local area, through services described in this section, including subparagraph (B);

''(x) training programs for displaced homemakers and for individuals training for nontraditional occupations, in conjunction with programs operated in the local area;

''(xi) using a portion of the funds allocated under section 133(b), activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118, which services—

''(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee-for-service basis or through the leveraging of economic development and other resources as determined appropriate by the local board; and

''(II) may include—

''(aa) identifying and disseminating to business, educators, and job seekers, information related to the workforce, economic and community development needs, and opportunities of the local economy;

''(bb) development and delivery of innovative workforce investment services and strategies for area businesses, which may include sectoral, industry cluster, regional skills alliances, career ladder, skills upgrading, skill standard development and certification, apprenticeship, and other effective initiatives for meeting the workforce investment needs of area employers and workers;

''(cc) participation in seminars and classes offered in partnership with relevant organizations focusing on the workforce-related needs of area employers and job seekers;

''(dd) training consulting, needs analysis, and brokering services for area businesses, including the organization and aggregation of training (which may be paid for with funds other than those provided under this title), for individual employers and coalitions of employers with similar interests, products, or workforce needs;

''(ee) assistance to area employers in the aversion of layoffs and in managing reductions in force in coordination with rapid response activities;

''(ff) the marketing of business services offered under this title, to appropriate area employers, including small and mid-sized employers;

''(gg) information referral on concerns affecting local employers; and

''(hh) other business services and strategies designed to better engage employers in workforce investment activities and to make the workforce investment system more relevant to the workforce investment needs of area businesses, as determined by the local board to be consistent with the objectives of this title;

''(xii) activities to adjust the self-sufficiency standards for local factors, or activities to adopt, calculate, or commission a self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations; and

''(xiii) improved coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a).

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved, work support activities designed to assist low-wage workers in retaining and enhancing employment. The one-stop partners shall coordinate the appropriate programs and resources of the partners with the activities and resources provided under this subparagraph.

''(ii) ACTIVITIES.—The activities described in clause (i) may include the provision of activities described in this section through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate in the activities, such as the provision of activities described in this section during nontraditional hours and the provision of onsite child care while such activities are being provided.''; and

(B) by adding at the end the following:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through an incumbent worker training program carried out in accordance with this paragraph. The Governor or State board may make recommendations to the local board regarding incumbent worker training with statewide impact.

''(B) TRAINING ACTIVITIES.—The training program for incumbent workers carried out under this paragraph shall be carried out by the local board in conjunction with the employers or groups of employers of such workers for the purpose of assisting such workers

in obtaining the skills necessary to retain employment or avert layoffs.

''(C) EMPLOYER SHARE REQUIRED.—

''(i) IN GENERAL.—Employers participating in the program carried out under this paragraph shall be required to pay the non-Federal share of the costs of providing the training to incumbent workers of the employers. The local board shall establish the non-Federal share of such costs, which may include in-kind contributions. The non-Federal share shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF EMPLOYER SHARE.—The non-Federal share paid by such an employer may include the amount of the wages paid by the employer to a worker while the worker is attending a training program under this paragraph.''.

SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) INDICATORS OF PERFORMANCE.—Section 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amended—

(A) in clause (i)—

(i) in the matter preceding subclause (I), by striking ''and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(ii) by striking subclause (III) and inserting the following:

''(III) increases in earnings from unsubsidized employment; and''; and

(iii) in subclause (IV), by striking '', or by participants'' and all that follows through ''unsubsidized employment''; and

(B) by striking clause (ii) and inserting the following:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) school retention, and attainment of secondary school diplomas or their recognized equivalents and of postsecondary certificates; and

''(III) literacy or numeracy gains.''.

(2) ADDITIONAL INDICATORS.—Section 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to read as follows:

''(C) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities under this subtitle, including indicators identified in collaboration with State business and industry associations, with employee representatives where applicable, and with local boards, to measure the performance of the workforce investment system in serving the workforce needs of business and industry in the State.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS'';

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''described in clauses (i) and (ii) of paragraph (2)(A) and the customer satisfaction indicator of performance, for the first 2''; and

(iii) by inserting at the end the following: ''Agreements on levels of performance for each of the core indicators of performance for the third and fourth program years covered by the State plan shall be reached prior to the beginning of the third program year covered by the State plan, and incorporated as a modification to the State plan.'';

(B) in clause (iv)—

(i) in the matter preceding subclause (I), by striking ''or (v)'';

(ii) in subclause (II)—

(I) by striking ''taking into account'' and inserting ''and shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(II) by inserting ''(such as differences in unemployment rates and job losses or gains in particular industries)'' after ''economic conditions'';

(III) by inserting ''(such as indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''program''; and

(IV) by striking ''and'' at the end;

(iii) in subclause (III), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(IV) the extent to which the levels involved will assist the State in meeting the national goals described in clause (v).'';

(C) by striking clause (v) and inserting the following:

''(v) ESTABLISHMENT OF NATIONAL GOALS.—In order to promote enhanced performance outcomes on the performance measures and to facilitate the process of reaching agreements with the States under clause (iii) and to measure systemwide performance for the one-stop delivery systems of the States, the Secretary shall establish long-term national goals for the adjusted levels of performance for that systemwide performance to be achieved by the programs assisted under chapters 4 and 5 on the core indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 in consultation with the States and other appropriate parties.''; and

(D) in clause (vi)—

(i) by striking ''or (v)''; and

(ii) by striking ''with the representatives described in subsection (i)'' and inserting ''with the States and other interested parties''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c)(3) (29 U.S.C. 2871(c)(3)) is amended—

(1) by striking ''shall take into account'' and inserting ''shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(2) by inserting ''characteristics (such as unemployment rates and job losses or gains in particular industries)'' after ''economic''; and

(3) by inserting ''characteristics (such as indicators of poor work history, lack of work experience, lack of educational and occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''demographic''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by adding at the end the following: ''In the case of a State or local area that chooses to expend funds for activities under subsection (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section 134, the report also shall include the amount of such funds so expended and the percentage that such funds are of the funds available for activities under section 134.'';

(2) in paragraph (2)—

(A) in subparagraph (E)—

(i) by striking ''(excluding participants who received only self-service and informational activities)''; and

(ii) by striking ''and'' after the semicolon;

(B) in subparagraph (F)—

(i) by inserting ''noncustodial parents with child support obligations, homeless individuals,'' after ''displaced homemakers,''; and

(ii) by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(G) the number of participants who have received services, other than followup services, authorized under this title;

''(H) the number of participants who have received services, other than followup services, authorized under this title, in the form of core services described in section 134(d)(2), intensive services described in section 134(d)(3), and training services described in section 134(d)(4), respectively;

''(I) the number of participants who have received followup services authorized under this title;

''(J) the cost per participant for services authorized under this title; and

''(K) the amount of adult and dislocated worker funds spent on—

''(i) core, intensive, and training services, respectively; and

''(ii) services provided under subsection (a)(3)(A)(i) or (e)(1)(A)(xi) of section 134, if applicable.''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure that the information contained in the reports is valid and reliable.''.

(d) EVALUATION OF STATE PROGRAMS.—Section 136(e)(3) (29 U.S.C. 2871(e)(3)) is amended by inserting '', including information on promoting self-sufficiency and comparable pay between men and women'' after ''employers''.

(e) SANCTIONS FOR STATE.—Section 136(g)(1)(B) (29 U.S.C. 2871(g)(1)(B)) is amended by striking ''If such failure continues for a second consecutive year'' and inserting ''If a State performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years''.

(f) SANCTIONS FOR LOCAL AREA.—Section 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''If such failure continues for a second consecutive year'' and inserting ''If a local area performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years'';

(2) in clause (ii), by striking ''or'' after the semicolon;

(3) by redesignating clause (iii) as clause (iv); and

(4) by inserting after clause (ii) the following:

''(iii) redesignate the local area in accordance with section 116(b)(2); or''.

(g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(1) IN GENERAL.—From funds reserved under sections 128(a) and 133(a)(1), the Governor involved shall award incentive grants to local areas for performance described in paragraph (2).

''(2) BASIS.—The Governor shall award the grants on the basis that the local areas—

''(A) have exceeded the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); or

''(B) have—

''(i) met the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment services under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under this title;

''(cc) implementation of coordination activities relating to the one-stop partner programs, through agreements with relevant regional or local agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) regional coordination relating to the one-stop partner programs, with other local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a local area under this subsection may be used to carry out activities authorized for local areas in programs carried out under this title, the Adult Education and Family Literacy Act, and the Rehabilitation Act of 1973 (referred to in this subsection as 'workforce and education programs'), and such innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, as may be approved by the Governor, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs;

''(G) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

''(H) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.

''(4) TECHNICAL ASSISTANCE.—The Governor shall reserve 4 percent of the funds available for grants under this subsection to provide technical assistance to local areas—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs, and other education programs; or

''(D) to strengthen regional economic development.''.

(h) USE OF CORE MEASURES IN OTHER DEPARTMENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C. 2871) is amended by adding at the end the following:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapters 4 and 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2) to assess the effectiveness of the programs described in clauses (i), (ii), and (vi) of section 121(b)(1)(B) that are carried out by the Secretary.''.

(i) PREVIOUS DEFINITIONS OF CORE INDICATORS.—Section 502 (29 U.S.C. 9272) is repealed.

SEC. 123. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

Subtitle C—Job Corps

SEC. 131. JOB CORPS.

(a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:

''(F) A child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(b) IMPLEMENTATION OF STANDARDS AND PROCEDURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(D) child welfare agencies that are responsible for children in foster care and children eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(c) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding at the end the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.

''(4) SPECIAL RULE FOR SINGLE LOCAL AREA STATES.—In the case of a single local area State designated under section 116(b), the industry council shall include a representative of the State Board.''.

(d) INDICATORS OF PERFORMANCE.—Section 159 (29 U.S.C. 2899) is amended—

(1) in subsection (c)—

(A) by striking paragraph (1) and inserting the following:

''(1) PERFORMANCE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators of performance for youth activities identified in section 136(b)(2)(A)(ii).'';

(B) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''; and

(C) in paragraph (3)—

(i) in the first sentence, by striking ''core performance measures, as compared to the expected performance level for each performance measure'' and inserting ''performance indicators described in paragraph (1), as compared to the expected level of performance established under paragraph (1) for each performance measure''; and

(ii) in the second sentence, by striking ''measures'' each place it appears and inserting ''indicators''; and

(2) in subsection (f)(2), in the first sentence, by striking ''core performance measures'' and inserting ''indicators of performance''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

Subtitle D—National Programs

SEC. 141. NATIVE AMERICAN PROGRAMS.

(a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section, including the selection of the individual appointed as head of the unit established under paragraph (1).''.

(b) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is amended to read as follows:

''(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary is authorized to provide assistance to the Cook Inlet Tribal Council, Incorporated, and the University of Hawaii at Maui, for the unique populations who reside in Alaska or Hawaii, to improve job training and workforce investment activities.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal years 2006 through 2011.''.

(c) PERFORMANCE INDICATORS.—Section 166 (29 U.S.C. 2911) is amended by adding at the end the following:

''(k) PERFORMANCE INDICATORS.—

''(1) DEVELOPMENT OF INDICATORS.—The Secretary, in consultation with the Native American Employment and Training Council, shall develop a set of performance indicators and standards which shall be applicable to programs under this section.

''(2) SPECIAL CONSIDERATIONS.—Such performance indicators and standards shall take into account—

''(A) the purpose of this section as described in subsection (a)(1);

''(B) the needs of the groups served by this section, including the differences in needs among such groups in various geographic service areas; and

''(C) the economic circumstances of the communities served, including differences in circumstances among various geographic service areas.''.

SEC. 142. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167 (29 U.S.C. 2912) is amended—

(1) in subsection (a), by striking ''2'' and inserting ''2 to 4'';

(2) in subsection (b), by inserting ''and deliver'' after ''administer'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''2-year'' and inserting ''4-year'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting ''describe the population to be served and'' before ''identify''; and

(II) by inserting '', including upgraded employment in agriculture'' before the semicolon;

(ii) in subparagraph (B), by striking ''and'' at the end;

(iii) in subparagraph (C), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(D) describe the availability and accessibility of local resources such as supportive services, services provided through one-stop delivery systems, and education and training services, and how the resources can be made available to the population to be served; and

''(E) describe the plan for providing services under this section, including strategies and systems for outreach, case management, assessment, and delivery through one-stop delivery systems.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) COMPETITION.—The competition for grants made and contracts entered into under this section shall be conducted every 2 to 4 years.'';

(4) in subsection (d), by striking ''include'' and all that follows and inserting ''include outreach, employment, training, educational assistance, literary assistance, English language and literacy instruction, pesticide and worker safety training, housing (including permanent housing), supportive services, school dropout prevention activities, followup services for those individuals placed in employment, self-employment and related business or micro-enterprise development or education as needed by eligible individuals and as identified pursuant to the plan required by subsection (c), customized career and technical education in occupations that will lead to higher wages, enhanced benefits, and long-term employment in agriculture or another area, and technical assistance to improve coordination of services and implement best practices relating to service delivery through one-stop delivery systems.'';

(5) in subsection (f), by striking ''take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.'' and inserting ''are adjusted based on the economic and demographic barriers to employment of eligible migrant and seasonal farmworkers.'';

(6) in subsection (g), by striking ''(enacted by the Single Audit Act of 1984)'';

(7) in subsection (h)—

(A) by striking paragraph (1) and inserting the following:

''(1) DEPENDENT.—The term 'dependent', used with respect to an eligible migrant or seasonal farmworker, means an individual who—

''(A) was claimed as a dependent on the farmworker's Federal income tax return for the previous year;

''(B) is the spouse of the farmworker; or

''(C) is able to establish—

''(i) a relationship as the farmworker's—

''(I) biological or legally adopted child, grandchild, or great-grandchild;

''(II) foster child;

''(III) stepchild;

''(IV) brother, sister, half-brother, half-sister, stepbrother, or stepsister;

''(V) parent, grandparent, or other direct ancestor (but not foster parent);

''(VI) stepfather or stepmother;

''(VII) uncle or aunt;

''(VIII) niece or nephew; or

''(IX) father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; and

''(ii) the receipt of over half of the individual's total support from the farmworker's family during the eligibility determination period for the farmworker.''; and

(B) in paragraph (4)(A)—

(i) by striking ''disadvantaged person'' and inserting ''low-income individual''; and

(ii) by inserting ''and who faces multiple barriers to self-sufficiency'' before the semicolon;

(8) by redesignating subsection (h) as subsection (i); and

(9) by inserting before subsection (i) the following:

''(h) FUNDING ALLOCATION.—From the funds appropriated and made available to carry out this section, the Secretary shall reserve not more than 1 percent for discretionary purposes, such as providing technical assistance to eligible entities.''

SEC. 143. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3) (29 U.S.C. 2913(a)(3)) is amended—

(1) in subparagraph (A), by inserting '', including services provided by one-stop operators and one-stop partners'' before the semicolon; and

(2) in subparagraph (C), by striking ''section 134(c)'' and inserting ''section 121(e)''.

SEC. 144. YOUTH CHALLENGE GRANTS.

Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(b)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award competitive grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this subsection to assist eligible youth in acquiring the skills, credentials, and employment experience necessary to achieve the performance outcomes for youth described in section 136.

''(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) a State or consortium of States;

''(B) a local board or consortium of local boards;

''(C) a recipient of a grant under section 166 (relating to Native American programs); or

''(D) a public or private entity (including a consortium of such entities) with expertise in the provision of youth activities, applying in partnership with a local board or consortium of local boards.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection, and how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such activities;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the State, local, and private resources that will be leveraged to provide the activities described under subparagraph (A) in addition to funds provided under this subsection, and a description of the extent of the involvement of employers in the activities;

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii); and

''(E) except in the case of an application submitted by an eligible entity described in paragraph (2)(C)—

''(i) an assurance that the State board of each State in which the proposed activities are to be carried out had the opportunity to review the application; and

''(ii) the comments, if any, of the affected State boards on the application.

''(4) FACTORS FOR AWARD.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the quality of the proposed activities;

''(ii) the goals to be achieved;

''(iii) the likelihood of successful implementation;

''(iv) the extent to which the proposed activities are based on proven strategies or the extent to which the proposed activities will expand the base of knowledge relating to the provision of activities for eligible youth;

''(v) the extent of collaboration with the State and local workforce investment systems in carrying out the proposed activities;

''(vi) the extent of employer involvement in the proposed activities;

''(vii) whether there are other Federal and non-Federal funds available for similar activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities;

''(viii) the quality of the proposed activities in meeting the needs of the eligible youth to be served; and

''(ix) the extent to which the proposed activities will expand on services provided under section 129.

''(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out activities that are designed to assist eligible youth in acquiring the skills, credentials, and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129.

''(B) ACTIVITIES.—The activities carried out pursuant to subparagraph (A) may include the following:

''(i) Training and internships for out-of-school youth in sectors of the economy experiencing, or projected to experience, high growth.

''(ii) Dropout prevention activities for in-school youth.

''(iii) Activities designed to assist special youth populations, such as court-involved youth and youth with disabilities.

''(iv) Activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(v) Activities, including work experience, paid internships, and entrepreneurial training, in areas where there is a migration of youth out of the areas.

''(C) PARTICIPANT ELIGIBILITY.—Youth who are 14 years of age through 21 years of age, as of the time the eligibility determination is made, may be eligible to participate in activities carried out under this subsection.

''(6) GRANT PERIOD.—The Secretary shall make a grant under this subsection for a period of 2 years and may renew the grant, if the eligible entity has performed successfully, for a period of not more than 3 succeeding years.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATION.—The Secretary shall reserve not more than 3 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of (using appropriate techniques as described in section 172(c)), the projects funded under this subsection.

''(c) COMPETITIVE FIRST JOBS FOR YOUTH.—

''(1) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a consortium that—

''(A) shall include—

''(i)(I) a State board; or

''(II) a local board; and

''(ii) a consortium of businesses, including small businesses;

''(B) may include 1 or more—

''(i) local educational agencies;

''(ii) institutions of higher education;

''(iii) business intermediaries;

''(iv) community-based organizations; or

''(v) entities carrying out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); and

''(C) submits an application under paragraph (3).

''(2) AUTHORIZATION.—From the funds described in subsection (a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, entering, and retaining employment.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the area to be served, including information demonstrating that the area has—

''(i) high unemployment among individuals ages 16 through 21;

''(ii) high unemployment among youth who are individuals with disabilities; or

''(iii) high job loss;

''(B) a description of the proposed program, including activities, compensation, and expected outcomes;

''(C) an assurance that the participating employers in the proposed program are located in the area to be served, and a demonstration of the commitment of the participating employers to hire individuals who—

''(i) have successfully completed the program; or

''(ii) continue to work in the program;

''(D) demographic information about the targeted populations to be served by the proposed program, including information on gender, age, and race;

''(E) a description of how the proposed program will address the barriers to employment of the targeted populations;

''(F) a description of the manner in which the eligible entity will evaluate the program; and

''(G) a description of the ability of the eligible entity to carry out and expand the program after the expiration of the grant period.

''(4) EQUITABLE DISTRIBUTION TO RURAL AREAS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants to rural areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out—

''(i) activities that will assist youth in preparing for, entering, and retaining employment, including the activities described in section 129 for out-of-school youth (as defined in section 129(a));

''(ii) activities designed to strengthen academic skills that would assist—

''(I) in-school youth (as so defined) to be successful in secondary school and continue such participants' education; and

''(II) out-of-school youth (as so defined) to earn a high school diploma or its recognized equivalent, or prepare for postsecondary programs;

''(iii) activities designed to assist youth in economically distressed areas;

''(iv) subsidized employment for not more than 9 months that provides direct experience in a sector that has opportunities for full-time employment;

''(v) career and academic advisement, activities to promote financial literacy and the attainment of entrepreneurial skills, and provision of labor market information on high-skill, high-wage, and nontraditional occupations; and

''(vi) such other activities as the Secretary determines are appropriate to ensure that youth entering the workforce have the skills needed by employers.

''(B) PARTICIPANT ELIGIBILITY.—An individual who is not younger than 16 years of age and not older than 21 years of age, as of the time the eligibility determination is made, who faces barriers to employment, including an individual who is an individual with a disability, may be eligible to participate in activities under this subsection.

''(6) SPECIAL RULE.—An eligible entity that receives a grant under this subsection shall coordinate activities with the designated State agency (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)) and other appropriate State agencies in the State to be served.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out with assistance provided under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATIONS.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 145. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) in subsection (a)(1), by—

(A) inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, the training of members of State boards and local boards, peer review activities under this title,'' after ''localities,''; and

(B) striking ''from carrying out activities'' and all that follows through the period and inserting ''to implement the amendments made by the Workforce Investment Act Amendments of 2005.'';

(2) in subsection (a)(2), by adding at the end the following: ''The Secretary shall also hire staff qualified to provide the assistance described in paragraph (1).'';

(3) in subsection (b)(2), by striking the last sentence and inserting ''Such projects shall be administered by the Employment and Training Administration.''; and

(4) by adding at the end the following:

''(c) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act;

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps; and

''(3) commission research under section 171(c) to address knowledge gaps identified under paragraph (2).''.

SEC. 146. DEMONSTRATION, PILOT, MULTI-SERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (H) through (J), respectively;

(C) by striking subparagraphs (A) through (E) and inserting the following:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers for career ladder jobs and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the maximum effectiveness of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing, or are likely to experience, high rates of growth and jobs with wages leading to self-sufficiency;

''(D) projects that focus on collaborations among local boards, institutions of higher education, medical facilities, and other community stakeholders, to promote opportunities for dislocated workers to receive training and related services for employment in the high-demand health care sector;

''(E) projects that focus on career ladder advancement for nursing care providers, including faculty education and distance learning programs;

''(F) computerized, individualized, self-paced training projects targeted to dislocated, disadvantaged, or incumbent workers utilizing equipment and curriculum designed in partnership with industries for employment in the operations, repair, and maintenance of high-tech equipment that is used in integrated systems technology;

''(G) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(D) in subparagraph (I) (as redesignated by subparagraph (B)), by striking ''and'' after the semicolon; and

(E) by striking subparagraph (J) (as redesignated by subparagraph (B)), and inserting the following:

''(J) projects that provide retention grants, which shall—

''(i) be made to qualified job training programs offering instruction, assessment, or professional coaching, upon placement of a low-income individual trained by the program involved in employment with an employer and retention of the low-income individual in that employment with that employer for a period of 1 year, if that employment provides the low-income individual with an annual salary—

''(I) that is at least $10,000 more than the individual's federally adjusted income for the previous year; and

''(II) that is not less than twice the poverty line applicable to the individual; and

''(ii) be made taking into account the economic benefit received by the Federal Government from the employment and retention of the individual, including the economic benefit from tax revenue and decreased public subsidies;

''(K) targeted innovation projects that improve access to and delivery of employment and training services, with emphasis given to projects that incorporate advanced technologies to facilitate the connection of individuals to the information and tools the individuals need to upgrade skills;

''(L) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet; and

''(M) projects that provide comprehensive education and training services, and support services, in coordination with local boards, for populations in targeted high poverty areas where the greatest barriers to employment exist, including ex-offenders, out-of-school youth, and public assistance recipient populations.''; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) STUDIES AND REPORTS.—

''(i) NET IMPACT STUDIES AND REPORTS.—

''(I) IN GENERAL.—The Secretary, in coordination with the Secretary of Education, shall conduct studies to determine the net impacts of, including best practices of, programs, services, and activities carried out under this title.

''(II) REPORTS.—The Secretary shall prepare and disseminate to the public reports containing the results of the studies conducted under subclause (I).

''(ii) STUDY ON RESOURCES AVAILABLE TO ASSIST OUT-OF-SCHOOL YOUTH.—The Secretary, in coordination with the Secretary of Education, may conduct a study examining the resources available at the Federal, State, and local levels to assist out-of-school youth in obtaining the skills, credentials, and work experience necessary to become successfully employed, including the availability of funds provided through average daily attendance and other methodologies used by States and local areas to distribute funds.

''(iii) STUDY OF INDUSTRY-BASED CERTIFICATION AND CREDENTIALS.—

''(I) IN GENERAL.—The Secretary shall conduct a study concerning the role and benefits of credentialing and certification to businesses and workers in the economy and the implications of certification to the services provided through the workforce investment system. The study may examine issues such as—

''(aa) the characteristics of successful credentialing and certification systems that serve business and individual needs;

''(bb) the relative proportions of certificates and credentials attained with assistance from the public sector, with private-sector training of new hires or incumbent workers, and by individuals on their own initiative without other assistance, respectively;

''(cc) the return on human capital investments from occupational credentials and industry-based skill certifications, including the extent to which acquisition of such credentials or certificates enhances outcomes such as entry into employment, retention, earnings (including the number and amount of wage increases), career advancement, and layoff aversion;

''(dd) the implications of the effects of skill certifications and credentials to the types and delivery of services provided through the workforce investment system;

''(ee) the role that Federal and State governments play in fostering the development of and disseminating credentials and skill standards; and

''(ff) the use of credentials by businesses to achieve goals for workforce skill upgrading and greater operating efficiency.

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study conducted pursuant to subclause (I). Such report may include any recommendations that the Secretary determines are appropriate to include in such report relating to promoting the acquisition of industry-based certification and credentials, and the appropriate role of the Department of Labor and the workforce investment system in supporting the needs of business and individuals with respect to such certification and credentials.

''(iv) STUDY OF EFFECTIVENESS OF WORKFORCE INVESTMENT SYSTEM IN MEETING BUSINESS NEEDS.—

''(I) IN GENERAL.—Using funds available to carry out this section jointly with funds available to the Secretary of Commerce and Administrator of the Small Business Administration, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may conduct a study of the effectiveness of the workforce investment system in meeting the needs of business, with particular attention to the needs of small business, including in assisting workers to obtain the skills needed to utilize emerging technologies. In conducting the study, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may examine issues such as—

''(aa) methods for identifying the workforce needs of businesses and how the requirements of small businesses may differ from larger establishments;

''(bb) business satisfaction with the workforce investment system, with particular emphasis on the satisfaction of small businesses;

''(cc) the extent to which business is engaged as a collaborative partner in the workforce investment system, including the extent of business involvement as members of State boards and local boards, and the extent to which such boards and one-stop centers effectively collaborate with business and industry leaders in developing workforce investment strategies, including strategies to identify high growth opportunities;

''(dd) ways in which the workforce investment system addresses changing skill needs of business that result from changes in technology and work processes;

''(ee) promising practices for serving small businesses;

''(ff) the extent and manner in which the workforce investment system uses technology to serve business and individual needs, and how uses of technology could enhance efficiency and effectiveness in providing services; and

''(gg) the extent to which various segments of the labor force have access to and utilize technology to locate job openings and apply for jobs, and characteristics of individuals utilizing such technology (such as age, gender, race or ethnicity, industry sector, and occupational groups).

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study described in subclause (I). Such report may include any recommendations the Secretary determines are appropriate to include in such report, including ways to enhance the effectiveness of the workforce investment system in meeting the needs of business for skilled workers.''.

(c) ADMINISTRATION.—Section 171(d) (29 U.S.C. 2916(d)) is amended by striking the last sentence and inserting the following: ''Such projects shall be administered by the Employment and Training Administration.''.

(d) NEXT GENERATION TECHNOLOGIES.—Section 171 (29 U.S.C. 2916) is amended by adding at the end the following:

''(e) SKILL CERTIFICATION PILOT PROJECTS.—

''(1) PILOT PROJECTS.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (10), the Secretary shall establish and carry out not more than 10 pilot projects to establish a system of industry-validated national certifications of skills, including—

''(A) not more than 8 national certifications of skills in high-technology and high-growth industries, including biotechnology, telecommunications, highly automated manufacturing (including semiconductors), nanotechnology, energy technology, and nursing; and

''(B) not more than 2 cross-disciplinary national certifications of skills in homeland security technology.

''(2) GRANTS TO ELIGIBLE ENTITIES.—In carrying out the pilot projects, the Secretary shall make grants to eligible entities, for periods of not less than 36 months and not more than 48 months, to carry out the authorized activities described in paragraph (7) with respect to the certifications described in paragraph (1). In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(3) ELIGIBLE ENTITIES.—

''(A) DEFINITION OF ELIGIBLE ENTITY.—In this subsection the term 'eligible entity' means an entity that shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(ii) An advanced technology education center.

''(iii) A local board.

''(iv) A representative of a business in a target industry for the certification involved.

''(v) A representative of an industry association, labor organization, or community development organization.

''(B) HISTORY OF DEMONSTRATED CAPABILITY REQUIRED.—To be eligible to receive a grant under this subsection, an eligible entity shall have a history of demonstrated capability for effective collaboration with industry on workforce investment activities that is consistent with the objectives of this title.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(5) CRITERIA.—The Secretary shall establish criteria, consistent with paragraph (6), for awarding grants under this subsection.

''(6) PRIORITY.—In selecting eligible entities to receive grants under this subsection, the Secretary shall give priority to eligible entities that demonstrate the availability of and ability to provide matching funds from industry or nonprofit sources. Such matching funds may be provided in cash or in kind.

''(7) AUTHORIZED ACTIVITIES.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the funds made available through the grant—

''(i) to facilitate the establishment of certification requirements for a certification described in paragraph (1) for an industry;

''(ii) to develop and initiate a certification program that includes preparatory courses, course materials, procedures, and examinations, for the certification; and

''(iii) to collect and analyze data related to the program at the program's completion, and to identify best practices (consistent with paragraph (8)) that may be used by State and local workforce investment boards in the future.

''(B) BASIS FOR REQUIREMENTS.—The certification requirements established under the grant shall be based on applicable skill standards for the industry involved that have been developed by or linked to national centers of excellence under the National Science Foundation's Advanced Technological Education Program. The requirements shall require an individual to demonstrate an identifiable set of competencies relevant to the industry in order to receive certification. The requirements shall be designed to provide evidence of a transferable skill set that allows flexibility and mobility of workers within a high technology industry.

''(C) RELATIONSHIP TO TRAINING AND EDUCATION PROGRAMS.—The eligible entity shall ensure that—

''(i) a training and education program related to competencies for the industry involved, that is flexible in mode and timeframe for delivery and that meets the needs of those seeking the certification, is offered; and

''(ii) the certification program is offered at the completion of the training and education program.

''(D) RELATIONSHIP TO THE ASSOCIATE DEGREE.—The eligible entity shall ensure that the certification program is consistent with the requirements for a 2-year associate degree.

''(E) AVAILABILITY.—The eligible entity shall ensure that the certification program is open to students pursuing associate degrees, employed workers, and displaced workers.

''(8) CONSULTATION.—The Secretary shall consult with the Director of the National Science Foundation to ensure that the pilot projects build on the expertise and information about best practices gained through the implementation of the National Science Foundation's Advanced Technological Education Program.

''(9) CORE COMPONENTS; GUIDELINES; REPORTS.—After collecting and analyzing the data obtained from the pilot programs, the Secretary shall—

''(A) establish the core components of a model high-technology certification program;

''(B) establish guidelines to assure development of a uniform set of standards and policies for such programs;

''(C) prepare and submit a report on the pilot projects to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives; and

''(D) make available to the public both the data and the report.

''(10) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $30,000,000 for fiscal year 2006 to carry out this subsection.''.

(e) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Section 171 (29 U.S.C. 2916), as amended by subsection (d), is further amended by adding at the end the following:

''(f) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

''(1) DEFINITIONS.—In this subsection:

''(A) INTEGRATED WORKFORCE TRAINING.—The term 'integrated workforce training' means training that integrates occupational skills training with language acquisition.

''(B) SECRETARY.—The term 'Secretary' means the Secretary of Labor in consultation with the Secretary of Education.

''(2) DEMONSTRATION PROJECT.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (11), the Secretary shall establish and implement a national demonstration project designed to both analyze and provide data on workforce training programs that integrate English language acquisition and occupational training.

''(3) GRANTS.—

''(A) IN GENERAL.—In carrying out the demonstration project, the Secretary shall make not less than 10 grants, on a competitive basis, to eligible entities to provide the integrated workforce training programs. In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(B) PERIODS.—The Secretary shall make the grants for periods of not less than 24 months and not more than 48 months.

''(4) ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An employer or employer association.

''(ii) A nonprofit provider of English language instruction.

''(iii) A provider of occupational or skills training.

''(iv) A community-based organization.

''(v) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(vi) A labor organization.

''(vii) A local board.

''(B) EXPERTISE.—To be eligible to receive a grant under this subsection, an eligible entity shall have proven expertise in—

''(i) serving individuals with limited English proficiency, including individuals with lower levels of oral and written English; and

''(ii) providing workforce programs with training and English language instruction.

''(5) APPLICATIONS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

''(i) contain information, including capability statements, that demonstrates that the eligible entity has the expertise described in paragraph (4)(B); and

''(ii) include an assurance that the program to be assisted shall—

''(I) establish a generalized adult bilingual workforce training and education model that integrates English language acquisition and occupational training, and incorporates the unique linguistic and cultural factors of the participants;

''(II) establish a framework by which the employer, employee, and other relevant members of the eligible entity can create a career development and training plan that assists both the employer and the employee to meet their long-term needs;

''(III) ensure that the framework established under subclause (II) takes into consideration the knowledge, skills, and abilities of the employee with respect to both the current and economic conditions of the employer and future labor market conditions relevant to the local area; and

''(IV) establish identifiable measures so that the progress of the employee and employer and the relative efficacy of the program can be evaluated and best practices identified.

''(6) CRITERIA.—The Secretary shall establish criteria for awarding grants under this subsection.

''(7) INTEGRATED WORKFORCE TRAINING PROGRAMS.—

''(A) PROGRAM COMPONENTS.—

''(i) REQUIRED COMPONENTS.—Each program that receives funding under this subsection shall—

''(I) test an individual's English language proficiency levels to assess oral and literacy gains from the beginning and throughout program enrollment;

''(II) combine training specific to a particular occupation or occupational cluster, with—

''(aa) English language instruction, such as instruction through an English as a Second Language program, or an English for Speakers of Other Languages program;

''(bb) basic skills instruction; and

''(cc) supportive services;

''(III) effectively integrate public and private sector entities, including the local workforce investment system and its functions, to achieve the goals of the program; and

''(IV) require matching or in-kind resources from private and nonprofit entities.

''(ii) PERMISSIBLE COMPONENTS.—The program may offer other services, as necessary to promote successful participation and completion, including work-based learning, substance abuse treatment, and mental health services.

''(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient

adults for, and place such adults in employment in, growing industries with identifiable career ladder paths.

''(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

''(i) A program—

''(I) that serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages;

''(II) that aims to prepare such individuals for, and place such individuals in, higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75 percent of the median wage in the local area; and

''(III) with funding that includes funds from private and nonprofit entities.

''(ii) A program—

''(I) that serves limited English proficient individuals with lower levels of oral and written fluency, who are working but at persistently low wages;

''(II) that aims to prepare such individuals for, and place such individuals in, higher paying employment, through services provided at the worksite, or at a location central to several work sites, during work hours; and

''(III) with funding that includes funds from private and nonprofit entities.

''(iii) A program—

''(I) that serves unemployed, limited English proficient individuals with lower levels of oral and written fluency, who have little or no work experience;

''(II) that aims to prepare such individuals for, and place such individuals in, employment through services that include subsidized employment, in addition to the components required in subparagraph (A)(i); and

''(III) with funding that includes funds from private and nonprofit entities.

''(D) PROGRAM APPROACHES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs with different approaches to integrated workforce training, in different contexts, in order to obtain comparative data on multiple approaches to integrated workforce training and English language instruction, to ensure programs are tailored to characteristics of individuals with varying skill levels, and to assess how different curricula work for limited English proficient populations. Such approaches may include—

''(i) bilingual programs in which the workplace language component and the training are conducted in a combination of an individual's native language and English;

''(ii) integrated workforce training programs that combine basic skills, language instruction, and job specific skills training; or

''(iii) sequential programs that provide a progression of skills, language, and training to ensure success upon an individual's completion of the program.

''(8) EVALUATION BY ELIGIBLE ENTITY.—Each eligible entity that receives a grant under this subsection for a program shall carry out a continuous program evaluation and an evaluation specific to the last phase of the program operations.

''(9) EVALUATION BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall conduct an evaluation of program impacts of the programs funded under the demonstration project, using an impact study with a random assignment experimental design at each worksite at which such a program is carried out.

''(B) DATA COLLECTION AND ANALYSIS.—The Secretary shall collect and analyze the data from the demonstration project to determine program effectiveness, including gains in language proficiency, acquisition of skills, and job advancement for program participants.

''(C) REPORT.—The Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, and make available to the public, a report on the demonstration project, including the results of the evaluation.

''(10) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to recipients of grants under this subsection throughout the grant periods.

''(11) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $10,000,000 for fiscal year 2006 to carry out this subsection.''.

(f) COMMUNITY-BASED JOB TRAINING.—Section 171 (29 U.S.C. 2916), as amended by subsection (e), is further amended by adding at the end the following:

''(g) COMMUNITY-BASED JOB TRAINING.—

''(1) DEFINITIONS.—In this subsection:

''(A) COMMUNITY COLLEGE.—The term 'community college' means—

''(i) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides a 2-year degree that is acceptable for full credit toward a bachelor's degree; or

''(ii) a tribally controlled college or university, as defined in section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801).

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means a community college, a consortium of community colleges, or a consortium composed of a community college and 1 or more institutions of higher education, that shall work with—

''(i) a local board;

''(ii) a business in the qualified industry or an industry association in the qualified industry, as identified in the application of the entity; and

''(iii) an economic development entity.

''(C) INSTITUTION OF HIGHER EDUCATION.—Except as otherwise provided in subparagraph (A)(i), the term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) and the meaning given the term 'postsecondary vocational institution' in section 102(a)(1)(B) of such Act (20 U.S.C. 1002(a)(1)(B)).

''(D) QUALIFIED INDUSTRY.—The term 'qualified industry' means an industry or economic sector that is projected to experience significant growth, such as an industry or economic sector that—

''(i) is projected to add substantial numbers of new jobs to the regional economy;

''(ii) has or is projected to have significant impact on the regional economy;

''(iii) impacts or is projected to impact the growth of other industries or economic sectors in the regional economy;

''(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

''(v) is a new or emerging industry or economic sector that is projected to grow; or

''(vi) requires high skills and has significant labor shortages in the regional economy.

''(2) DEMONSTRATION PROJECT.—In addition to the demonstration projects authorized under subsection (b), the Secretary may establish and implement a national demonstration project designed—

''(A) to develop local innovative solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages; and

''(B) to increase employment opportunities for workers in high-growth, high-demand occupations by establishing partnerships among education entities, the State workforce investment systems, and businesses in high-growth, high-skill industries or sectors.

''(3) GRANTS.—In carrying out the national demonstration project authorized under this subsection, the Secretary shall award grants, on a competitive basis, for 2, 3, or 4 years, in accordance with generally applicable Federal requirements, to eligible entities to enable the eligible entities to carry out activities authorized under this subsection.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the eligible entity that will offer training under the grant;

''(B) a justification of the need for discretionary funding under the grant, including the need for external funds to create a program to carry out the activities described in paragraph (6);

''(C) an economic analysis of the local labor market to identify—

''(i) high-growth, high-demand industries;

''(ii) the workforce issues faced by such industries; and

''(iii) potential participants in programs funded under this subsection;

''(D) a description of the qualified industry for which the training will occur, the availability of competencies on which the training will be based, and how the grant will help workers acquire the competencies and skills necessary for employment;

''(E) a description of the involvement of the local board and businesses, including small businesses, in the geographic area where the proposed grant will be implemented;

''(F) performance measures for the grant, including performance measures for the expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and initial earnings and earnings increases for such individuals;

''(G) a description of how the activities funded by the grant will be coordinated with activities provided through the one-stop center in the local area; and

''(H) a description of the local or private resources that will—

''(i) support the activities carried out under this subsection; and

''(ii) enable the entity to carry out and expand such activities after the expiration of the grant.

''(5) FACTORS FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding grants under this subsection, the Secretary shall consider—

''(i) the extent of public and private collaboration, including existing partnerships among qualified industries, the eligible entity, and the public workforce investment system;

''(ii) the extent to which the grant will provide job seekers with high-quality training for employment in high-growth, high-demand occupations;

''(iii) the extent to which the grant will expand the eligible entity and local one-stop center's capacity to be demand-driven and responsive to local economic needs;

''(iv) the extent to which local businesses commit to hire, retain, or advance individuals who receive training through the grant; and

''(v) the extent to which the eligible entity commits to make any newly developed products, such as skill standards, assessments, or

industry-recognized training curricula, available for dissemination nationally.

''(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

''(i) the extent to which local or private resources will be made available to support the activities carried out under this subsection, taking into account the resources of the eligible entity and the entity's partners; and

''(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

''(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants across diverse industries and geographic areas.

''(6) USE OF FUNDS.—An eligible entity that receives a grant under this subsection—

''(A) shall use the grant funds for—

''(i) the development by the community college that is a part of the eligible entity in collaboration with other partners identified in the application, and, if applicable, other representatives of qualified industries, of rigorous training and education programs leading to an industry-recognized credential or degree and employment in the qualified industry; and

''(ii) training of adults, incumbent workers, dislocated workers, or out-of-school youth in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application; and

''(B) may use the grant funds for—

''(i) disseminating information on training available for high-growth, high-demand occupations in qualified industries through the one-stop delivery system to prospective participants, businesses, business intermediaries, and community-based organizations in the region, including training available through the grant;

''(ii) referring individuals trained under the grant for employment in qualified industries;

''(iii) enhancing integration of community colleges, training and education with businesses, and the one-stop system to meet the training needs of qualified industries for new and incumbent workers;

''(iv) providing training and relevant job skills to small business owners or operators to facilitate small business development in high-growth, high-skill industries; or

''(v) expanding or creating programs for distance, evening, weekend, modular, or compressed learning opportunities that provide training and relevant job skills for high-growth, high-demand occupations.

''(7) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

''(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

''(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to submit an interim and final report to the Secretary on the impact on business partners and employment outcomes obtained by individuals receiving training under this subsection using the performance measures identified in the eligible entity's grant application.

''(B) EVALUATION.—The Secretary shall require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking the heading and inserting the following:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and aligning the margins of the subparagraphs with the margins of subparagraph (A) of paragraph (4);

(B) by striking paragraph (4);

(C) by striking the matter preceding paragraph (1) and inserting the following:

''(a) IN GENERAL.—

''(1) GRANTS.—The Secretary is authorized to award national dislocated worker grants—'';

(D) in paragraph (1)(A), by striking ''subsection (c)'' and inserting ''subsection (b)'';

(E) in paragraph (1)(C), by striking ''and'' after the semicolon; and

(F) by adding at the end the following:

''(D) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (e), including providing assistance to eligible individuals;

''(E) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (f), including providing assistance to eligible individuals;

''(F) to provide additional assistance to a State board or local board where a higher than average demand for employment and training activities for dislocated members of the Armed Forces, or spouses, as described in section 101(11)(E), of members of the Armed Forces, described in subsection (b)(2)(A)(iv), exceeds State and local resources for providing such services, and where such programs are to be carried out in partnership with the Department of Defense and Department of Veterans Affairs transition assistance programs; and

''(G) to provide assistance to a State for statewide or local use in order to—

''(i) address cases in which there have been worker dislocations across multiple sectors, across multiple businesses within a sector, or across multiple local areas, and such workers remain dislocated;

''(ii) meet emerging economic development needs; and

''(iii) train eligible individuals who are dislocated workers described in clause (i).

''(2) DECISIONS AND OBLIGATIONS.—The Secretary shall issue a final decision on an application for a national dislocated worker grant under this subsection not later than 45 calendar days after receipt of the application. The Secretary shall issue a notice of obligation for such a grant not later than 10 days after the award of the grant.''.

(b) ADMINISTRATION AND ADDITIONAL ASSISTANCE.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively;

(3) in subsection (b) (as redesignated by paragraph (2))—

(A) in paragraph (1)(A), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''; and

(B) in paragraph (2)—

(i) in subparagraph (A), in the matter preceding clause (i), by striking ''national emergency grant awarded pursuant to subsection (a)(1)'' and inserting ''national dislocated worker grant awarded pursuant to subsection (a)(1)(A)''; and

(ii) in subparagraph (C), by striking ''national emergency grants'' and inserting ''national dislocated worker grants'';

(4) in paragraphs (1), (2), and (3) of subsection (c) (as redesignated by paragraph (3)), by striking ''subsection (a)(2)'' and inserting ''subsection (a)(1)(B)'';

(5) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

''(d) ADDITIONAL ASSISTANCE.—

''(1) IN GENERAL.—From the amount appropriated and made available to carry out this section for any program year, the Secretary shall use not more than $20,000,000 to make grants to States to provide employment and training activities under section 134, in accordance with subtitle B.

''(2) ELIGIBLE STATES.—The Secretary shall make a grant under paragraph (1) to a State for a program year if—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003, is greater than

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).

''(3) AMOUNT OF GRANTS.—Subject to paragraph (1), the amount of the grant made under paragraph (1) to a State for a program year shall be based on the difference between—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003; and

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).'';

(5) in subsection (e) (as redesignated by paragraph (2))—

(A) in paragraph (1), by striking ''paragraph (4)(A)'' and inserting ''paragraph (1)(D)'';

(B) in paragraph (2), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(C) in paragraph (3)(B), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(1)(D)'';

(D) in paragraph (4), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(E) in paragraph (5), by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(F) in paragraph (6)—

(i) by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(ii) by striking ''subsection (c)(1)(B)'' and inserting ''subsection (b)(1)(B)''; and

(6) in subsection (f) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) by striking ''paragraph (4)(B)'' and inserting ''paragraph (1)(E)''; and

(ii) by striking ''subsection (f)(1)(A)'' and inserting ''subsection (e)(1)(A)''; and

(B) in paragraph (4)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(1)(E)''.

SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) RESERVATIONS.—Section 174(b) (29 U.S.C. 2919(b)) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—

''(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to

carry out sections 170 through 172 and section 503 such sums as may be necessary for each of fiscal years 2006 through 2011.

''(2) RESERVATION.—Of the amount appropriated pursuant to the authorization of appropriations under paragraph (1) for a fiscal year, the Secretary shall, for each of the fiscal years 2006 through 2011, reserve not less than 25 percent for carrying out section 503.''.

(c) ASSISTANCE FOR ELIGIBLE WORKERS.—Section 174(c) (29 U.S.C. 2919(c)) is amended—

(1) in paragraphs (1)(A) and (2)(A), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(1)(D)''; and

(2) in paragraphs (1)(B) and (2)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(1)(E)''.

Subtitle E—Administration

SEC. 151. REQUIREMENTS AND RESTRICTIONS.

Section 181(e) (29 U.S.C. 2931(e)) is amended by striking ''economic development activities,''.

SEC. 152. REPORTS.

Section 185(c) (29 U.S.C. 2935(c)) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.''.

SEC. 153. ADMINISTRATIVE PROVISIONS.

(a) ANNUAL REPORT.—Section 189(d) (29 U.S.C. 2939(d)) is amended—

(1) in paragraph (3), by striking ''and'' after the semicolon;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

''(4) the negotiated levels of performance of the States, the States' requests for adjustments of such levels, and the adjustments of such levels that are made; and''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended, in the first sentence—

(1) by striking ''Funds'' and inserting ''Except as otherwise provided in this paragraph, funds''; and

(2) by striking ''each State receiving'' and inserting ''each recipient of''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A)(i), by inserting ''the funding of infrastructure costs for one-stop centers,'' after ''local boards,'';

(2) in subparagraph (C), by striking ''90'' and inserting ''60''; and

(3) by adding at the end the following:

''(D) EXPEDITED REQUESTS.—The Secretary shall expedite requests for waivers of statutory or regulatory requirements that have been approved for a State pursuant to subparagraph (B), if the requirements of this paragraph have been satisfied.

''(E) SPECIAL RULE.—With respect to any State that has a waiver under this paragraph relating to the transfer authority under section 133(b)(4), and has the waiver in effect on the date of enactment of the Workforce Investment Act Amendments of 2005 or subsequently receives such a waiver, the waiver shall continue to apply for so long as the State meets or exceeds State performance measures relating to the indicators described in section 136(b)(2)(A)(i).''.

SEC. 154. USE OF CERTAIN REAL PROPERTY.

Section 193 (29 U.S.C. 2943) is amended to read as follows:

''SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EMPLOYMENT SECURITY AGENCY REAL PROPERTY TO THE STATES.

''(a) TRANSFER OF FEDERAL EQUITY.—Notwithstanding any other provision of law, any Federal equity acquired in real property through grants to States awarded under title III of the Social Security Act (42 U.S.C. 501 et seq.) or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) is transferred to the States that used the grants for the acquisition of such equity. The portion of any real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act. Any disposition of such real property shall be carried out in accordance with the procedures prescribed by the Secretary and the portion of the proceeds from the disposition of such real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act.

''(b) LIMITATION ON USE.—A State shall not use funds awarded under title III of the Social Security Act or the Wagner-Peyser Act to amortize the costs of real property that is purchased by any State on or after the effective date of this provision.''.

SEC. 155. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies (as defined in section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c))). For purposes of this paragraph, such an enterprise does not include a one-stop service delivery system described in section 121(e).''.

Subtitle F—Incentive Grants

SEC. 161. INCENTIVE GRANTS.

Section 503 (20 U.S.C. 9273) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) TIMELINE.—

''(A) PRIOR TO JULY 1, 2006.—Prior to July 1, 2006, the Secretary shall award a grant to each State in accordance with the provisions of this section as this section was in effect on July 1, 2003.

''(B) BEGINNING JULY 1, 2006.—Beginning on July 1, 2006, the Secretary shall award incentive grants to States for performance described in paragraph (2), to implement or enhance innovative and coordinated programs as described in paragraph (3), consistent with the statewide economic, workforce, and educational interests of the State.

''(2) BASIS.—The Secretary shall award the grants on the basis that the States—

''(A) have exceeded the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)), and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)); or

''(B) have—

''(i) met the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act, and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998; and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment activities under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under title I;

''(cc) implementation of statewide coordination activities relating to the one-stop partner programs, through agreements with relevant State agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) statewide coordination relating to the one-stop partner programs, through arrangements with local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a State under this section may be used to carry out activities authorized for States in programs carried out under title I, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.) (referred to in this subsection as 'workforce and education programs'), including demonstration projects, and innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support statewide economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of a statewide integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs; or

''(G) activities that support local workforce investment boards or areas in improving performance in workforce and education programs and program coordination of workforce and education programs.

''(4) WAIVER.—For States that have developed and implemented a statewide integrated performance information system with common measures, as described in paragraph (3)(E), for the one-stop partner programs, the Secretary may waive for the State such reporting requirements for the one-stop partner programs as the Secretary has authority or agreement to waive.

''(5) TECHNICAL ASSISTANCE.—The Secretary shall reserve 4 percent of the funds available for grants under this section to provide technical assistance to States—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs and other education programs; or

''(D) to strengthen economic development.

''(6) DEFINITION.—As used in this subsection, the term 'hard-to-serve populations' has the meaning given the term in section 101.'';

(2) in subsection (b)(2)—

(A) in the matter preceding subparagraph (A), by striking ''only'' and all that follows through ''assurances:'' and inserting ''to ensure that the application contains, and to determine the accuracy of, the following assurances:''; and

(B) by striking subparagraph (C) and inserting the following:

''(C) the State meets the requirements of subparagraph (A) or (B) of subsection (a)(2).''; and

(3) by striking subsection (d).

Subtitle G—Conforming Amendments

SEC. 171. TABLE OF CONTENTS.

Section 1(b) (29 U.S.C. 9201 note) is amended—

(1) by striking the item relating to section 106 and inserting the following:

''Sec. 106. Purposes.'';

(2) by striking the item relating to section 123 and inserting the following:

''Sec. 123. Eligible providers of youth activities.'';

(3) by striking the item relating to section 169 and inserting the following:

''Sec. 169. Youth challenge grants.'';

(4) by striking the item relating to section 173 and inserting the following:

''Sec. 173. National dislocated worker grants.'';

(5) by striking the item relating to section 193 and inserting the following:

''Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.'';

(6) by inserting after the item relating to section 243 the following:

''Sec. 244. Integrated English literacy and civics education.'';

and

(7) by striking the item relating to section 502.

SEC. 172. CONFORMING AMENDMENTS.

(a) TRADE ACT OF 1974.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(b) ADULT EDUCATION AND FAMILY LITERACY ACT.—Section 212(b)(3)(A)(vi) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi)) is amended by striking ''the representatives described in section 136(i)(1)'' and inserting ''representatives of appropriate Federal agencies, and representatives of States and political subdivisions, business and industry, employees, eligible providers of employment and training activities (as defined in section 101), educators, and participants (as defined in section 101), with expertise regarding workforce investment policies and workforce investment activities (as defined in section 101)''.

(c) OLDER AMERICANS ACT OF 1965.—

(1) Subparagraphs (H) and (O) of section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) are amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(2) Section 505(c)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056c(c)(1)) is amended by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

(3) Section 512(a) of the Older Americans Act of 1965 (42 U.S.C. 3056j(a)) is amended—

(A) by striking ''(B)(vi)'' and inserting ''(B)(v)''; and

(B) by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

SEC. 201. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the ''Adult Education and Family Literacy Act Amendments of 2005''.

(b) PURPOSE.—Section 202 of the Adult Education and Family Literacy Act (20 U.S.C. 9201) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking ''education.'' and inserting ''education and in the transition to postsecondary education; and''; and

(3) by adding at the end the following:

''(4) assist immigrants and other individuals with limited English proficiency in improving their reading, writing, speaking, and mathematics skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.''.

SEC. 202. DEFINITIONS.

Section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''services or instruction below the postsecondary level'' and inserting ''academic instruction and education services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematics''; and

(B) by striking subparagraph (C)(i) and inserting the following:

''(i) are basic skills deficient as defined in section 101;'';

(2) in paragraph (2), by striking ''activities described in section 231(b)'' and inserting ''programs and services which include reading, writing, speaking, or mathematics skills, workplace literacy activities, family literacy activities, English language acquisition activities, or other activities necessary for the attainment of a secondary school diploma or its State recognized equivalent'';

(3) in paragraph (5)—

(A) by inserting ''an organization that has demonstrated effectiveness in providing adult education, that may include'' after ''means'';

(B) in subparagraph (B), by striking ''of demonstrated effectiveness'';

(C) in subparagraph (C), by striking ''of demonstrated effectiveness''; and

(D) in subparagraph (I), by inserting ''or coalition'' after ''consortium'';

(4) in paragraph (6)—

(A) by striking ''LITERACY PROGRAM'' and inserting ''LANGUAGE ACQUISITION PROGRAM'';

(B) by striking ''literacy program'' and inserting ''language acquisition program''; and

(C) by inserting ''reading, writing, and speaking'' after ''competence in'';

(5) by striking paragraph (10);

(6) by redesignating paragraphs (7) through (9) and (12) through (18) as paragraphs (8) through (10) and (13) through (19), respectively;

(7) by inserting after paragraph (6) the following:

''(7) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).'';

(8) by inserting after paragraph (11) the following:

''(12) LIMITED ENGLISH PROFICIENCY.—The term 'limited English proficiency', when used with respect to an individual, means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.'';

(9) by striking paragraph (15), as redesignated by paragraph (6), and inserting the following:

''(15) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

(10) by striking paragraph (19), as redesignated by paragraph (6), and inserting the following:

''(19) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program designed to improve the productivity of the workforce through the improvement of literacy skills that is offered by an eligible provider in collaboration with an employer or an employee organization at a workplace, at an off-site location, or in a simulated workplace environment.''.

SEC. 203. HOME SCHOOLS.

Section 204 of the Adult Education and Family Literacy Act (20 U.S.C. 9203) is amended to read as follows:

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, family literacy services, or adult education.''.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Adult Education and Family Literacy Act (20 U.S.C. 9204) is amended—

(1) by striking ''1999'' and inserting ''2006''; and

(2) by striking ''2003'' and inserting ''2011''.

SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

Section 211 of the Adult Education and Family Literacy Act (20 U.S.C. 9211) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) RESERVATION OF FUNDS.—From the sum appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve 1.5 percent to carry out section 242, except that the amount so reserved shall not exceed $10,000,000;

''(2) shall reserve 1.5 percent to carry out section 243 and subsection (f)(4), except that

the amount so reserved shall not exceed $8,000,000;

''(3) shall make available, to the Secretary of Labor, 1.72 percent for incentive grants under section 503; and

''(4) shall reserve 12 percent of the amount that remains after reserving funds under paragraphs (1), (2) and (3) to carry out section 244.'';

(2) in subsection (c)(2)—

(A) by inserting ''and the sole agency responsible for administering or supervising policy for adult education and literacy in the Republic of Palau'' after ''an initial allotment under paragraph (1)'';

(B) by inserting ''or served by the agency for the Republic of Palau'' after ''by the eligible agency''; and

(C) by striking ''States and outlying areas'' and inserting ''States, outlying areas, and the Republic of Palau'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, or'' and inserting ''or''; and

(B) in paragraph (3)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''2001'' and inserting ''2007'';

(4) by striking subsection (f) and inserting the following:

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for fiscal year 2005 and each succeeding fiscal year, no eligible agency shall receive an allotment under this section that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this section.

''(2) 100 PERCENT ALLOTMENT.—Notwithstanding paragraphs (1) and (2) of subsection (e), an eligible agency that receives only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment under this section that is equal to 100 percent of the initial allotment under subsection (c)(1).

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this subtitle is insufficient to satisfy the provisions of paragraphs (1) and (2), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(4) ADDITIONAL ASSISTANCE.—

''(A) IN GENERAL.—From amounts reserved under subsection (a)(2), the Secretary shall make grants to eligible agencies described in subparagraph (B) to enable such agencies to provide activities authorized under chapter 2.

''(B) ELIGIBILITY.—An eligible agency is eligible to receive a grant under this paragraph for a fiscal year if the amount of the allotment such agency receives under this section for the fiscal year is less than the amount such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year.

''(C) AMOUNT OF GRANT.—The amount of a grant made to an eligible agency under this paragraph for a fiscal year shall be the difference between—

''(i) the amount of the allotment such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year; and

''(ii) the amount of the allotment such agency receives under this section for the fiscal year.''; and

(5) by adding at the end the following:

''(h) STUDY AND REPORT.—

''(1) STUDY.—The Comptroller General of the United States shall conduct a study concerning the formula described in this section and, in conducting the study, shall at a minimum—

''(A) examine whether the formula results in a distribution of funds that sufficiently serves the entire population of individuals eligible for adult education and literacy activities under this subtitle;

''(B) examine whether the data used to count qualified adults, for purposes of the formula, accurately measure the population of individuals eligible for the activities; and

''(C) develop recommendations for improving the formula so that the formula results in a distribution of funds that better serves that population and the data used to count qualified adults accurately measure that population.

''(2) REPORT.—Not later than 3 years after the date of enactment of the Workforce Investment Act Amendments of 2005, the Comptroller General shall submit to Congress a report containing the results of the study described in paragraph (1).''.

SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 212 of the Adult Education and Family Literacy Act (20 U.S.C. 9212) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(ii), by striking ''additional indicators of performance (if any)'' and inserting ''the employment performance indicators'';

(B) by striking paragraph (2) and inserting the following:

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—An eligible agency shall identify in the State plan individual academic performance indicators that include, at a minimum, the following:

''(i) Measurable improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.

''(ii) Placement in, retention in, or completion of, postsecondary education or other training programs.

''(iii) Completion of a secondary school diploma, its recognized equivalent, or a recognized alternative standard for individuals with disabilities.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—

''(i) IN GENERAL.—An eligible agency shall identify in the State plan individual participant employment performance indicators that include, at a minimum, the following:

''(I) Entry into unsubsidized employment.

''(II) Retention in unsubsidized employment 6 months after entry into the employment.

''(III) Increases in earnings from unsubsidized employment.

''(ii) DATA COLLECTION.—The State workforce investment board shall assist the eligible agency in obtaining and using quarterly wage records to collect data for each of the indicators described in clause (i), consistent with applicable Federal and State privacy laws.

''(C) INDICATORS FOR WORKPLACE LITERACY PROGRAMS.—Special accountability measures may be negotiated for workplace literacy programs.''; and

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (i)(II), by striking ''in performance'' and inserting ''the agency's performance outcomes in an objective, quantifiable, and measurable form'';

(II) in clause (ii), by striking ''3 program years'' and inserting ''2 program years'';

(III) in clause (iii), by striking ''FIRST 3 YEARS'' and inserting ''FIRST 2 YEARS'';

(IV) in clause (iii), by striking ''first 3 program years'' and inserting ''first 2 program years'';

(V) in clause (v), by striking ''4TH AND 5TH'' and inserting ''3RD AND 4TH'';

(VI) in clause (v), by striking ''to the fourth'' and inserting ''to the third'';

(VII) in clause (v), by striking ''fourth and fifth'' and inserting ''third and fourth''; and

(VIII) in clause (vi), by striking ''(II)'' and inserting ''(I)'';

(ii) in subparagraph (B)—

(I) by striking the heading and inserting ''LEVELS OF EMPLOYMENT PERFORMANCE'';

(II) by striking ''may'' and inserting ''shall''; and

(III) by striking ''additional'' and inserting ''employment performance''; and

(iii) by adding at the end the following:

''(C) ALTERNATIVE ASSESSMENT SYSTEMS.—Eligible agencies may approve the use of assessment systems that are not commercially available standardized systems if such systems meet the Standards for Educational and Psychological Testing issued by the Joint Committee on Standards for Educational and Psychological Testing of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting '', the Governor, the State legislature, and the State workforce investment board'' after ''Secretary''; and

(ii) by striking ''including'' and all that follows through the period and inserting ''including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance, and employment performance indicators.

''(B) Information on the number or percentage of qualifying adults (as defined in section 211(d)) who are participants in adult education programs under this subtitle and making satisfactory progress toward 1 or more of each of the following:

''(i) Core indicators of performance.

''(ii) Employment performance indicators.

''(iii) Other long-term objectives.

''(C) The number and type of each eligible provider that receives funding under such grant.

''(D) The number of enrollees 16 to 18 years of age who enrolled in adult education not later than 1 year after participating in secondary school education.'';

(B) in paragraph (2)(A), by inserting ''eligible providers and'' after ''available to''; and

(C) by adding at the end the following:

''(3) DATA ACCESS.—The report made available under paragraph (2) shall indicate which eligible agencies did not have access to State unemployment insurance wage data in measuring employment performance indicators.''; and

(3) by adding at the end the following:

''(d) PROGRAM IMPROVEMENT.—

''(1) IN GENERAL.—If the Secretary determines that an eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A) for any program year, the eligible agency shall—

''(A) work with the Secretary to develop and implement a program improvement plan for the 2 program years succeeding the program year in which the eligible agency did not meet its adjusted levels of performance; and

''(B) revise its State plan under section 224, if necessary, to reflect the changes agreed to in the program improvement plan.

''(2) FURTHER ASSISTANCE.—If, after the period described in paragraph (1)(A), the Secretary has provided technical assistance to the eligible agency but determines that the eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A), the Secretary may require the eligible agency to make further revisions to the program improvement plan described in paragraph (1). Such further revisions shall be accompanied by further technical assistance from the Secretary.''.

SEC. 207. STATE ADMINISTRATION.

Section 221(1) of the Adult Education and Family Literacy Act (20 U.S.C. 9221(1)) is amended by striking ''and implementation'' and inserting ''implementation, and monitoring''.

SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

Section 222 of the Adult Education and Family Literacy Act (20 U.S.C. 9222) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''82.5'' the first place such term appears and inserting ''80''; and

(ii) by striking ''the 82.5 percent'' and inserting ''such amount'';

(B) in paragraph (2), by striking ''not more than 12.5 percent'' and inserting ''not more than 15 percent''; and

(C) in paragraph (3), by striking ''$65,000'' and inserting ''$75,000''; and

(2) in subsection (b)(1), by striking ''equal to'' and inserting ''that is not less than''.

SEC. 209. STATE LEADERSHIP ACTIVITIES.

Section 223 of the Adult Education and Family Literacy Act (20 U.S.C. 9223) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''to develop or enhance the adult education system of the State or outlying area'' after ''activities'';

(B) in paragraph (1), by striking ''instruction incorporating'' and all that follows through the period and inserting ''instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.'';

(C) in paragraph (2), by inserting '', including development and dissemination of instructional and programmatic practices based on the most rigorous research available and appropriate, including scientifically based research that is available and appropriate, in reading, writing, speaking, mathematics, English language acquisition programs, distance learning, and staff training'' after ''activities'';

(D) in paragraph (5), by striking ''monitoring and'';

(E) by striking paragraph (6) and inserting the following:

''(6) The development and implementation of technology applications, translation technology, or distance learning, including professional development to support the use of instructional technology.''; and

(F) by striking paragraph (7) through paragraph (11) and inserting the following:

''(7) Coordination with—

''(A) other partners carrying out activities authorized under this Act; and

''(B) existing support services, such as transportation, child care, mental health services, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, for adults enrolled in such activities.

''(8) Developing and disseminating curricula, including curricula incorporating the essential components of reading instruction as such components relate to adults.

''(9) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this subtitle.

''(10) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education, including linkages with postsecondary educational institutions.

''(11) Integration of literacy and English language instruction with occupational skill training, and promoting linkages with employers.

''(12) Activities to promote workplace literacy programs.

''(13) Activities to promote and complement local outreach initiatives described in section 243(b)(3)(F).

''(14) In cooperation with efforts funded under sections 242 and 243, the development of curriculum frameworks and rigorous content standards that—

''(A) specify what adult learners should know and be able to do in the areas of reading and language arts, mathematics, and English language acquisition; and

''(B) take into consideration the following:

''(i) State academic standards established under section 1111(b) of the Elementary and Secondary Education Act of 1965.

''(ii) The current adult skills and literacy assessments used in the State or outlying area.

''(iii) The core indicators of performance established under section 212(b)(2)(A).

''(iv) Standards and academic requirements for enrollment in non-remedial, for-credit, courses in postsecondary education institutions supported by the State or outlying area.

''(v) Where appropriate, the basic and literacy skill content of occupational and industry skill standards widely used by business and industry in the State or outlying area.

''(15) In cooperation with efforts funded under sections 242 and 243, development and piloting of—

''(A) new assessment tools and strategies that—

''(i) are based on scientifically based research, where available and appropriate; and

''(ii) identify the needs and capture the gains of students at all levels, with particular emphasis on—

''(I) students at the lowest achievement level;

''(II) students who have limited English proficiency; and

''(III) adults with learning disabilities;

''(B) options for improving teacher quality and retention; and

''(C) assistance in converting research into practice.

''(16) The development and implementation of programs and services to meet the needs of adult learners with learning disabilities or limited English proficiency.

''(17) Other activities of statewide significance that promote the purpose of this title.''; and

(2) in subsection (c), by striking ''being State- or outlying area-imposed'' and inserting ''being imposed by the State or outlying area''.

SEC. 210. STATE PLAN.

Section 224 of the Adult Education and Family Literacy Act (20 U.S.C. 9224) is amended—

(1) in subsection (a)—

(A) by striking the heading and inserting ''4-YEAR PLANS''; and

(B) in paragraph (1), by striking ''5'' and inserting ''4'';

(2) in subsection (b)—

(A) in paragraph (1), by inserting ''and the role of provider and cooperating agencies in preparing the assessment'' after ''serve'';

(B) by striking paragraph (2) and inserting the following:

''(2) a description of how the eligible agency will address the adult education and literacy needs identified under paragraph (1) in each workforce development area of the State, using funds received under this subtitle, as well as other Federal, State, or local funds received in partnership with other agencies for the purpose of adult literacy as applicable;'';

(C) in paragraph (3)—

(i) by inserting ''and measure'' after ''evaluate'';

(ii) by inserting ''and improvement'' after ''effectiveness''; and

(iii) by striking ''212'' and inserting ''212, including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this subtitle and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on performance)'';

(D) by redesignating paragraphs (5) through (12) as paragraphs (6) through (13), respectively;

(E) by inserting after paragraph (4) the following:

''(5) a description of how the eligible agency will improve teacher quality, the professional development of eligible providers, and instruction;'';

(F) in paragraph (6) (as redesignated by subparagraph (D)), by striking ''who'' and all that follows through the semicolon and inserting ''that—

''(A) offers flexible schedules and coordinates with necessary Federal, State, and local support services (such as child care, transportation, mental health services, and case management) to enable individuals, including individuals with disabilities or individuals with other special needs, to participate in adult education and literacy activities; and

''(B) attempts to coordinate with support services that are not provided under this subtitle prior to using funds for adult education and literacy activities provided under this subtitle for support services;'';

(G) in paragraph (10) (as redesignated by subparagraph (D)), by striking ''plan;'' and inserting ''plan, which process—

''(A) shall include the State workforce investment board, the Governor, State officials representing public schools, community colleges, welfare agencies, agencies that provide services to individuals with disabilities, other State agencies that promote or operate adult education and literacy activities, and direct providers of such adult literacy services; and

''(B) may include consultation with the State agency for higher education, institutions responsible for professional development of adult education and literacy education program instructors, institutions of higher education, representatives of business and industry, refugee assistance programs, and community-based organizations (as such term is defined in section 101);'';

(H) in paragraph (11) (as redesignated by subparagraph (D))—

(i) by inserting ''assess potential population needs and'' after ''will'';

(ii) in subparagraph (A), by striking ''students'' and inserting ''individuals'';

(iii) in subparagraph (C), by striking ''and'' after the semicolon; and

(iv) by adding at the end the following:

''(E) the unemployed; and

''(F) those individuals who are employed, but at levels below self-sufficiency, as defined in section 101;'';

(I) in paragraph (12) (as redesignated by subparagraph (D))—

(i) by inserting ''and how the plan submitted under this subtitle is coordinated with the plan submitted by the State under title I'' after ''eligible agency''; and

(ii) by striking ''and'' after the semicolon;

(J) in paragraph (13) (as redesignated by subparagraph (D)), by striking ''231(c)(1).'' and inserting ''231(c)(1), including—

''(A) how the State will build the capacity of organizations that provide adult education and literacy activities; and

''(B) how the State will increase the participation of business and industry in adult education and literacy activities;''; and

(K) by adding at the end the following:

''(14) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education programs and services (including academic skill development and support services) that prepare students to enter postsecondary education upon the attainment of a secondary school diploma or its recognized equivalent;

''(15) a description of how the eligible agency will consult with the State agency responsible for workforce development to develop adult education programs and services that are designed to prepare students to enter the workforce; and

''(16) a description of how the eligible agency will improve the professional development of eligible providers of adult education and literacy activities.'';

(3) in subsection (c), by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the eligible agency shall review and, as needed, revise the 4-year State plan.''; and

(4) in subsection (d)—

(A) in paragraph (1), by inserting '', the chief State school officer, the State officer responsible for administering community and technical colleges, and the State workforce investment board'' after ''Governor''; and

(B) in paragraph (2), by striking ''comments'' and all that follows through the period and inserting ''comments regarding the State plan by the Governor, the chief State school officer, the State officer responsible for administering community and technical colleges, and the State workforce investment board, and any revision to the State plan, are submitted to the Secretary.''.

SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

Section 225 of the Adult Education and Family Literacy Act (20 U.S.C. 9225) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''basic education'' and inserting ''adult education and literacy activities'';

(B) in paragraph (2), by inserting ''and'' after the semicolon;

(C) by striking paragraph (3); and

(D) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (d), by striking ''DEFINITION OF CRIMINAL OFFENDER.—'' and inserting ''DEFINITIONS.—In this section:''.

SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

Section 231 of the Adult Education and Family Literacy Act (20 U.S.C. 9241) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''workplace literacy services'' and inserting ''workplace literacy programs''; and

(B) in paragraph (3), by striking ''literacy'' and inserting ''language acquisition''; and

(2) in subsection (e)—

(A) in paragraph (1), by inserting ''to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2)'' after ''outcomes'';

(B) by striking paragraph (3) and inserting the following:

''(3) the commitment of the eligible provider to be responsive to local needs and to serve individuals in the community who were identified by the assessment as most in need of adult literacy services, including individuals who are low-income, have minimal literacy skills, have learning disabilities, or have limited English proficiency;'';

(C) in paragraph (4)(B), by striking '', such as'' and all that follows through the semicolon and inserting ''that include the essential components of reading instruction;'';

(D) in paragraph (5), by striking ''research'' and inserting ''the most rigorous research available, including scientifically based research,'';

(E) in paragraph (9), by inserting ''education, job training, and social service'' after ''other available'';

(F) in paragraph (10)—

(i) by inserting ''coordination with Federal, State, and local'' after ''schedules and''; and

(ii) by striking ''and transportation'' and inserting '', transportation, mental health services, and case management'';

(G) in paragraph (11)—

(i) by inserting ''measurable'' after ''report'';

(ii) by striking ''eligible agency'';

(iii) by inserting ''established by the eligible agency'' after ''performance measures''; and

(iv) by striking ''and'' after the semicolon;

(H) in paragraph (12), by striking ''literacy programs.'' and inserting ''language acquisition programs and civics education programs;''; and

(I) by adding at the end the following:

''(13) the capacity of the eligible provider to produce information on performance results, including enrollments and measurable participant outcomes;

''(14) whether reading, writing, speaking, mathematics, and English language acquisition instruction provided by the eligible provider are based on the best practices derived from the most rigorous research available and appropriate, including scientifically based research that is available and appropriate;

''(15) whether the eligible provider's applications of technology and services to be provided are sufficient to increase the amount and quality of learning and lead to measurable learning gains within specified time periods; and

''(16) the capacity of the eligible provider to serve adult learners with learning disabilities.''.

SEC. 213. LOCAL APPLICATION.

Section 232 of the Adult Education and Family Literacy Act (20 U.S.C. 9242) is amended—

(1) in paragraph (1)—

(A) by inserting ''consistent with the requirements of this subtitle'' after ''spent''; and

(B) by striking ''and'' after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) information that addresses each of the considerations required under section 231(e).''.

SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.

Section 233 of the Adult Education and Family Literacy Act (20 U.S.C. 9243) is amended—

(1) in subsection (a)(2)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''; and

(2) in subsection (b)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''.

SEC. 215. ADMINISTRATIVE PROVISIONS.

Section 241(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9251(b)) is amended—

(1) in paragraph (1)(A)—

(A) by striking ''adult education and literacy activities'' each place the term appears and inserting ''activities under this subtitle''; and

(B) by striking ''was'' and inserting ''were''; and

(2) in paragraph (4)—

(A) by inserting ''not more than'' after ''this subsection for''; and

(B) by striking ''only''.

SEC. 216. NATIONAL INSTITUTE FOR LITERACY.

Section 242 of the Adult Education and Family Literacy Act (20 U.S.C. 9252) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''literacy'' and inserting ''effective literacy programs for children, youth, adults, and families'';

(B) in paragraph (2), by inserting ''and disseminates information on'' after ''coordinates''; and

(C) by striking paragraph (3)(A) and inserting the following:

''(A) coordinating and participating in the Federal effort to identify and disseminate information on literacy that is derived from scientifically based research, or the most rigorous research available, and effective programs that serve children, youth, adults, and families; and'';

(2) by striking subsection (b)(3) and inserting the following:

''(3) RECOMMENDATIONS.—The Interagency Group, in consultation with the National Institute for Literacy Advisory Board (in this section referred to as the 'Board') established under subsection (e), shall plan the goals of the Institute and the implementation of any programs to achieve the goals. The Board may also request a meeting of the Interagency Group to discuss any recommendations the Board may make.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking ''to establish'' and inserting ''to maintain'';

(II) in clause (i), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension'' and inserting ''the essential components of reading instruction'';

(III) in clause (iii), by striking ''and'' after the semicolon;

(IV) in clause (iv), by inserting ''and'' after the semicolon; and

(V) by adding at the end the following:

''(v) a list of local adult education and literacy programs;'';

(ii) in subparagraph (C)—

(I) by striking ''reliable and replicable research'' and inserting ''reliable and replicable research as defined by the Institute of Education Sciences''; and

(II) by striking ''especially with the Office of Educational Research and Improvement in the Department of Education,'';

(iii) in subparagraph (D), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension based on'' and inserting ''the essential components of reading instruction and'';

(iv) in subparagraph (H), by striking ''and'' after the semicolon;

(v) in subparagraph (I), by striking the period at the end and inserting a semicolon; and

(vi) by adding at the end the following:

''(J) to work cooperatively with the Department of Education to assist States that are pursuing the implementation of standards-based educational improvements for adults through the dissemination of training, technical assistance, and related support and through the development and dissemination of related standards-based assessment instruments; and

''(K) to identify scientifically based research where available and appropriate, or the most rigorous research available and appropriate, on the effectiveness of instructional practices and organizational strategies relating to literacy programs on the acquisition of skills in reading, writing, English acquisition, and mathematics.''; and

(B) by adding at the end the following:

''(3) COORDINATION.—In identifying the reliable and replicable research the Institute will support, the Institute shall use standards for research quality that are consistent with those of the Institute of Education Sciences.'';

(4) in subsection (e)—

(A) in paragraph (1)(B)—

(i) in clause (i), by striking ''literacy programs'' and inserting ''language acquisition programs'';

(ii) in clause (ii), by striking ''literacy programs'' and inserting ''or have participated in or partnered with workplace literacy programs'';

(iii) in clause (iv), by inserting '', including adult literacy research'' after ''research'';

(iv) in clause (vi), by striking ''and'' after the semicolon;

(v) in clause (vii), by striking the period at the end and inserting ''; and''; and

(vi) by adding at the end the following:

''(viii) institutions of higher education.'';

(B) in paragraph (2)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) review the biennial report submitted to Congress pursuant to subsection (k).''; and

(C) in paragraph (5), by striking the second sentence and inserting the following: ''A recommendation of the Board may be passed only by a majority of the Board's members present at a meeting for which there is a quorum.''; and

(5) in subsection (k)—

(A) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(B) by striking ''The Institute shall submit a report biennially to'' and inserting ''Not later than 1 year after the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005, and biennially thereafter, the Institute shall submit a report to''.

SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.

Section 243 of the Adult Education and Family Literacy Act (20 U.S.C. 9253) is amended to read as follows:

''SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and literacy programs nationwide.

''(b) PERMISSIVE ACTIVITIES.—The national leadership activities described in subsection (a) may include the following:

''(1) Technical assistance, including—

''(A) assistance provided to eligible providers in developing and using performance measures for the improvement of adult education and literacy activities, including family literacy services;

''(B) assistance related to professional development activities, and assistance for the purposes of developing, improving, identifying, and disseminating the most successful methods and techniques for providing adult education and literacy activities, including family literacy services, based on scientific evidence where available;

''(C) assistance in distance learning and promoting and improving the use of technology in the classroom;

''(D) assistance in developing valid, measurable, and reliable performance data, including data about employment and employment outcome, and using performance information for the improvement of adult education and literacy programs; and

''(E) assistance to help States, particularly low-performing States, meet the requirements of section 212.

''(2) A program of grants, contracts, or cooperative agreements awarded on a competitive basis to national, regional, or local networks of private nonprofit organizations, public libraries, or institutions of higher education to build the capacity of such networks' members to meet the performance requirements of eligible providers under this title and involve adult learners in program improvement.

''(3) Funding national leadership activities that are not described in paragraph (1), either directly or through grants, contracts, or cooperative agreements awarded on a competitive basis to or with postsecondary educational institutions, public or private organizations or agencies, or consortia of such institutions, organizations, or agencies, such as—

''(A) developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults, including instructional practices using the essential components of reading instruction based on the work of the National Institute of Child Health and Human Development;

''(B) increasing the effectiveness of, and improving the quality of, adult education and literacy activities, including family literacy services;

''(C) carrying out rigorous research, including scientifically based research where appropriate, on national literacy basic skill acquisition for adult learning, including estimating the number of adults functioning at the lowest levels of literacy proficiency;

''(D)(i) carrying out demonstration programs;

''(ii) disseminating best practices information, including information regarding promising practices resulting from federally funded demonstration programs; and

''(iii) developing and replicating best practices and innovative programs, including—

''(I) the development of models for basic skill certificates;

''(II) the identification of effective strategies for working with adults with learning disabilities and with adults with limited English proficiency;

''(III) integrated basic and workplace skills education programs;

''(IV) coordinated literacy and employment services; and

''(V) postsecondary education transition programs;

''(E) providing for the conduct of an independent evaluation and assessment of adult education and literacy activities through studies and analyses conducted independently through grants and contracts awarded on a competitive basis, which evaluation and assessment shall include descriptions of—

''(i) the effect of performance measures and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

''(ii) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy activities;

''(iii) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increase the rate of enrollment in, and successful completion of, such programs; and

''(iv) the extent to which different types of providers measurably improve the skills of participants in adult education and literacy programs;

''(F) supporting efforts aimed at capacity building of programs at the State and local levels such as technical assistance in program planning, assessment, evaluation, and monitoring of activities carried out under this subtitle;

''(G) collecting data, such as data regarding the improvement of both local and State data systems, through technical assistance and development of model performance data collection systems;

''(H) supporting the development of an entity that would produce and distribute technology-based programs and materials for adult education and literacy programs using an interconnection system (as defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397)) and expand the effective outreach and use of such programs and materials to adult education eligible providers;

''(I) determining how participation in adult education and literacy activities prepares individuals for entry into postsecondary education and employment and, in the case of prison-based services, has an effect on recidivism; and

''(J) other activities designed to enhance the quality of adult education and literacy activities nationwide.''.

SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:

''SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

''(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year, the Secretary shall award grants to States, from allotments under subsection (b), for integrated English literacy and civics education.

''(b) ALLOTMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), from amounts made available under section 211(a)(4) for a fiscal year, the Secretary shall allocate—

''(A) 65 percent to the States on the basis of a State's need for integrated English literacy and civics education, as determined by calculating each State's share of a 10-year average of the data of the Office of Immigration Statistics of the Department of Homeland Security for immigrants admitted for

legal permanent residence for the 10 most recent years; and

''(B) 35 percent to the States on the basis of whether the State experienced growth, as measured by the average of the 3 most recent years for which the data of the Office of Immigration Statistics of the Department of Homeland Security for immigrants admitted for legal permanent residence are available.

''(2) MINIMUM.—No State shall receive an allotment under paragraph (1) in an amount that is less than $60,000.''.

SEC. 219. TRANSITION.

The Secretary shall take such steps as the Secretary determines to be appropriate to provide for the orderly transition to the authority of the Adult Education and Family Literacy Act (as amended by this title) from any authority under provisions of the Adult Education and Family Literacy Act (as such Act was in effect on the day before the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005).

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

SEC. 301. WAGNER-PEYSER ACT.

(a) CONFORMING AMENDMENT.—Section 2(3) of the Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(b) COLOCATION.—Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended by adding at the end the following:

''(d) In order to avoid duplication of services and enhance integration of services, employment services offices in each State shall be colocated with one-stop centers established under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(e) The Secretary, in consultation with States, is authorized to assist in the development of national electronic tools that may be used to improve access to workforce information for individuals through—

''(1) the one-stop delivery systems established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(2) such other delivery systems as the Secretary determines to be appropriate.''.

(c) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—Section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.'';

(2) by striking ''employment statistics system'' each place it appears and inserting ''workforce and labor market information system'';

(3) in subsection (a)(1), by striking ''of employment statistics'';

(4) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''The'' and inserting the following:

''(A) STRUCTURE.—The''; and

(ii) by adding at the end the following:

''(B) GRANTS OR COOPERATIVE AGREEMENTS.—

''(i) IN GENERAL.—The Secretary shall carry out the provisions of this section in a timely manner through grants or cooperative agreements with States.

''(ii) DISTRIBUTION OF FUNDS.—With regard to distributing funds appropriated under subsection (g) (relating to workforce and labor market information funding) for fiscal years 2006 through 2011, the Secretary shall continue to distribute the funds to States in the manner in which the Secretary distributed funds to the States under this section for fiscal years 1999 through 2003.''; and

(B) in paragraph (2)(E)—

(i) in clause (i), by adding ''and'' at the end;

(ii) in clause (ii), by striking ''; and'' and inserting a period; and

(iii) by striking clause (iii);

(5) by striking subsections (c) and (d) and inserting the following:

''(c) TWO-YEAR PLAN.—The Secretary, working through the Commissioner of Labor Statistics, and in cooperation with the States and with the assistance of the Assistant Secretary for Employment and Training and heads of other appropriate Federal agencies, shall prepare a 2-year plan which shall be the mechanism for achieving cooperative management of the nationwide workforce and labor market information system described in subsection (a) and the statewide workforce and labor market information systems that comprise the nationwide system. The plan shall—

''(1) describe the steps the to be taken in the following 2 years to carry out the duties described in subsection (b)(2);

''(2) evaluate the performance of the system and recommend needed improvements, with particular attention to the improvements needed at the State and local levels; and

''(3) describe the involvement of States in the development of the plan, through consultation between the Secretary and representatives from State agencies in accordance with subsection (d).

''(d) COORDINATION WITH THE STATES.—The Secretary, working though the Commissioner of Labor Statistics and in coordination with the Assistant Secretary for Employment and Training, shall formally consult at least twice annually with representatives of each of the Federal regions of the Department of Labor, elected (pursuant to a process established by the Secretary) by and from the State workforce and labor market information directors affiliated with the State agencies that perform the duties described in subsection (e)(2).'';

(6) in subsection (e)—

(A) in paragraph (1)(A), by striking ''annual plan'' and inserting ''plan described in subsection (c)''; and

(B) in paragraph (2)—

(i) in subparagraph (G), by adding ''and'' at the end;

(ii) by striking subparagraph (H); and

(iii) by redesignating subparagraph (I) as subparagraph (H); and

(7) in subsection (g), by striking ''1999 through 2004'' and inserting ''2006 through 2011''.

TITLE IV—REHABILITATION ACT AMENDMENTS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rehabilitation Act Amendments of 2005''.

SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CONTENTS.

(a) EXPANDED TRANSITION SERVICES.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.''.

(b) INCENTIVE GRANTS.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 112 the following:

''Sec. 113. Incentive grants.''.

(c) INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.—Section 1(b) of the Rehabilitation Act of 1973 is amended by striking the items relating to sections 752 and 753 and inserting the following:

''Sec. 752. Training and technical assistance.

''Sec. 753. Program of grants.

''Sec. 754. Authorization of appropriations.''.

SEC. 403. PURPOSE.

Section 2 of the Rehabilitation Act of 1973 (29 U.S.C. 701) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking ''and'' after the semicolon;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7)(A) a high proportion of youth who are individuals with disabilities is leaving special education without being employed or being enrolled in continuing education; and

''(B) there is a substantial need to support those youth as the youth transition from school to postsecondary life.''; and

(2) in subsection (b)—

(A) in paragraph (1)(F), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to provide opportunities for employers and vocational rehabilitation service providers to provide meaningful input at all levels of government to ensure successful employment of individuals with disabilities.''.

SEC. 404. REHABILITATION SERVICES ADMINISTRATION.

Section 3 of the Rehabilitation Act of 1973 (29 U.S.C. 702) is amended—

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

(2) by inserting after subsection (a) the following:

''(b) The Secretary shall ensure that—

''(1) the Rehabilitation Services Administration has sufficient staff to provide oversight of, conduct auditing of, and provide technical assistance to, the designated State agencies funded under this Act; and

''(2) such staff include individuals who have training in and experience with the provision of vocational rehabilitation services.''.

SEC. 405. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) in paragraph (2)(B)—

(A) in the matter preceding clause (i), by inserting ''and literacy services'' after ''supported employment''; and

(B) in clause (iii), by inserting ''and literacy skills'' after ''educational achievements'';

(2) by striking paragraphs (3) and (4) and inserting the following:

''(3) ASSISTIVE TECHNOLOGY DEFINITIONS.—

''(A) ASSISTIVE TECHNOLOGY.—The term 'assistive technology' has the meaning given such term in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).

''(B) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section to the term 'individuals with disabilities' shall be deemed to mean more than one individual with a disability as defined in paragraph (20)(A).

''(C) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section—

''(i) to the term 'individual with a disability' shall be deemed to mean an individual with a disability, as defined in paragraph (20)(A); and

''(ii) to the term 'individuals with disabilities' shall be deemed to mean more than one such individual.'';

(3) by inserting after paragraph (6) the following:

''(7) CONSUMER ORGANIZATION.—The term 'consumer organization' means a membership organization, or disability advocacy group, for which a majority of the members of the board of directors of the organization or group are individuals with disabilities or

family members of individuals with disabilities.'';

(4) in paragraph (17)—

(A) in subparagraph (C), by striking ''and'' after the semicolon;

(B) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(E)(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences; and

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community.'';

(5) by redesignating paragraphs (24) through (28), (29) through (34), (35) through (37), and (38) through (39), as paragraphs (25) through (29), (31) through (36), (38) through (40), and (42) through (43), respectively;

(6) by inserting after paragraph (23) the following:

''(24) LITERACY.—The term 'literacy' has the meaning given the term in section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202).'';

(7) by inserting after paragraph (29), as redesignated by paragraph (5), the following:

''(30) POST-EMPLOYMENT SERVICE.—The term 'post-employment' service means a service identified in section 103(a) that is—

''(A) provided subsequent to the achievement of an employment outcome; and

''(B) necessary for an individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.'';

(8) by inserting after paragraph (36), as redesignated by paragraph (5), the following:

''(37) STUDENT WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'student with a disability' means an individual with a disability who attends an elementary school or secondary school and who—

''(i) is not younger than 16 years of age;

''(ii) is not older than 22 years of age;

''(iii) has been determined to be eligible under section 102(a) for assistance under title I; and

''(iv)(I) is eligible for, and receiving, special education or related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) STUDENTS WITH DISABILITIES.—The term 'students with disabilities' means more than 1 student with a disability.'';

(9) in paragraph (38)(A)(ii), as redesignated by paragraph (5), by striking ''paragraph (36)(C)'' and inserting ''paragraph (39)(C)''; and

(10) by inserting after paragraph (40), as redesignated by paragraph (5), the following:

''(41) TRANSITION SERVICES EXPANSION YEAR.—The term 'transition services expansion year' means—

''(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2006 by not less than $100,000,000; and

''(B) each fiscal year subsequent to that first fiscal year.''.

SEC. 406. ADMINISTRATION OF THE ACT.

Section 12(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 709(a)(1)) is amended—

(1) by inserting ''(A)'' after ''(1)''; and

(2) by adding at the end the following:

''(B) provide technical assistance to the designated State units on developing successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities; and

''(C) provide technical assistance on developing self-employment opportunities and outcomes for individuals with disabilities;''.

SEC. 407. REPORTS.

Section 13 of the Rehabilitation Act of 1973 (29 U.S.C. 710) is amended by adding at the end the following:

''(d)(1)(A) The Commissioner shall ensure that the reports, information, and data described in subparagraph (B) will be posted in a timely manner on the website of the Department of Education, in order to inform the public about the administration and performance of programs in each State under this Act.

''(B) The reports, information, and data referred to in subparagraph (A) shall consist of—

''(i) reports submitted by a designated State unit under this Act;

''(ii) accountability information (including State performance information relating to evaluation standards and performance indicators under section 106 and State performance information relating to State performance measures under section 136 of the Workforce Investment Act of 1998 (29 U.S.C. 2871)) submitted by a designated State unit under this Act or submitted by a State to the Secretary of Labor under subsection (d) of such section 136;

''(iii) data collected from each designated State unit under this Act with the approval of the Office of Management and Budget; and

''(iv) monitoring reports conducted under this Act.

''(C) The Commissioner shall maintain, and post on the website, a listing of the reports, information, and data required to be submitted by designated State units under this Act.

''(D) The Commissioner shall post on the website, or establish links on the website to, evaluations, studies, and audits, including evaluations, studies, and audits conducted by agencies of the Federal Government, concerning programs carried out under this Act.

''(E) The Commissioner shall maintain on the website a list of the designated State units and shall establish links on the website to websites maintained by those units.

''(2) The Commissioner shall maintain public use read-only access to the State and aggregated reports and analyzed data filed and maintained on the Rehabilitation Services Administration management information system or a similar system maintained by the Department of Education.''.

SEC. 408. CARRYOVER.

Section 19 of the Rehabilitation Act of 1973 (29 U.S.C. 716) is amended—

(1) in subsection (a)(1)—

(A) by inserting ''(except for the client assistance program funded under section 112)'' after ''any grant program under part B of title I'';

(B) by striking '', section 509 (except as provided in section 509(b))'';

(C) by striking ''or C''; and

(D) by striking ''752(b)'' and inserting ''753(b)''; and

(2) by adding at the end the following:

''(c) CLIENT ASSISTANCE PROGRAM; PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—

''(1) APPROPRIATED AMOUNTS.—Notwithstanding any other provision of law, any funds appropriated for a fiscal year to carry out a grant program under section 112 or 509 (except as provided in section 509(b)), including any funds reallotted under such grant program, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

''(2) PROGRAM INCOME.—Notwithstanding any other provision of law, any amounts of program income received by recipients under a grant program under section 112 or 509 in a fiscal year that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year, shall remain available until expended.''.

Subtitle A—Vocational Rehabilitation Services

SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

Section 100(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 412. STATE PLANS.

(a) IN GENERAL.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

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

''(D) STATE AGENCY FOR REIMBURSEMENT PURPOSES.—A governing body of an Indian tribe that receives a grant under section 121 shall be considered, for purposes of the cost reimbursement provisions—

''(i) in section 222(d)(1) of the Social Security Act (42 U.S.C. 422(d)(1)), to be a State; and

''(ii) in subsections (d) and (e) of section 1615 of the Social Security Act (42 U.S.C. 1382d), to be a State agency described in subsection (d) of that section.'';

(2) in paragraph (6)(B), by striking ''to employ and advance in employment'' and inserting ''to recruit, employ, and advance in employment'';

(3) in paragraph (7)(A)(v), by striking subclause (I) and inserting the following:

''(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology, including training implemented in coordination with State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003); and'';

(4) in paragraph (10)—

(A) in subparagraph (B), by striking ''annual reporting on the eligible individuals receiving the services, on those specific data elements described in section 136(d)(2) of the Workforce Investment Act of 1998'' and inserting ''annual reporting of information on eligible individuals receiving the services that is needed to assess performance on the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i))'';

(B) in subparagraph (C), by striking clauses (iii) and (iv) and inserting the following:

''(iii) the number of applicants and eligible recipients, including the number of individuals with significant disabilities, who exited the program carried out under this title and the number of such individuals who achieved employment outcomes after receiving vocational rehabilitation services; and

''(iv) the number of individuals who received vocational rehabilitation services who entered and retained employment and the earnings of such individuals, as such entry, retention, and earnings are defined for purposes of the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i)).''; and

(C) in subparagraph (E)(ii), by striking ''in meeting'' and all that follows through the

period and inserting ''in meeting the standards and indicators established pursuant to section 106.'';

(5) in paragraph (11)—

(A) by striking subparagraph (C) and inserting the following:

''(C) INTERAGENCY COOPERATION WITH OTHER AGENCIES.—The State plan shall include descriptions of interagency cooperation with, and utilization of the services and facilities of, Federal, State, and local agencies and programs, including the State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), programs carried out by the Under Secretary for Rural Development of the Department of Agriculture, and State use contracting programs, to the extent that such agencies and programs are not carrying out activities through the statewide workforce investment system.'';

(B) by striking subparagraph (D)(ii) and inserting the following:

''(ii) transition planning by personnel of the designated State agency and the State educational agency that will facilitate the development and completion of the individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;''; and

(C) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit, and the lead agency and implementing agency (if any) designated by the Governor of the State under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), have developed working relationships and will enter into agreements for the coordination of their activities, including the referral of individuals with disabilities to programs and activities described in that section.

''(H) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall include an assurance that the designated State unit will coordinate activities with any other State agency that is functioning as an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).'';

(6) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking ''and'' after the semicolon;

(II) in subclause (III), by inserting ''and'' after the semicolon; and

(III) by adding at the end the following:

''(IV) for purposes of addressing needs in a transition services expansion year, students with disabilities, including their need for transition services;'';

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

''(ii) include an assessment of the needs of individuals with disabilities for transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and an assessment as to whether the transition services provided under those Acts meet the needs of individuals with disabilities;''; and

(B) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

''(iii) for use in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to postsecondary life, including the receipt of vocational rehabilitation services under this title, postsecondary education, or employment;'';

(7) in paragraph (20)—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

''(B) INFORMATION ON ASSISTANCE FOR BENEFICIARIES OF ASSISTANCE UNDER TITLE II OR XVI OF THE SOCIAL SECURITY ACT.—The State plan shall include an assurance that the designated State agency will make available to individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(i) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(ii) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(iii) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).''; and

(C) in subparagraph (C)(ii), as redesignated by subparagraph (A)—

(i) in subclause (II), by inserting '', to the maximum extent possible,'' after ''point of contact''; and

(ii) in subclause (III), by striking ''or regain'' and inserting ''regain, or advance in''; and

(8) by adding at the end the following:

''(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Commissioner that the State—

''(A) has developed and shall implement, in each transition services expansion year, strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) in each transition services expansion year—

''(i) shall not use more than 5 percent of the funds reserved under section 110A and available for this subparagraph, to pay for administrative costs; and

''(ii) shall use the remaining funds to carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities, through partnerships described in subparagraph (C), that—

''(I) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(II) improve the achievement of post-school goals of students with disabilities through the provision of transition services, including improving the achievement through participation (as appropriate when vocational goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(III) provide vocational guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities;

''(IV) support the provision of training and technical assistance to local educational agency personnel responsible for the planning and provision of services to students with disabilities; and

''(V) support outreach activities to students with disabilities who are eligible for, and need, services under this title; and

''(C) in each transition services expansion year, shall ensure that the funds described in subparagraph (B)(ii) are awarded only to partnerships that—

''(i) shall include local vocational rehabilitation services providers and local educational agencies; and

''(ii) may include (or may have linkages with)—

''(I) other agencies such as employment, social service, and health organizations, that contribute funds for the provision of vocational rehabilitation services described in subparagraph (B)(ii) for eligible students with disabilities; and

''(II) businesses and business-led intermediaries.''.

(b) CONSTRUCTION.—Section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721) is amended by adding at the end the following:

''(c) CONSTRUCTION.—

''(1) DEFINITIONS.—In this subsection, the terms 'child with a disability', 'free appropriate public education', 'related services', and 'special education' have the meanings given the terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

''(2) OBLIGATION TO PROVIDE OR PAY FOR TRANSITION SERVICES.—Nothing in this part shall be construed to reduce the obligation of a local educational agency or any other agency to provide or pay for any transition services that are also considered special education or related services and that are necessary for ensuring a free appropriate public education to children with disabilities within the State involved.''.

SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

Section 102 of the Rehabilitation Act of 1973 (29 U.S.C. 722) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the semicolon at the end and inserting '', including a listing of all the community resources (including resources from consumer organizations (including advocacy organizations)), to the maximum extent possible, to assist in the development of such individual's individualized plan for employment to enable the individual to make informed and effective choices in developing the individualized plan for employment;''; and

(ii) in subparagraph (D)—

(I) in clause (i), by striking ''and'' after the semicolon;

(II) in clause (ii), by striking the period at the end and inserting a semicolon; and

(III) by adding at the end the following:

''(iii) for individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(I) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(II) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(III) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).'';

(B) in paragraph (2)(E)—

(i) in clause (i)(II), by striking ''and'' after the semicolon;

(ii) in clause (ii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(iii) amended, as necessary, to include the post-employment services and service providers that are necessary for the individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.''; and

(C) in paragraph (3)—

(i) in subparagraph (B)(i)(I), by striking ''and personal assistance services'' and all that follows and inserting ''mentoring services, and personal assistance services, including training in the management of such services, and referrals described in section 103(a)(3) to the device reutilization programs and device demonstrations described in subparagraphs (B) and (D) of section 4(e)(2) of the Assistive Technology Act of 1998 (42 U.S.C. 3003(e)(2)) through agreements developed under section 101(a)(11)(G); and'';

(ii) in subparagraph (F)(ii), by striking ''and'' after the semicolon;

(iii) in subparagraph (G), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

''(H) for a student with a disability, the description specified—

''(i) in subparagraph (A), which may be a description of the student's projected post-school employment outcome; and

''(ii) in subparagraph (B)(i), which shall include the specific transition services (including, as appropriate, work experience and mentoring activities) needed to achieve the student's employment outcome or projected employment outcome; and

''(I) for an individual who is receiving assistance from an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), a list of the services that are listed in the individual work plan that the individual developed with the employment network under subsection (g) of that section.''; and

(2) in subsection (c)(7), by inserting ''that take into consideration the informed choice of the individual'' after ''plan development''.

SEC. 414. VOCATIONAL REHABILITATION SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by inserting ''literacy services,'' after ''vocational adjustment services,'';

(B) by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the transition from school to postsecondary life (including employment through the achievement of the employment outcome identified in the individualized plan for employment), including, in a transition services expansion year, services described in subclauses (I) through (III) of section 101(a)(25)(B)(ii);'';

(C) in paragraph (17), by striking ''and'' after the semicolon;

(D) in paragraph (18), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(19) mentoring services.''; and

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to postsecondary life, including employment.

''(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(ii)(IV).

''(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i), (ii), and (iv) of section 7(37)(A), including services described in subclauses (I), (II), (III), and (V) of section 101(a)(25)(B)(ii), to assist in the transition from school to postsecondary life, including employment.''.

SEC. 415. STATE REHABILITATION COUNCIL.

Section 105 of the Rehabilitation Act of 1973 (29 U.S.C. 725) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)—

(i) by striking clause (ix) and inserting the following:

''(ix) in a State in which one or more projects provide services under section 121, at least one representative of the directors of the projects;'';

(ii) in clause (x), by striking the ''and'' after the semicolon;

(iii) in clause (xi), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(xii) the director of the State's comprehensive statewide program of technology-related assistance funded under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003).''; and

(B) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''; and

(2) in subsection (c)(6), by inserting before the semicolon the following: ''and with the activities of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.)''.

SEC. 416. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in subsection (a), by striking paragraph (1)(C) and all that follows through paragraph (2) and inserting the following:

''(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that include measures of the program's performance with respect to the transition from school to post-secondary life, including employment, and achievement of the postsecondary vocational goals, of students with disabilities served under the program.''; and

(2) in subsection (b)(2)(B)(i), by striking '', if necessary'' and all that follows through the semicolon and inserting '', if the State has not improved its performance to acceptable levels, as determined by the Commissioner, direct the State to make further revisions to the plan to improve performance, which may include revising the plan to allocate a higher proportion of the State's resources (from allotments made under section 110) for services to individuals with disabilities if the State agency's spending on such services is low in comparison to spending on such services by comparable agencies in other States;''.

SEC. 417. MONITORING AND REVIEW.

Section 107(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 727(b)(1)) is amended by inserting before the semicolon the following: '', including—

''(A) consulting with the Department of Labor, the Small Business Administration, other appropriate Federal agencies, and businesses or business-led intermediaries; and

''(B) based on information obtained through the consultations, providing technical assistance that improves that quality by enabling designated State units to develop successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities, and technical assistance on developing self-employment opportunities and improving employment outcomes for individuals with disabilities''.

SEC. 418. STATE ALLOTMENTS.

Section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) is amended—

(1) by striking subsection (b) and inserting the following:

''(b)(1) Not later than 45 days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any amount from the payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

''(2)(A) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall reallot the amount available under paragraph (1) to other States, consistent with subparagraphs (B) and (C), for carrying out the purposes of this title to the extent the Commissioner determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes.

''(B)(i) The Commissioner shall reallot a portion of the amount available under paragraph (1) for a fiscal year to each State whose allotment under subsection (a) for such fiscal year is less than such State's allotment under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(ii)(I) A State that is eligible to receive a reallotment under clause (i) shall receive a portion for a fiscal year from the amount available for reallotment under paragraph (1) that is equal to the difference between—

''(aa) the amount such State was allotted under subsection (a) for such fiscal year; and

''(bb) the amount such State was allotted under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(II) If the amount available for reallotment under paragraph (1) is insufficient to provide each State eligible to receive a reallotment with the portion described in subclause (I), the amount reallotted to each eligible State shall be determined by the Commissioner.

''(C) If there are funds remaining after each State eligible to receive a reallotment under subparagraph (B)(i) receives the portion described in subparagraph (B)(ii), the Commissioner shall reallot the remaining funds among the States requesting a reallotment.

''(3) The Commissioner shall reallot an amount to a State under this subsection only if the State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

''(4) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.''; and

(2) by striking subsection (c)(2) and inserting the following:

''(2)(A) In this paragraph:

''(i) The term 'appropriated amount' means the amount appropriated under section 100(b)(1) for allotment under this section.

''(ii) The term 'covered year' means a fiscal year—

''(I) that begins after September 30, 2005; and

''(II) for which the appropriated amount exceeds the total of—

''(aa) the appropriated amount for the preceding fiscal year; and

''(bb) 0.075 percent of the appropriated amount for the preceding fiscal year.

''(B) For each covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the covered year; and

''(ii) not less than the total of the sum reserved under this subsection for the preceding fiscal year and 0.1 percent of the appropriated amount for the covered year, subject to clause (i).

''(C) For each fiscal year that is not a covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the fiscal year; and

''(ii) not less than the sum reserved under this subsection for the preceding fiscal year, subject to clause (i).''.

SEC. 419. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''(a) RESERVATION.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Commissioner under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

''(b) CALCULATION.—The Commissioner shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

''(1) the amount allotted to that State under section 110 for the prior fiscal year; by

''(2) the total amount allotted to all States under section 110 for that prior fiscal year.''.

SEC. 420. CLIENT ASSISTANCE PROGRAM.

Section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''States'' and inserting ''agencies designated under subsection (c)''; and

(B) in the second sentence, by striking ''State'' and inserting ''State in which the program is located'';

(2) in subsection (b), by striking ''the State has in effect not later than October 1, 1984, a client assistance program which'' and inserting ''the State has designated under subsection (c) an agency that'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''The Secretary'' and all that follows through the period and inserting the following: ''After reserving funds under subparagraphs (E) and (F), the Secretary shall allot the remainder of the sums appropriated for each fiscal year under this section among the agencies designated under subsection (c) within the States (referred to individually in this subsection as a 'designated agency') on the basis of relative population of each State, except that no such agency shall receive less than $50,000.'';

(ii) in subparagraph (B), by inserting ''the designated agencies located in'' after ''each to'';

(iii) in subparagraph (D)(i)—

(I) by inserting ''the designated agencies located in'' after ''$100,000 for''; and

(II) by inserting ''the designated agencies located in'' after ''$45,000 for''; and

(iv) by adding at the end the following:

''(E)(i) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $13,000,000, the Secretary shall reserve funds appropriated under this section to make a grant to the protection and advocacy system serving the American Indian Consortium to provide client assistance services in accordance with this section. The amount of such a grant shall be the same amount as is provided to a territory under subparagraph (B), as increased under clauses (i) and (ii) of subparagraph (D).

''(ii) In this subparagraph:

''(I) The term 'American Indian Consortium' has the meaning given the term in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002).

''(II) The term 'protection and advocacy system' means a protection and advocacy system established under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).

''(F) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $14,000,000, the Secretary shall reserve not less than 1.8 percent and not more than 2.2 percent of such amount to provide a grant for training and technical assistance for the programs established under this section. Such training and technical assistance shall be coordinated with activities provided under section 509(c)(1)(A).''; and

(B) in paragraph (2)—

(i) by striking ''State'' each place such term appears and inserting ''designated agency''; and

(ii) by striking ''States'' each place such term appears and inserting ''designated agencies'';

(4) in subsection (f), by striking ''State'' and inserting ''agency designated under subsection (c)'';

(5) in subsection (g)(1), by striking ''State'' and inserting ''State in which the program is located''; and

(6) in subsection (h), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 421. INCENTIVE GRANTS.

Part B of title I of the Rehabilitation Act of 1973 (29 U.S.C. 730 et seq.) is amended by adding at the end the following:

''SEC. 113. INCENTIVE GRANTS.

''(a) AUTHORITY.—The Commissioner is authorized to make incentive grants to States that, based on the criteria established under subsection (b)(1), demonstrate—

''(1) a high level of performance; or

''(2) a significantly improved level of performance in a reporting period as compared to the previous reporting period or periods.

''(b) CRITERIA.—

''(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this section, the Commissioner shall establish, and publish in the Federal Register, criteria for making grant awards under subsection (a).

''(2) DEVELOPMENT AND EVALUATION STANDARDS.—The criteria established under paragraph (1) shall—

''(A) be developed with input from designated State agencies and other vocational rehabilitation stakeholders, including vocational rehabilitation consumers and consumer organizations (including advocacy organizations); and

''(B) be based upon the evaluation standards and performance indicators established under section 106 and other performance-related measures that the Commissioner determines to be appropriate.

''(c) USE OF FUNDS.—A State that receives a grant under subsection (a) shall use the grant funds for any approved activities in the State's State plan submitted under section 101.

''(d) NO NON-FEDERAL SHARE REQUIREMENT.—The provisions of sections 101(a)(3) and 111(a)(2) shall not apply to this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2006 through 2011.''.

SEC. 422. VOCATIONAL REHABILITATION SERVICES GRANTS.

Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. 741) is amended—

(1) in subsection (a), in the first sentence, by inserting '', consistent with such individuals' strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, so that such individuals may prepare for, and engage in, gainful employment'' before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) contains assurances that—

''(i) all decisions affecting eligibility for vocational rehabilitation services, the nature and scope of available services, and the provision of such services, will be made by a representative of the tribal vocational rehabilitation program; and

''(ii) such decisions will not be delegated to another agency or individual.'';

(B) in paragraph (3), by striking the first sentence and inserting the following: ''An application approved under this part that complies with the program requirements set forth in the regulations promulgated to carry out this part shall be effective for 5 years and shall be renewed for additional 5-year periods if the Commissioner determines that the grant recipient demonstrated acceptable past performance and the grant recipient submits a plan, including a proposed budget, to the Commissioner that the Commissioner approves that identifies future performance criteria, goals, and objectives.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) In allocating funds under this part, the Commissioner shall give priority to paying the continuation costs of projects in existence on the date of the allocation and may provide for increases in funding for such projects that the Commissioner determines to be necessary.''.

SEC. 423. GAO STUDIES.

(a) STUDY ON TITLE I AND TICKET TO WORK.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the interaction of programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) with the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), including the impact of the interaction on beneficiaries, community rehabilitation programs (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)), and State vocational rehabilitation agencies.

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with all types of participants in the Ticket to Work and Self-Sufficiency Program, including the Social Security Administration, the Rehabilitation Services Administration, ticketholders, designated State agencies, entities carrying out such community rehabilitation programs (including employment networks and nonemployment networks), protection and advocacy agencies, MAXIMUS, and organizations representing the interests of ticketholders.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

(b) STUDY ON THE ALLOTMENT FORMULA.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the relationship between the State allotment formula under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) and the ability of States to provide vocational rehabilitation services in accordance with the States' State plans under section 101 of such Act (29 U.S.C. 721).

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with appropriate entities.

(3) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

Subtitle B—Research and Training

SEC. 431. DECLARATION OF PURPOSE.

Section 200(3) of the Rehabilitation Act of 1973 (29 U.S.C. 760(3)) is amended by inserting '', in a timely and efficient manner,'' before ''through''.

SEC. 432. AUTHORIZATION OF APPROPRIATIONS.

Section 201 of the Rehabilitation Act of 1973 (29 U.S.C. 761) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(B) in paragraph (2), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(2) by adding at the end the following:

''(c) Of the sums appropriated under subsection (a)(1) for a fiscal year, the Secretary may reserve not more than $200,000 for activities related to convening a national assistive technology summit under section 202(b)(6).''.

SEC. 433. NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH.

Section 202 of the Rehabilitation Act of 1973 (29 U.S.C. 762) is amended—

(1) in subsection (b)—

(A) in paragraph (6), by inserting before the semicolon the following: '', including convening a national assistive technology summit, to be held at or in conjunction with a national conference relating to assistive technology with respect to all categories of disabilities''; and

(B) in paragraph (10), by striking ''and telecommuting'' and inserting '', supported employment, and telecommuting'';

(2) in subsection (f)(1)—

(A) by striking ''Federal employees'' and inserting ''Department of Education employees''; and

(B) by adding at the end the following: ''The peer review panel shall include a director of a designated State unit. Such panel shall include a member of the covered school community (for an activity resulting in educational materials or a product to be used in a covered school), a member of the business community (for an activity resulting in a product to be used in an employment activity), an assistive technology developer or manufacturer (for an activity relating to assistive technology), or an accessible electronic and information technology vendor or manufacturer (for an activity relating to accessible electronic and information technology).'';

(3) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively;

(4) by inserting after subsection (h) the following:

''(i)(1) The Director, with the assistance of the Rehabilitation Research Advisory Council established under section 205, shall determine if entities that receive financial assistance under this title are complying with the applicable requirements of this Act and achieving measurable goals, described in section 204(d)(2), that are consistent with the requirements of the programs under which the entities received the financial assistance.

''(2) To assist the Director in carrying out the responsibilities described in paragraph (1), the Director shall require recipients of financial assistance under this title to submit relevant information to evaluate program outcomes with respect to the measurable goals described in section 204(d)(2).''; and

(5) by adding at the end the following:

''(m)(1) Not later than December 31 of each year, the Director shall prepare, and submit to the Secretary, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report on the activities funded under this title.

''(2) Such report shall include—

''(A) a compilation and summary of the information provided by recipients of financial assistance for such activities under this title; and

''(B) a summary of the applications for financial assistance received under this title and the progress of the recipients of financial assistance in achieving the measurable goals described in section 204(d)(2).

''(n)(1) If the Director determines that an entity that receives financial assistance under this title fails to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals described in section 204(d)(2), with respect to the covered activities involved, the Director shall assist the entity through technical assistance or other means, within 90 days after such determination, to develop a corrective action plan.

''(2) If the entity fails to develop and comply with a corrective action plan described in paragraph (1) during a fiscal year, the entity shall be subject to 1 of the following corrective actions selected by the Director:

''(A) Partial or complete termination of financial assistance for the covered activities, until the entity develops and complies with such a plan.

''(B) Ineligibility to receive financial assistance for such covered activities for the following year.

''(3) The Secretary shall establish appeals procedures for entities described in paragraph (1) that the Secretary determines fail to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals.

''(4) As part of the annual report required under subsection (m), the Director shall describe each action taken by the Director under paragraph (1) or (2) and the outcomes of such action.''.

SEC. 434. INTERAGENCY COMMITTEE.

Section 203 of the Rehabilitation Act of 1973 (29 U.S.C. 763) is amended—

(1) in subsection (a)(1), by striking ''and the Director of the National Science Foundation'' and inserting ''the Director of the National Science Foundation, the Secretary of Commerce, and the Administrator of the Small Business Administration''; and

(2) in subsection (b)(2)—

(A) in subparagraph (D), by striking ''and'' after the semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(F) conduct a study, on the assistive technology industry, for which the Committee shall—

''(i) determine the number of individuals who use assistive technology and the scope of the technologies they use;

''(ii) separately identify categories of assistive technology companies by the disability group served, and the type of product or service provided, categorized by—

''(I) size (small, medium, and large) of the companies;

''(II) capitalization of the companies;

''(III) region in which the companies are located; and

''(IV) products or services produced by the companies;

''(iii) compile aggregate data on revenues and unit sales of such companies, including information on international sales, for a recent reporting period, categorized by institution or user type acquiring the products or services, disability for which the products or services are used, and industry segment for the companies;

''(iv) identify platform availability and usage, for those products and services that are electronic and information technology-related;

''(v) identify the types of clients of the companies, such as Government, school, business, private payor, and charitable clients, and funding sources for the clients; and

''(vi) specify geographic segments for the companies, to determine whether there are significant distinctions in industry opportunities on the basis of geography, other than distinctions related to population.''.

SEC. 435. RESEARCH AND OTHER COVERED ACTIVITIES.

Section 204 of the Rehabilitation Act of 1973 (29 U.S.C. 764) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(B)—

(i) in clause (vi), by striking ''and'' after the semicolon;

(ii) in clause (vii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(viii) studies, analyses, and other activities affecting employment outcomes, including self-employment and telecommuting, of individuals with disabilities.''; and

(B) by adding at the end the following:

''(3) In carrying out this section, the Director shall emphasize covered activities that are collaborations between—

''(A) for-profit companies working in the assistive technology, rehabilitative engineering, or information technology fields; and

''(B) States or public or private agencies and organizations.

''(4) In carrying out this section, the Director shall emphasize covered activities that include plans for—

''(A) dissemination of educational materials, research results, or findings, conclusions, and recommendations resulting from covered activities; or

''(B) the commercialization of marketable products resulting from the covered activities.'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''(18)'' each place it appears and inserting ''(19)'';

(B) in paragraph (2)—

(i) in subparagraph (A)(i), by striking ''rehabilitation services or'' and inserting ''rehabilitation services, developers or providers of assistive technology devices, assistive technology services, or information technology devices or services, or providers of'';

(ii) in subparagraph (B)—

(I) in clause (i), by inserting ''improve the evaluation process for determining the assistive technology needs of individuals with disabilities,''after ''conditions,'';

(II) in clause (ii), by inserting ''and assistive technology services'' before the semicolon; and

(III) in clause (iii), by inserting '', assistive technology services personnel,'' before ''and other'';

(iii) in subparagraph (C)—

(I) in clause (i), by inserting '', including research on assistive technology devices, assistive technology services, and accessible electronic and information technology devices'' before the semicolon; and

(II) in clause (iii), by inserting '', including the use of assistive technology devices and accessible electronic and information technology devices in employment'' before the semicolon;

(iv) in subparagraph (D), by inserting '', including training to provide knowledge about assistive technology devices, assistive technology services, and accessible electronic and information technology devices and services,'' after ''personnel''; and

(v) in subparagraph (G)(i), by inserting '', assistive technology-related, and accessible electronic and information technology-related'' before ''courses'';

(C) in paragraph (3)—

(i) in subparagraph (D)(ii), by adding at the end the following: ''Each such Center conducting an activity relating to assistive technology or relating to accessible electronic and information technology shall include in the committee an assistive technology developer or manufacturer, or an accessible electronic and information technology vendor or manufacturer, respectively. Each such Center conducting an activity resulting in educational materials or a product to be used in a covered school, or resulting in a product to be used in an employment activity, shall include in the committee a member of the covered school community, or a member of the business community, respectively.''; and

(ii) in subparagraph (G)(ii) by inserting ''the success of any commercialized product researched or developed through the Center,'' after ''disabilities,'';

(D) in paragraph (8), by inserting ''the Department of Commerce, the Small Business Administration, the Department of Labor,'' before ''other Federal agencies,'';

(E) in paragraph (13), in the matter preceding subparagraph (A), by striking ''employment needs of individuals with disabilities'' and inserting ''employment needs, opportunities, and outcomes, including needs, opportunities, and outcomes relating to self-employment, supported employment, and telecommuting, of individuals with disabilities, including older individuals with disabilities, and students with disabilities who are transitioning from school to postsecondary life, including employment''; and

(F) by adding at the end the following:

''(19) Research grants may be used to provide for research and demonstration projects that—

''(A) explore methods and practices for promoting access to electronic commerce activities for individuals with disabilities; and

''(B) will—

''(i) ensure dissemination of research findings;

''(ii) provide encouragement and support for initiatives and new approaches by companies engaged in electronic commerce activities; and

''(iii) result in the establishment and maintenance of close working relationships between the disability, research, and business communities.'';

(3) in subsection (c)(2), by striking ''$500,000'' and inserting ''$750,000''; and

(4) by adding at the end the following:

''(d)(1) In awarding grants, contracts, or other financial assistance under this title, the Director shall award the financial assistance on a competitive basis.

''(2)(A) To be eligible to receive financial assistance described in paragraph (1) for a covered activity, an entity shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require.

''(B) The application shall include information describing—

''(i) measurable goals, and a timeline and specific plan for meeting the goals, that the applicant has set for addressing priorities related to—

''(I) commercialization of a marketable product (including a marketable curriculum or research) resulting from the covered activity;

''(II) in the case of a covered activity relating to technology, technology transfer;

''(III) in the case of research, dissemination of research results to, as applicable, Government entities, individuals with disabilities, covered schools, the business community, the assistive technology community, and the accessible electronic and information technology community; and

''(IV) other matters as required by the Director; and

''(ii) information describing how the applicant will quantifiably measure the goals to determine whether the goals have been accomplished.

''(3)(A) In the case of an application for financial assistance under this title to carry out a covered activity that results in the development of a marketable product, the application shall also include a commercialization and dissemination plan, containing commercialization and marketing strategies for the product involved, and strategies for disseminating information about the product. The financial assistance shall not be used to carry out the commercialization and marketing strategies.

''(B) In the case of any other application for financial assistance to carry out a covered activity under this title, the application shall also include a dissemination plan, containing strategies for disseminating educational materials, research results, or findings, conclusions, and recommendations, resulting from the covered activity.''.

SEC. 436. REHABILITATION RESEARCH ADVISORY COUNCIL.

Section 205 of the Rehabilitation Act of 1973 (29 U.S.C. 765) is amended—

(1) in subsection (a), by inserting ''at least'' before ''12''; and

(2) in subsection (c), by inserting after ''rehabilitation researchers,'' the following: ''the directors of community rehabilitation programs, the business community (and shall include a representative of the small business community) that has experience with the system of vocational rehabilitation services carried out under this Act and with hiring individuals with disabilities, the community of assistive technology developers and manufacturers, the community of information technology vendors and manufacturers, the community of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.), the community of covered school professionals,''.

SEC. 437. DEFINITION.

Title II of the Rehabilitation Act of 1973 (29 U.S.C. 760 et seq.) is amended by adding at the end the following:

''SEC. 206. DEFINITION.

''In this title, the term 'covered school' means an elementary school or secondary school (as such terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) or an institution of higher education.''.

Subtitle C—Professional Development and Special Projects and Demonstrations

SEC. 441. TRAINING.

Section 302 of the Rehabilitation Act of 1973 (29 U.S.C. 772) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (F), by striking the ''and'' after the semicolon;

(ii) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(H) personnel trained in providing assistive technology services.''; and

(B) in paragraph (4)(B), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(2) in subsection (b)(1)(B)(i), by striking ''or prosthetics and orthotics'' and inserting ''prosthetics and orthotics, rehabilitation teaching for the blind, or orientation and mobility instruction''; and

(3) in subsection (i), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.

Section 303 of the Rehabilitation Act of 1973 (29 U.S.C. 773) is amended—

(1) in subsection (b)(5)(A)(i), by striking ''special projects'' and inserting ''not less than 2 special projects'';

(2) by redesignating subsections (c), (d), and (e) as subsections (h), (i), and (j), respectively;

(3) by inserting after subsection (b) the following:

''(c) DEMONSTRATION PROJECTS FOR EMPLOYMENT OF STUDENTS WITH INTELLECTUAL DISABILITIES OR MENTAL ILLNESS.—

''(1) PURPOSE.—The purpose of this subsection is to support model demonstration projects to provide supported and competitive employment experiences for students with intellectual disabilities or students with mental illness, and training for personnel that work with students described in this paragraph, to enable the students to gain employment skills and experience that will promote effective transitions from school to postsecondary life, including employment.

''(2) AWARDS AUTHORIZED.—

''(A) COMPETITIVE AWARDS AUTHORIZED.—The Commissioner may award grants, contracts, and cooperative agreements, on a competitive basis, to eligible organizations described in paragraph (3), to enable the organizations to carry out demonstration projects described in paragraph (1).

''(B) DURATION.—The Commissioner shall award grants, contracts, and cooperative agreements under this subsection for periods of 3 to 5 years.

''(3) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an organization shall—

''(A) have expertise in providing employment and support services for individuals with intellectual disabilities or individuals with mental illness;

''(B) have a proven track record in successfully running supported employment programs;

''(C) provide employment services that are exclusively integrated community-based supported employment services;

''(D) have expertise in creating natural supports for employment;

''(E) have expertise in providing computer training for the targeted population for the project involved; and

''(F) have experience operating mentoring programs for the target population in middle and high schools for at least a decade in diverse communities throughout the Nation.

''(4) APPLICATIONS.—Each organization desiring to receive a grant, contract, or cooperative agreement under this subsection shall submit an application to the Commissioner at such time, in such manner, and including such information as the Commissioner may require. Each application shall include—

''(A) a description of how the organization plans to carry out the activities authorized in this subsection through a demonstration project;

''(B) a description of how the organization will evaluate the project;

''(C) a description of how the organization will disseminate information about the activities and the impact of the activities on the lives of students served by the project; and

''(D) a description of how the organization will coordinate activities with any other relevant service providers in the locality where the organization is based, including federally supported independent living centers.

''(5) AUTHORIZED ACTIVITIES.—An organization that receives a grant, contract, or cooperative agreement under this subsection shall use the funds made available through the grant, contract, or cooperative agreement to carry out 1 or more of the following activities for individuals, ages 14 through 21, who are students with intellectual disabilities or students with mental illness:

''(A) PROVIDING SUPPORTED AND COMPETITIVE EMPLOYMENT EXPERIENCES.—The development of innovative and effective supported and competitive employment experiences after school, on weekends, and in the summer, utilizing natural supports that lead to competitive high-paying jobs.

''(B) PROVIDING TRAINING TO SCHOOL AND TRANSITION PERSONNEL.—The development and deployment of experts to work with transition programs (including personnel working with students on transition) so that personnel from the programs develop skills needed to train students with intellectual disabilities or students with mental illness to be successful in competitive employment in a range of settings, including office settings. The training shall include training for the personnel in providing instruction to students in computer skills, office skills, interview etiquette, and appropriate social behavior required for successful long-term employment in professional environments.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $5,000,000 for fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2011.

''(d) DEMONSTRATION PROJECT FOR EMPLOYMENT OF INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.—

''(1) PURPOSE.—The purpose of this subsection is to support a model demonstration project to provide training and employment and support services for individuals who are deaf and low functioning to enable them to gain employment skills that will allow them to become employed and economically self-sufficient.

''(2) DEFINITION.—

''(A) IN GENERAL.—In this subsection, the term 'individual who is deaf and low functioning' means an individual who has been deaf from birth or very early childhood, reads at or below the second grade level, has little or no intelligible speech, and lacks a secondary school diploma or its recognized equivalent.

''(B) SECONDARY DISABILITIES.—Such term may include an individual with a secondary disability.

''(3) GRANTS AUTHORIZED.—

''(A) COMPETITIVE GRANTS AUTHORIZED.—The Commissioner may award grants to State agencies, other public agencies or organizations, or not-for-profit organizations with expertise in providing training and employment and support services for individuals who are deaf and low functioning to support model demonstration projects.

''(B) DURATION.—Grants under this subsection shall be awarded for a period not to exceed 5 years.

''(4) AUTHORIZED ACTIVITIES.—

''(A) DEVELOPING A COMPREHENSIVE TRAINING PROGRAM.—Each grant recipient under this subsection shall develop an innovative, comprehensive training program for individuals who are deaf and low functioning that can be implemented at multiple training locations through such means as distance learning and use of advanced technology, as appropriate. Such training program shall be developed to maximize the potential for replication of the program by other training providers.

''(B) IMPLEMENTATION.—Each grant recipient under this subsection shall implement the comprehensive training program developed under subparagraph (A) as soon as feasible. Such training shall provide instruction on the job and the social skills necessary for successful long-term employment of individuals who are deaf and low functioning.

''(C) ESTABLISHING A POST-TRAINING PROGRAM OF EMPLOYMENT AND SUPPORT SERVICES.—Each grant recipient under this subsection shall implement employment and support services to assist individuals who complete the training program under subparagraph (A) in securing employment and transitioning to the workplace, for a period of not less than 90 days subsequent to placement in the employment.

''(5) APPLICATIONS.—Each entity desiring to receive a grant under this subsection for a model demonstration project shall submit an application to the Commissioner at such time, in such manner, and accompanied by such information as the Commissioner may require including—

''(A) a description of how the applicant plans to address the activities authorized under this subsection;

''(B) a description of the evaluation plan to be used in the model demonstration project;

''(C) a description of how the applicant will disseminate information about the training program developed and the results of the project; and

''(D) a description of how the entity will coordinate activities with any other relevant service providers or entities providing training and employment and support services for individuals who are deaf and low functioning.

''(6) MANDATED EVALUATION AND DISSEMINATION ACTIVITIES.—

''(A) ANNUAL REPORT.—Not later than 2 years after the date on which a grant under this subsection is awarded and annually thereafter, the grant recipient shall submit to the Commissioner a report containing information on—

''(i) the number of individuals who are participating in the demonstration project funded under this subsection;

''(ii) the employment and other skills being taught in the project;

''(iii) the number of individuals participating in the project that are placed in employment;

''(iv) the job sites in which those individuals are placed and the type of jobs the individuals are placed in; and

''(v) the number of individuals who have dropped out of the project and the reasons for their terminating participation in the project.

''(B) EVALUATION OF THE PROJECT.—Each grant recipient under this subsection shall implement the evaluation plan approved in its application for determining the results of the project within the timeframe specified in, and following the provisions of, the approved application.

''(C) PARTICIPANT EVALUATION PROCESS; FINAL EVALUATION.—In the final year of the project, the grant recipient will prepare and submit to the Commissioner a final evaluation report of the results of the model demonstration project containing—

''(i) information on—

''(I) the number of individuals who participated in the demonstration project;

''(II) the number of those individuals that are placed in employment;

''(III) the job sites in which those individuals were placed and the type of jobs the individuals were placed in;

''(IV) the number of those individuals who have dropped out of the project and the reasons for their terminating participation in the project; and

''(V) the number of those individuals who participated in the project and who remain employed as of 2 months prior to the date on which the final report is submitted to the Commissioner;

''(ii) a written analysis of the project, including both the strengths and weaknesses of the project, to assist other entities in replicating the training program developed through the project; and

''(iii) such other information as the Commissioner determines appropriate.

''(D) DISSEMINATION.—Not later than 5 years after the date on which a grant is awarded under this subsection, the evaluation report containing results of activities

funded by such grant shall be disseminated to designated State agencies, school systems providing instruction to students who are individuals who are deaf and low functioning, supported employment providers, postsecondary vocational training programs, employers, the Social Security Administration, and other interested parties.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011.

''(e) TRAINING AND TECHNICAL ASSISTANCE CENTER TO PROMOTE HIGH-QUALITY EMPLOYMENT OUTCOMES FOR INDIVIDUALS RECEIVING SERVICES FROM DESIGNATED STATE AGENCIES.—

''(1) IN GENERAL.—The Commissioner shall award a grant, contract, or cooperative agreement to an entity to support a training and technical assistance program that—

''(A) responds to State-specific information requests concerning high-quality employment outcomes, from designated State agencies funded under title I, including—

''(i) requests for information on the expansion of self-employment, business ownership, and business development opportunities, and other types of entrepreneurial employment opportunities for individuals with disabilities;

''(ii) requests for information on the expansion and improvement of transition services to facilitate the transition of students with disabilities from school to postsecondary life, including employment;

''(iii) requests for examples of policies, practices, procedures, or regulations, that have enhanced or may enhance access to funding for assistive technology devices and assistive technology services for individuals with disabilities;

''(iv) requests for information on effective approaches to enhance informed choice and a consumer-directed State vocational rehabilitation system;

''(v) requests for assistance developing corrective action plans;

''(vi) requests for assistance in developing and implementing effective data collection and reporting systems that measure the outcomes of the vocational rehabilitation services, and preparing reports for the Commissioner as described in section 106(b)(1); and

''(vii) requests for information on effective approaches that enhance employment outcomes for individuals with disabilities, including conducting outreach and forming partnerships with business and industry; and

''(B) provides State-specific, regional, and national training and technical assistance concerning vocational rehabilitation services and related information to designated State agencies, including—

''(i) facilitating onsite and electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that affect vocational rehabilitation programs authorized under title I;

''(ii) enabling the designated State agencies to coordinate training and data collection efforts with one-stop centers established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e));

''(iii) enabling the designated State agencies to provide information on how the vocational rehabilitation programs authorized under title I can provide technical assistance to the one-stop centers on making programs offered through the centers physically and programmatically accessible to individuals with disabilities;

''(iv) sharing evidence-based and promising practices among the vocational rehabilitation programs;

''(v) maintaining an accessible website that includes links to—

''(I) the vocational rehabilitation programs;

''(II) appropriate Federal departments and agencies, and private associations;

''(III) State assistive technology device and assistive technology service demonstration programs, device loan programs, device reutilization programs, alternative financing systems, or State financing activities, operated through, or independently of, comprehensive statewide programs of technology-related assistance carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), telework programs, and other programs that provide sources of funding for assistive technology devices; and

''(IV) various programs, including programs with tax credits, available to employers for hiring or accommodating employees who are individuals with disabilities;

''(vi) enhancing employment outcomes for individuals with mental illness and individuals with cognitive disabilities;

''(vii) convening experts from the vocational rehabilitation programs to discuss and make recommendations with regard to the employment of individuals with disabilities and national emerging issues of importance to individuals with vocational rehabilitation needs;

''(viii) enabling the designated State agencies to provide practical information on effective approaches for business and industry to use in employing individuals with disabilities, including provision of reasonable accommodations;

''(ix) providing information on other emerging issues concerning the delivery of publicly funded employment and training services and supports to assist individuals with disabilities to enter the workforce, achieve improved employment outcomes, and become economically self-sufficient; and

''(x) carrying out such other activities as the Commissioner may require.

''(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an entity shall have (or agree to award a grant or contract to an entity that has)—

''(A) experience and expertise in administering vocational rehabilitation services;

''(B) documented experience with and knowledge about self-employment, business ownership, business development, and other types of entrepreneurial employment opportunities and outcomes for individuals with disabilities, providing transition services for students with disabilities, and assistive technology; and

''(C) the expertise necessary to identify the additional data elements needed to provide comprehensive reporting of activities and outcomes of the vocational rehabilitation programs authorized under title I, and experience in utilizing data to provide annual reports.

''(3) COLLABORATION.—In developing and providing training and technical assistance under this subsection, a recipient of a grant, contract, or cooperative agreement under this subsection shall collaborate with other organizations, in particular—

''(A) agencies carrying out vocational rehabilitation programs under title I and national organizations representing such programs;

''(B) organizations representing individuals with disabilities;

''(C) organizations representing State officials and agencies engaged in the delivery of assistive technology;

''(D) relevant employees from Federal departments and agencies, other than the Department of Education;

''(E) representatives of businesses;

''(F) individuals with disabilities who use assistive technology and understand the barriers to the acquisition of such technology and assistive technology services; and

''(G) family members, guardians, advocates, and authorized representatives of such individuals.

''(f) ACCESS TO TELEWORK.—

''(1) DEFINITION OF TELEWORK.—In this subsection, the term 'telework' means work from home and other telework sites with the assistance of a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.

''(2) AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.

''(3) APPLICATION.—A State or Indian tribe that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

''(4) USE OF FUNDS.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall establish or expand a telework program that shall provide assistance through loans or other alternative financing mechanisms to individuals with disabilities. The State or Indian tribe shall provide the assistance through the program to enable such individuals to purchase computers or other equipment, including adaptive equipment, to facilitate access to employment and enhance employment outcomes by providing the individual with the opportunity—

''(i) to work from home or other telework sites so that such individuals are able to telework; or

''(ii) to become self-employed on a full-time or part-time basis from home or other telework sites.

''(B) DEVELOPMENT OF TELEWORK OPPORTUNITIES AND BUSINESS PLANS.—A State or Indian tribe that receives a grant under this subsection may use not more than 10 percent of the grant award to develop telework opportunities with employers and assist in the development of business plans for individuals with disabilities interested in self-employment, before such individuals apply for assistance through the telework program.

''(C) SELF EMPLOYMENT.—A State or Indian tribe that receives a grant under this subsection shall enter into cooperative agreements with small business development centers for the development of business plans as described in section 103(a)(13) for individuals described in subparagraph (B), and provide assurances that the State or Indian tribe will, through plans to achieve self-support, vocational rehabilitation services, or other means, identify ways for the individuals described in subparagraph (B) to pay for the development of business plans, before such individuals apply for assistance through the telework program.

''(D) DEFINITIONS.—In this paragraph:

''(i) PLAN TO ACHIEVE SELF-SUPPORT.—The term 'plan to achieve self-support' means a plan described in sections 416.1180 through 416.1182 of title 20, Code of Federal Regulations (or any corresponding similar regulation or ruling).

''(ii) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'small business development center' means a center established under section 21 of the Small Business Act (15 U.S.C. 648).

''(5) FEDERAL SHARE.—The Federal share of the cost of establishing or expanding a

telework program under this section shall be 90 percent of the cost.

''(6) EXISTING GRANT RECIPIENTS.—An entity that receives a grant under the Access to Telework Fund Program under subsection (b) for a fiscal year may use the funds made available through that grant for that fiscal year in accordance with this subsection rather than subsection (b).

''(7) ANNUAL REPORT.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall prepare and submit an annual report to the Commissioner.

''(B) CONTENTS.—The report under subparagraph (A) shall include the following:

''(i) Information on the characteristics of each individual with a disability that receives assistance through a loan or other alternative financing mechanism under the program, including information about the individual such as the following:

''(I) Age.

''(II) Employment status at the time of application for assistance through a loan or other alternative financing mechanism under this subsection.

''(III) Whether the individual attempted to secure financial support from other sources to enable the individual to telework and, if so, a description of such sources.

''(IV) Whether the individual is working and, if so, whether the individual teleworks, the occupation in which the individual is working, the hourly salary the individual receives, and the hourly salary of the individual prior to receiving assistance through a loan or other alternative financing mechanism under the program.

''(V) Whether the individual has repaid assistance from the loan or other alternative financing mechanism received under the program, is in repayment status, is delinquent on repayments, or has defaulted on the assistance from the loan or other alternative financing mechanism.

''(ii) An analysis of the individuals with disabilities that have benefited from the program.

''(iii) Any other information that the Commissioner may require.

''(g) GRANTS FOR DISABILITY CAREER PATHWAYS PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) CENTER FOR INDEPENDENT LIVING.—The term 'center for independent living' means a center for independent living funded under subtitle C of title VII.

''(B) COVERED INSTITUTION.—The term 'covered institution' means—

''(i) a secondary school; and

''(ii) in the discretion of the eligible consortium involved, an institution of higher education.

''(C) ELIGIBLE CONSORTIUM.—The term 'eligible consortium' means a consortium described in paragraph (3)(A).

''(D) SECONDARY SCHOOL.—The term 'secondary school' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(2) PURPOSE OF PROGRAM.—The Commissioner may establish a Disability Career Pathways program, through which the Commissioner may make grants, for periods of not more than 5 years, to institutions of higher education that establish eligible consortia, to enable the consortia to develop and carry out training and education related to disability studies and leadership development. The consortia shall provide the training and education for the purpose of providing career pathways for students at a covered institution, in fields pertinent to individuals with disabilities, and particularly pertinent to the employment of individuals with disabilities.

''(3) APPLICATION.—To be eligible to receive a grant under this subsection on behalf of a consortium, an institution of higher education shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including information demonstrating—

''(A) that the institution of higher education has established a consortium of members that represent—

''(i) the institution of higher education;

''(ii) a community college;

''(iii) a secondary school;

''(iv) a center for independent living;

''(v) a designated State agency;

''(vi) a one-stop center established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(vii) the local business community;

''(B) the collaborative working relationships between the institution of higher education and the other members of the consortium, and describing the activities that each member shall undertake; and

''(C) the capacity and expertise of the institution of higher education—

''(i) to coordinate training and education related to disability studies and leadership development with educational institutions and disability-related organizations; and

''(ii) to conduct such training and education effectively.

''(4) DISTRIBUTION OF GRANTS.—In making grants under this subsection, the Commissioner shall ensure that the grants shall be distributed for a geographically diverse set of eligible consortia throughout all regions.

''(5) MANDATORY USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium shall ensure that the consortium shall use the grant funds to—

''(A) encourage interest in, enhance awareness and understanding of, and provide educational opportunities in, disability-related fields, and encourage leadership development among students served by a covered institution, including such students who are individuals with disabilities;

''(B) enable the students at a covered institution to gain practical skills and identify work experience opportunities, including opportunities developed by the consortium in conjunction with the private sector, that benefit individuals with disabilities;

''(C) develop postsecondary school career pathways leading to gainful employment, the attainment of an associate or baccalaureate degree, or the completion of further coursework or a further degree, in a disability-related field;

''(D) offer credit-bearing, college-level coursework in a disability-related field to qualified students served by a covered institution; and

''(E) ensure faculty and staff employed by the members of the consortium are available to—

''(i) students at a covered institution for educational and career advising; and

''(ii) teachers and staff of a covered institution for disability-related training.

''(6) PERMISSIBLE USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium may permit the consortium to use the grant funds to develop or adapt disabilities studies curricula, including curricula with distance learning opportunities, for use at covered institutions, to encourage students served by such covered institutions to enter careers in disability-related fields.

''(7) CONSULTATION.—The consortium shall consult with appropriate agencies that serve or assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, located in the jurisdiction served by the consortium, concerning the program of education and training carried out by the consortium.

''(8) REVIEWS.—

''(A) ADVISORY COMMITTEE.—For an institution of higher education to be eligible to receive a grant under this subsection on behalf of a consortium, the consortium shall have an advisory committee that consists of members that represent the interests of individuals with disabilities, including—

''(i) a professional in the field of vocational rehabilitation;

''(ii) an individual with a disability or a family member of such an individual; and

''(iii) a representative of each type of entity or community represented on the consortium.

''(B) QUARTERLY REVIEWS.—The advisory committee shall meet at least once during each calendar quarter to conduct a review of the program of education and training carried out by the consortium. The committee shall directly advise the governing board of the institution of higher education in the consortium about the views and recommendations of the advisory committee resulting from the review.

''(9) ACCOUNTABILITY.—Every 2 years, the Commissioner shall—

''(A) using information collected from the reviews required in paragraph (8), assess the effectiveness of the Disability Career Pathways program carried out under this subsection, including assessing how many individuals were served by each eligible consortium and how many of those individuals received postsecondary education, or entered into employment, in a disability-related field; and

''(B) prepare and submit to Congress a report containing the results of the assessments described in subparagraph (A).''; and

(4) in subsection (j), as redesignated by paragraph (2)—

(A) by striking ''There'' and inserting the following:

''(1) IN GENERAL.—There'';

(B) in paragraph (1), as designated by subparagraph (A)—

(i) by striking ''this section'' and inserting ''this section (other than subsections (c) and (d))''; and

(ii) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(C) by adding at the end the following:

''(2) RESERVATIONS.—Of the sums appropriated under paragraph (1) for a fiscal year, the Secretary may reserve—

''(A) not more than $500,000 to carry out subsection (e);

''(B) not more than $5,000,000 to carry out subsection (f); and

''(C) not more than $5,000,000 to carry out subsection (g).''.

SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.

Section 304(b) of the Rehabilitation Act of 1973 (29 U.S.C. 774(b)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 444. RECREATIONAL PROGRAMS.

Section 305 of the Rehabilitation Act of 1973 (29 U.S.C. 775) is amended—

(1) in subsection (a)(1)(B), by striking ''construction of facilities for aquatic rehabilitation therapy,''; and

(2) in subsection (b), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle D—National Council on Disability

SEC. 451. AUTHORIZATION OF APPROPRIATIONS.

Section 405 of the Rehabilitation Act of 1973 (29 U.S.C. 785) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle E—Rights and Advocacy

SEC. 461. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

Section 502(j) of the Rehabilitation Act of 1973 (29 U.S.C. 792(j)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e) is amended—

(1) in subsection (c)(1)(A), by inserting ''a grant for'' after ''to provide'';

(2) in subsection (g)(2), by striking ''was paid'' and inserting ''was paid, except that program income generated from the amount paid to an eligible system shall remain available to such system until expended'';

(3) in subsection (*l*), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(4) by redesignating subsections (*l*) and (m) as subsections (m) and (n), respectively; and

(5) by inserting after subsection (k) the following:

''(*l*) SYSTEM AUTHORITY.—For purposes of serving persons eligible for services under this section, an eligible system shall have the same general authorities, including access to records, as the system is afforded under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (29 U.S.C. 796c et seq.), as determined by the Commissioner.''.

Subtitle F—Employment Opportunities for Individuals With Disabilities

SEC. 471. PROJECTS WITH INDUSTRY.

Section 611(a) of the Rehabilitation Act of 1973 (29 U.S.C. 795(a)) is amended—

(1) in paragraph (1), by inserting '', locally and nationally'' before the period at the end; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting ''local and national'' before ''Projects With Industry''; and

(B) in subparagraph (A)—

(i) in clause (iii), by striking ''and'' after the semicolon;

(ii) in clause (iv), by inserting ''and'' after the semicolon; and

(iii) by adding at the end the following:

''(v) coordinate activities with the Job Corps center industry councils established under section 154 of the Workforce Investment Act of 1998 (29 U.S.C. 2894);''.

SEC. 472. PROJECTS WITH INDUSTRY AUTHORIZATION OF APPROPRIATIONS.

Section 612 of the Rehabilitation Act of 1973 (29 U.S.C. 795a) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 473. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT DISABILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 628 of the Rehabilitation Act of 1973 (29 U.S.C. 795n) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle G—Independent Living Services and Centers for Independent Living

SEC. 481. STATE PLAN.

Section 704 of the Rehabilitation Act of 1973 (29 U.S.C. 796c) is amended by adding at the end the following:

''(o) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(1) IN GENERAL.—The plan shall describe how the State will provide independent living services that promote full access to community life for individuals with significant disabilities.

''(2) SERVICES.—The services shall include, as appropriate—

''(A) facilitating transitions of—

''(i) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(ii) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(B) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(C) promoting home ownership among individuals with significant disabilities.''.

SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.

(a) ESTABLISHMENT.—Section 705(a) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(a)) is amended by striking the second sentence and inserting the following: ''The Council shall not be established as an entity within a State agency, and shall not provide independent living services directly to individuals with significant disabilities or manage such services.''.

(b) COMPOSITION.—Section 705(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)) is amended—

(1) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) in a State in which 1 or more projects provide services under section 121, not less than 1 representative of the directors of the projects.''; and

(2) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

(c) DUTIES.—Section 705(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(c)) is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and aligning the margins of those subparagraphs with the margins of subparagraph (E) of subsection (b)(3);

(2) by striking ''(c)'' and all that follows through ''shall—'' and inserting the following:

''(c) FUNCTIONS.—

''(1) DUTIES.—The Council shall—''; and

(3) by adding at the end the following:

''(2) AUTHORITIES.—The Council may, consistent with the State plan described in section 704, unless prohibited by State law—

''(A) provide advice and assistance to the designated State unit regarding the performance of its responsibilities under this title;

''(B) facilitate the improvement and coordination of services provided to individuals with disabilities by centers for independent living, the designated State unit, other Government agencies, and community organizations;

''(C) conduct resource development activities to obtain funding from public and private resources to support the activities described in this subsection or to support the provision of independent living services by centers for independent living; and

''(D) perform such other functions, consistent with the purpose of this chapter and comparable to other functions described in this subsection, as the Council determines to be appropriate.''.

SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZATION OF APPROPRIATIONS.

Section 714 of the Rehabilitation Act of 1973 (29 U.S.C. 796e–3) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 484. PROGRAM AUTHORIZATION.

Section 721 of the Rehabilitation Act of 1973 (29 U.S.C. 796f) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) ALLOTMENTS TO STATES.—

''(1) DEFINITIONS.—In this subsection:

''(A) ADDITIONAL APPROPRIATION.—The term 'additional appropriation' means the amount (if any) by which the appropriation for a fiscal year exceeds the total of—

''(i) the amount reserved under subsection (b) for that fiscal year; and

''(ii) the appropriation for fiscal year 2005.

''(B) APPROPRIATION.—The term 'appropriation' means the amount appropriated to carry out this part.

''(C) BASE APPROPRIATION.—The term 'base appropriation' means the portion of the appropriation for a fiscal year that is equal to the lesser of—

''(i) an amount equal to 100 percent of the appropriation, minus the amount reserved under subsection (b) for that fiscal year; or

''(ii) the appropriation for fiscal year 2005.

''(2) ALLOTMENTS TO STATES FROM BASE APPROPRIATION.—After the reservation required by subsection (b) has been made, the Commissioner shall allot to each State whose State plan has been approved under section 706 an amount that bears the same ratio to the base appropriation as the amount the State received under this subsection for fiscal year 2005 bears to the total amount that all States received under this subsection for fiscal year 2005.

''(3) ALLOTMENTS TO STATES OF ADDITIONAL APPROPRIATION.—From any additional appropriation for each fiscal year, the Commissioner shall allot to each State whose State plan has been approved under section 706 an amount equal to the sum of—

''(A) an amount that bears the same ratio to 50 percent of the additional appropriation as the population of the State bears to the population of all States; and

''(B) 1/56 of 50 percent of the additional appropriation.''; and

(2) by adding at the end the following:

''(e) CARRYOVER AUTHORITY.—Notwithstanding any other provision of law—

''(1) any funds appropriated for a fiscal year to carry out a grant program under section 722 or 723, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year; and

''(2) any amounts of program income received by recipients under a grant program under section 722 or 723 in a fiscal year, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year, shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year.''.

SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH FEDERAL FUNDING EXCEEDS STATE FUNDING.

Section 722(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–1(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH STATE FUNDING EQUALS OR EXCEEDS FEDERAL FUNDING.

Section 723(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–2(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR INDEPENDENT LIVING.

Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–4(b)) is amended by adding at the end the following:

''(8) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(A) IN GENERAL.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities.

''(B) SERVICES.—The services shall include, as appropriate—

''(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(iii) promoting home ownership among individuals with significant disabilities.''.

SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZATION OF APPROPRIATIONS.

Section 727 of the Rehabilitation Act of 1973 (29 U.S.C. 796f–6) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.

Chapter 2 of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796j et seq.) is amended—

(1) by redesignating sections 752 and 753 as sections 753 and 754, respectively; and

(2) by inserting after section 751 the following:

''SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.

''(a) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—For any fiscal year for which the funds appropriated to carry out this chapter exceed the funds appropriated to carry out this chapter for fiscal year 2005, the Commissioner shall first reserve from such excess, to provide training and technical assistance to designated State agencies for such fiscal year, not less than 1.8 percent, and not more than 2 percent, of the funds appropriated to carry out this chapter for the fiscal year involved.

''(b) ALLOCATION.—From the funds reserved under subsection (a), the Commissioner shall make grants to, and enter into contracts and other arrangements with, entities that demonstrate expertise in the provision of services to older individuals who are blind to provide training and technical assistance with respect to planning, developing, conducting, administering, and evaluating independent living programs for older individuals who are blind.

''(c) FUNDING PRIORITIES.—The Commissioner shall conduct a survey of designated State agencies that receive grants under section 753 regarding training and technical assistance needs in order to determine funding priorities for grants, contracts, and other arrangements under this section.

''(d) REVIEW.—To be eligible to receive a grant or enter into a contract or other arrangement under this section, an entity shall submit an application to the Commissioner at such time, in such manner, containing a proposal to provide such training and technical assistance, and containing such additional information as the Commissioner may require.

''(e) PROHIBITION ON COMBINED FUNDS.—No funds reserved by the Commissioner under this section may be combined with funds appropriated under any other Act or part of this Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such reserved funds are separately identified in the agreement for such grant or payment and are used for the purposes of this chapter.''.

SEC. 490. PROGRAM OF GRANTS.

Section 753 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended—

(1) by striking subsection (h);

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively;

(3) in subsection (b), by striking ''section 753'' and inserting ''section 754'';

(4) in subsection (c)—

(A) in paragraph (1), by striking ''section 753'' and inserting ''section 754''; and

(B) in paragraph (2)—

(i) by striking ''subsection (j)'' and inserting ''subsection (i)''; and

(ii) by striking ''subsection (i)'' and inserting ''subsection (h)'';

(5) in subsection (g), by inserting '', or contracts with,'' after ''grants to'';

(6) in subsection (h), as redesignated by paragraph (2)—

(A) in paragraph (1), by striking ''subsection (j)(4)'' and inserting ''subsection (i)(4)''; and

(B) in paragraph (2)—

(i) in subparagraph (A)(vi), by adding ''and'' after the semicolon;

(ii) in subparagraph (B)(ii)(III), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(7) in subsection (i), as redesignated by paragraph (2)—

(A) by striking paragraph (2) and inserting the following:

''(2) MINIMUM ALLOTMENT.—

''(A) STATES.—In the case of any of the several States, the District of Columbia, or the Commonwealth of Puerto Rico, the amount referred to in paragraph (1)(A) for a fiscal year is the greater of—

''(i) $350,000;

''(ii) an amount equal to the amount the State, the District of Columbia, or the Commonwealth of Puerto Rico received to carry out this chapter for fiscal year 2005; or

''(iii) an amount equal to ⅓ of 1 percent of the amount appropriated under section 754, and not reserved under section 752, for the fiscal year and available for allotments under subsection (a).

''(B) CERTAIN TERRITORIES.—In the case of Guam, American Samoa, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the amount referred to in paragraph (1)(A) for a fiscal year is $60,000.'';

(B) in paragraph (3)(A), by striking ''section 753'' and inserting ''section 754, and not reserved under section 752,''; and

(C) in paragraph (4)(B)(i), by striking ''subsection (i)'' and inserting ''subsection (h)''.

SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND AUTHORIZATION OF APPROPRIATIONS.

Section 754 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle H—Miscellaneous

SEC. 495. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of the Helen Keller National Center Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles I and III of this Act. The Secretary of Education shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles II and IV of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been rescheduled before the Committee on Energy and Natural Resources.

The hearing originally scheduled for Thursday, June 29, 2006, at 10 a.m. in Room SD–366 of the Dirksen Senate Office Building will now be held on Thursday, July 13, 2006, at 10 a.m. in the same room.

The purpose of the hearing is to receive testimony on H.R. 5254, the Refinery Permit Process Schedule Act.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

For further information, please contact John Peschke or Shannon Ewan.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will be held on Tuesday, July 11, 2006, at 2:30 p.m. in Room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony relating to implementation of the Energy Policy Act of 2005 on geothermal energy and other renewable energy production on Federal lands in the Western States.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony

for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, Washington, DC 20510–6150.

For further information, please contact Dick Bouts or Sara Zecher.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. McCAIN. Mr. President, I ask unanimous consent that the committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on June 29, 2006, immediately following the first rollcall vote of the day's session, to vote on the nomination of Mr. James S. Simpson, of New York, to be Federal Transit Administrator, Department of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Thursday, June 29, 2006, at 10 a.m., in 215 Dirksen Senate Office Building, to hear testimony on ''The U.S.-Peru Trade Promotion Agreement''.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session on Thursday, June 29, 2006, at 2:30 p.m., in 215 Dirksen Senate Office Building, to hear testimony on ''Small Business Pension Plans: How Can We Increase Worker Coverage?''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 29, 2006, at 9:30 p.m. to hold a hearing on Russia.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 29, 2006, at 11 a.m. to hold a Business Meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, June 29, 2006, at 9:30 a.m. in the Dirksen Senate Office Building Room 226.

Tentative agenda

I. Nominations: Neil M. Gorsuch to be U.S. Circuit Judge for the Tenth Circuit; Jerome A. Holmes to be U.S. Circuit Judge for the Tenth Circuit; Gustavo Antonio Gelpi to be U.S. District Judge for the District of Puerto Rico; Daniel Porter Jordan III to be U.S. District Judge for the Southern District of Mississippi; R. Alexander Acosta to be U.S. Attorney for the Southern District of Florida; Martin J. Jackley to be U.S. Attorney for the District of South Dakota; Brett L. Tolman to be U.S. Attorney for the District of Utah.

II. Bills: S. 2453—National Security Surveillance Act of 2006 [Specter]; S. 2455—Terrorist Surveillance Act of 2006 [DeWine, Graham]; S. 2468—A bill to provide standing for civil actions for declaratory and injunctive relief to persons who refrain from electronic communications through fear of being subject to warrantless electronic surveillance for foreign intelligence purposes, and for other purposes [Schumer]; S. 3001—Foreign Intelligence Surveillance Improvement and Enhancement Act of 2006 [Specter, Feinstein]; S. 2831—Free Flow of Information Act of 2006 [Lugar, Specter, Graham, Schumer, Biden, Grassley]; H.R. 1036—Copyright Royalty Judges Program Technical Corrections Act [Smith—TX]; S. 155—Gang Prevention and Effective Deterrence Act of 2005 [Feinstein, Hatch, Grassley, Cornyn, Kyl, Specter]; S. 2703—Fannie Lou Hamer, Rosa Parks, and Coretta Scott King Voting Rights Act Reauthorization and Amendments Act of 2006 [Specter, Leahy, Grassley, Kennedy, DeWine, Feinstein, Brownback, Durbin, Schumer, Kohl, Biden, Feingold]; S. 1845—Circuit Court of Appeals Restructuring and Modernization Act of 2005 [Ensign, Kyl]; S. 2679—Unsolved Civil Rights Crime Act [Talent, DeWine, Cornyn].

III. Matters: Subpoenas Relating to OPR Investigation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate to consider the Nomination of Steven C. Preston to be the Administrator of the U.S. Small Business Administration, on Thursday, June 29, 2006.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. McCAIN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on June 29, 2006, at 2:30 p.m. to hold a closed briefing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary Subcommittee on Administrative Oversight and the Courts be authorized to meet to conduct a hearing on ''The Multidistrict Litigation Restoration Act'' on Thursday, July 29, 2006, at 2:30 p.m. in room 226 of the Dirksen Senate Office Building.

Witness list

Panel I: The Honorable Wm. Terrell Hodges, Senior United States District Judge, United States District Court for the Middle District of Florida, Chairman, Judicial Panel on Multidistrict Litigation, Ocala, FL and The Honorable Thomas W. Thrash, Jr., United States District Judge, United States District Court for the Northern District of Georgia, Atlanta, GA.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, AND INTERNATIONAL SECURITY

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Federal Financial Management, Government Information, and International Security be authorized to meet on Thursday, June 29, 2006, at 2:30 p.m. for a hearing regarding ''Community Development Block Grants: the Case for Reform.''

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia be authorized to meet on Thursday, June 29, 2006, at 9:30 a.m. for a hearing entitled, ''Enhancing Employee Performance: A Hearing on Pending Legislation.''

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following Finance Committee fellows and interns be allowed the privilege of the floor during the consideration of the Oman Free Trade Agreement: Janis Lazda, Chris Polhemus, J.J. Adams, Gwen Stoltz, Tom Duppong, and Robert Little.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I ask unanimous consent that Russ Ugone, a detailee of my staff working for the Senate Finance Committee, and Calvin Dane, an intern in my office but working in the Finance Committee, be granted the privilege of the floor for the duration of the debate on the United States-Oman Free Trade Agreement Implementation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE: REGISTRATION OF MASS MAILINGS

The filing date for 2006 second quarter mass mailings is Tuesday, July 25, 2006. If your office did no mass mailings during this period, please submit a form that states ''none.''

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records office will be open from 9 a.m. to 5:30 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office on (202) 224–0322.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

On Thursday, June 22, 2006, the Senate passed S. 2766, as follows:

S. 2766

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

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''John Warner National Defense Authorization Act for Fiscal Year 2007''.

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

(1) Senator John Warner of Virginia was elected a member of the United States Senate on November 7, 1978, for a full term beginning on January 3, 1979. He was subsequently appointed by the Governor of Virginia to fill a vacancy on January 2, 1979, and has served continuously since that date. He was appointed a member of the Committee on Armed Services in January 1979, and has served continuously on the Committee since that date, a period of nearly 28 years. Senator Warner's service on the Committee represents nearly half of its existence since it was established after World War II.

(2) Senator Warner came to the Senate and the Committee on Armed Services after a distinguished record of service to the Nation, including combat service in the Armed Forces and high civilian office.

(3) Senator Warner enlisted in the United States Navy upon graduation from high school in 1945, and served until the summer of 1946, when he was discharged as a Petty Officer 3rd Class. He then attended Washington and Lee University on the G.I. Bill. He graduated in 1949 and entered the University of Virginia Law School.

(4) Upon the outbreak of the Korean War in 1950, Senator Warner volunteered for active duty, interrupting his education to accept a commission in the United States Marine Corps. He served in combat in Korea as a ground officer in the First Marine Air Wing. Following his active service, he remained in the Marine Corps Reserve for several years, attaining the rank of captain.

(5) Senator Warner resumed his legal education upon returning from the Korean War and graduated from the University of Virginia Law School in 1953. He was selected by the late Chief Judge E. Barrett Prettyman of the United States Court of Appeals for the District of Columbia Circuit as his law clerk. After his service to Judge Prettyman, Senator Warner became an Assistant United States Attorney in the District of Columbia, and later entered private law practice.

(6) In 1969, the Senate gave its advice and consent to the appointment of Senator Warner as Under Secretary of the Navy. He served in this position until 1972, when he was confirmed and appointed as the 61st Secretary of the Navy since the office was established in 1798. As Secretary, Senator Warner was the principal United States negotiator and signatory of the Incidents at Sea Executive Agreement with the Soviet Union, which was signed in 1972 and remains in effect today. It has served as the model for similar agreements between states covering the operation of naval ships and aircraft in international sea lanes throughout the world.

(7) Senator Warner left the Department of the Navy in 1974. His next public service was as Director of the American Revolution Bicentennial Commission. In this capacity, he coordinated the celebration of the Nation's founding, directing the Federal role in all 50 States and in over 20 foreign nations.

(8) Senator Warner has served as chairman of the Committee on Armed Services of the United States Senate from 1999 to 2001, and again since January 2003. He served as ranking minority member of the committee from 1987 to 1993, and again from 2001 to 2003. Senator Warner concludes his service as chairman at the end of the 109th Congress, but will remain a member of the committee.

(9) This Act is the twenty-eighth annual authorization act for the Department of Defense for which Senator Warner has taken a major responsibility as a member of the Committee on Armed Services of the United States Senate, and the fourteenth for which he has exercised a leadership role as chairman or ranking minority member of the committee.

(10) Senator Warner, as seaman, Marine officer, Under Secretary and Secretary of the Navy, and member, ranking minority member, and chairman of the Committee on Armed Services, has made unique and lasting contributions to the national security of the United States.

(11) It is altogether fitting and proper that his Act, the last annual authorization Act for the national defense that Senator Warner manages in and for the United States Senate as chairman of the Committee on Armed Services, be named in his honor, as provided in subsection (a).

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

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

Subtitle B—Army Programs

Sec. 111. Limitation on availability of funds for the Joint Network Node.
Sec. 112. Comptroller General report on the contract for the Future Combat Systems program.
Sec. 113. Reports on Army Modularity Initiative.
Sec. 114. Replacement equipment.

Subtitle C—Navy Programs

Sec. 121. CVN–21 class aircraft carrier procurement.
Sec. 122. Construction of first two vessels under the next-generation destroyer program.
Sec. 123. Modification of limitation on total cost of procurement of CVN–77 aircraft carrier.

Subtitle D—Air Force Programs

Sec. 141. Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006.
Sec. 142. Prohibition on retirement of C–130E/H tactical airlift aircraft.
Sec. 143. Limitation on retirement of KC–135E aircraft.
Sec. 144. Limitation on retirement of B–52H bomber aircraft.
Sec. 145. Retirement of B–52H bomber aircraft.
Sec. 146. Funding for procurement of F–22A fighter aircraft.
Sec. 147. Multiyear procurement of F–119 engines for F–22A fighter aircraft.
Sec. 148. Multi-spectral imaging capabilities.
Sec. 149. Minuteman III Intercontinental Ballistic Missiles.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for science and technology.
Sec. 203. Amount for development and validation of warfighter rapid awareness processing technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Independent estimate of costs of the Future Combat Systems.
Sec. 212. Funding of defense science and technology programs.
Sec. 213. Hypersonics development.
Sec. 214. Trident sea-launched ballistic missiles.
Sec. 215. Arrow ballistic missile defense system.
Sec. 216. High Energy Laser Low Aspect Target Tracking.
Sec. 217. Advanced Aluminum Aerostructures Initiative.
Sec. 218. Legged mobility robotic research.
Sec. 219. Wideband Digital Airborne Electronic Sensing Array.
Sec. 220. Science and technology.

Subtitle C—Missile Defense Programs

Sec. 231. Availability of research, development, test, and evaluation funds for fielding ballistic missile defense capabilities.
Sec. 232. Policy of the United States on priorities in the development, testing, and fielding of missile defense capabilities.
Sec. 233. One-year extension of Comptroller General assessments of ballistic missile defense programs.
Sec. 234. Submittal of plans for test and evaluation of the operational capability of the ballistic missile defense system.
Sec. 235. Annual reports on transition of ballistic missile defense programs to the military departments.
Sec. 236. Testing and operations for missile defense.

Subtitle D—Other Matters

Sec. 251. Extension of requirement for Global Research Watch Program.

Sec. 252. Expansion and extension of authority to award prizes for advanced technology achievements.
Sec. 253. Policies and practices on test and evaluation to address emerging acquisition approaches.
Sec. 254. Development of the propulsion system for the Joint Strike Fighter.
Sec. 255. Independent cost analyses for Joint Strike Fighter engine program.
Sec. 256. Sense of Senate on technology sharing of Joint Strike Fighter technology.
Sec. 257. Report on biometrics programs of the Department of Defense.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Limitation on availability of funds for the Army Logistics Modernization Program.
Sec. 312. Availability of funds for exhibits for the national museums of the Armed Forces.
Sec. 313. Limitation on financial management improvement and audit initiatives within the Department of Defense.
Sec. 314. Limitation on availability of operation and maintenance funds for the management headquarters of the Defense Information Systems Agency.
Sec. 315. Expansion of Junior Reserve Officers' Training Corps program.
Sec. 316. Infantry Combat Equipment.
Sec. 317. Individual First Aid Kit.
Sec. 318. Reading for the Blind and Dyslexic program of the Department of Defense.
Sec. 319. Military training infrastructure improvements at Virginia Military Institute.
Sec. 320. Environmental documentation for beddown of F–22A aircraft at Holloman Air Force Base, New Mexico.

Subtitle C—Environmental Provisions

Sec. 331. Response plan for remediation of military munitions.
Sec. 332. Extension of authority to grant exemptions to certain requirements.
Sec. 333. Research on effects of ocean disposal of munitions.
Sec. 334. Clarification of multi-year authority to use base closure funds to fund cooperative agreements under Environmental Restoration Program.
Sec. 335. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.

Subtitle D—Reports

Sec. 351. Comptroller General report on readiness of the ground forces of the Army and the Marine Corps.
Sec. 352. National Academy of Sciences study on human exposure to contaminated drinking water at Camp Lejeune, North Carolina.
Sec. 353. Report on aerial training airspace requirements of the Department of Defense.
Sec. 354. Report on actions to reduce Department of Defense consumption of petroleum-based fuel.
Sec. 355. Reports on withdrawal or diversion of equipment from reserve units for support of reserve units being mobilized and other units.
Sec. 356. Plan to replace equipment withdrawn or diverted from the reserve components of the Armed Forces for Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 357. Plan to replace equipment withdrawn or diverted from the reserve components of the Armed Forces for Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 358. Report on vehicle-based active protection systems for certain battlefield threats.
Sec. 359. Report on high altitude aviation training site, Eagle County, Colorado.
Sec. 360. Report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.
Sec. 360A. Report on use of alternative fuels by the Department of Defense.

Subtitle E—Workplace and Depot Issues

Sec. 361. Minimum capital investment levels for public depots serviced by working capital funds.
Sec. 362. Permanent exclusion of certain contract expenditures from percentage limitation on the performance of depot-level maintenance.
Sec. 363. Additional exception to prohibition on contractor performance of firefighting functions.
Sec. 364. Temporary security guard services for certain work caused by realignment of military installations under the base closure laws.

Subtitle F—Other Matters

Sec. 371. Recycling of military munitions.
Sec. 372. Incentives clauses in chemical demilitarization contracts.
Sec. 373. Extension of Department of Defense telecommunications benefit program.
Sec. 374. Extension of availability of funds for commemoration of success of the Armed Forces in Operation Enduring Freedom and Operation Iraqi Freedom.
Sec. 375. Energy efficiency in weapons platforms.
Sec. 376. Chemical demilitarization program contracting authority.
Sec. 377. Utilization of fuel cells as back-up power systems in Department of Defense operations.
Sec. 378. Prepositioning of Department of Defense assets to improve support to civilian authorities.
Sec. 379. Recovery and availability to corporation for the promotion of rifle practice and firearms safety of certain firearms, ammunition, and parts.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Repeal of requirement for permanent end strength levels to support two major regional contingencies.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2007 limitation on number of non-dual status technicians.
Sec. 415. Maximum number of reserve personnel authorized to be on active duty for operational support.

Subtitle C—Authorization of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

PART I—OFFICER PERSONNEL POLICY GENERALLY

Sec. 501. Military status of officers serving in certain intelligence community positions.
Sec. 502. Extension of temporary reduction of time-in-grade requirement for eligibility for promotion for certain active-duty list officers in grades of first lieutenant and lieutenant (junior grade).
Sec. 503. Extension of age limits for active-duty general and flag officers.
Sec. 504. Modification of authorities on senior members of the Judge Advocate General's Corps.
Sec. 505. Requirement for significant joint experience for officers appointed as Surgeon General of the Army, Navy, and Air Force.
Sec. 506. Grade and exclusion from active-duty general and flag officer distribution and strength limitations of officer serving as Attending Physician to the Congress.
Sec. 507. Discretionary separation and retirement of chief warrant officers, W–4, twice failing selection for promotion.
Sec. 508. Increased mandatory retirement ages for reserve officers.
Sec. 509. Modification of qualifications for leadership of the Naval Postgraduate School.

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Sec. 515. Promotions.
Sec. 516. Consideration of adverse information by promotion selection boards in recommendations on officers to be promoted.
Sec. 517. Expanded authority for removal from reports of selection boards of officers recommended for promotion to grades below general and flag grades.
Sec. 518. Clarification of nondisclosure requirements applicable to promotion selection board proceedings.
Sec. 519. Special selection board authorities.
Sec. 520. Removal from promotion lists of officers returned to the President by the Senate.
Sec. 521. Report on joint officer promotion boards.

PART III—JOINT OFFICER MANAGEMENT REQUIREMENTS

Sec. 526. Modification and enhancement of general authorities on management of joint qualified officers.
Sec. 527. Modification of promotion policy objectives for joint officers.
Sec. 528. Applicability of joint duty assignment requirements limited to graduates of National Defense University schools.
Sec. 529. Modification of definitions relating to jointness.

Sec. 530. Condition on appointment of commissioned officers to position of Director of National Intelligence or Director of the Central Intelligence Agency.

Subtitle B—Reserve Component Personnel Matters

Sec. 531. Enhanced flexibility in the management of reserve component personnel.
Sec. 532. Expansion of activities authorized for Reserves under Weapons of Mass Destruction Civil Support Teams.
Sec. 533. Modification of authorities relating to the Commission on the National Guard and Reserves.
Sec. 534. Pilot program on reintegration of members of the National Guard into civilian life after deployment.

Subtitle C—Military Justice and Related Matters

Sec. 551. Applicability of Uniform Code of Military Justice to members of the Armed Forces ordered to active duty overseas in inactive duty for training status.
Sec. 552. Clarification of application of Uniform Code of Military Justice during a time of war.

Subtitle D—Education and Training Matters

Sec. 561. Detail of commissioned officers as students at medical schools.
Sec. 562. Expansion of eligibility to provide Junior Reserve Officers' Training Corps instruction.
Sec. 563. Increase in maximum amount of repayment under education loan repayment for officers in specified health professions.
Sec. 564. Increase in benefits under Health Professions Scholarship and Financial Assistance program.
Sec. 565. Report on Health Professions Scholarship and Financial Assistance program.
Sec. 566. Expansion of instruction available at the Naval Postgraduate School for enlisted members of the Armed Forces.
Sec. 567. Modification of actions to address sexual harassment and sexual violence at the service academies.
Sec. 568. Department of Defense policy on service academy and ROTC graduates seeking to participate in professional sports before completion of their active-duty service obligations.
Sec. 569. Review of legal status of Junior ROTC program.
Sec. 570. Junior Reserve Officers' Training Corps instructor qualifications.
Sec. 570A. Modification of time limit for use of entitlement to educational assistance for reserve component members supporting contingency operations and other operations.

Subtitle E—Defense Dependents Education Matters

Sec. 571. Funding for assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 572. Impact aid for children with severe disabilities.
Sec. 573. Plan to assist local educational agencies experiencing growth in enrollment due to force structure changes, relocation of military units, or BRAC.
Sec. 574. Pilot program on parent education to promote early childhood education for dependent children affected by military deployment or relocation of military units.

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Sec. 582. Military ID cards for retiree dependents who are permanently disabled.
Sec. 583. Military voting matters.
Sec. 584. Presentation of Medal of Honor Flag to primary next of kin of Medal of Honor recipients.
Sec. 585. Modification of effective period of authority to present recognition items for recruitment and retention purposes.
Sec. 586. Military Severely Injured Center.
Sec. 587. Sense of Senate on notice to Congress of recognition of members of the Armed Forces for extraordinary acts of bravery, heroism, and achievement.
Sec. 588. Report on provision of electronic copy of military records on discharge or release of members from the Armed Forces.
Sec. 589. Purple Heart award eligibility.
Sec. 590. Comprehensive review on procedures of the Department of Defense on Mortuary Affairs.
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TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

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Sec. 602. Increase in maximum rate of basic pay for general and flag officer grades.
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Sec. 604. One-year extension of prohibition against requiring certain injured members to pay for meals provided by military treatment facilities.
Sec. 605. Additional housing allowance for Reserves on active duty in support of a contingency operation.
Sec. 606. Extension of temporary continuation of housing allowance for dependents of members dying on active duty to spouses who are members of the uniformed services.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. Extension of special pay and bonus authorities for nuclear officers.
Sec. 614. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 615. Increase in special pay for Selected Reserve health care professionals in critically short wartime specialties.
Sec. 616. Expansion and enhancement of accession bonus authorities for certain officers in health care specialities.
Sec. 617. Increase in nuclear career accession bonus for nuclear-qualified officers.
Sec. 618. Modification of certain authorities applicable to the targeted shaping of the Armed Forces.
Sec. 619. Extension of pilot program on contributions to Thrift Savings Plan for initial enlistees in the Army.
Sec. 620. Accession bonus for members of the Armed Forces appointed as commissioned officers after completing officer candidate school.
Sec. 621. Enhancement of bonus to encourage members of the Army to refer other persons for enlistment in the Army.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Expansion of payment of replacement value of personal property damaged during transport at government expense.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Modification of Department of Defense contributions to Military Retirement Fund and government contributions to Medicare-Eligible Retiree Health Care Fund.
Sec. 642. Repeal of requirement of reduction of SBP survivor annuities by dependency and indemnity compensation.
Sec. 643. Effective date of paid-up coverage under Survivor Benefit Plan.
Sec. 644. Expansion of conditions for direct payment of divisible retired pay.
Sec. 645. Authority for cost of living adjustments of retired pay treated as divisible property.
Sec. 646. Notice and copy to members of court orders on payment of retired pay.
Sec. 647. Retention of assistive technology and devices by certain members of the Armed Forces after separation from service.
Sec. 648. Renaming of death gratuity payable for deaths of members of the Armed Forces as fallen hero compensation.
Sec. 649. Effective date of termination of phase-in of concurrent receipt for veterans with service-connected disabilities rated as total by virtue of unemployability.
Sec. 650. Determination of retired pay base of general and flag officers based on rates of basic pay provided by law.
Sec. 651. Inapplicability of retired pay multiplier maximum percentage to service of members of the Armed Forces in excess of 30 years.
Sec. 652. Modification of eligibility for commencement of authority for optional annuities for dependents under the survivor benefit plan.
Sec. 653. Commencement of receipt of nonregular service retired pay by members of the Ready Reserve on active Federal status or active duty for significant periods.

Subtitle E—Other Matters

Sec. 661. Audit of pay accounts of members of the Army evacuated from a combat zone for inpatient care.
Sec. 662. Pilot Program on Troops to Nurse Teachers.
Sec. 663. Expansion and enhancement of authority to remit or cancel indebtedness of members of the Armed Forces.

Sec. 664. Exception for notice to consumer reporting agencies regarding debts or erroneous payments pending a decision to waive, remit, or cancel.
Sec. 665. Enhancement of authority to waive claims for overpayment of pay and allowances.
Sec. 666. Terms of consumer credit extended to servicemember or servicemember's dependent.
Sec. 667. Joint family support assistance program.
Sec. 668. Improvement of management of Armed Forces Retirement Home.

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Sec. 681. Short title.
Sec. 682. Special working group on transition to civilian employment of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom and Operation Enduring Freedom.
Sec. 683. Office for employers and employment assistance organizations.
Sec. 684. Additional responsibilities of Department of Defense task force on mental health relating to mental health of members of the National Guard and Reserve deployed in Operation Iraqi Freedom and Operation Enduring Freedom.
Sec. 685. Grants on assistance in community-based settings for members of the National Guard and Reserve and their families after deployment in Operation Iraqi Freedom and Operation Enduring Freedom.
Sec. 686. Longitudinal study on traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom and Operation Enduring Freedom.
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TITLE VII—HEALTH CARE

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Sec. 701. Improved procedures for cancer screening for women.
Sec. 702. National mail-order pharmacy program.
Sec. 703. Availability under TRICARE of anesthesia for children in connection with dental procedures for which dental anesthesia is inappropriate.
Sec. 704. TRICARE coverage for forensic examinations following sexual assaults and domestic violence.
Sec. 705. Prohibition on increase in fiscal year 2007 in enrollment fees for coverage under TRICARE Prime.
Sec. 706. Limitation on fiscal year 2007 increase in premiums for coverage under TRICARE of members of reserve components who commit to continued service in Selected Reserve after release from active duty.
Sec. 707. Temporary prohibition on increase in copayments under retail pharmacy system of pharmacy benefits program.
Sec. 708. Expansion of eligibility of members of the Selected Reserve for coverage under TRICARE.

Subtitle B—Planning, Programming, and Management

Sec. 721. Treatment of TRICARE Retail Pharmacy Network under Federal procurement of pharmaceuticals.
Sec. 722. Relationship between the TRICARE program and employer-sponsored group health care plans.
Sec. 723. Enrollment in the TRICARE program.
Sec. 724. Incentive payments for the provision of services under the TRICARE program in medically underserved areas.
Sec. 725. Standardization of claims processing under TRICARE program and Medicare program.
Sec. 726. Requirements for support of military treatment facilities by civilian contractors under TRICARE.
Sec. 727. Uniform standards for access to health care services for wounded or injured servicemembers.
Sec. 728. Disease and chronic care management.
Sec. 729. Post-deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation.
Sec. 730. Mental Health Self-Assessment Program.
Sec. 731. Additional authorized option periods for extension of current contracts under TRICARE.
Sec. 732. Military vaccination matters.
Sec. 733. Enhanced mental health screening and services for members of the Armed Forces.
Sec. 734. Education, training, and supervision of personnel providing special education services under extended benefits under TRICARE.

Subtitle C—Studies and Reports

Sec. 741. Pilot projects on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions.
Sec. 742. Annual reports on certain medical malpractice cases.
Sec. 743. Comptroller General study on Department of Defense pharmacy benefits program.
Sec. 744. Comptroller General audits of Department of Defense health care costs and cost-saving measures.
Sec. 745. Review of Department of Defense medical quality improvement program.
Sec. 746. Study of health effects of exposure to depleted uranium.

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Sec. 761. Extension of limitation on conversion of military medical and dental positions to civilian medical and dental positions.
Sec. 762. Transfer of custody of the Air Force health study assets to Medical Follow-Up Agency.
Sec. 763. Sense of Senate on the Transformational Medical Technology Initiative of the Department of Defense.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

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Sec. 802. Extension and enhancement of Defense Acquisition Challenge Program.
Sec. 803. Baseline description and unit cost reports for major defense acquisition programs.
Sec. 804. Major automated information system programs.
Sec. 805. Adjustment of original baseline estimate for major defense acquisition programs experiencing cost growth resulting from damage caused by Hurricanes Katrina, Rita, and Wilma.
Sec. 806. Internal controls for procurements on behalf of the Department of Defense by certain non-defense agencies.
Sec. 807. Regulations on use of fixed-price contracts in development programs.
Sec. 808. Availability of funds for performance-based logistics contracts for weapon systems logistics support.
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Sec. 810. Three-year extension of requirement for reports on commercial price trend analyses of the Department of Defense.
Sec. 811. Pilot program on time-certain development in acquisition of major weapon systems.
Sec. 812. Government performance of critical acquisition functions.

Subtitle B—Defense Industrial Base Matters

Sec. 821. Removal of hand and measuring tools from certain requirements.
Sec. 822. Applicability of certain requirements regarding specialty metals.
Sec. 823. Waiver authority for domestic source or content requirements.
Sec. 824. Repeal of requirement for identification of essential military items and military system essential item breakout list.
Sec. 825. Consistency with United States obligations under trade agreements.

Subtitle C—Defense Contractor Matters

Sec. 841. Requirements for defense contractors relating to certain former Department of Defense officials.
Sec. 842. Lead systems integrators.
Sec. 843. Linking of award and incentive fees to acquisition outcomes.
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Sec. 845. Report on Department of Defense contracting with contractors or subcontractors employing members of the Selective Reserve.

Subtitle D—Program Manager Matters

Sec. 861. Program manager empowerment and accountability.
Sec. 862. Tenure and accountability of program managers for program development periods.
Sec. 863. Tenure and accountability of program managers for program execution periods.

Sec. 864. Department of Defense plan for contingency program management.
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Sec. 871. Clarification of authority to carry out certain prototype projects.
Sec. 872. One-year extension of special temporary contract closeout authority.
Sec. 873. One-year extension of inapplicability of certain laws to contracting with employers of persons with disabilities.
Sec. 874. Pilot program on expanded use of mentor-protege authority.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

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Sec. 901. United States Military Cancer Institute.
Sec. 902. Senior acquisition executive for special operations within staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.
Sec. 903. United States Marine Band and United States Marine Drum and Bugle Corps.
Sec. 904. Military deputies to the assistant secretaries of the military departments for acquisition, logistics, and technology matters.

Subtitle B—Space Activities

Sec. 911. Establishment of operationally responsive space capabilities.
Sec. 912. Extension of authority for pilot program on provision of space surveillance network services to non-United States Government entities.
Sec. 913. Independent review and assessment of Department of Defense organization and management for national security in space.

Subtitle C—Other Matters

Sec. 921. Department of Defense policy on unmanned systems.
Sec. 922. Executive Schedule level IV for Deputy Under Secretary of Defense for Logistics and Materiel Readiness.
Sec. 923. Three-year extension of joint incentives program on sharing of health care resources by the Department of Defense and Department of Veterans Affairs.
Sec. 924. Sense of Senate on nomination of individual to serve as Director of Operational Test and Evaluation on a permanent basis.
Sec. 925. Inclusion of homeland defense and civil support missions of the National Guard and Reserves in the Quadrennial Defense Review.
Sec. 926. Reforms to the Defense Travel System to a Fee-For-Use-of-Service System.
Sec. 927. Report on incorporation of elements of the reserve components into the Special Forces.

Subtitle D—National Guard Bureau Matters

Sec. 931. Short title.
Sec. 932. Expanded authority of Chief of the National Guard Bureau and expanded functions of the National Guard Bureau.
Sec. 933. Requirement that position of Deputy Commander of the United States Northern Command be filled by a qualified National Guard officer.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Authorization of additional emergency supplemental appropriations for fiscal year 2006.
Sec. 1003. Reduction in certain authorizations due to savings relating to lower inflation.
Sec. 1004. Increase in fiscal year 2006 general transfer authority.
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Sec. 1006. Modification of date of submittal of OMB/CBO report on scoring of outlays.
Sec. 1007. Prohibition on parking of funds.
Sec. 1008. Incorporation of Classified Annex.
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Sec. 1012. Approval of transfer of naval vessels to foreign nations by vessel class.
Sec. 1013. Naming of CVN–78 Aircraft Carrier as the U.S.S. Gerald Ford.
Sec. 1014. Authority to donate SS ARTHUR M. HUDDELL to the Government of Greece.

Subtitle C—Counterdrug Matters

Sec. 1021. Extension of availability of funds for unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1022. Extension of authority of Department of Defense to provide additional support for counterdrug activities of other governmental agencies.
Sec. 1023. Extension and expansion of certain authorities to provide additional support for counterdrug activities.
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Sec. 1031. Two-year extension of authority to engage in commercial activities as security for intelligence collection activities.
Sec. 1032. Annual report on intelligence oversight activities of the Department of Defense.
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TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

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Sec. 3301. Transfer of government-furnished uranium stored at Sequoyah Fuels Corporation, Gore, Oklahoma.

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Sec. 3401. Completion of equity finalization process for Naval Petroleum Reserve Numbered 1.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $3,457,329,000.
(2) For missiles, $1,428,859,000.
(3) For weapons and tracked combat vehicles, $2,849,743,000.
(4) For ammunition, $2,036,785,000.
(5) For other procurement, $7,729,602,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,704,155,000.
(2) For weapons, including missiles and torpedoes, $2,587,020,000.
(3) For shipbuilding and conversion, $12,058,553,000.
(4) For other procurement, $5,045,516,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,300,213,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $809,943,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $12,004,096,000.
(2) For missiles, $4,224,145,000.
(3) For ammunition, $1,076,749,000.
(4) For other procurement, $15,434,586,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,980,498,000.

Subtitle B—Army Programs

SEC. 111. LIMITATION ON AVAILABILITY OF FUNDS FOR THE JOINT NETWORK NODE.

(a) LIMITATION.—Of the amount authorized to be appropriated by section 101(5) for other procurement for the Army and available for purposes of the procurement of the Joint Network Node, not more than 50 percent of such amount may be available for such purposes until the Secretary of the Army submits to the congressional defense committees a report on the strategy of the Army for the convergence of the Joint Network Node, the Warfighter Information Network—Tactical, and the Mounted Battle Command On-the-Move communications programs.

(b) ELEMENTS.—The report described in subsection (a) shall include a description of the acquisition plan required for the convergence described in that subsection, including the implementation plan, schedule, and funding of such acquisition plan.

(c) DEADLINE.—The report described in subsection (a) shall be submitted under that subsection, if at all, not later than March 15, 2007.

SEC. 112. COMPTROLLER GENERAL REPORT ON THE CONTRACT FOR THE FUTURE COMBAT SYSTEMS PROGRAM.

(a) REPORT REQUIRED.—Not later than March 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the Future Combat Systems.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the responsibilities of the lead systems integrator in managing the Future Combat Systems program under the contract for the Future Combat Systems, and an assessment of the manner in which such responsibilities differ from the typical responsibilities of a lead systems integrator under acquisition contracts of the Department of Defense.

(2) A description and assessment of the responsibilities of the Army in managing the Future Combat Systems program, including oversight of the activities of the lead systems integrator and the decisions made by the lead systems integrator.

(3) An assessment of the manner in which the Army—

(A) ensures that the lead systems integrator meets goals for the Future Combat Systems in a timely manner; and

(B) evaluates the extent to which such goals are met.

(4) An identification of the mechanisms in place to ensure the protection of the interests of the United States in the Future Combat Systems program.

(5) An identification of the mechanisms in place to mitigate organizational conflicts of interests with respect to competition on Future Combat Systems technologies and equipment under subcontracts under the Future Combat Systems program.

SEC. 113. REPORTS ON ARMY MODULARITY INITIATIVE.

(a) REPORT BY SECRETARY OF THE ARMY.—

(1) REPORT REQUIRED.—Not later than March 15, 2007, the Secretary of the Army shall submit to the congressional defense committees a report on the modularity initiative of the Army.

(2) ELEMENTS.—The report required by this subsection shall include the following:

(A) A description of the manner in which the Army distinguishes costs under the modularity initiative from costs of modernization and reset.

(B) An identification, by line item, of the amount of funds expended to date on the modularity initiative.

(C) An identification, by line item, of the amount of funds the Army has budgeted and programmed to date on the modularity initiative.

(D) A detailed description on how modularity equipment will be allocated to the regular components and reserve components of the Armed Forces by 2011, and a description of any anticipated shortfalls in such allocation.

(E) A plan for further testing and evaluation of modular designs, and a summary of any lessons learned to date from modular brigades that have been established, deployed to Iraq, or both.

(b) ANNUAL COMPTROLLER GENERAL REPORTS.—

(1) REPORTS REQUIRED.—The Comptroller General of the United States shall submit to the congressional defense committees each year, not later than 45 days after the date on which the budget of the President is submitted to Congress for a fiscal year under section 1105 of title 31, United States Code, a report on the assessment of the Comptroller General on the following:

(A) The progress of the Army in equipping and manning modular units in the regular components and reserve components of the Armed Forces.

(B) The use of funds by the Army for the modularity initiative.

(C) The progress of the Army in conducting further testing and evaluations of designs under the modularity initiative.

(2) FIRST REPORT.—The first report required under this subsection shall be submitted in conjunction with the budget for fiscal year 2008.

SEC. 114. REPLACEMENT EQUIPMENT.

(a) PRIORITY.—Priority for the distribution of new and combat serviceable equipment, with associated support and test equipment for acting and reserve component forces, shall be given to units scheduled for mission deployment, employment first, or both regardless of component.

(b) ALLOCATION.—In the amounts authorized to be appropriated by section 101(5) for the procurement of replacement equipment, subject to subsection (a), priority for the distribution of Army National Guard equipment described in subsection (a) may be given to States that have experienced a major disaster, as determined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121–5206), and may require replacement equipment to respond to future emergencies/disasters only after distribution of new and combat serviceable equipment has been made in accordance with subsection (a).

Subtitle C—Navy Programs

SEC. 121. CVN–21 CLASS AIRCRAFT CARRIER PROCUREMENT.

(a) AVAILABILITY OF FUNDS FOR CVN–21 CLASS AIRCRAFT CARRIERS.—Amounts authorized to be appropriated to Shipbuilding and Conversion, Navy, for purposes of the construction of CVN–21 class aircraft carriers shall be available in the fiscal year for which authorized to be appropriated and the succeeding three fiscal years.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $834,100,000 shall be available for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–78, CVN–79, and CVN–80.

(c) CONTRACT AUTHORITY.—

(1) ADVANCE PROCUREMENT.—The Secretary of the Navy may enter into a contract during fiscal year 2007 for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–79 and CVN–80.

(2) CONSTRUCTION.—In the fiscal year immediately following the last fiscal year of the contract for advance procurement for a CVN–21 class aircraft carrier referred to in paragraph (1), the Secretary may enter into a contract for the construction of such aircraft carrier to be funded in the fiscal year of such contract for construction and the succeeding three fiscal years.

(d) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (b) shall provide that any obligation of the United States to make a payment under the contract for any subsequent fiscal year is subject to the availability of appropriations for that purpose for such subsequent fiscal year.

SEC. 122. CONSTRUCTION OF FIRST TWO VESSELS UNDER THE NEXT-GENERATION DESTROYER PROGRAM.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 may be available for the construction of the first two vessels under the next-generation destroyer program.

(b) CONTRACT AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy may in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of each of the first two vessels under the next-generation destroyer program.

(2) LIMITATION.—Not more than one contract described in paragraph (1) may be awarded under that paragraph to a single surface-combatant shipyard.

(3) DURATION ON PROCUREMENT.—Each contract under paragraph (1) shall contemplate funding for the procurement of a vessel under such contract in fiscal years 2007 and 2008.

(4) CONDITION ON OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2007 is subject to the availability of appropriations for that purpose for such fiscal year.

SEC. 123. MODIFICATION OF LIMITATION ON TOTAL COST OF PROCUREMENT OF CVN–77 AIRCRAFT CARRIER.

Section 122(f)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1650) is amended by striking ''$4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan)'' and inserting ''$6,057,000,000''.

Subtitle D—Air Force Programs

SEC. 141. PROCUREMENT OF JOINT PRIMARY AIRCRAFT TRAINING SYSTEM AIRCRAFT AFTER FISCAL YEAR 2006.

Any Joint Primary Aircraft Training System (JPATS) aircraft procured after fiscal year 2006 shall be procured through a contract under part 15 of the Federal Acquisition Regulation (FAR), relating to acquisition of items by negotiated contract (48 C.F.R. 15.000 et seq.), rather than through a contract under part 12 of the Federal Acquisition Regulation, relating to acquisition of commercial items (48 C.F.R. 12.000 et seq.).

SEC. 142. PROHIBITION ON RETIREMENT OF C–130E/H TACTICAL AIRLIFT AIRCRAFT.

The Secretary of the Air Force shall not retire any C–130E/H tactical airlift aircraft of the Air Force in fiscal year 2007.

SEC. 143. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of KC–135E aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 29 such aircraft.

SEC. 144. LIMITATION ON RETIREMENT OF B–52H BOMBER AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of B–52H bomber aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 18 such aircraft.

SEC. 145. RETIREMENT OF B–52H BOMBER AIRCRAFT.

(a) LIMITATION ON RETIREMENT PENDING REPORT ON BOMBER FORCE STRUCTURE.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for retiring or dismantling any of the 93 B–52H bomber aircraft in service in

the Air Force as of June 1, 2006, until 30 days after the Secretary of the Air Force transmits to the Committees on Armed Services of the Senate and the House of Representatives a report on the bomber force structure of the Air Force meeting the requirements of subsection (b).

(b) ELEMENTS.—

(1) IN GENERAL.—A report under subsection (a) shall set forth the following:

(A) The plan of the Air Force for the modernization of the B–52H bomber aircraft fleet.

(B) The plans of the Air Force for the modernization of the balance of the bomber force structure.

(C) The amount and type of bombers in the bomber force structure that is appropriate to meet the requirements of the national security strategy of the United States.

(D) A justification of the cost and projected savings of any reductions to the B–52H bomber aircraft fleet as a result of the retirement or dismantlement of the B–52H bomber aircraft covered by the report.

(E) The life expectancy of each bomber aircraft to remain in the bomber force structure.

(F) The date by which any new bomber aircraft must reach initial operational capability and the capabilities of the bomber force structure that would be replaced or superseded by any new bomber aircraft.

(2) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this subsection, the term ''amount and type of bomber force structure'' means the number of B–2 bomber aircraft, B–52H bomber aircraft, and B–1 bomber aircraft that are required to carry out the national security strategy of the United States.

(c) PREPARATION OF REPORT.—A report under this section shall be prepared and submitted by the Institute of Defense Analysis to the Secretary of the Air Force for transmittal by the Secretary in accordance with subsection (a).

SEC. 146. FUNDING FOR PROCUREMENT OF F–22A FIGHTER AIRCRAFT.

(a) PROHIBITION ON USE OF INCREMENTAL FUNDING.—The Secretary of the Air Force shall not use incremental funding for the procurement of F–22A fighter aircraft.

(b) MULTIYEAR PROCUREMENT.—The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of not more than 60 F–22A fighter aircraft.

SEC. 147. MULTIYEAR PROCUREMENT OF F–119 ENGINES FOR F–22A FIGHTER AIRCRAFT.

The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of the following:

(1) Not more than 120 F–119 engines for F–22A fighter aircraft.

(2) Not more than 13 spare F–119 engines for F–22A fighter aircraft.

SEC. 148. MULTI-SPECTRAL IMAGING CAPABILITIES.

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

(1) The budget of the President for fiscal year 2007, as submitted to Congress under section 1105(a) of title 31, United States Code, and the current Future-Years Defense Program adopts an Air Force plan to retire the remaining fleet of U–2 aircraft by 2011.

(2) This retirement would eliminate the multi-spectral capability provided by the electro-optical/infrared (EO/IR) Senior Year Electro-optical Reconnaissance System (SYERS–2) high-altitude imaging system.

(3) The system referred to in paragraph (2) provides high-resolution, long-range, day-and-night image intelligence.

(4) The infrared capabilities of the system referred to in paragraph (2) can defeat enemy efforts to use camouflage or concealment, as well as provide images through poor visibility and smoke.

(5) Although the Air Force has previously recognized the military value of Senior Year Electro-optical Reconnaissance System sensors, the Air Force has no plans to migrate this capability to any platform remaining in the fleet.

(6) The Air Force could integrate such capabilities onto the Global Hawk platform to retain this capability for combatant commanders.

(7) The Nation risks a loss of an important intelligence gathering capability if this capability is not transferred to another platform.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Air Force should investigate ways to retain the multi-spectral imaging capabilities provided by the Senior Year Electro-optical Reconnaissance System high-altitude imaging system after the retirement of the U–2 aircraft fleet.

(c) REPORT REQUIREMENT.—The Secretary of the Air Force shall submit to the congressional defense committees, at the same time the budget of the President for fiscal year 2008 is submitted to Congress under section 1105(a) of title 31, United States Code, a plan for migrating the capabilities provided by the Senior Year Electro-optical Reconnaissance System high-altitude imaging system from the U–2 aircraft to the Global Hawk platform before the retirement of the U–2 aircraft fleet in 2011.

SEC. 149. MINUTEMAN III INTERCONTINENTAL BALLISTIC MISSILES.

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

(1) In the Joint Explanatory Statement of the Committee of Conference on H.R. 1815, the National Defense Authorization Act for Fiscal Year 2006, the conferees state that the policy of the United States ''is to deploy a force of 500 ICBMs''. The conferees further note ''that unanticipated strategic developments may compel the United States to make changes to this force structure in the future.''.

(2) The Quadrennial Defense Review (QDR) conducted under section 118 of title 10, United States Code, in 2005 finds that maintaining a robust nuclear deterrent ''remains a keystone of United States national power''. However, notwithstanding that finding and without providing any specific justification for the recommendation, the Quadrennial Defense Review recommends reducing the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) from 500 to 450 beginning in fiscal year 2007. The Quadrennial Defense Review also fails to identify what unanticipated strategic developments compelled the United States to reduce the Intercontinental Ballistic Missile force structure.

(3) The commander of the Strategic Command, General James Cartwright, testified before the Committee on Armed Services of the Senate that the reduction in deployment of Minuteman III Intercontinental Ballistic Missiles is required so that the 50 missiles withdrawn from the deployed force could be used for test assets and spares to extend the life of the Minuteman III Intercontinental Ballistic Missile well into the future. If spares are not modernized, the Air Force may not have sufficient replacement missiles to sustain the force size.

(b) MODERNIZATION OF INTERCONTINENTAL BALLISTIC MISSILES REQUIRED.—The Air Force shall modernize Minuteman III Intercontinental Ballistic Missiles in the United States inventory as required to maintain a sufficient supply of launch test assets and spares to sustain the deployed force of such missiles through 2030.

(c) LIMITATION ON TERMINATION OF MODERNIZATION PROGRAM PENDING REPORT.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for the termination of any Minuteman III ICBM modernization program, or for the withdrawal of any Minuteman III Intercontinental Ballistic Missile from the active force, until 30 days after the Secretary of Defense submits to the congressional defense committees a report setting forth the following:

(1) A detailed strategic justification for the proposal to reduce the Minuteman III Intercontinental Ballistic Missile force from 500 to 450 missiles, including an analysis of the effects of the reduction on the ability of the United States to assure allies and dissuade potential competitors.

(2) A detailed analysis of the strategic ramifications of continuing to equip a portion of the Minuteman III Intercontinental Ballistic Missile force with multiple independent warheads rather than single warheads as recommended by past reviews of the United States nuclear posture.

(3) An assessment of the test assets and spares required to maintain a force of 500 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(4) An assessment of the test assets and spares required to maintain a force of 450 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(5) An inventory of currently available Minuteman III Intercontinental Ballistic Missile test assets and spares.

(6) A plan to sustain and complete the modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles, a test plan, and an analysis of the funding required to carry out modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles.

(7) An assessment of whether halting upgrades to the Minuteman III Intercontinental Ballistic Missiles withdrawn from the deployed force would compromise the ability of those missiles to serve as test assets.

(8) A description of the plan of the Department of Defense for extending the life of the Minuteman III Intercontinental Ballistic Missile force beyond fiscal year 2030.

(d) REMOTE VISUAL ASSESSMENT.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $5,000,000 may be available for ICBM Security Modernization (PE #0604851) for Remote Visual Assessment for security for silos for intercontinental ballistic missiles (ICBMs).

(3) OFFSET.—The amount authorized to be appropriated by section 103(2) for procurement of missiles for the Air Force is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts available for the Evolved Expendable Launch Vehicle.

(e) ICBM MODERNIZATION PROGRAM DEFINED.—In this section, the term ''ICBM Modernization program'' means each of the following for the Minuteman III Intercontinental Ballistic Missile:

(1) The Guidance Replacement Program (GRP).

(2) The Propulsion Replacement Program (PRP).

(3) The Propulsion System Rocket Engine (PSRE) program.

(4) The Safety Enhanced Reentry Vehicle (SERV) program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $11,151,009,000.

(2) For the Navy, $17,451,823,000.

(3) For the Air Force, $24,400,857,000.

(4) For Defense-wide activities, $21,160,459,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $11,468,959,000 shall be available for science and technology projects.

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

SEC. 203. AMOUNT FOR DEVELOPMENT AND VALIDATION OF WARFIGHTER RAPID AWARENESS PROCESSING TECHNOLOGY.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FOR THE NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $4,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $4,000,000 may be available for the development, validation, and demonstration of warfighter rapid awareness processing technology for distributed operations within the Marine Corps Landing Force Technology program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $4,000,000, due to unexpended obligations, if available.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. INDEPENDENT ESTIMATE OF COSTS OF THE FUTURE COMBAT SYSTEMS.

(a) LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN ACTIVITIES.—Of the amount authorized to be appropriated by this title and available for the Future Combat Systems (FCS) for purposes of system of systems engineering and program management for the Future Combat Systems, an amount equal to $500,000,000 of such amount may not be obligated and expended for such purposes until the Secretary of Defense submits to the congressional defense committees the report required by subsection (b)(4).

(b) INDEPENDENT ESTIMATE REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the preparation of an independent estimate of the anticipated costs of systems development and demonstration with respect to the Future Combat Systems.

(2) CONDUCT OF ESTIMATE.—The estimate required by this subsection shall be prepared by a federally funded research and development center selected by the Secretary for purposes of this subsection.

(3) MATTERS TO BE ADDRESSED.—The independent estimate prepared under this subsection shall address costs of research, development, test, and evaluation, and costs of procurement, for—

(A) the system development and demonstration phase of the core Future Combat Systems;

(B) the Future Combat Systems technologies to be incorporated into the equipment of the current force of the Army (often referred to as ''spinouts'');

(C) the installation kits for the incorporation of such technologies into such equipment;

(D) the systems treated as complementary systems for the Future Combat Systems;

(E) science and technology initiatives that support the Future Combat Systems program; and

(F) any pass-through charges anticipated to be assessed by the lead systems integrator of the Future Combat Systems and its major subcontractors.

(4) SUBMITTAL TO CONGRESS.—Upon completion of the independent estimate required by this subsection, the Secretary shall submit to the congressional defense committees a report on the estimate.

(5) DEADLINE FOR SUBMITTAL.—The report described in paragraph (4) shall be submitted not later than the date of the submittal to Congress of the budget of the President for fiscal year 2008 (as submitted to Congress under section 1105(a) of title 31, United States Code).

(c) PASS-THROUGH CHARGE DEFINED.—In this section, the term ''pass-through charge'' has the meaning given that term in section 805(c)(5) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3373).

SEC. 212. FUNDING OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAMS.

(a) EXTENSION OF FUNDING OBJECTIVE.—Subsection (b) of section 212 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2501 note) is amended by striking ''through 2009'' and inserting ''through 2012''.

(b) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—Such section is further amended by adding at the end the following new subsection:

''(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—(1) If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection, the Secretary of Defense shall submit to the congressional defense committees—

''(A) a detailed, prioritized list, including estimates of required funding, of highly-rated, peer-reviewed science and technology projects received by the Department through competitive solicitations and broad agency announcements which—

''(i) are not funded solely due to lack of resources, but

''(ii) represent science and technology opportunities that support the research and development programs and goals of the military departments and the Defense Agencies; and

''(B) a report, in both classified and unclassified form, containing an analysis and evaluation of international research and technology capabilities, including an identification of any technology areas in which the United States will not have global technical leadership within the next five years, in each of the technology areas described in the following plans:

''(i) The most current Joint Warfighting Science and Technology Plan required by section 270 of the National Defense Authorization Act for Fiscal Year 1997 (10 U.S.C. 2501 note).

''(ii) The Defense Technology Area Plan of the Department of Defense.

''(iii) The Basic Research Plan of the Department of Defense.

''(2)(A) The list required by paragraph (1)(A) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted together with the Department of Defense budget justification materials submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.

''(B) The report required by paragraph (1)(B) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted not later than the six months after the submittal of the Department of Defense budget justification materials that are submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.''.

SEC. 213. HYPERSONICS DEVELOPMENT.

(a) ESTABLISHMENT OF JOINT TECHNOLOGY OFFICE ON HYPERSONICS.—The Secretary of Defense shall establish within the Office of the Secretary of Defense a joint technology office on hypersonics. The office shall carry out the program required under subsection (b), and shall have such other responsibilities relating to hypersonics as the Secretary shall specify.

(b) PROGRAM ON HYPERSONICS.—The joint technology office established under subsection (a) shall carry out a program for the development of hypersonics for defense purposes.

(c) RESPONSIBILITIES.—In carrying out the program required by subsection (b), the joint technology office established under subsection (a) shall do the following:

(1) Coordinate and integrate the research, development, test, and evaluation programs and system demonstration programs of the Department of Defense on hypersonics.

(2) Undertake appropriate actions to ensure—

(A) close and continuous integration of the programs on hypersonics of the military departments with the programs on hypersonics of the Defense Agencies; and

(B) coordination of the programs referred to in subparagraph (A) with the programs on hypersonics of the National Aeronautics and Space Administration.

(3) Approve demonstration programs on hypersonic systems.

(4) Ensure that any demonstration program on hypersonic systems that is carried out in any year after its approval under paragraph (3) is carried out only if certified under subsection (e) as being consistent with the roadmap under subsection (d).

(d) ROADMAP.—

(1) ROADMAP REQUIRED.—The joint technology office established under subsection (a) shall, in coordination with the Joint Staff and the National Aeronautics and Space Administration, develop a roadmap for the hypersonics programs of the Department of Defense.

(2) ELEMENTS.—The roadmap shall include the following matters:

(A) Short-term, mid-term, and long-term goals for the Department of Defense on hypersonics which shall be consistent with the missions and anticipated requirements of the Department over the applicable period.

(B) Acquisition transition plans for hypersonics.

(C) Anticipated mission requirements for hypersonics.

(D) A schedule for meeting such goals, including the activities and funding anticipated to be required for meeting such goals.

(3) SUBMITTAL TO CONGRESS.—The Secretary shall submit the roadmap to the congressional defense committees at the same

time as the submittal to Congress of the budget for fiscal year 2008 (as submitted pursuant to section 1105 of title 31, United States Code).

(e) ANNUAL REVIEW AND CERTIFICATION OF FUNDING.—

(1) ANNUAL REVIEW.—The joint technology office established under subsection (a) shall conduct on an annual basis a review of the funding available for research, development, test, and evaluation and demonstration programs of the Department of Defense on hypersonics in order to determine whether or not such funding and programs are consistent with the roadmap developed under subsection (d).

(2) CERTIFICATION.—The joint technology office shall, as a result of each review under paragraph (1), certify to the Secretary whether or not the funding and programs subject to such review are consistent with the roadmap developed under subsection (d).

(3) TERMINATION.—The requirements of this subsection shall terminate after the submittal to Congress of the budget for fiscal year 2012 pursuant to section 1105 of title 31, United States Code.

(f) REPORTS TO CONGRESS.—If, as a result of a review under subsection (e), funding or a program on hypersonics is certified under that subsection not to be consistent with the roadmap developed under subsection (d), the Secretary shall submit to Congress a report on such funding or program, as the case may be, together with a statement of the actions to be taken to make such funding or program, as the case may be, consistent with the roadmap.

(g) HYPERSONICS DEFINED.—In this section, the term ''hypersonics'' means aircraft and missiles capable of travelling at speeds in excess of Mach 5.

SEC. 214. TRIDENT SEA-LAUNCHED BALLISTIC MISSILES.

(a) LIMITATION ON AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), none of the funds authorized to be appropriated by this Act for the Conventional Trident Modification (CTM) program may be obligated or expended for the development or modification of the Trident D–5 sea-launched ballistic missile until 30 days after the date on which the report required by subsection (b) is submitted to the congressional defense committees.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to amounts authorized to be appropriated by section 201(2) for research, development, test, and evaluation, Navy, and available for Advanced Conventional Strike Capability (PE #64327N) in an amount not to exceed $32,000,000.

(b) REPORT.—

(1) REPORT REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of State, submit to the congressional defense committees a report setting forth a proposal to replace nuclear warheads on twenty-four Trident D–5 sea-launched ballistic missiles with conventional kinetic warheads for deployment on submarines that carry Trident sea-launched ballistic missiles.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of the types of scenarios, types of targets, and circumstances in which a conventional sea-launched ballistic missile would be used.

(B) A discussion of the weapon systems or weapons, whether current or planned, that could be used as an alternative for each of the scenarios, target types, and circumstances set forth under subparagraph (A), and a statement of any reason why each is not a suitable alternative to a conventional sea-launched ballistic missile.

(C) A description of the command and control arrangements for conventional sea-launched ballistic missiles, including launch authority and the use of Permissive Action Links (PALs).

(D) An assessment of the capabilities of other countries to detect and track the launch of a conventional or nuclear sea-launched ballistic missile.

(E) An assessment of the capabilities of other countries to discriminate between the launch of a nuclear sea-launched ballistic missile and a conventional sea-launched ballistic missile, other than in a testing scenario.

(F) An assessment of the notification and other protocols that would have to be in place prior to using any conventional sea-launched ballistic missile and a plan for entering into such protocols.

(G) An assessment of the adequacy of the intelligence that would be needed to support an attack involving conventional sea-launched ballistic missiles.

(H) A description of the total program cost, including the procurement costs of additional D–5 missiles, of the conventional Trident sea-launched ballistic missile program, by fiscal year.

(I) An analysis and assessment of the implications for ballistic missile proliferation if the United States decides to go forward with the conventional Trident sea-launched ballistic missile program or any other conventional long range ballistic missile program.

(J) An analysis and assessment of the implications for the United States missile defense system if other countries utilize long range conventional ballistic missiles.

(K) An analysis of any problems created by the ambiguity that results from the use of the same ballistic missile for both conventional and nuclear warheads.

(L) An analysis and assessment of the methods that other countries might use to resolve the ambiguities associated with a nuclear or conventional sea-launched ballistic missile.

(M) An analysis, by the Secretary of State, of the international, treaty, and other concerns that would be associated with the use of a conventional sea-launched ballistic missile and recommendations for measures to mitigate or eliminate such concerns.

(N) A joint statement by the Secretary of Defense and the Secretary of State on how to ensure that the use of a conventional sea-launched ballistic missile will not result in an intentional, inadvertent, mistaken, or accidental reciprocal or responsive launch of a nuclear strike by any other country.

(c) AVAILABILITY OF FUNDS FOR REPORT.—Of the amounts authorized to be appropriated by this Act (other than the amounts covered by the limitation in subsection (a)), $20,000,000 may be available to prepare the report required by subsection (b).

SEC. 215. ARROW BALLISTIC MISSILE DEFENSE SYSTEM.

Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities and available for ballistic missile defense—

(1) $65,000,000 may be available for co-production of the Arrow ballistic missile defense system; and

(2) $63,702,000 may be available for the Arrow System Improvement Program.

SEC. 216. HIGH ENERGY LASER LOW ASPECT TARGET TRACKING.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,000,000.

(b) AVAILABILITY OF AMOUNT.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $5,000,000 may be available for the Department of Defense High Energy Laser Test Facility for High Energy Laser Low Aspect Target Tracking (HEL–LATT) test series done jointly with the Navy.

(2) CONSTRUCTION WITH OTHER AMOUNTS.—The amount available under paragraph (1) for the purpose set forth in that paragraph is in addition to any amounts available under this Act for that purpose.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $5,000,000, due to unexpended obligations, if available.

SEC. 217. ADVANCED ALUMINUM AEROSTRUCTURES INITIATIVE.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $2,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $2,000,000 may be available for Aerospace Technology Development and Demonstration (PE #603211F) for the Advanced Aluminum Aerostructures Initiative (A3I).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $2,000,000, due to unexpended obligations, if available.

SEC. 218. LEGGED MOBILITY ROBOTIC RESEARCH.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $1,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $1,000,000 may be available for Combat Vehicle and Automotive Technology (PE #602601A) for legged mobility robotic research for military applications.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $1,000,000, due to unexpended obligations, if available

SEC. 219. WIDEBAND DIGITAL AIRBORNE ELECTRONIC SENSING ARRAY.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $3,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $3,000,000 may be available for Wideband Digital Airborne Electronic Sensing Array (PE #0602204F).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $3,000,000, due to unexpended obligations, if available.

SEC. 220. SCIENCE AND TECHNOLOGY.

(a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103F for University Research Initiatives.

(d) COMPUTER SCIENCE AND CYBERSECURITY.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601101E for the Defense Advanced Research Projects Agency University Research Program in Computer Science and Cybersecurity.

(e) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $5,000,000 may be available for program element PE 0601120D8Z for the SMART National Defense Education Program.

(f) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations, if available.

Subtitle C—Missile Defense Programs

SEC. 231. AVAILABILITY OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR FIELDING BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal year 2008 for the use of the Department of Defense for research, development, test, and evaluation and available for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 232. POLICY OF THE UNITED STATES ON PRIORITIES IN THE DEVELOPMENT, TESTING, AND FIELDING OF MISSILE DEFENSE CAPABILITIES.

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

(1) In response to the threat posed by ballistic missiles, President George W. Bush in December 2002 directed the Secretary of Defense to proceed with the fielding of an initial set of missile defense capabilities in 2004 and 2005.

(2) According to assessments by the intelligence community of the United States, North Korea tested in 2005 a new solid propellant short-range ballistic missile and is likely developing intermediate-range and intercontinental ballistic missile capabilities that could someday reach as far as the United States with a nuclear payload.

(3) According to assessments by the intelligence community of the United States, Iran continued in 2005 to test its medium range ballistic missile, and the danger that Iran will acquire a nuclear weapon and integrate it with a ballistic missile Iran already possesses is a reason for immediate concern.

(b) POLICY.—It is the policy of the United States that the Department of Defense accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the ground-based midcourse defense system, the Aegis ballistic missile defense system, the Patriot PAC–3 system, the Terminal High Altitude Area Defense system, and the sensors necessary to support such systems.

SEC. 233. ONE-YEAR EXTENSION OF COMPTROLLER GENERAL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE PROGRAMS.

Section 232(g) of the National Defense Authorization Act for Fiscal Year 2002 (10 U.S.C. 2431 note) is amended—

(1) in paragraph (1), by striking ''through 2007'' and inserting ''through 2008''; and

(2) in paragraph (2), by striking ''through 2008'' and inserting ''through 2009''.

SEC. 234. SUBMITTAL OF PLANS FOR TEST AND EVALUATION OF THE OPERATIONAL CAPABILITY OF THE BALLISTIC MISSILE DEFENSE SYSTEM.

Section 234(a) of the National Defense Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3174; 10 U.S.C. 2431 note) is amended by adding at the end the following new paragraph:

''(3) SUBMITTAL TO CONGRESS.—Each plan prepared under this subsection and approved by the Director of Operational Test and Evaluation shall be submitted to the congressional defense committees not later than 30 days after the date of the approval of such plan by the Director.''.

SEC. 235. ANNUAL REPORTS ON TRANSITION OF BALLISTIC MISSILE DEFENSE PROGRAMS TO THE MILITARY DEPARTMENTS.

(a) REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter through 2013, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the plans of the Department of Defense for the transition of missile defense programs from the Missile Defense Agency to the military departments.

(b) SCOPE OF REPORTS.—Each report required by subsection (a) shall cover the period covered by the future-years defense program that is submitted under section 221 of title 10, United States Code, in the year in which such report is submitted.

(c) ELEMENTS.—Each report required by subsection (a) shall include the following:

(1) An identification of—

(A) the missile defense programs planned to be transitioned from the Missile Defense Agency to the military departments; and

(B) the missile defense programs, if any, not planned for transition to the military departments.

(2) The schedule for transition of each missile defense program planned to be transitioned to a military department, and an explanation of such schedule.

(3) A description of the status of the plans and agreements of the Missile Defense Agency and the military departments on the transition of missile defense programs to the military departments.

(4) An identification of the entity (whether the Missile Defense Agency, a military department, or both) that will be responsible for funding each missile defense program to be transitioned to a military department, and at what date.

(5) A description of the type of funds that will be used (whether funds for research, development, test, and evaluation, procurement, military construction, or operation and maintenance) for each missile defense program to be transitioned to a military department.

(6) An explanation of the number of systems planned for procurement for each missile defense program to be transitioned to a military department, and the schedule for procurement of each such system.

SEC. 236. TESTING AND OPERATIONS FOR MISSILE DEFENSE.

(a) ADDITIONAL AMOUNT FOR MISSILE DEFENSE AGENCY.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, the amount that is available for the Missile Defense Agency is hereby increased by $45,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities and available for the Missile Defense Agency, as increased by subsection (a), $45,000,000 may be available for Ballistic Missile Defense Midcourse Defense Segment (PE #63882C)—

(1) to accelerate the ability to conduct concurrent test and missile defense operations; and

(2) to increase the pace of realistic flight testing of the ground-based midcourse defense system.

(c) SUPPLEMENT.—Amounts available under subsection (b) for the program element referred to in that subsection are in addition to any other amounts available in this Act for that program element.

(d) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations.

Subtitle D—Other Matters

SEC. 251. EXTENSION OF REQUIREMENT FOR GLOBAL RESEARCH WATCH PROGRAM.

Section 2365(f) of title 10, United States Code, is amended by striking ''September 30, 2006'' and inserting ''September 30, 2011''.

SEC. 252. EXPANSION AND EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXPANSION.—

(1) IN GENERAL.—Subsection (a) of section 2374a of title 10, United States Code, is amended—

(A) by striking ''Director of the Defense Advanced Research Projects Agency'' and inserting ''Director of Defense Research and Engineering and the Service Acquisition Executives of the military departments''; and

(B) by striking ''a program'' and inserting ''programs''.

(2) CONFORMING AMENDMENTS.—(A) Subsection (b) of such section is amended by striking ''The program'' and inserting ''Any program''.

(B) Subsection (d) of such section is amended—

(i) by striking ''The program'' and inserting ''A program''; and

(ii) by striking ''the Director'' and inserting ''an official referred to in that subsection''.

(b) EXTENSION.—Subsection (f) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2011''.

(c) MODIFICATION OF REPORTING REQUIREMENT.—Subsection (e) of such section is amended to read as follows:

''(e) ANNUAL REPORT.—(1) Not later than March 1 each year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the activities undertaken during the preceding fiscal year under the authority in subsection (a).

''(2) The report for a fiscal year under this subsection shall include the following:

''(A) A description of the proposed goals of the competitions established under each program under subsection (a), including the areas of research, technology development, or prototype development to be promoted by such competitions and the relationship of such areas to the military missions of the Department of Defense.

''(B) An analyses of why the utilization of the authority in subsection (a) was the preferable method of achieving the goals described in subparagraph (A) as opposed to other authorities available to the Department, such as contracts, grants, and cooperative agreements.

''(C) The total amount of cash prizes awarded under each program, including a description of the manner in which the amounts of cash prizes awarded and claimed were allocated among the accounts of the Department for recording as obligations and expenditures.

''(D) The methods used for the solicitation and evaluation of submissions under each program, together with an assessment of the effectiveness of such methods.

''(E) A description of the resources, including personnel and funding, used in the execution of each program, together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the Department for recording as obligations and expenditures.

''(F) A description of any plans to transition the technologies or prototypes developed as a result of each program into an acquisition program of the Department.''.

SEC. 253. POLICIES AND PRACTICES ON TEST AND EVALUATION TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REPORTS ON CERTAIN DETERMINATIONS TO PROCEED BEYOND LOW-RATE INITIAL PRODUCTION.—Section 2399(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

''(5) If, before a final decision is made within the Department of Defense to proceed with a major defense acquisition program beyond low-rate initial production, a decision is made within the Department to proceed to operational use of the program or allocate funds available for procurement for the program, the Director shall submit to the Secretary of Defense and the congressional defense committees the report with respect to the program under paragraph (2) as soon as practicable after the decision under this paragraph is made.''.

(b) REVIEW AND REVISION OF POLICIES AND PRACTICES.—

(1) REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics and the Director of Operational Test and Evaluation shall review Department of Defense policies and practices on test and evaluation in order to—

(A) reaffirm the test and evaluation principles that guide traditional acquisition programs; and

(B) determine how best to apply such principles to emerging acquisition approaches.

(2) REVISED GUIDANCE.—If the Under Secretary determines as a result of the review under paragraph (1) that a revision of the policies and practices referred to in that paragraph is necessary in light of emerging approaches to acquisitions, the Under Secretary and the Director shall jointly issue new or revised guidance for the Department of Defense on test and evaluation to address that determination.

(c) ISSUES TO BE ADDRESSED.—In carrying out subsection (b), the Under Secretary shall address policies and practices on test and evaluation in order to—

(1) ensure the performance of test and evaluation activities with regard to—

(A) items that are acquired pursuant to the authority for rapid acquisition and deployment of items in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(B) programs that are conducted pursuant to the authority for spiral development in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2603; 10 U.S.C. 2430 note), or other authority for the conduct of incremental acquisition programs;

(C) systems that are acquired pursuant to time-certain development programs; and

(D) equipment that is not subject to the operational test and evaluation requirements in section 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purpose of ensuring the safety and survivability of such equipment and personnel using such equipment; and

(2) ensure the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for the purpose of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(d) FUNDING MATTERS.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources developed pursuant to section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified as a result of activities under subsection (b); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(e) REPORT TO CONGRESS.—Not later than nine months after the date of the enactment of this Act, the Under Secretary shall submit to the congressional defense committees a report on the review conducted under paragraph (1) of subsection (b), including any new or revised guidance issued pursuant to paragraph (2) of that subsection.

(f) TIME-CERTAIN DEVELOPMENT PROGRAM DEFINED.—In this section, the term ''time-certain development program'' means a development program that is assigned a specific length of time in which milestone events will be accomplished by contract, which length of time may be not more than 6 years from milestone B to initial operational capability.

SEC. 254. DEVELOPMENT OF THE PROPULSION SYSTEM FOR THE JOINT STRIKE FIGHTER.

(a) IN GENERAL.—The Secretary of Defense shall provide for the development of the propulsion system for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'') by a means elected by the Secretary from among the following:

(1) Through the continuing development and sustainment of two interchangeable propulsion systems for the F–35 fighter aircraft by two separate contractors throughout the life cycle of the aircraft.

(2) Through a one-time firm fixed price contract for a selected propulsion system for the F–35 fighter aircraft for the life cycle of the aircraft following the Initial Service Release of the F–35 fighter aircraft propulsion system in fiscal year 2008.

(b) NOTICE OF CHANGE IN DEVELOPMENT.—The Secretary may not carry out any modification of the procurement program for the F–35 fighter aircraft that would result in the development of the propulsion system for such aircraft in a manner other than as elected by the Secretary under subsection (a) until the Secretary notifies the congressional defense committees of such modification.

SEC. 255. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) COST ANALYSES.—

(1) ANALYSES REQUIRED.—The Secretary of Defense (acting through the cost analysis improvement group of the Office of the Secretary of Defense), a federally funded research and development center (FFRDC) selected by the Secretary for purposes of this section, and the Comptroller General of the United States shall each perform three detailed and comprehensive cost analyses of the engine program for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'').

(2) ELEMENTS.—Each official or entity performing cost analyses under paragraph (1) shall perform a cost analysis of each of the following:

(A) An alternative under which the F–35 fighter aircraft is capable of using the F135 engine only.

(B) An alternative under which the F–35 fighter aircraft is capable of using either the F135 engine or the F136 engine.

(C) Any other alternative, whether secured through a competitive or sole-source bidding process, that would reduce cost, improve program schedule, and improve performance and reliability of the F–35 fighter aircraft program.

(b) REPORTS.—

(1) REPORTS REQUIRED.—Not later than March 15, 2007, the Secretary, the federally funded research and development center selected under subsection (a), and the Comptroller General shall each submit to the congressional defense committees a report on the three independent cost analyses performed by such official or entity under subsection (a).

(2) REPORT ELEMENTS.—Each report under paragraph (1) shall include the following:

(A) A statement of the key assumptions utilized in performing each cost analysis covered by such report.

(B) A discussion of the methodology and techniques utilized in performing each cost analysis.

(C) For each alternative under subsection (a)(2)—

(i) a comparison of the life-cycle costs, including costs in current and constant dollars and a net-present-value analysis, with the other alternatives under that subsection; and

(ii) an estimate of—

(I) the supply, maintenance, and other operations manpower required to support such alternative;

(II) the number of flight hours required to achieve engine maturity, and the year in which engine maturity is anticipated to be achieved; and

(III) the total number of engines anticipated to be procured over the lifetime of the F–35 fighter aircraft program.

(D) A discussion of the acquisition strategies used for the acquisition of engines for other tactical fighter aircraft, including the F–15, F–16, F–18, and F–22 fighter aircraft, and an assessment of the experience in terms of cost, schedule, and performance under the acquisition programs for such engines.

(E) A comparison in terms of performance, savings, maintainability, reliability, and technical innovation of the acquisition programs for engines for tactical fighter aircraft carried out on a sole-source basis with the acquisition programs for tactical fighter aircraft carried out on a competitive basis.

(F) Such conclusions and recommendations in light of the cost analyses as the official or entity submitting such report considers appropriate.

(3) CERTIFICATION OF FFRDC AND COMPTROLLER GENERAL.—In submitting the report required by this subsection, the federally funded research and development center and the Comptroller General shall each also submit a certification as to whether the federally funded research and development center or the Comptroller General, as the case may be, had access to sufficient information to enable the federally funded research and development center or the Comptroller General, as the case may be, to make informed judgments on the matters required to be included in the report.

(c) LIFE-CYCLE COSTS DEFINED.—In this section, the term ''life-cycle costs'' includes—

(1) the elements of costs that would be considered for a life-cycle cost analysis for a major defense acquisition program, such as procurement of engines, procurement of spare engines, and procurement of engine components and parts; and

(2) good-faith estimates of routine engine costs, such as performance upgrades and component improvement, that historically have occurred in tactical fighter engine programs.

SEC. 256. SENSE OF SENATE ON TECHNOLOGY SHARING OF JOINT STRIKE FIGHTER TECHNOLOGY.

It is the sense of the Senate that the Secretary of Defense should share technology with regard to the Joint Strike Fighter between the United States Government and the Government of the United Kingdom consistent with the national security interests of both nations.

SEC. 257. REPORT ON BIOMETRICS PROGRAMS OF THE DEPARTMENT OF DEFENSE.

(a) REPORT.—The Secretary of Defense shall submit to Congress, at the same time as the submittal of the budget of the President for fiscal year 2008 (as submitted under section 1105(a) of title 31, United States Code) a report on the biometrics programs of the Department of Defense.

(b) ELEMENTS.—The report shall address the following:

(1) Whether the Department should modify the current executive agent management structure for the biometrics programs.

(2) The requirements for the biometrics programs to meet needs throughout the Department of Defense.

(3) A description of programs currently fielded to meet requirements in Iraq and Afghanistan.

(4) An assessment of the adequacy of fielded programs to meet operational requirements.

(5) An assessment of programmatic or capability gaps in meeting future requirements.

(6) The actions being taken within the Executive Branch to coordinate and integrate requirements, programs, and resources among the departments and agencies of the Executive Branch with a role in using or developing biometrics capabilities.

(c) BIOMETRICS DEFINED.—In this section, the term ''biometrics'' means an identity management program or system that utilizes distinct personal attributes, including DNA, facial features, irises, retinas, signatures, or voices, to identify individuals.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

(1) For the Army, $24,795,580,000.

(2) For the Navy, $31,130,784,000.

(3) For the Marine Corps, $3,905,262,000.

(4) For the Air Force, $31,251,107,000.

(5) For Defense-wide activities, $20,106,756,000.

(6) For the Army Reserve, $2,139,702,000.

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

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

(9) For the Air Force Reserve, $2,575,100,000.

(10) For the Army National Guard, $4,857,728,000.

(11) For the Air National Guard, $5,318,717,000.

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

(13) For Environmental Restoration, Army, $463,794,000.

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

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

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

(17) For Environmental Restoration, Formerly Used Defense Sites, $282,790,000.

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

(19) For Cooperative Threat Reduction programs, $372,128,000.

(20) For Overseas Humanitarian Disaster and Civic Aid, $63,204,000.

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, $1,364,498,000.

(2) For the National Defense Sealift Fund, $1,071,932,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, $20,915,321,000, of which—

(1) $20,381,863,000 is for Operation and Maintenance;

(2) $135,603,000 is for Research, Development, Test, and Evaluation; and

(3) $397,855,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—

(1) IN GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,277,304,000, of which—

(A) $1,046,290,000 is for Operation and Maintenance; and

(B) $231,014,000 is for Research, Development, Test, and Evaluation.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $926,890,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance; and

(2) $1,400,000 is for Procurement.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. LIMITATION ON AVAILABILITY OF FUNDS FOR THE ARMY LOGISTICS MODERNIZATION PROGRAM.

Of the funds authorized to be appropriated for the Department of Defense by this division and available for the Army Logistics Modernization Program (LMP), not more than $6,900,000 may be obligated or expended for the development, fielding, or operation of the program until the Chairman of the Defense Business Systems Modernization Committee certifies to the congressional defense committees each of the following:

(1) That the program is essential to the national security of the United States or to the efficient management of the Department of Defense.

(2) That there is no alternative to the system under the program which will provide equal or greater capability at a lower cost.

(3) That the estimated costs, and the proposed schedule and performance parameters, for the program and system are reasonable.

(4) That the management structure for the program is adequate to manage and control program costs.

SEC. 312. AVAILABILITY OF FUNDS FOR EXHIBITS FOR THE NATIONAL MUSEUMS OF THE ARMED FORCES.

(a) NATIONAL MUSEUM OF THE UNITED STATES ARMY.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $3,000,000 may be available to the Secretary of the Army for education and training purposes to contract with the Army Historical Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Army.

(b) NATIONAL MUSEUM OF THE UNITED STATES NAVY.—Of the amounts authorized to be appropriated by section 301(2) for operation and maintenance for the Navy, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the Naval Historical

Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Navy.

(c) NATIONAL MUSEUM OF THE MARINE CORPS AND HERITAGE CENTER.—Of the amounts authorized to be appropriated by section 301(3) for operation and maintenance for the Marine Corps, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the United States Marine Corps Heritage Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the Marine Corps and Heritage Center.

(d) NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE.—Of the amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force, $3,000,000 may be available to the Secretary of the Air Force for education and training purposes to contract with the Air Force Museum Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Air Force.

(e) REIMBURSEMENT.—

(1) AUTHORITY TO ACCEPT REIMBURSEMENT.—During any fiscal year after fiscal year 2006, the Secretary of a military department may accept from any non-profit entity authorized to support the national museum of the applicable Armed Force amounts to reimburse such Secretary for amounts obligated and expended by such Secretary from amounts available to such Secretary under this section.

(2) TREATMENT.—Amounts accepted as reimbursement under paragraph (1) shall be credited to the account that was used to cover the costs incurred by the Secretary of the military department concerned under this section. Amounts so credited shall be merged with amounts in such account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

SEC. 313. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN THE DEPARTMENT OF DEFENSE.

(a) LIMITATION.—The Secretary of Defense may not obligate or expend any funds for the purpose of any financial management improvement activity relating to the preparation, processing, or auditing of financial statements until the Secretary submits to the congressional defense committees a written determination that each activity proposed to be funded is—

(1) consistent with the financial management improvement plan of the Department of Defense required by section 376(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 190–163; 119 Stat. 3213); and

(2) likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to an activity directed exclusively at assessing the adequacy of internal controls and remediating any inadequacy identified pursuant to such assessment.

SEC. 314. LIMITATION ON AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS FOR THE MANAGEMENT HEADQUARTERS OF THE DEFENSE INFORMATION SYSTEMS AGENCY.

Of the amount authorized to be appropriated by this title and available for purposes of the operation and maintenance of the management headquarters of the Defense Information Systems Agency, not more than 50 percent may be available for such purposes until the Secretary of Defense submits to Congress the report on the acquisition strategy of the Department of Defense for commercial satellite communications services required by section 818(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–136; 119 Stat. 3385).

SEC. 315. EXPANSION OF JUNIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

(a) IN GENERAL.—The Secretaries of the military departments shall take appropriate actions to increase the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized under chapter 102 of title 10, United States Code.

(b) EXPANSION TARGETS.—In increasing under subsection (a) the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized, the Secretaries of the military departments shall seek to organize units at an additional number of institutions as follows:

(1) In the case of Army units, 15 institutions.

(2) In the case of Navy units, 10 institutions.

(3) In the case of Marine Corps units, 15 institutions.

(4) In the case of Air Force units, 10 institutions.

SEC. 316. INFANTRY COMBAT EQUIPMENT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $2,500,000 may be available for Infantry Combat Equipment (ICE).

SEC. 317. INDIVIDUAL FIRST AID KIT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $1,500,000 may be available for the Individual First Aid Kit (IFAK).

SEC. 318. READING FOR THE BLIND AND DYSLEXIC PROGRAM OF THE DEPARTMENT OF DEFENSE.

(a) DEFENSE DEPENDENTS.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for defense dependents of elementary and secondary school age in the continental United States and overseas.

(b) SEVERELY WOUNDED OR INJURED MEMBERS OF THE ARMED FORCES.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for severely wounded or injured members of the Armed Forces.

SEC. 319. MILITARY TRAINING INFRASTRUCTURE IMPROVEMENTS AT VIRGINIA MILITARY INSTITUTE.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $2,900,000 may be available to the Virginia Military Institute for military training infrastructure improvements to provide adequate field training of all Armed Forces Reserve Officer Training Corps.

SEC. 320. ENVIRONMENTAL DOCUMENTATION FOR BEDDOWN OF F–22A AIRCRAFT AT HOLLOMAN AIR FORCE BASE, NEW MEXICO.

The Secretary of the Air Force shall prepare environmental documentation per the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for the beddown of F–22A aircraft at Holloman Air Force Base, New Mexico, as replacements for the retiring F–117A aircraft.

Subtitle C—Environmental Provisions

SEC. 331. RESPONSE PLAN FOR REMEDIATION OF MILITARY MUNITIONS.

(a) PERFORMANCE GOALS FOR REMEDIATION.—The Department of Defense shall set the following remediation goals:

(1) To complete, by not later than September 30, 2007, preliminary assessments of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(2) To complete, by not later than September 30, 2010, site inspections of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(3) To achieve, by not later than September 30, 2009, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all military installations closed or realigned as part of a round of defense base closure and realignment occurring prior to the 2005 round.

(4) To achieve, by a time certain established by the Secretary, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges) and all military installations realigned or closed under the 2005 round of defense base closure and realignment.

(b) RESPONSE PLAN REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a comprehensive plan for addressing the remediation of unexploded ordnance, discarded military munitions, and munitions constituents at current and former defense sites (other than operational ranges).

(2) CONTENT.—The plan required by paragraph (1) shall include—

(A) a schedule, including interim goals, for achieving the goals described in paragraphs (1) through (3) of subsection (a), based upon the Munitions Response Site Prioritization Protocol established by the Department of Defense;

(B) such interim goals as the Secretary determines feasible for efficiently achieving the goal required under paragraph (4) of such subsection; and

(C) an estimate of the funding required to achieve the goals established pursuant to such subsection and the interim goals established pursuant to subparagraphs (A) and (B).

(3) UPDATES.—(A) The Secretary shall, not later than March 15 of 2008, 2009, and 2010, submit to the congressional defense committees an update of the plan required under paragraph (1). Each update may be included in the report on environmental restoration activities submitted to Congress under section 2706(a) of title 10, United States Code, that is submitted in the year in which such update is submitted.

(B) The Secretary may include in an update submitted under subparagraph (A) any adjustment to the remediation goals established under subsection (a) that the Secretary determines necessary to respond to unforeseen circumstances.

(c) REPORT ON REUSE STANDARDS AND PRINCIPLES.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the efforts of the Department of Defense to achieve agreement with relevant regulatory agencies on appropriate reuse standards or principles, including—

(1) a description of any standards or principles that have been agreed upon; and

(2) a discussion of any issues that remain in disagreement (including the impact that any such disagreement is likely to have on the ability of the Department of Defense to carry out the plan).

(d) DEFINITIONS.—In this section, the terms ''unexploded ordnance'', ''discarded military munitions'', ''munitions constituents'', ''operational range'', and ''defense site'' have the meaning given such terms in section 2710(e) of title 10, United States Code.

(e) CONFORMING REPEAL.—Section 313 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1051; 10 U.S.C. 2706 note) is repealed.

SEC. 332. EXTENSION OF AUTHORITY TO GRANT EXEMPTIONS TO CERTAIN REQUIREMENTS.

(a) AMENDMENT TO TOXIC SUBSTANCES CONTROL ACT.—Section 6(e)(3) of the Toxic Substances Control Act (15 U.S.C. 2605(e)(3)) is amended—

(1) in subparagraph (A), by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraphs (B), (C), and (D)'';

(2) in subparagraph (B), by striking ''but not more than 1 year from the date it is granted'' and inserting ''but not more than 1 year from the date it is granted, except as provided in subparagraph (D)''; and

(3) by adding at the end the following new subparagraph:

''(D) The Administrator may grant an exemption pursuant to subparagraph (B) for a period of up to 3 years for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the customs territory of the United States of polychlorinated biphenyls generated by or under the control of the Department of Defense for purposes of their disposal, treatment, or storage in the customs territory of the United States.''.

(b) SUNSET DATE.—The amendments made by subsection (a) shall cease to have effect on September 30, 2012. The termination of the authority to grant exemptions pursuant to such amendments shall not effect the validity of any exemption granted prior to such date.

(c) REPORT.—Not later than March 1, 2011, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Environment and Public Works of the Senate and the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives a report on the status of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States. The report shall address, at a minimum—

(1) the remaining volume of such polychlorinated biphenyls that may require transportation into the customs territory of the United States for disposal, treatment, or storage; and

(2) the efforts that have been made by the Department of Defense and other Federal agencies to reduce such volume by—

(A) reducing the volume of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States; or

(B) developing alternative options for the disposal, treatment, or storage of such polychlorinated biphenyls.

SEC. 333. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF MUNITIONS.

(a) IDENTIFICATION OF DISPOSAL SITES.—

(1) HISTORICAL REVIEW.—The Secretary of Defense, in cooperation with the Commandant of the Coast Guard, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other relevant Federal agencies, shall conduct a historical review of available records to determine the number, size, and probable locations of sites where the Armed Forces disposed of military munitions in coastal waters. The historical review shall, to the extent possible, identify the types of munitions at individual sites.

(2) INTERIM REPORTS.—The Secretary of Defense shall periodically, but no less often than annually, release any new information obtained during the historical review conducted under paragraph (1). The Secretary may withhold from public release the exact nature and locations of munitions the potential unauthorized retrieval of which could pose a significant threat to the national defense or public safety.

(3) INCLUSION OF INFORMATION IN ANNUAL REPORT ON ENVIRONMENTAL RESTORATION ACTIVITIES.—The Secretary shall include the information obtained pursuant to the review conducted under paragraph (1) in the annual report on environmental restoration activities submitted to Congress under section 2706 of title 10, United States Code.

(4) FINAL REPORT.—The Secretary shall complete the historical review required under paragraph (1) and submit a final report on the findings of such review in the annual report on environmental restoration activities submitted to Congress for fiscal year 2009.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) IDENTIFICATION OF HAZARDS.—The Secretary of Defense shall provide available information to the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for coastal waters that identify known or potential hazards posed by disposed military munitions to private activities, including commercial shipping and fishing operations.

(2) CONTINUATION OF INFORMATION ACTIVITIES.—The Secretary of Defense shall continue activities to inform potentially affected users of the ocean environment, particularly fishing operations, of the possible hazards from contact with disposed military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary of Defense shall continue to conduct research on the effects on the ocean environment and those who use it of military munitions disposed of in coastal waters.

(2) SCOPE.—Research under paragraph (1) shall include—

(A) the sampling and analysis of ocean waters and sea beds at or adjacent to military munitions disposal sites selected pursuant to paragraph (3) to determine whether the disposed military munitions have caused or are causing contamination of such waters or sea beds;

(B) investigation into the long-term effects of seawater exposure on disposed military munitions, particularly effects on chemical munitions;

(C) investigation into the impacts any such contamination may have on the ocean environment and those who use it, including public health risks;

(D) investigation into the feasibility of removing or otherwise remediating the military munitions; and

(E) the development of effective safety measures for dealing with such military munitions.

(3) RESEARCH CRITERIA.—In conducting the research required by this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at representative sites, taking into account factors such as depth, water temperature, nature of the military munitions present, and relative proximity to onshore populations. In conducting such research, the Secretary shall select at least two representative sites each in the areas of the Atlantic coast, the Pacific coast (including Alaska), and the Hawaiian Islands.

(4) AUTHORITY TO MAKE GRANTS AND ENTER INTO COOPERATIVE AGREEMENTS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities.

(d) MONITORING.—If the historical review required by subsection (a) or the research required by subsection (c) indicates that contamination is being released into the ocean waters from disposed military munitions at a particular site or that the site poses a significant public health or safety risk, the Secretary shall institute appropriate monitoring mechanisms at that site and report to the congressional defense committees on any additional measures that may be necessary to address the release or risk, as applicable.

(e) DEFINITIONS.—In this section:

(1) The term ''coastal waters'' means that part of the ocean extending from the coast line of the United States to the outer boundary of the outer Continental Shelf.

(2) The term ''coast line'' has the meaning given that term in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

(3) The term ''outer Continental Shelf'' has the meaning given that term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

SEC. 334. CLARIFICATION OF MULTI-YEAR AUTHORITY TO USE BASE CLOSURE FUNDS TO FUND COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This two-year limitation does not apply to agreements funded through the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established by sections 2906 and 2906A, respectively, of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 335. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—(1) Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account.

(2) The payment under paragraph (1) is to reimburse the Environmental Protection Agency for its costs incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington.

(3) The reimbursement described in paragraph (2) is provided for in the interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Wellfield Superfund Site in March 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

(c) USE OF FUNDS.—The Environmental Protection Agency shall use the amount transferred under subsection (a) to pay costs incurred by the Agency at the Moses Lake Wellfield Superfund Site.

Subtitle D—Reports

SEC. 351. COMPTROLLER GENERAL REPORT ON READINESS OF THE GROUND FORCES OF THE ARMY AND THE MARINE CORPS.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the readiness of the active component and reserve component ground forces of the Army and the Marine Corps.

(2) ONE OR MORE REPORTS.—In complying with the requirements of this section, the Comptroller General may submit a single report addressing all the elements specified in subsection (b) or two or more reports addressing any combination of such elements. If the Comptroller General submits more than one report under this section, all such reports shall be submitted not later than the date specified in paragraph (1).

(b) ELEMENTS.—The elements specified in this subsection include the following:

(1) An analysis of the current readiness status of each of the active component and reserve component ground forces of the Army and the Marine Corps, including a description of any major deficiency identified, an analysis of the trends in readiness of such forces during not less than the ten years preceding the report, and a comparison of the current readiness indicators of such ground forces with historical patterns.

(2) An assessment of the ability of the Army and the Marine Corps to provide trained and ready forces for ongoing operations as well as other commitments assigned to the Army and the Marine Corps in defense planning documents.

(3) An analysis of the availability of equipment for training by units of the Army and the Marine Corps in the United States in configurations comparable to the equipment being used by units of the Army and the Marine Corps, as applicable, in ongoing operations.

(4) An analysis of the current and projected requirement for repair or replacement of equipment of the Army and the Marine Corps due to ongoing operations, and the impact of such required repair or replacement of equipment on the availability of equipment for training.

(5) An assessment of the current personnel tempo of Army and Marine Corps forces, including—

(A) a comparison of such tempos to historical trends;

(B) an identification of particular occupational specialties that are experiencing unusually high or low deployment rates; and

(C) an analysis of retention rates in the occupational specialties identified under subparagraph (B).

(6) An assessment of the efforts of the Army and the Marine Corps to mitigate the impact of high operational tempos, including cross-leveling of personnel and equipment or cross training of personnel or units for new or additional mission requirements.

(7) A description of the current policy of the Army and the Marine Corps with respect to the mobilization of reserve component personnel, together with an analysis of the number of reserve component personnel in each of the Army and the Marine Corps that are projected to be available for deployment under such policy.

(c) FORM OF REPORT.—Any report submitted under subsection (a) shall be submitted in both classified and unclassified form.

SEC. 352. NATIONAL ACADEMY OF SCIENCES STUDY ON HUMAN EXPOSURE TO CONTAMINATED DRINKING WATER AT CAMP LEJEUNE, NORTH CAROLINA.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Navy shall enter into an agreement with the National Academy of Sciences to conduct a comprehensive review and evaluation of the available scientific and medical evidence regarding associations between pre-natal, child, and adult exposure to drinking water contaminated with trichloroethylene (TCE) and tetrachloroethylene (PCE) at Camp Lejeune, North Carolina, as well as other pre-natal, child, and adult exposures to levels of trichloroethylene and tetrachloroethylene similar to those experienced at Camp Lejeune, and birth defects or diseases and any other adverse health effects.

(2) ELEMENTS.—In conducting the review and evaluation, the Academy shall review and summarize the scientific and medical evidence and assess the strength of that evidence in establishing a link or association between exposure to trichloroethylene and tetrachloroethylene and each birth defect or disease suspected to be associated with such exposure. For each birth defect or disease reviewed, the Academy shall determine, to the extent practicable with available scientific and medical data, whether—

(A) a statistical association with such contaminant exposures exists; and

(B) there exist plausible biological mechanisms or other evidence of a causal relationship between contaminant exposures and the birth defect or disease.

(3) SCOPE OF REVIEW.—In conducting the review and evaluation, the Academy shall include a review and evaluation of—

(A) the toxicologic and epidemiologic literature on adverse health effects of trichloroethylene and tetrachloroethylene, including epidemiologic and risk assessment reports from government agencies;

(B) recent literature reviews by the National Research Council, Institute of Medicine, and other groups;

(C) the completed and on-going Agency for Toxic Substances Disease Registry (ATSDR) studies on potential trichloroethylene and tetrachloroethylene exposure at Camp Lejeune; and

(D) published meta-analyses.

(4) PEER REVIEW.—The Academy shall obtain the peer review of the report prepared as a result of the review and evaluation under applicable Academy procedures.

(5) SUBMITTAL.—The Academy shall submit the report prepared as a result of the review and evaluation to the Secretary and Congress not later than 18 months after entering into the agreement for the review and evaluation under paragraph (1).

(b) NOTICE ON EXPOSURE.—

(1) NOTICE REQUIRED.—Upon completion of the current epidemiological study by the Agency for Toxic Substances Disease Registry, known as the Exposure to Volatile Organic Compounds in Drinking Water and Specific Birth Defects and Childhood Cancers, United States Marine Corps Base Camp Lejeune, North Carolina, the Commandant of the Marine Corps shall take appropriate actions, including the use of national media such as newspapers, television, and the Internet, to notify former Camp Lejeune residents and employees who may have been exposed to drinking water impacted by trichloroethylene and tetrachloroethylene of the results of the study.

(2) ELEMENTS.—The information provided by the Commandant of the Marine Corps under paragraph (1) shall be prepared in conjunction with the Agency for Toxic Substances Disease Registry and shall include a description of sources of additional information relating to such exposure, including, but not be limited to, the following:

(A) A description of the events resulting in exposure to contaminated drinking water at Camp Lejeune.

(B) A description of the duration and extent of the contamination of drinking water at Camp Lejeune.

(C) The known and suspected health effects of exposure to the drinking water impacted by trichloroethylene and tetrachloroethylene at Camp Lejeune.

SEC. 353. REPORT ON AERIAL TRAINING AIRSPACE REQUIREMENTS OF THE DEPARTMENT OF DEFENSE.

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

(1) Access to and use of available and unfettered aerial training airspace is critical for preserving aircrew warfighting proficiency and the ability to test, evaluate, and improve capabilities of both personnel and equipment within the most realistic training environments possible.

(2) The growth of civilian and commercial aviation traffic and the rapid expansion of commercial and general air traffic lanes across the continental United States has left few remaining areas of the country available for realistic air combat training or expansion of existing training areas.

(3) Many Military Operating Areas (MOAs) originally established in what was once open and uncongested airspace are now encroached upon by a heavy volume of commercial and general air traffic, making training more difficult and potentially hazardous.

(4) Some aerial training areas in the upper great plains, western States, and Gulf coast remain largely free from encroachment and available for increased use, expansion, and preservation for the future.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Department of Defense should—

(1) establish a policy to identify military aerial training areas that are projected to remain viable and free from encroachment well into the 21st century;

(2) determine aerial training airspace requirements to meet future training and airspace requirements of current and next generation military aircraft; and

(3) undertake all necessary actions in a timely manner, including coordination with the Federal Aviation Administration, to preserve and, if necessary, expand those areas of airspace to meet present and future training requirements.

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a proposed plan to preserve and, if necessary, expand available aerial training airspace to meet the projected needs of the Department of Defense for such airspace through 2025.

SEC. 354. REPORT ON ACTIONS TO REDUCE DEPARTMENT OF DEFENSE CONSUMPTION OF PETROLEUM-BASED FUEL.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions taken, and to be taken, by the Department of Defense to reduce the consumption by the Department of petroleum-based fuel.

(b) ELEMENTS.—The report shall include the status of implementation by the Department of the requirements of the following:

(1) The Energy Policy Act of 2005 (Public Law 109–58).

(2) The Energy Policy Act of 1992. (Public Law 102–486)

(3) Executive Order 13123.

(4) Executive Order 13149.

(5) Any other law, regulation, or directive relating to the consumption by the Department of petroleum-based fuel.

SEC. 355. REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.

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

(1) The National Guard continues to provide invaluable resources to meet national security, homeland defense, and civil emergency mission requirements.

(2) Current military operations, transnational threats, and domestic emergencies will increase the use of the National Guard for both military support to civilian authorities and to execute the military strategy of the United States.

(3) To meet the demand for certain types of equipment for continuing United States military operations, the Army has required Army National Guard Units to leave behind many items for use by follow-on forces.

(4) The Governors of every State and 2 Territories expressed concern in February 2006 that units returning from deployment overseas without adequate equipment would have trouble carrying out their homeland security and domestic disaster duties.

(5) The Department of Defense estimates that it has directed the Army National Guard to leave overseas more than 75,000 items valued at approximately $1,760,000,000 to support Operation Enduring Freedom and Operation Iraqi Freedom.

(6) Department of Defense Directive 1225.6 requires a replacement and tracking plan be developed within 90 days for equipment of the reserve components of the Armed Forces that is transferred to the active components of the Armed Forces.

(7) In October 2005, the Government Accountability Office found that the Department of Defense can only account for about 45 percent of such equipment and has not developed a plan to replace such equipment.

(8) The Government Accountability Office also found that without a completed and implemented plan to replace all National Guard equipment left overseas, Army National Guard units will likely face growing equipment shortages and challenges in regaining readiness for future missions.

(b) REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.—

(1) IN GENERAL.—Chapter 1007 of title 10, United States Code, is amended by inserting after section 10208 the following new section:

"§ 10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units

''(a) REPORT REQUIRED ON WITHDRAWAL OR DIVERSION OF EQUIPMENT.—Not later than 90 days after withdrawing or diverting equipment from a unit of the Reserve to a unit of the Reserve being ordered to active duty under section 12301, 12302, or 12304 of this title, or to a unit or units of a regular component of the armed forces, for purposes of the discharge of the mission of such unit or units, the Secretary concerned shall submit to the Secretary of Defense a status report on the withdrawal or diversion of equipment.

''(b) ELEMENTS.—Each status report under subsection (a) on equipment withdrawn or diverted shall include the following:

''(1) A plan to recapitalize or replace such equipment within the unit from which withdrawn or diverted.

''(2) If such equipment is to remain in a theater of operations while the unit from which withdrawn or diverted returns to the United States, a plan to provide such unit with recapitalized or replacement equipment appropriate to ensure the continuation of the readiness training of such unit.

''(3) A signed memorandum of understanding between the active or reserve component to which withdrawn or diverted and the reserve component from which withdrawn or diverted that specifies—

''(A) how such equipment will be tracked; and

''(B) when such equipment will be returned to the component from which withdrawn or diverted.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10208 the following new item:

''10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units.''.

SEC. 356. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 357. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 358. REPORT ON VEHICLE-BASED ACTIVE PROTECTION SYSTEMS FOR CERTAIN BATTLEFIELD THREATS.

(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall enter into a contract with an appropriate entity independent of the United States Government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protection systems for defense against both chemical energy and kinetic energy top-attack and direct fire threats, including anti-tank missiles and rocket propelled grenades, mortars, and other similar battlefield threats.

(b) REPORT.—

(1) REPORT REQUIRED.—The contract required by subsection (a) shall require the entity entering in to such contract to submit to the Secretary of Defense, and to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, a report on the assessment required by that subsection.

(2) ELEMENTS.—The report required under paragraph (1) shall include—

(A) a detailed comparative analysis and assessment of the technical approaches covered by the assessment under subsection (a), including the feasibility, military utility, cost, and potential short-term and long-term development and deployment schedule of such approaches; and

(B) any other elements specified by the Secretary in the contract under subsection (a).

SEC. 359. REPORT ON HIGH ALTITUDE AVIATION TRAINING SITE, EAGLE COUNTY, COLORADO.

(a) REPORT REQUIRED.—Not later than December 15, 2006, the Secretary of the Army shall submit to the congressional defense committees a report on the High Altitude Aviation Training Site (HAATS) in Eagle County, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the type of high altitude aviation training being conducted at the High Altitude Aviation Training Site, including the number of pilots who receive such training on an annual basis and the types of aircraft used in such training.

(2) A description of the number and type of helicopters required at the High Altitude Aviation Training Site to provide the high altitude aviation training needed to sustain the war strategies contained in the 2006 Quadrennial Defense Review, assuming that priority is afforded in the provision of such training to commanders, instructor pilots, aviation safety officers, and deploying units.

(3) A thorough evaluation of accident rates for deployed helicopter pilots of the Army who receive high altitude aviation training at the High Altitude Aviation Training Site, and accident rates for deployed Army helicopter pilots who did not receive such training, including the following:

(A) An estimate (set forth as a range) of the number of accidents attributable to power management.

(B) The number of accidents occurring in a combat environment.

(C) The number of accidents occurring in a non-combat environment.

(4) An evaluation of the inventory and availability of Army aircraft for purposes of establishing an appropriate schedule for the assignment of a CH–47 aircraft to the High Altitude Aviation Training Site, if the Chief of Staff of the Army determines there is value in conducting such training at the HAATS.

(5) A description of the status of any efforts to ensure that all helicopter aircrews deployed to the area of responsibility of the Central Command (CENTCOM AOR) are

qualified in mountain flight and power management prior to deployment, including the locations where such training occurred, with particular focus on the status of such efforts with respect to aircrews to be deployed in support of Operation Enduring Freedom.

(c) TRACKING SYSTEM.—The Secretary shall implement a system for tracking those pilots that have attended a school with an established program of instruction for high altitude aviation operations training. The system should, if practical, utilize an existing system that permits the query of pilot flight experience and training.

SEC. 360. REPORT ON AIR FORCE SAFETY REQUIREMENTS FOR AIR FORCE FLIGHT TRAINING OPERATIONS AT PUEBLO MEMORIAL AIRPORT, COLORADO.

(a) REPORT REQUIRED.—Not later than February 15, 2007, the Secretary of the Air Force shall submit to the congressional defense committees a report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the Air Force flying operations at Pueblo Memorial Airport.

(2) An assessment of the impact of Air Force operations at Pueblo Memorial Airport on non-Air Force activities at the airport.

(3) A description of the requirements necessary at Pueblo Memorial Airport to ensure safe Air Force flying operations, including continuous availability of fire protection, crash rescue, and other emergency response capabilities.

(4) An assessment of the necessity of providing for a continuous fire-fighting capability at Pueblo Memorial Airport.

(5) A description and analysis of alternatives for Air Force flying operations at Pueblo Memorial Airport, including the cost and availability of such alternatives.

(6) An assessment of whether Air Force funding is required to assist the City of Pueblo, Colorado, in meeting Air Force requirements for safe Air Force flight operations at Pueblo Memorial Airport, and if required, the Air Force plan to provide the funds to the city.

SEC. 360A. REPORT ON USE OF ALTERNATIVE FUELS BY THE DEPARTMENT OF DEFENSE.

(a) STUDY.—The Secretary of Defense shall conduct a study on the use of alternative fuels by the Armed Forces and the Defense Agencies, including any measures that can be taken to increase the use of such fuels by the Department of Defense and the Defense Agencies.

(b) ELEMENTS.—The study shall address each matter set forth in paragraphs (1) through (7) of section 357(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3207) with respect to alternative fuels (rather than to the fuels specified in such paragraphs).

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study conducted under this section.

(2) MANNER OF SUBMITTAL.—The report required by this subsection may be incorporated into, or provided as an annex to, the study required by section 357(c) of the National Defense Authorization Act for Fiscal Year 2006.

(d) ALTERNATIVE FUELS DEFINED.—In this section, the term ''alternative fuels'' means biofuels, biodiesel, renewable diesel, ethanol that contain less than 85 percent ethyl alcohol, and cellulosic ethanol.

Subtitle E—Workplace and Depot Issues

SEC. 361. MINIMUM CAPITAL INVESTMENT LEVELS FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.

(a) MINIMUM INVESTMENT LEVELS.—Section 2208 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(s) MINIMUM CAPITAL INVESTMENT FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.—(1) Each public depot that is serviced by a working capital fund shall invest in its capital budget each fiscal year an amount equal to not less than six percent of the actual total revenue of the public depot for the previous fiscal year.

''(2) The Secretary of Defense may waive the requirement in paragraph (1) with respect to a particular public depot for a fiscal year if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees of the reasons for the waiver.

''(3)(A) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the level of capital investment at each public depot serviced by working capital funds as of the end of the previous fiscal year.

''(B) Each report under this paragraph shall include the following:

''(i) A specification of the statutory, regulatory, or operational impediments, if any, to achieving the requirement in paragraph (1) with respect to each public depot described in that paragraph.

''(ii) A description of the benchmarks established by each public depot and working capital fund for capital investment and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

''(iii) If the requirement set out in paragraph (1) is not met for any public depot in the previous fiscal year, a statement of the reasons why and a plan of actions to meet the requirement for such public depot in the fiscal year beginning in the year in which such report is submitted.

''(4) In this subsection, the terms 'total revenue' and 'capital budget' have the meaning given such terms in Department of Defense Financial Management Regulation 7000.14–R of June 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 362. PERMANENT EXCLUSION OF CERTAIN CONTRACT EXPENDITURES FROM PERCENTAGE LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking ''entered into during fiscal years 2003 through 2009''.

SEC. 363. ADDITIONAL EXCEPTION TO PROHIBITION ON CONTRACTOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) A contract for the performance of firefighting functions to—

''(A) fight wildland fires such as range or forest fires; and

''(B) perform wildland fire management, including the conduct of hazardous fuels treatments to reduce wildland fire risks (including prescribed fire and mechanical treatments).''.

SEC. 364. TEMPORARY SECURITY GUARD SERVICES FOR CERTAIN WORK CAUSED BY REALIGNMENT OF MILITARY INSTALLATIONS UNDER THE BASE CLOSURE LAWS.

(a) AUTHORITY FOR TEMPORARY SERVICES.—Notwithstanding section 2465 of title 10, United States Code, the Secretary of the military department concerned may, for a period not to exceed one year at any single military installation, contract for security guard services at military installations approved for realignment under a base closure law when such services are required for the safe and secure relocation of either of the following:

(1) Military munitions and munitions-related equipment.

(2) High-value items in temporary storage areas.

(b) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given such term in section 101(a)(17) of title 10, United States Code.

(2) The term ''military munitions'' has the meaning given such term in section 101(e)(4) of title 10, United States Code.

(c) EXPIRATION.—The authority to enter into a contract under subsection (a) shall expire on September 15, 2011.

Subtitle F—Other Matters

SEC. 371. RECYCLING OF MILITARY MUNITIONS.

(a) IN GENERAL.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4690. Sale of recyclable munitions materials

''(a) AUTHORITY FOR PROGRAM.—(1) The Secretary of the Army may carry out a program to—

''(A) sell recyclable munitions materials resulting from the demilitarization of conventional military munitions; and

''(B) use the proceeds of sale for reclamation, recycling, and reuse of conventional military munitions.

''(2) The program authorized by this section may be known as the 'Military Munitions Recycling Program'.

''(b) GEOGRAPHIC LIMITATION.—The program authorized by subsection (a) may only be carried out in the United States and its possessions.

''(c) METHOD OF SALE.—(1) Except as provided in paragraph (2), the Secretary shall use competitive procedures to sell recyclable munitions materials under the program authorized by this section.

''(2) The Secretary may use procedures other than competitive procedures to sell recyclable munitions materials under the program authorized by this section in any case in which the Secretary determines there is only one potential buyer of the items being offered for sale.

''(3) The provisions of title 40 concerning disposal of property are not applicable to sales of materials under the program authorized by this section.

''(d) USE OF PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under the program authorized by this section shall be credited to the Ammunition Demilitarization Account within the Procurement of Ammunition, Army, Account.

''(2) Amounts credited to the Ammunition Demilitarization Account under paragraph (1) shall be available solely for purposes of reclamation, recycling, and reuse of conventional military munitions, including for research and development for such purposes and for the procurement of equipment for such purposes.

''(3) Funds credited to the Ammunition Demilitarization Account under paragraph (1) in a fiscal year shall be available for obligation under paragraph (2) during the fiscal

year in which the funds are so credited and for three fiscal years thereafter.

''(4) Funds credited to the Ammunition Demilitarization Account under paragraph (1) that are not obligated under paragraph (2) within the period of availability under paragraph (3) shall, at the end of such period, be deposited into the Treasury as miscellaneous receipts.

''(e) REGULATIONS.—The Secretary shall prescribe regulations on the operation of the program authorized by this section. The regulations shall be consistent with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and any regulations prescribed thereunder.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 443 of such title is amended by adding at the end the following new item:

''4690. Sale of recyclable munitions materials.''.

SEC. 372. INCENTIVES CLAUSES IN CHEMICAL DEMILITARIZATION CONTRACTS.

(a) IN GENERAL.—

(1) AUTHORITY TO INCLUDE CLAUSES IN CONTRACTS.—The Secretary of Defense may, for the purpose specified in paragraph (2), authorize the inclusion of an incentives clause in any contract for the destruction of the United States stockpile of lethal chemical agents and munitions carried out pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521).

(2) PURPOSE.—The purpose of a clause referred to in paragraph (1) is to provide the contractor for a chemical demilitarization facility an incentive to accelerate the safe elimination of the United States chemical weapons stockpile and to reduce the total cost of the Chemical Demilitarization Program by providing incentive payments for the early completion of destruction operations and the closure of such facility.

(b) INCENTIVES CLAUSES.—

(1) IN GENERAL.—An incentives clause under this section shall permit the contractor for the chemical demilitarization facility concerned the opportunity to earn incentive payments for the completion of destruction operations and facility closure activities within target incentive ranges specified in such clause.

(2) LIMITATION ON INCENTIVE PAYMENTS.—The maximum incentive payment under an incentives clause with respect to a chemical demilitarization facility may not exceed amounts as follows:

(A) In the case of an incentive payment for the completion of destruction operations within the target incentive range specified in such clause, $110,000,000.

(B) In the case of an incentive payment for the completion of facility closure activities within the target incentive range specified in such clause, $55,000,000.

(3) TARGET RANGES.—An incentives clause in a contract under this section shall specify the target incentive ranges of costs for completion of destruction operations and facility closure activities, respectively, as jointly agreed upon by the contracting officer and the contractor concerned. An incentives clause shall require a proportionate reduction in the maximum incentive payment amounts in the event that the contractor exceeds an agreed-upon target cost if such excess costs are the responsibility of the contractor.

(4) CALCULATION OF INCENTIVE PAYMENTS.—The amount of the incentive payment earned by a contractor for a chemical demilitarization facility under an incentives clause under this section shall be based upon a determination by the Secretary on how early in the target incentive range specified in such clause destruction operations or facility closure activities, as the case may be, are completed.

(5) CONSISTENCY WITH EXISTING OBLIGATIONS.—The provisions of any incentives clause under this section shall be consistent with the obligation of the Secretary of Defense under section 1412(c)(1)(A) of the Department of Defense Authorization Act, 1986 to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions.

(6) ADDITIONAL TERMS AND CONDITIONS.—In negotiating the inclusion of an incentives clause in a contract under this section, the Secretary may include in such clause such additional terms and conditions as the Secretary considers appropriate.

(c) ADDITIONAL LIMITATION ON PAYMENTS.—

(1) PAYMENT CONDITIONAL ON PERFORMANCE.—No payment may be made under an incentives clause under this section unless the Secretary determines that the contractor concerned has satisfactorily performed its duties under such incentives clause.

(2) PAYMENT CONTINGENT ON APPROPRIATIONS.—An incentives clause under this section shall specify that the obligation of the Government to make payment under such incentives clause is subject to the availability of appropriations for that purpose. Amounts appropriated for Chemical Agents and Munitions Destruction, Defense, shall be available for payments under incentives clauses under this section.

SEC. 373. EXTENSION OF DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT PROGRAM.

(a) TERMINATION AT END OF CONTINGENCY OPERATION.—Subsection (c) of section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1449), as amended by section 341 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1857), is further amended by striking ''terminate on September 30, 2006'' and inserting ''terminate with respect to a contingency operation on the date that is 60 days after the date on which the Secretary determines that the contingency operation has ended''.

(b) APPLICATION TO OTHER CONTINGENCY OPERATIONS.—Such section is further amended—

(1) in subsection (a), by striking ''Operation Iraqi Freedom and Operation Enduring Freedom'' and inserting ''a contingency operation''; and

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

''(g) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given that term in section 101(a)(13) of title 10, United States Code. The term includes Operation Iraqi Freedom and Operation Enduring Freedom.''.

(c) EXTENSION TO HOSPITALIZED MEMBERS.—Subsection (a) of such section is further amended—

(1) by striking ''As soon as possible after the date of the enactment of this Act, the'' and inserting ''The''; and

(2) by adding at the end the following new sentence: ''As soon as possible after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007, the Secretary shall extend such telecommunications benefit to members of the Armed Forces who, although no longer covered by the preceding sentence, are hospitalized as a result of wounds or other injuries incurred while serving in direct support of a contingency operation.''.

(d) REPORT ON IMPLEMENTATION OF MODIFIED BENEFITS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing the status of the efforts of the Department of Defense to implement the modifications of the Department of Defense telecommunications benefit required by section 344 of the National Defense Authorization Act for Fiscal Year 2004 that result from the amendments made by this section.

SEC. 374. EXTENSION OF AVAILABILITY OF FUNDS FOR COMMEMORATION OF SUCCESS OF THE ARMED FORCES IN OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

Section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3214) is amended by striking ''fiscal year 2006'' and inserting ''fiscal years 2006 and 2007''.

SEC. 375. ENERGY EFFICIENCY IN WEAPONS PLATFORMS.

(a) POLICY.—It shall be the policy of the Department of Defense to improve the fuel efficiency of weapons platforms, consistent with mission requirements, in order to—

(1) enhance platform performance;

(2) reduce the size of the fuel logistics systems;

(3) reduce the burden high fuel consumption places on agility;

(4) reduce operating costs; and

(5) dampen the financial impact of volatile oil prices.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the progress of the Department of Defense in implementing the policy established by subsection (a).

(2) ELEMENTS.—The report shall include the following:

(A) An assessment of the feasibility of designating a senior Department of Defense official to be responsible for implementing the policy established by subsection (a).

(B) A summary of the recommendations made as of the time of the report by—

(i) the Energy Security Integrated Product Team established by the Secretary of Defense in April 2006;

(ii) the Defense Science Board Task Force on Department of Defense Energy Strategy established by the Under Secretary of Defense for Acquisition, Technology and Logistics on May 2, 2006; and

(iii) the January 2001 Defense Science Board Task Force report on Improving Fuel Efficiency of Weapons Platforms.

(C) For each recommendation summarized under subparagraph (B)—

(i) the steps that the Department has taken to implement such recommendation;

(ii) any additional steps the Department plans to take to implement such recommendation; and

(iii) for any recommendation that the Department does not plan to implement, the reasons for the decision not to implement such recommendation.

(D) An assessment of the extent to which the research, development, acquisition, and logistics guidance and directives of the Department for weapons platforms are appropriately designed to address the policy established by subsection (a).

(E) An assessment of the extent to which such guidance and directives are being carried out in the research, development, acquisition, and logistics programs of the Department.

(F) A description of any additional actions that, in the view of the Secretary, may be needed to implement the policy established by subsection (a).

SEC. 376. CHEMICAL DEMILITARIZATION PROGRAM CONTRACTING AUTHORITY.

(a) MULTIYEAR CONTRACTING AUTHORITY.—The Secretary of Defense may carry out responsibilities under section 1412(a) of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521(a)) through multiyear contracts entered into before the date of the enactment of this Act.

(b) AVAILABILITY OF FUNDS.—Contracts entered into under subsection (a) shall be funded through annual appropriations for the destruction of chemical agents and munitions.

SEC. 377. UTILIZATION OF FUEL CELLS AS BACK-UP POWER SYSTEMS IN DEPARTMENT OF DEFENSE OPERATIONS.

The Secretary of Defense shall consider the utilization of fuel cells as replacements for current back-up power systems in a variety of Department of Defense operations and activities, including in telecommunications networks, perimeter security, and remote facilities, in order to increase the operational longevity of back-up power systems and stand-by power systems in such operations and activities.

SEC. 378. PREPOSITIONING OF DEPARTMENT OF DEFENSE ASSETS TO IMPROVE SUPPORT TO CIVILIAN AUTHORITIES.

(a) PREPOSITIONING AUTHORIZED.—The Secretary of Defense may provide for the prepositioning of prepackaged or preidentified basic response assets, such as medical supplies, food and water, and communications equipment, in order to improve Department of Defense support to civilian authorities.

(b) REIMBURSEMENT.—To the extent required by section 1535 of title 31, United States Code (popularly known as the ''Economy Act''), or other applicable law, the Secretary shall require reimbursement of the Department of Defense for costs incurred in the prepositioning of basic response assets under subsection (a).

(c) LIMITATION.—Basic response assets may not be prepositioned under subsection (a) if the prepositioning of such assets will adversely affect the military preparedness of the United States.

(d) PROCEDURES AND GUIDELINES.—The Secretary may develop procedures and guidelines applicable to the prepositioning of basic response assets under this section.

SEC. 379. RECOVERY AND AVAILABILITY TO CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND FIREARMS SAFETY OF CERTAIN FIREARMS, AMMUNITION, AND PARTS.

(a) IN GENERAL.—Subchapter II of chapter 407 of title 36, United States Code, is amended by inserting after the item relating to section 40728 the following new section:

''§ 40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries

''(a) RECOVERY.—The Secretary of the Army may recover from any country to which a grant of rifles, ammunition, repair parts, or other supplies described in section 40731(a) of this title is made under section 505 of the Foreign Assistance Act of 1961 (22 U.S.C. 2314) any such rifles, ammunition, repair parts, or supplies that are excess to the needs of such country.

''(b) COST OF RECOVERY.—(1) Except as provided in paragraph (2), the cost of recovery of any rifles, ammunition, repair parts, or supplies under subsection (a) shall be treated as incremental direct costs incurred in providing logistical support to the corporation for which reimbursement shall be required as provided in section 40727(a) of this title.

''(2) The Secretary may require the corporation to pay costs of recovery described in paragraph (1) in advance of incurring such costs. Amounts so paid shall not be subject to the provisions of section 3302 of title 31, but shall be administered in accordance with the last sentence of section 40727(a) of this title.

''(c) AVAILABILITY.—Any rifles, ammunition, repair parts, or supplies recovered under subsection (a) shall be available for transfer to the corporation in accordance with the provisions of section 40728 of this title under such additional terms and conditions as the Secretary shall prescribe for purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 407 of such title is amended by inserting after the item relating to section 40728 the following new item:

''40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries.''.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.
(2) The Navy, 340,700.
(3) The Marine Corps, 180,000.
(4) The Air Force, 334,200.

SEC. 402. REPEAL OF REQUIREMENT FOR PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 691.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

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

(1) The Army National Guard of the United States, 350,000.
(2) The Army Reserve, 200,000.
(3) The Navy Reserve, 71,300.
(4) The Marine Corps Reserve, 39,600.
(5) The Air National Guard of the United States, 107,000.
(6) The Air Force Reserve, 74,900.
(7) The Coast Guard Reserve, 10,000.

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

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

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

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,441.
(2) The Army Reserve, 15,416.
(3) The Navy Reserve, 12,564.
(4) The Marine Corps Reserve, 2,261.
(5) The Air National Guard of the United States, 13,206.
(6) The Air Force Reserve, 2,707.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,912.
(2) For the Army National Guard of the United States, 26,050.
(3) For the Air Force Reserve, 10,124.
(4) For the Air National Guard of the United States, 23,255.

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

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.
(B) For the Air National Guard of the United States, 350.

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

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

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

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

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

(1) The Army National Guard of the United States, 17,000.
(2) The Army Reserve, 13,000.
(3) The Navy Reserve, 6,200.
(4) The Marine Corps Reserve, 3,000.
(5) The Air National Guard of the United States, 16,000.
(6) The Air Force Reserve, 14,000.

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $112,043,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the

sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

Section 528 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(e) MILITARY STATUS.—An officer of the Armed Forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or by any officer or employee of the Department of Defense, except as directed by the Secretary or the Secretary's designee concerning reassignment from such position; and

''(2) shall not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(f) EFFECT OF APPOINTMENT.—Except as provided in subsection (e), the appointment of an officer of the Armed Forces to a position covered by this section shall not affect the status, position, rank, or grade of such officer in the Armed Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

''(g) MILITARY PAY AND ALLOWANCES.—(1) An officer of the Armed Forces on active duty who is appointed to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances, and shall not receive the pay prescribed for such position.

''(2) Funds from which pay and allowances under paragraph (1) are paid shall be reimbursed from the following:

''(A) Funds available to the Director of the Central Intelligence Agency, for positions within the Central Intelligence Agency.

''(B) Funds available to the Director of National Intelligence, for positions within the Office of the Director of National Intelligence.''.

SEC. 502. EXTENSION OF TEMPORARY REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION FOR CERTAIN ACTIVE-DUTY LIST OFFICERS IN GRADES OF FIRST LIEUTENANT AND LIEUTENANT (JUNIOR GRADE).

Section 619(a)(1)(B) of title 10, United States Code, is amended by striking ''October 1, 2005'' and inserting ''October 1, 2008''.

SEC. 503. EXTENSION OF AGE LIMITS FOR ACTIVE-DUTY GENERAL AND FLAG OFFICERS.

(a) RESTATEMENT AND MODIFICATION OF CURRENT AGE LIMITS.—Section 1251 of title 10, United States Code, is amended to read as follows:

''§ 1251. Regular commissioned officers; exceptions

''(a) AGE LIMITS FOR GENERAL AND FLAG OFFICERS.—(1) Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps serving in a grade at or above brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 64 years of age.

''(2) Notwithstanding paragraph (1), the Secretary of Defense may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 66 years of age.

''(3) Notwithstanding paragraphs (1) and (2), the President may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(b) AGE LIMITS FOR OTHER OFFICERS.—Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps other than an officer covered by section 1252 of this title or a commissioned warrant officer) serving in a grade below brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 62 years of age.

''(c) DEFERRED RETIREMENT OF HEALTH PROFESSIONS OFFICERS.—(1) The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

''(2) For purposes of this subsection, a health professions officer is—

''(A) a medical officer;

''(B) a dental officer; or

''(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

''(d) DEFERRED RETIREMENT OF CHAPLAINS.—The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

''(e) LIMITATION ON DEFERRAL OF RETIREMENTS.—(1) Except as provided in paragraph (2), a deferment under subsection (c) or (d) may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(2) The Secretary of the military department concerned may extend a deferment under subsection (c) or (d) beyond the day referred to in paragraph (1) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of such title is amended by striking the item relating to section 1251 and inserting the following new item:

''1251. Regular commissioned officers; exceptions.''.

SEC. 504. MODIFICATION OF AUTHORITIES ON SENIOR MEMBERS OF THE JUDGE ADVOCATE GENERAL'S CORPS.

(a) DEPARTMENT OF THE ARMY.—

(1) GRADE OF JUDGE ADVOCATE GENERAL.—Subsection (a) of section 3037 of title 10, United States Code, is amended by striking the third sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(2) REDESIGNATION OF ASSISTANT JUDGE ADVOCATE GENERAL AS DEPUTY JUDGE ADVOCATE GENERAL.—Such section is further amended—

(A) in subsection (a), by striking ''Assistant Judge Advocate General'' each place it appears and inserting ''Deputy Judge Advocate General''; and

(B) in subsection (d), by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(3) CONFORMING AND CLERICAL AMENDMENTS.—(A) The heading of such section is amended by striking ''**Assistant Judge Advocate General**'' and inserting ''**Deputy Judge Advocate General**''.

(B) The table of sections at the beginning of chapter 305 of such title is amended in the item relating to section 3037 by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(b) GRADE OF JUDGE ADVOCATE GENERAL OF THE NAVY.—Section 5148(b) of such title is amended in subsection by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of vice admiral or lieutenant general, as appropriate.''.

(c) GRADE OF JUDGE ADVOCATE GENERAL OF THE AIR FORCE.—Section 8037(a) of such title is amended by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(d) EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER STRENGTH AND DISTRIBUTION LIMITATIONS.—Section 525(b) of such title is amended by adding at the end the following new paragraph:

''(9) An officer while serving as the Judge Advocate General of the Army, the Judge Advocate General of the Navy, or the Judge Advocate General of the Air Force is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral under paragraph (1) or (2), as applicable.''.

SEC. 505. REQUIREMENT FOR SIGNIFICANT JOINT EXPERIENCE FOR OFFICERS APPOINTED AS SURGEON GENERAL OF THE ARMY, NAVY, AND AIR FORCE.

(a) RESTATEMENT AND STANDARDIZATION OF AUTHORITIES ON SURGEON GENERAL OF THE ARMY.—

(1) IN GENERAL.—Chapter 305 of title 10, United States Code, is amended by inserting after section 3036 the following new section:

''§ 3036a. Surgeon General: appointment; grade

''(a) SURGEON GENERAL.—There is a Surgeon General of the Army who is appointed by the President, by and with the advice and consent of the Senate, from officers in any corps of the Army Medical Department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) TERM OF OFFICE.—An officer appointed as Surgeon General normally holds office for four years.

''(d) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Army requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Army.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) CONFORMING AMENDMENT.—Section 3036(b) of such title is amended in the flush matter following paragraph (2) by striking the second sentence.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 305 of such title is amended by inserting after the item relating to section 3036 the following new item:

''3036a. Surgeon General: appointment; grade.''.

(b) SURGEON GENERAL OF THE NAVY.—

(1) IN GENERAL.—Section 5137 of such title is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT AS CHIEF.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Navy requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Navy.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) TECHNICAL AMENDMENTS.—Such section is further amended—

(A) in subsection (a), by inserting ''CHIEF.—'' after ''(a)''; and

(B) in subsection (c), as redesignated by paragraph (1)(A) of this subsection, by inserting ''DEPUTY CHIEF.—'' after ''(c)''.

(c) SURGEON GENERAL OF THE AIR FORCE.—The text of section 8036 of such title is amended to read as follows:

''(a) SURGEON GENERAL.—There is a Surgeon General of the Air Force who is appointed by the President, by and with the advice and consent of the Senate, from officers of the Air Force who are in the Air Force medical department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Air Force requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Air Force.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008, and shall apply with respect to appointments to the position of Surgeon General of the Army, Surgeon General of the Navy, and Surgeon General of the Air Force that are made on or after that date.

SEC. 506. GRADE AND EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER DISTRIBUTION AND STRENGTH LIMITATIONS OF OFFICER SERVING AS ATTENDING PHYSICIAN TO THE CONGRESS.

(a) GRADE.—

(1) REGULAR OFFICER.—(A) Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 722. Attending Physician to the Congress: grade

''A general officer serving as Attending Physician to the Congress, while so serving, holds the grade of major general. A flag officer serving as Attending Physician to the Congress, while so serving, holds the grade of rear admiral.''.

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

''722. Attending Physician to the Congress: grade.''.

(2) RESERVE OFFICER.—(A) Section 12210 of such title is amended by striking ''who holds'' and all that follows and inserting ''holds the reserve grade of major general or rear admiral, as appropriate.''.

(B) The heading of such section is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade''.

(C) The table of sections at the beginning of chapter 1205 of such title is amended by striking the item relating to section 12210 and inserting the following new item:

''12210. Attending Physician to the Congress: reserve grade.''.

(b) DISTRIBUTION LIMITATIONS.—Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) An officer while serving as Attending Physician to the Congress is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above brigadier general or rear admiral (lower half) under subsection (a).''.

(c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section 526 of such title is amended by adding at the end the following new subsection:

''(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE CONGRESS.—The limitations of this section do not apply to the general or flag officer who is serving as Attending Physician to the Congress.''.

SEC. 507. DISCRETIONARY SEPARATION AND RETIREMENT OF CHIEF WARRANT OFFICERS, W–4, TWICE FAILING SELECTION FOR PROMOTION.

(a) IN GENERAL.—Section 580(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting '', except as provided in paragraph (5),'' after ''shall'';

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) In the case of a warrant officer described in paragraph (1) who is in the grade of chief warrant officer, W–4, the retirement or separation of such member under this subsection shall be subject to the discretion of the Secretary concerned.''.

(b) ELIGIBILITY FOR PROMOTION.—Paragraph (6) of such section, as redesignated by subsection (a)(2) of this section, is further amended—

(1) by striking ''A warrant officer'' and inserting ''(A) Except as provided in subparagraph (B), a warrant officer''; and

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

''(B) A warrant officer who is retained on active duty pursuant to an exercise of the authority in paragraph (5) is eligible for further consideration for promotion while remaining on active duty.''.

SEC. 508. INCREASED MANDATORY RETIREMENT AGES FOR RESERVE OFFICERS.

(a) MAJOR GENERALS AND REAR ADMIRALS.—

(1) INCREASED AGE.—Section 14511 of title 10, United States Code, is amended by striking ''62 years'' and inserting ''64 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14511. Separation at age 64: major generals and rear admirals''.

(b) BRIGADIER GENERALS AND REAR ADMIRALS (LOWER HALF).—

(1) INCREASED AGE.—Section 14510 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14510. Separation at age 62: brigadier generals and rear admirals (lower half)''.

(c) OFFICERS BELOW BRIGADIER GENERAL OR REAR ADMIRAL (LOWER HALF).—

(1) INCREASED AGE.—Section 14509 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half)''.

(d) CERTAIN OTHER OFFICERS.—

(1) INCREASED AGE.—Section 14512 of such title is amended by striking ''64 years'' both places it appears and inserting ''66 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14512. Separation at age 66: officers holding certain offices''.

(e) CONFORMING AMENDMENTS.—Section 14508 of such title is amended—

(1) in subsection (c), by striking ''60 years'' and inserting ''62 years''; and

(2) in subsection (d), by striking ''62 years'' and inserting ''64 years''.

(f) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1407 of such title is amended by striking the items relating to sections 14509, 14510, 14511, and 14512 and inserting the following new items:

''14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half).

''14510. Separation at age 62: brigadier generals and rear admirals (lower half).

''14511. Separation at age 64: major generals and rear admirals.

''14512. Separation at age 66: officers holding certain offices.''.

SEC. 509. MODIFICATION OF QUALIFICATIONS FOR LEADERSHIP OF THE NAVAL POSTGRADUATE SCHOOL.

Section 7042(a) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by inserting ''active-duty or retired'' after ''An'';

(B) by inserting ''or Marine Corps'' after ''Navy'';

(C) by inserting ''or colonel, respectively'' after ''captain''; and

(D) by inserting ''or assigned'' after ''detailed'';

(2) in paragraph (2), by inserting ''and the Commandant of the Marine Corps'' after ''Operations''; and

(3) in paragraph (4)(A)—

(A) by inserting ''(unless such individual is a retired officer of the Navy or Marine Corps

in a grade not below the grade of captain or colonel, respectively)'' after ''in the case of a civilian'';

(B) by inserting ''active-duty or retired'' after ''in the case of an''; and

(C) by inserting ''or Marine Corps'' after ''Navy''.

Part II—Officer Promotion Policy

SEC. 515. PROMOTIONS.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a)(1) of section 624 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Subsection (d) of such section is amended—

(A) in paragraph (1), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''; and

(B) in paragraph (2), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''.

(4) ADDITIONAL BASIS FOR DELAY OF APPOINTMENT.—Subsection (d)(1) of such section is further amended—

(A) in subparagraph (C), by striking ''or'' at the end;

(B) in subparagraph (D), by striking the period at the end and inserting ''; or'';

(C) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(D) in the flush matter following subparagraph (E), as inserted by subparagraph (C) of this paragraph—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Subsection (d)(2) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to such grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to such grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to such grade''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a) of section 14308 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Section 14311 of such title is amended—

(A) in subsection (a)(1), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''; and

(B) in subsection (b), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''.

(4) ADDITIONAL BASIS FOR ORIGINAL DELAY OF APPOINTMENT.—Section 14311(a) of such title is further amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

''(E) Substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(B) in paragraph (2)—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Section 14311(b) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to the higher grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to the higher grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to the higher grade''.

(c) DEADLINE FOR UNIFORM REGULATIONS ON DELAY OF PROMOTIONS.—The Secretary of Defense shall prescribe the regulations required by section 624(d) of title 10, United States Code (as amended by subsection (a)(3) of this section), and the regulations required by section 14311 of title 10, United States Code (as amended by subsection (b)(3) of this section), not later than March 1, 2008.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to officers on promotion lists established on or after that date.

SEC. 516. CONSIDERATION OF ADVERSE INFORMATION BY PROMOTION SELECTION BOARDS IN RECOMMENDATIONS ON OFFICERS TO BE PROMOTED.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 616(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 615 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14108(b) of such title is amended—

(1) in the heading, by striking ''MAJORITY REQUIRED'' and inserting ''ACTIONS REQUIRED'';

(2) in paragraph (1), by striking ''and'' at the end;

(3) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 14107 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 517. EXPANDED AUTHORITY FOR REMOVAL FROM REPORTS OF SELECTION BOARDS OF OFFICERS RECOMMENDED FOR PROMOTION TO GRADES BELOW GENERAL AND FLAG GRADES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 618(d) of title 10, United States Code, is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14111(b) of such title is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 518. CLARIFICATION OF NONDISCLOSURE REQUIREMENTS APPLICABLE TO PROMOTION SELECTION BOARD PROCEEDINGS.

(a) SELECTION BOARD PROCEEDINGS FOR ACTIVE DUTY OFFICERS.—Subsection (f) of section 618 of title 10, United States Code, is amended to read as follows:

''(f)(1) Proceedings of a selection board convened under section 611 of this title shall not be disclosed to any person not a member of the board.

''(2) Discussions and deliberations of a selection board described in paragraph (1), and any written or documentary records thereof, shall—

''(A) be immune from legal process;

''(B) not be admitted as evidence; and

''(C) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(b) SELECTION BOARD PROCEEDINGS FOR RESERVE OFFICERS.—

(1) IN GENERAL.—Section 14104 of such title is amended to read as follows:

''§ 14104. Nondisclosure of board proceedings

''(a) IN GENERAL.—The proceedings of a selection board convened under section 14101 of this title shall not be disclosed to any person not a member of the board.

''(b) DISCUSSIONS AND DELIBERATIONS.—Discussions and deliberations of a selection board described in subsection (a), and any written or documentary records thereof, shall—

''(1) be immune from legal process;

''(2) not be admitted as evidence; and

''(3) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1403 of such title is amended by striking the item relating to section 14104 and inserting the following new item:

''14104. Nondisclosure of board proceedings.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the proceedings of any promotion selection board, whether convened before, on, or after such date.

SEC. 519. SPECIAL SELECTION BOARD AUTHORITIES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) BOARDS FOR ADMINISTRATIVE ERROR AVAILABLE ONLY TO OFFICERS IN OR ABOVE PROMOTION ZONE.—Subsection (a)(1) of section 628 of title 10, United States Code, is amended by inserting ''from in or above the promotion zone'' after ''for selection for promotion''.

(2) ACTIONS TREATABLE AS MATERIAL UNFAIRNESS.—Subsection (b)(1)(A) of such section is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—Section 14502(b)(1)(A) of such title is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 520. REMOVAL FROM PROMOTION LISTS OF OFFICERS RETURNED TO THE PRESIDENT BY THE SENATE.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 629 of title 10, United States Code, is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c)(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in paragraph (1) of subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 14310 of such title is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c) REMOVAL FOLLOWING RETURN BY THE SENATE TO THE PRESIDENT.—(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 2007.

(2) APPLICABILITY TO CERTAIN OFFICERS.—The amendments made by this section shall not apply to any officer on the active-duty list or reserve active status list whose name is on a promotion list or report of a selection board on the date of the enactment of this Act. Any officer whose name is on a promotion list as of the date of the enactment of this Act following the return of the officer's nomination to the President by the Senate and who is eligible as of that date for retirement for years of service shall be retired not later than October 1, 2008.

SEC. 521. REPORT ON JOINT OFFICER PROMOTION BOARDS.

(a) REPORT REQUIRED.—Not later than June 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and House of Representatives a report on the desirability and feasibility of conducting joint officer promotion selection boards.

(b) ELEMENTS.—The report under subsection (a) shall include—

(1) a discussion of the limitations in existing officer career paths and promotion procedures that might warrant the conduct of joint officer promotion selection boards;

(2) an identification of the requirements for officers for which joint officer promotion selection boards would be advantageous;

(3) recommendations on methods to demonstrate how joint officer promotion selection boards might be structured, and an evaluation of the feasibility of such methods; and

(4) any proposals for legislative action that the Secretary considers appropriate.

Part III—Joint Officer Management Requirements

SEC. 526. MODIFICATION AND ENHANCEMENT OF GENERAL AUTHORITIES ON MANAGEMENT OF JOINT QUALIFIED OFFICERS.

(a) REDESIGNATION OF APPLICABILITY OF POLICIES TOWARD JOINT QUALIFICATION.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking the last sentence and inserting the following new sentence: ''For purposes of this chapter, officers to be managed by such policies, procedures, and practices are referred to as 'joint qualified'.''.

(b) NUMBERS AND DESIGNATION.—Subsection (b) of such section is amended—

(1) in the heading, by striking ''SELECTION'' and inserting ''DESIGNATION'';

(2) in paragraph (1), by striking ''of officers with the joint specialty'' and inserting ''and levels of joint qualified officers'';

(3) in paragraph (2)—

(A) by striking ''selected for the joint specialty'' and inserting ''designated as joint qualified officers''; and

(B) by striking the second and third sentences and inserting the following new sentence: ''Officers considered for joint qualification shall—

''(A) meet criteria prescribed by the Secretary of Defense; and

''(B) be those officers who are serving in the grade of captain or, in the case of the Navy, lieutenant, or a higher grade.''; and

(4) in paragraph (3)—

(A) by striking ''select officers for the joint specialty'' and inserting ''designate officers as joint qualified officers''; and

(B) by striking ''the Deputy Secretary of Defense'' and inserting ''the Under Secretary of Defense for Personnel and Readiness''.

(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—(1) An officer may not be designated as a joint qualified officer until the officer—

''(A)(i) successfully completes an appropriate program at a joint professional military education school; and

''(ii) successfully completes a full tour of duty in a joint duty assignment (as described in section 664(f) of this title (other than in paragraph (2) of such section)); or

''(B) under regulations and policy prescribed by the Secretary of Defense, successfully demonstrates a mastery of knowledge, skills, and abilities in joint matters.

''(2)(A) In the case of an officer who has completed two full tours of duty in a joint duty assignment (as described in section 664(f) of this title) and demonstrates a mastery of knowledge, skills, and abilities on joint matters, the Secretary of Defense may waive the requirement that the officer have successfully completed a program of education referred to in paragraph (1)(A)(i) if the Secretary determines that the types of joint duty experiences completed by the officer have been of sufficient breadth to prepare the officer adequately for the highest level of joint qualification.

''(B) The authority of the Secretary of Defense to grant a waiver under subparagraph (A) may be delegated only to the Under Secretary of Defense for Personnel and Readiness.

''(C)(i) A waiver under subparagraph (A) may be granted only on a case-by-case basis.

''(ii) A waiver under subparagraph (A) may be granted only under circumstances justifying variation from the requirements of paragraph (1) for designation of an officer for the highest level of joint qualification as specified by the Secretary of Defense.

''(iii) In the case of a general or flag officer, a waiver under subparagraph (A) may be granted only under circumstances described in clause (ii) and circumstances in which the waiver is necessary to meet a critical need of the Armed Forces, as determined by the Chairman of the Joint Chiefs of Staff.

''(iv) In the case of officers in grades below brigadier general or rear admiral (lower half), the total number of waivers granted under subparagraph (A) for officers in the same pay grade during a fiscal year may not exceed 10 percent of the total number of officers in that pay grade selected for the highest level of joint qualification during that fiscal year.

''(D) There may not be more than 32 general and flag officers on active duty at the same time who were selected for the joint specialty or highest level of joint qualification while holding a general or flag officer grade and for whom a waiver was granted under subparagraph (A).''.

(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—Subsection (d) of such section is amended to read as follows:

''(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1) The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above major or, in the case of the Navy, lieutenant commander are filled at any time by officers who have the highest level of joint qualification.

''(2) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall designate an appropriate number of joint duty assignment positions as critical joint duty assignment positions. A position may be designated as a critical joint duty assignment position only if the duties and responsibilities of the position make it important that the occupant be particularly trained in, and oriented toward, joint matters.

''(3)(A) Except as provided in subparagraph (B), a position designated under paragraph (2) may be held only by an officer who has the highest level of joint qualification.

''(B) The Secretary of Defense may waive the requirement in subparagraph (A) with respect to the assignment of an officer to a position designated under paragraph (1). Any such waiver shall be granted on a case-by-case basis. The authority of the Secretary to grant such a waiver may be delegated only to the Chairman of the Joint Chiefs of Staff.

''(4) The Secretary of Defense shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.''.

(e) CAREER GUIDELINES.—Subsection (e) of such section is amended by striking ''officers with the joint specialty'' and inserting ''officers who are joint qualified officers''.

(f) TREATMENT OF CERTAIN SERVICE.—Subsection (f) of such section is amended by striking ''(including section 619(e)(1) of this title)''.

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 38 of such title is amended by striking the item relating to section 661 and inserting the following new item:

''661. Management policies for joint qualified officers.''.

SEC. 527. MODIFICATION OF PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''and'' after the semicolon; and

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) officers who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.''.

SEC. 528. APPLICABILITY OF JOINT DUTY ASSIGNMENT REQUIREMENTS LIMITED TO GRADUATES OF NATIONAL DEFENSE UNIVERSITY SCHOOLS.

(a) APPLICABILITY.—Section 663 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(B) in paragraph (2), by striking ''a joint professional military education school'' and inserting ''a school referred to in paragraph (1)''.

(b) DEFINITION.—Such section is further amended by adding at the end the following new subsection:

''(c) SCHOOL WITHIN THE NATIONAL DEFENSE UNIVERSITY.—For purposes of this section, a school within the National Defense University includes a school as follows:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Joint Advanced Warfighting School.

''(4) The Joint Forces Staff College.''.

SEC. 529. MODIFICATION OF DEFINITIONS RELATING TO JOINTNESS.

(a) MODIFICATION OF DEFINITION OF ''JOINT MATTERS''.—Subsection (a) of section 668 of title 10, United States Code, is amended to read as follows:

''(a) JOINT MATTERS.—In this chapter, the term 'joint matters' means matters involving the integrated use of military forces relating to national military strategy, strategic and contingency planning, and command and control of operations under unified command that may be conducted under unified action on land, sea, or air, in space, or in the information environment with participants from multiple armed forces, the armed forces and other departments and agencies of the United States Government, the armed forces and the military forces or agencies of other countries, the armed forces and nongovernmental persons or entities, or any combination thereof.''.

(b) MODIFICATION OF DEFINITION OF ''JOINT DUTY ASSIGNMENT''.—Paragraph (1) of subsection (b) of such section is amended by striking ''and shall exclude'' and all that follows and inserting a period.

(c) RESTATEMENT OF DEFINITION OF ''CRITICAL OCCUPATIONAL SPECIALTY''.—

(1) IN GENERAL.—Section 668 of such title is further amended by adding at the end the following new subsection:

''(d) CRITICAL OCCUPATIONAL SPECIALTY.—In this chapter, the term 'critical occupational specialty' means a military occupational specialty within a combat arm of the Army, or an equivalent arm of the Navy, Air Force, and Marine Corps, that is designated by the Secretary of Defense as a critical occupational specialty because such combat arm is experiencing a severe shortage of trained officers in that military occupational specialty.''.

(2) CONFORMING AMENDMENTS.—The following provisions of such title are each amended by striking ''under section 661(c)(2) of this title'':

(A) Section 664(c)(2).

(B) Section 667(3).

SEC. 530. CONDITION ON APPOINTMENT OF COMMISSIONED OFFICERS TO POSITION OF DIRECTOR OF NATIONAL INTELLIGENCE OR DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

(a) CONDITION.—

(1) IN GENERAL.—Chapter 32 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency

''As a condition of appointment to the position of Director of National Intelligence or Director of the Central Intelligence Agency, an officer shall acknowledge that upon termination of service in such position the officer shall be retired in accordance with section 1253 of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 32 of such title is amended by adding at the end the following new item:

''529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(b) RETIREMENT.—

(1) IN GENERAL.—Chapter 63 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency

''Upon termination of the appointment of an officer to the position of Director of National Intelligence or Director of the Central Intelligence Agency, the Secretary of the military department concerned shall retire the officer under any provision of this title under which the officer is eligible to retire.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of

such title is amended by adding at the end the following new item:

''1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to appointments of commissioned officers of the Armed Forces to the position of Director of National Intelligence or Director of the Central Intelligence Agency on or after that date.

Subtitle B—Reserve Component Personnel Matters

SEC. 531. ENHANCED FLEXIBILITY IN THE MANAGEMENT OF RESERVE COMPONENT PERSONNEL.

(a) CLARIFICATION OF DEFINITION OF ''ACTIVE GUARD AND RESERVE DUTY'' UNDER TITLE 10, UNITED STATES CODE.—Section 101(d)(6)(A) of title 10, United States Code, is amended—

(1) by striking ''or full-time National Guard duty'' the first place it appears;

(2) by striking ''to active duty or'' and inserting ''to'';

(3) by striking ''Guard, pursuant'' and inserting ''Guard pursuant''; and

(4) by inserting a comma before ''for a period''.

(b) EXPANSION OF ACTIVE GUARD AND RESERVE DUTY TO INCLUDE SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Section 12310 of title 10, United States Code, is amended—

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

(2) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ACTIVE GUARD AND RESERVE DUTY.—The Secretary concerned may order a Reserve ordered to or retained on active duty under section 12301(d) of this title to perform active Guard and Reserve duty.

''(b) ADDITIONAL DUTIES.—A Reserve on active duty as described in subsection (a) who is performing active Guard and Reserve duty pursuant to an order under that subsection may be assigned additional duties (to the extent such duties do not interfere with the performance by the Reserve of active Guard and Reserve duty under that subsection) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the reserve components.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the same armed force; or

''(B) a joint forces unit that includes—

''(i) one or more reserve component units; or

''(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands on reserve component matters.

''(4) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.

''(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—A Reserve ordered to active duty under subsection (a) shall be ordered in his reserve grade. While so serving, he continues to be eligible for promotion as a Reserve, if he is otherwise qualified.''; and

(3) in paragraph (1) of subsection (d), as so redesignated—

(A) by striking ''Notwithstanding subsection (b), a Reserve'' and inserting ''A Reserve''; and

(B) by striking ''functions'' and inserting ''duty''.

(c) EXPANSION OF DUTIES OF MILITARY TECHNICIANS (DUAL STATUS).—

(1) GENERAL DUTIES.—Section 10216(a)(1)(C) of such title is amended by striking ''administration and'' and inserting ''organizing, administering, instructing, or''.

(2) SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Chapter 1007 of such title is amended by inserting after section 10216 the following new section:

''§ 10216a. Military technicians (dual status): additional duties

''A military technician (dual status) who is employed under section 3101 of title 5 may perform additional duties (to the extent such duties do not interfere with the performance by the military technician of duties assigned under section 10216(a)(1)(C) of this title) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the military technician's unit.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the military technician's armed force; or

''(B) a joint forces unit that includes—

''(i) one or more units of the military technician's reserve component; or

''(ii) a member of the military technician's reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10216 the following new item:

''10216a. Military technicians (dual status): additional duties.''.

(d) ORDER OF NATIONAL GUARD MEMBERS TO PERFORM NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY AND ADDITIONAL DUTIES.—

(1) DEFINITION OF ''NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY''.—Section 101 of title 32, United States Code, is amended by adding at the end the following:

''(20)(A) 'National Guard active Guard and Reserve duty' means full-time National Guard duty performed by a member of the National Guard pursuant to an order to full-time National Guard duty, for a period of 180 consecutive days or more for the purpose of organizing, administering, recruiting, instructing, or training the reserve components.

''(B) Such term does not include the following:

''(i) Duty performed as a member of the Reserve Forces Policy Board under section 10301 of title 10.

''(ii) Duty performed as a property and fiscal officer under section 708 of this title.

''(iii) Duty performed for the purpose of interdiction and counter-drug activities for which funds have been provided under section 112 of this title.

''(iv) Duty performed as a general or flag officer.

''(v) Service as a State director of the Selective Service System under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)).''.

(2) ORDER TO PERFORM DUTY.—Chapter 3 of such title is amended by adding at the end the following new section:

''§ 328. National Guard active Guard and Reserve duty; additional duties

''(a) AUTHORITY TO ORDER TO DUTY.—The Governor of his State or Territory or Puerto Rico, or commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform National Guard active Guard and Reserve duty.

''(b) NATURE OF DUTY.—(1) A member of the National Guard may be ordered to perform duty under subsection (a)—

''(A) without his consent, but with the pay and allowances provided by law; or

''(B) with his consent, either with or without pay and allowances.

''(2) Duty without pay shall be considered for all purposes as if it were duty with pay.

''(c) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following additional duties (to the extent such duties do not interfere with the performance by the member of National Guard active Guard and Reserve duty under that subsection) as follows:

''(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

''(2) Support of Federal training operations or Federal training missions assigned in whole or in part to the member's unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

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

''328. National Guard active Guard and Reserve duty; additional duties.''.

(e) EXPANSION OF DUTIES OF NATIONAL GUARD TECHNICIANS.—Section 709(a) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

(B) by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) the performance of additional duties (to the extent such duties do not interfere with the performance by the technician of duties under paragraphs (1) and (2)) as follows:

''(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

''(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

''(C) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

SEC. 532. EXPANSION OF ACTIVITIES AUTHORIZED FOR RESERVES UNDER WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Subsection (d) of section 12310 of title 10, United States Code, as redesignated and amended by section 531(b) of this Act, is further amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting ''in the United States, Canada, or the United Mexican States'' after ''title)''; and

(ii) by striking ''or'' at the end;

(B) in subparagraph (B)—

(i) by inserting '', Canada, or the United Mexican States'' after ''United States''; and

(ii) by striking the period at the end and inserting a semicolon; and

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

''(C) the intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property; or

''(D) a natural or manmade disaster in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property.''; and

(2) by striking paragraph (3) and inserting the following new paragraph (3):

''(3)(A) A Reserve may perform duties described in subparagraph (A), (B), or (C) of paragraph (1)—

''(i) only while assigned to a reserve component civil support team; and

''(ii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(B) A Reserve may perform the duties described in paragraph (1)(D)—

''(i) only while assigned to a reserve component civil support team;

''(ii) only with the approval of the Secretary of Defense; and

''(iii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(C) Any duties described in paragraph (1) that are performed in Canada or the United Mexican States may occur, with consultation of the Secretary of State, at any distance beyond the borders of the United States with such country as is agreed to by appropriate authorities in such country.''.

(b) DEFINITION OF ''UNITED STATES''.—Such subsection is further amended by adding at the end the following new paragraph:

''(7) In this subsection, the term 'United States' means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.''.

(c) CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) in the heading, by inserting '', TERRORIST ATTACK, AND NATURAL OR MANMADE DISASTER'' after ''MASS DESTRUCTION'';

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''civil support team''; and

(3) in paragraph (6)(B), by striking ''paragraph (3)(B)'' and inserting ''that paragraph''.

SEC. 533. MODIFICATION OF AUTHORITIES RELATING TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL REEMPLOYMENT.—Subsection (e) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), as amended by section 516 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3237), is further amended by adding at the end the following new paragraph:

''(3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.''.

(b) FINAL REPORT.—Subsection (f)(2) of such section 513 is amended by striking ''one year'' and inserting ''18 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The amendment made by subsection (a) shall apply to members of the Commission on the National Guard and Reserves appointed on or after that date.

SEC. 534. PILOT PROGRAM ON REINTEGRATION OF MEMBERS OF THE NATIONAL GUARD INTO CIVILIAN LIFE AFTER DEPLOYMENT.

(a) PILOT PROGRAM REQUIRED.—The Secretary of the Army shall carry out a pilot program to assess the feasibility and advisability of utilizing the mechanisms specified in this section to facilitate the reintegration of members of the National Guard into civilian life after their return from deployment overseas.

(b) LIMITATION ON LOCATION.—The pilot program required by subsection (a) may only be carried out in a State that has a National Guard brigade that is returning from deployment overseas during the period of the pilot program.

(c) PROGRAM ELEMENTS.—The mechanisms under the pilot program required by subsection (a) shall include the following:

(1) INITIAL REINTEGRATION TRAINING.—Training (to be known as ''initial reintegration training'') of members of the National Guard described in subsection (a) to facilitate the reintegration of such members with their families and communities after their return from deployment as described in that subsection. Such training shall be conducted immediately after the return of such members from such deployment. Participation in such training shall be voluntary.

(2) 30-DAY REINTEGRATION TRAINING.—Training (to be known as ''30-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in identifying the signs and symptoms of combat stress. Such training shall be conducted approximately 30 days after provision of training under paragraph (1). Participation in such training shall be voluntary.

(3) 60-DAY REINTEGRATION TRAINING.—Training (to be known as ''60-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in matters relating to combat stress, including chemical dependency, anger management, and gambling abuse. Such training shall be conducted approximately 30 days after provision of training under paragraph (2). Participation in such training shall be voluntary.

(4) 90-DAY REINTEGRATION TRAINING.—Training (to be known as ''90-day reintegration training'') of members of the National Guard described in subsection (a) to ensure a thorough physical and mental health assessment of such members after deployment as described in that subsection. Such training shall be conducted approximately 30 days after provision of training under paragraph (3). Participation in such training shall be voluntary.

(5) EDUCATIONAL MATERIALS.—The development and distribution of educational materials for families of members of the National Guard described in subsection (a), and for the communities in which such members and families reside, on matters relating to the reintegration of such members into civilian life after their return from deployment overseas.

(d) REPORT.—Not later than one year after the commencement of the pilot program required by subsection (a), the Secretary shall submit to the congressional defense committees a report on the pilot program. The report shall include—

(1) a description of the activities undertaken under the pilot program;

(2) an assessment of the effectiveness of such mechanisms in facilitating the reintegration of members of the National Guard into civilian life after their return from deployment overseas; and

(3) such recommendations for legislative or administrative action as the Secretary considers appropriate in light of the pilot program.

(e) FUNDING.—Of the amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard, $6,663,000 may be available for the pilot program required by subsection (a).

Subtitle C—Military Justice and Related Matters

SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE TO MEMBERS OF THE ARMED FORCES ORDERED TO ACTIVE DUTY OVERSEAS IN INACTIVE DUTY FOR TRAINING STATUS.

Not later than March 1, 2007, the Secretaries of the military departments shall prescribe regulations, or amend current regulations, in order to provide that officers and enlisted personnel of the Armed Forces who are ordered to active duty at locations overseas in an inactive duty for training status are subject to the jurisdiction of the Uniform Code of Military Justice, pursuant to the provisions of section 802(a)(3) of title 10, United States Code (article 2(a)(3) of the Uniform Code of Military Justice), continuously from the commencement of execution of such orders to the conclusion of such orders.

SEC. 552. CLARIFICATION OF APPLICATION OF UNIFORM CODE OF MILITARY JUSTICE DURING A TIME OF WAR.

Paragraph (10) of section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by striking ''war'' and inserting ''declared war or a contingency operation''.

Subtitle D—Education and Training Matters

SEC. 561. DETAIL OF COMMISSIONED OFFICERS AS STUDENTS AT MEDICAL SCHOOLS.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2004 the following new section:

''§ 2004a. Detail of commissioned officers as students at medical schools

''(a) DETAIL AUTHORIZED.—The Secretary of each military department may detail commissioned officers of the Armed Forces as students at accredited medical schools or schools of osteopathy located in the United States for a period of training leading to the degree of doctor of medicine. No more than 25 officers from each military department may commence such training in any single fiscal year.

''(b) ELIGIBILITY FOR DETAIL.—To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

''(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade 0–3 or below as of the time the training is to begin; and

''(2) sign an agreement that unless sooner separated the officer will—

''(A) complete the educational course of medical training;

''(B) accept transfer or detail as a medical officer within the military department concerned when the officer's training is completed; and

''(C) agree to serve on active duty following completion of training for a period of two years for each year or part thereof of the officer's medical training under subsection (a).

''(c) SELECTION OF OFFICERS FOR DETAIL.—Officers detailed for medical training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned.

''(d) RELATION OF SERVICE OBLIGATIONS TO OTHER SERVICE OBLIGATIONS.—Any service obligation incurred by an officer under an agreement entered into under subsection (b) shall be in addition to any service obligation incurred by the officer under any other provision of law or agreement.

''(e) EXPENSES.—Expenses incident to the detail of officers under this section shall be paid from any funds appropriated for the military department concerned.

''(f) FAILURE TO COMPLETE PROGRAM.—(1) An officer who is dropped from a program of medical training to which detailed under subsection (a) for deficiency in conduct or studies, or for other reasons, may be required to perform active duty in an appropriate military capacity in accordance with the active duty obligation imposed on the officer under regulations issued by the Secretary of Defense for purposes of this section.

''(2) In no case shall an officer be required to serve on active duty under this subsection for any period in excess of one year for each year or part thereof the officer participated in the program.

''(g) LIMITATION ON DETAILS.—(1) No agreement detailing an officer of the Armed Forces to an accredited medical school or school of osteopathy may be entered into during any period in which the President is authorized by law to induct persons into the Armed Forces involuntarily.

''(2) Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the Armed Forces.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2004 the following new item:

''2004a. Detail of commissioned officers as students at medical schools.''.

SEC. 562. EXPANSION OF ELIGIBILITY TO PROVIDE JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION.

(a) ELIGIBILITY OF RETIRED MEMBERS OF NATIONAL GUARD AND RESERVES.—Section 2031 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) Instead of, or in addition to, the detailing of active duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers, noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program retired officers and noncommissioned officers who qualify for retired pay for non-regular service under section 12731 of this title (other than those who qualify for age under subsection (a)(1) of such section) whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

''(1) The Secretary shall pay to the institution an amount equal to one-half of the amount paid to the member by the institution for any period up to a maximum of one-half of the difference between the retired or retainer pay for an active duty officer or noncommissioned offer of the same grade and years of service for such period and the active duty pay and allowances which the member would have received for such period if on active duty. Amounts may be paid with respect to members under this subsection after such members reach the age of 60. Payments by the Secretary under this paragraph shall be made from funds appropriated for that purpose.

''(2) Notwithstanding any other provision of law, such a member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.''.

(b) CLARIFICATION OF STATUS OF RETIRED MEMBERS CURRENTLY PROVIDING INSTRUCTION.—Subsection (d) of such section is amended in the matter preceding paragraph (1) by striking ''and noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve'' and inserting '', noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve who are drawing retired or retained pay''.

SEC. 563. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT UNDER EDUCATION LOAN REPAYMENT FOR OFFICERS IN SPECIFIED HEALTH PROFESSIONS.

(a) INCREASE IN MAXIMUM AMOUNT.—Section 2173(e)(2) of title 10, United States Code, is amended by striking ''$22,000'' and inserting ''$60,000''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect agreements entered into under section 2173 of title 10, United States Code, on or after that date.

(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.

SEC. 564. INCREASE IN BENEFITS UNDER HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) STIPEND.—Section 2121(d) of title 10, United States Code, is amended—

(1) by striking ''the rate of $579 per month'' and inserting ''in an amount not to exceed $30,000 per year''; and

(2) by striking ''That rate'' and inserting ''The maximum amount of the stipend''.

(b) ANNUAL GRANT.—Section 2127(e) of such title is amended—

(1) by striking ''$15,000'' and inserting ''in an amount not to exceed $45,000''; and

(2) by striking ''The amount'' and inserting ''The maximum amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

(d) PROHIBITION ON ADJUSTMENTS IN 2007.—No adjustment under subsection (d) of section 2122 of title 10, United States Code, in the maximum amount of the stipend payable under such section 2122, and no adjustment under subsection (e) of section 2127 of such title in the maximum amount of the annual grant payable under such section 2127, shall be made in 2007.

SEC. 565. REPORT ON HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the health professions scholarship and financial assistance program for active service under subchapter I of chapter 105 of title 10, United States Code.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An assessment of the success of each military department in achieving its recruiting goals under the health professions scholarship and financial assistance program for active service during each of fiscal years 2000 through 2006.

(2) If any military department failed to achieve its recruiting goals under the program during any fiscal year covered by paragraph (1), an explanation of the failure of the military department to achieve such goal during such fiscal year.

(3) An assessment of the adequacy of the stipend authorized by section 2121(d) of title 10, United States Code, in meeting the objectives of the program.

(4) Such recommendations for legislative or administrative action as the Secretary considers appropriate to enhance the effectiveness of the program in meeting the annual recruiting goals of the military departments for medical personnel covered by the program.

SEC. 566. EXPANSION OF INSTRUCTION AVAILABLE AT THE NAVAL POSTGRADUATE SCHOOL FOR ENLISTED MEMBERS OF THE ARMED FORCES.

(a) CERTIFICATE PROGRAMS AND COURSES.—Subparagraph (C) of subsection (a)(2) of section 7045 of title 10, United States Code, is amended by striking ''Navy or Marine Corps'' and inserting ''armed forces''.

(b) GRADUATE LEVEL INSTRUCTION.—Such subsection is further amended—

(1) by redesignating subparagraph (D) as subparagraph (E);

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D)(i) The Secretary may, pursuant to regulations prescribed by the Secretary, permit an eligible enlisted member of the armed forces to receive graduate level instruction at the Naval Postgraduate School in a program leading to a master's degree in a technical, analytical, or engineering curricula.

''(ii) To be eligible for instruction under this subparagraph, an enlisted member shall hold a baccalaureate degree granted by an institution of higher education.

''(iii) Instruction shall be provided under this subparagraph on a space-available basis.

''(iv) An enlisted member who successfully completes a course of instruction under this subparagraph may be awarded a master's degree under section 7048 of this title.

''(v) The regulations prescribed under clause (i) may include criteria for eligibility of enlisted members for instruction under this subparagraph and obligations for further service in the armed forces by enlisted members relating to receipt of such instruction.''; and

(3) in subparagraph (E), as so redesignated, by striking ''and (C)'' and inserting ''(C), and (D)''.

(c) CONFORMING AMENDMENT.—Subsection (b)(2) of such section is amended by striking ''(a)(2)(D)'' and inserting ''(a)(2)(E)''.

(d) REPEAL OF CERTAIN REQUIREMENTS ON INSTRUCTION.—Section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended by striking subsections (c) and (d).

SEC. 567. MODIFICATION OF ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.

(a) CLARIFICATION OF SCOPE OF ACTIONS.—Section 527 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1468; 10 U.S.C. 4331 note) is amended—

(1) in subsection (a)—

(A) in the subsection caption, by inserting ''SEXUAL'' before ''VIOLENCE''; and

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''personnel of'' and inserting ''cadets at'';

(ii) in subparagraph (B), by striking ''personnel of'' and inserting ''midshipmen at''; and

(iii) in subparagraph (C), by striking ''personnel of'' and inserting ''cadets at'';

(2) by inserting ''sexual'' before ''violence'' each place it appears; and

(3) by striking ''academy personnel'' each place it appears and inserting ''cadets or midshipmen''.

(b) ASSESSMENTS OF ACADEMY POLICIES.—

(1) ADMINISTRATION OF ASSESSMENTS.—Subsection (b) of such section is further amended—

(A) in paragraph (1)—

(i) by striking ''to conduct'' and inserting ''to provide''; and

(ii) by inserting ''(to be administered by the Department of Defense)'' after ''an assessment''; and

(B) in paragraph (2), by striking ''shall conduct'' and inserting ''shall provide for the conduct of''.

(2) SCHEDULE FOR ASSESSMENTS.—Such subsection is further amended—

(A) in the subsection caption, by striking ''ANNUAL ASSESSMENT'' and inserting ''ASSESSMENTS REQUIRED'';

(B) in paragraph (1), by inserting ''specified in paragraph (2)'' after ''each program year''; and

(C) in paragraph (2), by striking ''2007, and 2008'' and inserting ''2008, and 2010''.

(c) REPORTS ON ACTIVITIES ON CAMPUS.—Subsection (c) of such section is further amended—

(1) in the subsection caption, by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in paragraph (1), by striking ''2007, and 2008'' and inserting ''2008, and 2010'';

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''The annual report'' and inserting ''The report''; and

(B) in subparagraph (D), by striking ''each of the subsequent academy program years'' and inserting ''each other academy program year covered by this subsection''; and

(4) in paragraphs (3) and (4), by striking ''the annual'' and inserting ''each''.

(d) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.''.

SEC. 568. DEPARTMENT OF DEFENSE POLICY ON SERVICE ACADEMY AND ROTC GRADUATES SEEKING TO PARTICIPATE IN PROFESSIONAL SPORTS BEFORE COMPLETION OF THEIR ACTIVE-DUTY SERVICE OBLIGATIONS.

(a) POLICY REQUIRED.—

(1) IN GENERAL.—Not later than July 1, 2007, the Secretary of Defense shall prescribe the policy of the Department of Defense on—

(A) whether to authorize graduates of the service academies and the Reserve Officers' Training Corps to participate in professional sports before the completion of their obligations for service on active duty as commissioned officers; and

(B) if so, the obligations for service on active duty as commissioned officers of such graduates who participate in professional sports before the satisfaction of the obligations referred to in subparagraph (A).

(2) REVIEW OF CURRENT POLICIES.—In prescribing the policy, the Secretary shall review current policies, practices, and regulations of the military departments on the obligations for service on active duty as commissioned officers of graduates of the service academies and the Reserve Officers' Training Corps, including policies on authorized leaves of absence and policies under excess leave programs.

(3) CONSIDERATIONS.—In prescribing the policy, the Secretary shall take into account the following:

(A) The compatibility of participation in professional sports (including training for professional sports) with service on active duty in the Armed Forces or as a member of a reserve component of the Armed Forces.

(B) The benefits for the Armed Forces of waiving obligations for service on active duty for cadets, midshipmen, and commissioned officers in order to permit such individuals to participate in professional sports.

(C) The manner in which the military departments have resolved issues relating to the participation of personnel in professional sports, including the extent of and any reasons for, differences in the resolution of such issues by such departments.

(D) The recoupment of the costs of education provided by the service academies or under the Reserve Officers' Training Corps program if graduates of the service academies or the Reserve Officers' Training Corps, as the case may be, do not complete the period of obligated service to which they have agreed by reason of participation in professional sports.

(E) Any other matters that the Secretary considers appropriate.

(b) ELEMENTS OF POLICY.—The policy prescribed under subsection (a) shall address the following matters:

(1) The eligibility of graduates of the service academies and the Reserve Officers' Training Corps for a reduction in the obligated length of service on active duty as a commissioned officer otherwise required of such graduates on the basis of their participation in professional sports.

(2) Criteria for the treatment of an individual as a participant or potential participant in professional sports.

(3) The effect on obligations for service on active duty as a commissioned officer of any unsatisfied obligations under prior enlistment contracts or other forms of advanced education assistance.

(4) Any authorized variations in the policy that are warranted by the distinctive requirements of a particular Armed Force.

(5) The eligibility of individuals for medical discharge or disability benefits as a result of injuries incurred while participating in professional sports.

(6) A prospective effective date for the policy and for the application of the policy to individuals serving on such effective date as a commissioned officer, cadet, or midshipman.

(c) APPLICATION OF POLICY TO ARMED FORCES.—Not later than December 1, 2007, the Secretary of each military department shall prescribe regulations, or modify current regulations, in order to implement the policy prescribed by the Secretary of Defense under subsection (a) with respect to the Armed Forces under the jurisdiction of such Secretary.

SEC. 569. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps program as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

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

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

SEC. 570. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTOR QUALIFICATIONS.

(a) IN GENERAL.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2033. Instructor qualifications

''(a) IN GENERAL.—In order for a retired officer or noncommissioned officer to be employed as an instructor in the program, the officer must be certified by the Secretary of the military department concerned as a qualified instructor in leadership, wellness and fitness, civics, and other courses related to the content of the program, according to the qualifications set forth in subsection (b)(2) or (c)(2), as appropriate.

''(b) SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Senior military instructors shall be retired officers of the armed forces and shall serve as instructional leaders who oversee the program.

''(2) QUALIFICATIONS.—A senior military instructor shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of a baccalaureate degree from an institution of higher learning.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.

''(c) NON-SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Non-senior military instructors shall be retired noncommissioned officers of the armed forces and shall serve as instructional leaders and teach independently of, but share program responsibilities with, senior military instructors.

''(2) QUALIFICATIONS.—A non-senior military instructor shall demonstrate a depth of experience, proficiency, and expertise in coaching, mentoring, and practical arts in executing the program, and shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of an associates degree from an institution of higher learning within 5 years of employment.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.''.

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

''2033. Instructor qualifications.''.

SEC. 570A. MODIFICATION OF TIME LIMIT FOR USE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.

(a) MODIFICATION.—Section 16164(a) of title 10, United States Code, is amended by striking ''this chapter while serving—'' and all that follows and inserting ''this chapter—

''(1) while the member is serving—

''(A) in the Selected Reserve of the Ready Reserve, in the case of a member called or ordered to active service while serving in the Selected Reserve; or

''(B) in the Ready Reserve, in the case of a member ordered to active duty while serving in the Ready Reserve (other than the Selected Reserve); and

''(2) in the case of a person who separates from the Selected Reserve of the Ready Reserve after completion of a period of active service described in section 16163 of this title and completion of a service contract under other than dishonorable conditions, during the 10-year period beginning on the date on which the person separates from the Selected Reserve.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 16165(a) of such title is amended to read as follows:

''(2) when the member separates from the Ready Reserve as provided in section 16164(a)(1) of this title, or upon completion of the period provided for in section 16164(a)(2) of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375), to which such amendments relate.

Subtitle E—Defense Dependents Education Matters

SEC. 571. FUNDING FOR ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) FUNDING FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b); and

(2) $10,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(b) of that Act.

(b) TREATMENT OF FUNDING FOR NOTIFICATION PURPOSES.—The funding provided under subsection (a) for fiscal year 2007 shall be treated as funding for that fiscal year for purposes of the notification of local educational agencies required by section 572(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3272).

(c) TRANSITION OF MILITARY DEPENDENTS FROM MILITARY TO CIVILIAN SCHOOLS.—

(1) IN GENERAL.—The Secretary of Defense shall work collaboratively with the Secretary of Education in any efforts to ease the transition of dependents of members of the Armed Forces from attendance in Department of Defense dependent schools to civilian schools in systems operated by local educational agencies.

(2) UTILIZATION OF EXISTING RESOURCES.—In working with the Secretary of Education under paragraph (1), the Secretary of Defense may utilize funds authorized to be appropriated for operation and maintenance for Defense-wide activities to share expertise and experience of the Department of Defense Education Activity with local educational agencies as dependents of members of the Armed Forces make the transition from attendance at Department of Defense dependent schools to attendance at civilian schools in systems operated by such local educational agencies, including such transitions resulting from defense base closure and realignment, global rebasing, and force restructuring.

(3) DEFINITIONS.—In this subsection:

(A) The term ''expertise and experience'', with respect to the Department of Defense Education Activity, means resources of such activity relating to—

(i) academic strategies which result in increased academic achievement;

(ii) curriculum development consultation and materials;

(iii) teacher training resources and materials;

(iv) access to virtual and distance learning technology capabilities and related applications for teachers; and

(v) such other services as the Secretary of Defense considers appropriate to improve the academic achievement of such students.

(B) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(4) EXPIRATION.—The authority of the Secretary of the Defense under this subsection shall expire on September 30, 2011.

SEC. 572. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

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

SEC. 573. PLAN TO ASSIST LOCAL EDUCATIONAL AGENCIES EXPERIENCING GROWTH IN ENROLLMENT DUE TO FORCE STRUCTURE CHANGES, RELOCATION OF MILITARY UNITS, OR BRAC.

(a) PLAN REQUIRED.—Not later than January 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan to provide assistance to local educational agencies that experience growth in the enrollment of military dependent students as a result of any of the following events:

(1) Force structure changes.

(2) The relocation of a military unit.

(3) The closure or realignment of military installations pursuant to defense base closure and realignment under the base closure laws.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An identification, current as of the date of the report, of the total number of military dependent students who are anticipated to be arriving at or departing from military installations as a result of any event described in subsection (a), including—

(A) an identification of the military installations affected by such arrivals and departures;

(B) an estimate of the number of such students arriving at or departing from each such installation; and

(C) the anticipated schedule of such arrivals and departures.

(2) Such recommendations as the Office of Economic Adjustment of the Department of Defense considers appropriate for means of assisting affected local educational agencies in accommodating increases in enrollment of military dependent students as a result of any such event.

(3) A plan for outreach to be conducted to affected local educational agencies, commanders of military installations, and members of the Armed Forces and civilian personnel of the Department of Defense regarding information on the assistance to be provided under the plan under subsection (a).

(c) UPDATE.—Not later than July 1, 2007, and every six months thereafter through January 1, 2011, the Secretary shall submit to the congressional defense committees an update of the report required by subsection (a). Each update shall include an update of each matter required under subsection (b) current as of the date of such update.

(d) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given that term in section 101 of title 10, United States Code.

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

(3) The term ''military dependent students'' refers to—

(A) elementary and secondary school students who are dependents of members of the Armed Forces; and

(B) elementary and secondary school students who are dependents of civilian employees of the Department of Defense.

SEC. 574. PILOT PROGRAM ON PARENT EDUCATION TO PROMOTE EARLY CHILDHOOD EDUCATION FOR DEPENDENT CHILDREN AFFECTED BY MILITARY DEPLOYMENT OR RELOCATION OF MILITARY UNITS.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program on the provision of educational and support tools to the parents of preschool-age children—

(1) whose parent or parents serve as members of the Armed Forces on active duty (including members of the Selected Reserve on active duty pursuant to a call or order to active duty of 180 days or more); and

(2) who are affected by the deployment of their parent or parents or the relocation of the military unit of which their parent or parents are a member.

(b) PURPOSE.—The purpose of the pilot program is to develop models for improving the capability of military child and youth programs on or near military installations to provide assistance to military parents with young children through a program of activities focusing on the unique needs of children described in subsection (a).

(c) DURATION OF PROGRAM.—The pilot program shall commence on October 1, 2007, and shall conclude on September 30, 2010.

(d) SCOPE OF PROGRAM.—The pilot program shall utilize one or more models (demonstrated through research) of universal access of parents of children described in subsection (a) to assistance under the pilot program in order to achieve the following goals:

(1) The identification and mitigation of specific risk factors for such children related to military life.

(2) The maximization of the educational readiness of such children.

(e) LOCATIONS.—

(1) IN GENERAL.—The pilot program shall be carried out at military installations selected by the Secretary for purposes of this section from among military installations whose military personnel are experiencing significant transition or deployment or which are undergoing transition as a result of the relocation or activation of military units or activities relating to defense base closure and realignment.

(2) SELECTION OF CERTAIN INSTALLATIONS.—At least one of the installations selected by the Secretary under paragraph (1) shall be an installation that permits the meaningful evaluation of a model under subsection (d) that provides outreach to parents in families with a parent who is a member of the National Guard or Reserve, which families live more than 40 miles from the installation so selected.

(f) GOALS OF PARTICIPATING INSTALLATIONS.—Appropriate personnel at each military installation selected for participation in the pilot program shall develop goals, and specific outcome measures with respect to such goals, for the conduct of the pilot program at such installation.

(g) EVALUATION.—

(1) EVALUATION REQUIRED.—Upon completion of the pilot program at a military installation, the personnel referred to in subsection (f) at such installation shall conduct an evaluation and assessment of the success of the pilot program at such installation in meeting the goals developed under that subsection.

(2) REPORT.—Upon completion of the evaluations under paragraph (1) for all military installations participating in the pilot program, the Secretary of Defense shall submit to the congressional defense committees a report on such evaluations. The report shall describe the results of such evaluations, and may include such recommendations for legislative or administrative action as the Secretary considers appropriate in light of such evaluations, including recommendations for the continuation of the pilot program.

(h) GUIDELINES.—The Secretary shall issue guidelines applicable to the pilot program, including guidelines on the goals to be developed under subsection (f), specific outcome measures, and guidelines on the selection of curriculum and the conduct of developmental screening under the pilot program.

(i) FUNDING.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $1,500,000 shall be available to carry out the pilot program in fiscal year 2007.

Subtitle F—Other Matters

SEC. 581. ADMINISTRATION OF OATHS.

(a) IN GENERAL.—Section 502 of title 10, United States Code, is amended by striking the flush matter at the end and inserting the following new flush matter:

''This oath may be taken before the President, the Vice President, the Secretary of Defense, any commissioned officer of any armed force, or any other person designated under regulations prescribed by the Secretary of Defense.''.

(b) CONFORMING AMENDMENT.—Section 1031 of such title is amended by striking ''Any commissioned officer'' and all that follows through ''on active duty,'' and inserting ''The President, the Vice President, the Secretary of Defense, any commissioned officer of an armed force, or any other person designated under regulations prescribed by the Secretary of Defense''.

SEC. 582. MILITARY ID CARDS FOR RETIREE DEPENDENTS WHO ARE PERMANENTLY DISABLED.

(a) IN GENERAL.—Subsection (a) of section 1060b of title 10, United States Code, is amended to read as follows:

''(a) ISSUANCE OF PERMANENT ID CARD.—(1) In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent as follows:

''(A) A retiree dependent who has attained 75 years of age.

''(B) A retiree dependent who is permanently disabled.

''(2) A permanent ID card shall be issued to a retiree dependent under paragraph (1)(A) upon the expiration, after the retiree dependent attains 75 years of age, of any earlier, renewable military card or, if earlier, upon the request of the retiree dependent after attaining age 75.''.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 1060b. Military ID cards: dependents and survivors of retirees''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of such title is amended by striking the item relating to section 1060b and inserting the following new item:

''1060b. Military ID cards: dependents and survivors of retirees.''.

SEC. 583. MILITARY VOTING MATTERS.

(a) REPEAL OF PERIODIC INSPECTOR GENERAL INSTALLATION VISITS FOR ASSESSMENT OF VOTING ASSISTANCE PROGRAMS.—Section 1566 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to Congress a report containing the assessment of the Comptroller General with respect to the following:

(1) The programs and activities undertaken by the Department of Defense to facilitate voter registration, transmittal of ballots to absentee voters, and voting utilizing electronic means of communication (such as electronic mail and fax transmission) for military and civilian personnel covered by the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(2) The progress of the Department of Defense and the Election Assistance Commission in developing a secure, deployable system for Internet-based electronic voting pursuant to the amendment made by section 567 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1919).

(c) USE OF ELECTRONIC VOTING TECHNOLOGY.—

(1) CONTINUATION OF INTERIM VOTING ASSISTANCE SYSTEM.—The Secretary of Defense shall continue the Interim Voting Assistance System (IVAS) ballot request program with respect to all absent uniformed services voters (as defined under section 107(1) of the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))), overseas employees of the Department of Defense, and the dependents of such voters and employees, for the general election and all elections through December 31, 2006.

(2) REPORTS.—

(A) IN GENERAL.—Not later than 30 days after the date of the regularly scheduled general election for Federal office for November 2006, the Secretary of Defense shall submit to the congressional defense committees a report setting forth—

(i) an assessment of the success of the implementation of the Interim Voting Assistance System ballot request program carried out under paragraph (1);

(ii) recommendations for continuation of the Interim Voting Assistance System and for improvements to that system; and

(iii) an assessment of available technologies and other means of achieving enhanced use of electronic and Internet-based capabilities under the Interim Voting Assistance System.

(B) FUTURE ELECTIONS.—Not later than May 15, 2007, the Secretary of Defense shall submit to the congressional defense committees a report detailing plans for expanding the use of electronic voting technology for individuals covered under the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.) for elections through November 30, 2010.

SEC. 584. PRESENTATION OF MEDAL OF HONOR FLAG TO PRIMARY NEXT OF KIN OF MEDAL OF HONOR RECIPIENTS.

(a) ARMY RECIPIENTS.—Section 3755 of title 10, United States Code, is amended—

(1) by inserting ''(a) PRESENTATION TO MEDAL OF HONOR RECIPIENTS.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(b) NAVY AND MARINE CORPS RECIPIENTS.—Section 6257 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(c) AIR FORCE RECIPIENTS.—Section 8755 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(d) COAST GUARD RECIPIENTS.—Section 505 of title 14, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the

presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Homeland Security in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

SEC. 585. MODIFICATION OF EFFECTIVE PERIOD OF AUTHORITY TO PRESENT RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Subsection (d) of section 2261 of title 10, United States Code, is amended to read as follows:

''(d) EFFECTIVE PERIOD.—The authority under this section shall be in effect during the period of any war or national emergency declared by the President or Congress.''.

SEC. 586. MILITARY SEVERELY INJURED CENTER.

(a) CENTER REQUIRED.—In support of the comprehensive policy on the provision of assistance to severely wounded or injured servicemembers required by section 563 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3269; 10 U.S.C. 113 note), the Secretary of Defense shall establish within the Department of Defense a center to augment and support the programs and activities of the military departments for the provision of such assistance, including the programs of the military departments referred to in subsection (c).

(b) DESIGNATION.—The center established under subsection (a) shall be known as the ''Military Severely Injured Center'' (in this section referred to as the ''Center'').

(c) PROGRAMS OF THE MILITARY DEPARTMENTS.—The programs of the military departments referred to in this subsection are as follows:

(1) The Army Wounded Warrior Support Program.

(2) The Navy Safe Harbor Program.

(3) The Palace HART Program of the Air Force.

(4) The Marine for Life Injured Support Program of the Marine Corps.

(d) ACTIVITIES OF CENTER.—

(1) IN GENERAL.—The Center shall carry out such programs and activities to augment and support the programs and activities of the military departments for the provision of assistance through individual case management to severely wounded or injured servicemembers and their families as the Secretary of Defense, in consultation with the Secretaries of the military departments and the heads of other appropriate departments and agencies of the Federal Government (including the Department of Labor and the Department of Veterans Affairs), shall assign the Center.

(2) DATABASE.—The activities of the Center under this subsection shall include the establishment and maintenance of a central database of information for purposes of tracking severely wounded or injured servicemembers.

(e) RESOURCES.—The Secretary of Defense shall allocate to the Center such personnel and other resources as the Secretary of Defense, in consultation with the Secretaries of the military departments, considers appropriate in order to permit the Center to carry out effectively the programs and activities assigned to the Center under subsection (d).

SEC. 587. SENSE OF SENATE ON NOTICE TO CONGRESS OF RECOGNITION OF MEMBERS OF THE ARMED FORCES FOR EXTRAORDINARY ACTS OF BRAVERY, HEROISM, AND ACHIEVEMENT.

It is the sense of the Senate that the Secretary of Defense or the Secretary of the military department concerned should, upon awarding a medal to a member of the Armed Forces or otherwise commending or recognizing a member of the Armed Forces for an act of extraordinary heroism, bravery, achievement, or other distinction, notify the Committee on Armed Services of the Senate and House of Representatives, the Senators from the State in which such member resides, and the Member of the House of Representatives from the district in which such member resides of such extraordinary award, commendation, or recognition.

SEC. 588. REPORT ON PROVISION OF ELECTRONIC COPY OF MILITARY RECORDS ON DISCHARGE OR RELEASE OF MEMBERS FROM THE ARMED FORCES.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the feasibility and advisability of providing an electronic copy of military records (including all military service, medical, and other military records) to members of the Armed Forces on their discharge or release from the Armed Forces.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An estimate of the costs of the provision of military records as described in subsection (a).

(2) An assessment of providing military records as described in that subsection through the distribution of a portable, readily accessible medium (such as a computer disk or other similar medium) containing such records.

(3) A description and assessment of the mechanisms required to ensure the privacy of members of the Armed Forces in providing military records as described in that subsection.

(4) An assessment of the benefits to the members of the Armed Forces of receiving their military records as described in that subsection.

(5) If the Secretary determines that providing military records to members of the Armed Forces as described in that subsection is feasible and advisable, a plan (including a schedule) for providing such records to members of the Armed Forces as so described in order to ensure that each member of the Armed Forces is provided such records upon discharge or release from the Armed Forces.

(6) Any other matter to relating to the provision of military records as described in that subsection that the Secretary considers appropriate.

SEC. 589. PURPLE HEART AWARD ELIGIBILITY.

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

(1) The Purple Heart is the oldest military decoration in the world in present use.

(2) The Purple Heart was established on August 7, 1782, during the Revolutionary War, when General George Washington issued an order establishing the Honorary Badge of Distinction, otherwise known as the Badge of Military Merit.

(3) The award of the Purple Heart ceased with the end of the Revolutionary War, but was revived in 1932, the 200th anniversary of George Washington's birth, out of respect for his memory and military achievements by War Department General Orders No. 3, dated February 22, 1932.

(4) The criteria for the award was originally announced in War Department Circular dated February 22, 1932, and revised by Presidential Executive Order 9277, dated December 3, 1942; Executive Order 10409, dated February 12, 1952; Executive Order 11016, dated April 25, 1962; and Executive Order 12464, dated February 23, 1984.

(5) The Purple Heart is awarded in the name of the President of the United States as Commander in Chief to members of the Armed Forces who qualify under criteria set forth by Presidential Executive Order.

(b) DETERMINATION.—As part of the review and report required in subsection (d), the President shall make a determination on expanding eligibility to all deceased servicemembers held as a prisoner of war after December 7, 1941, and who meet the criteria establishing eligibility for the prisoner-of-war medal under section 1128 of title 10, but who do not meet the criteria establishing eligibility for the Purple Heart.

(c) REQUIREMENTS.—In making the determination described in subsection (b), the President shall take into consideration—

(1) the brutal treatment endured by thousands of POWs incarcerated by enemy forces;

(2) that many service members died due to starvation, abuse, the deliberate withholding of medical treatment for injury or disease, or other causes which do not currently meet the criteria for award of the Purple Heart;

(3) the views of veteran organizations, including the Military Order of the Purple Heart;

(4) the importance and gravity that has been assigned to determining all available facts prior to a decision to award the Purple Heart; and

(5) the views of the Secretary of Defense and the Joint Chiefs of Staff.

(d) REPORT.—Not later than March 1, 2007, the President shall provide the Committees on Armed Services of the Senate and House of Representatives a report on the advisability of modifying the criteria for the award of the Purple Heart to authorize the award of the Purple Heart to military members who die in captivity under unknown circumstances or as a result of conditions and treatment which currently do not qualify the decedent for award of the Purple Heart; and for military members who survive captivity as prisoners of war, but die thereafter as a result of disease or disability incurred during captivity.

SEC. 590. COMPREHENSIVE REVIEW ON PROCEDURES OF THE DEPARTMENT OF DEFENSE ON MORTUARY AFFAIRS.

(a) REPORT.—As soon as practicable after the completion of the comprehensive review of the procedures of the Department of Defense on mortuary affairs, the Secretary of Defense shall submit to the congressional defense committees a report on the review.

(b) ADDITIONAL ELEMENTS.—In conducting the comprehensive review described in subsection (a), the Secretary shall also address, in addition to any other matters covered by the review, the following:

(1) The utilization of additional or increased refrigeration (including icing) in combat theaters in order to enhance preservation of remains.

(2) The relocation of refrigeration assets further forward in the field.

(3) Specific time standards for the movement of remains from combat units.

(4) The forward location of autopsy and embalming operations.

(5) Any other matters that the Secretary considers appropriate in order to speed the return of remains to the United States in a non-decomposed state.

(c) ADDITIONAL ELEMENT OF POLICY ON CASUALTY ASSISTANCE TO SURVIVORS OF MILITARY DECEDENTS.—Section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3267; 10 U.S.C. 1475 note) is amended by adding at the end the following new paragraph:

''(12) The process by which the Department of Defense, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and on the disposition and transportation of the remains of such decedents, which process shall—

''(A) provide for the provision of such briefings by fully qualified Department personnel;

''(B) ensure briefings take place as soon as possible after death and updates are provided

in a timely manner when new information becomes available;

''(C) ensure that—

''(i) such briefings and updates relate the most complete and accurate information available at the time of such briefings or updates, as the case may be; and

''(ii) incomplete or unverified information is identified as such during the course of such briefings or updates; and

''(D) include procedures by which such survivors shall, upon request, receive updates or supplemental information on such briefings or updates from qualified Department personnel.''.

SEC. 591. REPORT ON OMISSION OF SOCIAL SECURITY NUMBERS ON MILITARY IDENTIFICATION CARDS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the assessment of the Secretary of the feasibility of utilizing military identification cards that do not contain, display or exhibit the Social Security Number of the individual identified by such military identification card.

(b) MILITARY IDENTIFICATION CARD DEFINED.—In this section, the term ''military identification card'' has the meaning given the term ''military ID card'' in section 1060b(b)(1) of title 10, United States Code.

SEC. 592. FUNERAL CEREMONIES FOR VETERANS.

(a) SUPPORT FOR CEREMONIES BY DETAILS CONSISTING SOLELY OF MEMBERS OF VETERANS AND OTHER ORGANIZATIONS.—

(1) SUPPORT OF CEREMONIES.—Section 1491 of title 10, United States Code, is amended—

(A) by redesignating subsections (e), (f), (g), and (h) as subsections (f), (g), (h), and (i), respectively; and

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

''(e) SUPPORT FOR FUNERAL HONORS DETAILS COMPOSED OF MEMBERS OF VETERANS ORGANIZATIONS.—(1) Subject to such regulations and procedures as the Secretary of Defense may prescribe, the Secretary of the military department of which a veteran was a member may support the conduct of funeral honors for such veteran that are provided solely by members of veterans organizations or other organizations referred to in subsection (b)(2).

''(2) The provision of support under this subsection is subject to the availability of appropriations for that purpose.

''(3) The support provided under this subsection may include the following:

''(A) Reimbursement for costs incurred by organizations referred to in paragraph (1) in providing funeral honors, including costs of transportation, meals, and similar costs.

''(B) Payment to members of such organizations providing such funeral honors of the daily stipend prescribed under subsection (d)(2).''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (d)(2), by inserting ''and subsection (e)'' after ''paragraph (1)(A)''; and

(B) in paragraph (1) of section (f), as redesignated by subsection (a)(1) of this section, by inserting ''(other than a requirement in subsection (e)'' after ''pursuant to this section''.

(b) USE OF EXCESS M–1 RIFLES FOR CEREMONIAL AND OTHER PURPOSES.—Section 4683 of such title is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

''(3) Rifles loaned or donated under paragraph (1) may be used by an eligible designee for funeral ceremonies of a member or former member of the armed forces and for other ceremonial purposes.'';

(2) in subsection (c), by inserting after ''accountability'' the following: '', provided that such conditions do not unduly hamper eligible designees from participating in funeral ceremonies of a member or former member of the armed forces or other ceremonies'';

(3) in subsection (d)—

(A) in paragraph (2), by striking ''; or'' and inserting ''or fire department;'';

(B) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) any other member in good standing of an organization described in paragraphs (1), (2), or (3).''; and

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

''(e) ELIGIBLE DESIGNEE DEFINED.—In this section, the term 'eligible designee' means a designee of an eligible organization who—

''(1) is a spouse, son, daughter, nephew, niece, or other family relation of a member or former member of the armed forces;

''(2) is at least 18 years of age; and

''(3) has successfully completed a formal firearm training program or a hunting safety program.''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) JANUARY 1, 2007, INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.2 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

MONTHLY BASIC PAY

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O–7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O–6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O–5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O–4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O–3[3]	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O–2[3]	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O–1[3]	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O–7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O–6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O–5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O–4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O–3[3]	4,833.30	4,982.70	5,228.40	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2] ...	$0.00	$13,659.00	$13,725.90	$14,011.20	$14,508.60
O–9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O–8	10,900.80	11,319.00	11,598.30	11,598.30	11,598.30
O–7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O–6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O–5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60

MONTHLY BASIC PAY—Continued

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 18	Over 20	Over 22	Over 24	Over 26
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O–10[2] ...	$14,508.60	$15,234.00	$15,234.00	$15,995.70	$15,995.70
O–9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O–8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O–7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O–6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O–5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O–10[2] ...	$16,795.50	$16,795.50			
O–9	14,819.10	14,819.10			
O–8	12,185.70	12,185.70			
O–7	10,493.70	10,493.70			
O–6	9,216.30	9,216.30			
O–5	7,373.10	7,373.10			
O–4	6,252.30	6,252.30			
O–3[3]	5,355.90	5,355.90			
O–2[3]	3,936.60	3,936.60			
O–1[3]	3,106.50	3,106.50			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades O–7 through O–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is calculated to be $17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E ..	$0.00	$0.00	$0.00	$4,392.00	$4,602.00
O–2E ..	0.00	0.00	0.00	3,857.40	3,936.60
O–1E ..	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E ..	$4,833.00	$4,982.70	$5,228.40	$5,435.40	$5,554.20
O–2E ..	4,062.00	4,273.50	4,437.00	4,558.80	4,558.80
O–1E ..	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 28	Over 30	Over 32	Over 34	Over 36
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
O–3E ..	$5,715.90	$5,715.90			
O–2E ..	4,558.80	4,558.80			
O–1E ..	3,857.40	3,857.40			

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40

WARRANT OFFICERS—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W–2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W–1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W–3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W–2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W–1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,049.50	$6,356.40	$6,585.00	$6,838.20
W–4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W–3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W–2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W–1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W–5	$6,838.20	$7,180.20	$7,180.20	$7,539.30	$7,539.30
W–4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W–3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W–2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W–1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W–5	$7,916.40	$7,916.40			
W–4	6,337.80	6,337.80			
W–3	5,450.10	5,450.10			
W–2	4,589.50	4,589.40			
W–1	4,170.00	4,170.00			

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E–6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E–5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E–4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E–3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	[3]1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$4,110.60	$4,203.90	$4,321.20	$4,459.50
E–8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E–7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E–6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$4,598.40	$4,821.60	$5,010.30	$5,209.20	$5,512.80
E–8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E–7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E–9 [2]	$5,512.80	$5,788.50	$5,788.50	$6,078.00	$6,078.00
E–8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E–7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50

ENLISTED MEMBERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 28	Over 30	Over 32	Over 34	Over 36
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E–9 [2]	$6,381.90	$6,381.90			
E–8	4,799.10	4,799.10			
E–7	4,204.20	4,204.20			
E–6	3,133.50	3,133.50			
E–5	2,630.10	2,630.10			
E–4	2,062.80	2,062.80			
E–3	1,729.20	1,729.20			
E–2	1,458.90	1,458.90			
E–1	1,301.40	1,301.40			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, basic pay for this grade is $6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $1,203.90.

SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR GENERAL AND FLAG OFFICER GRADES.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007, and shall apply with respect to months beginning on or after that date.

SEC. 603. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in this subsection (including the prohibition as it relates to a member of the National Guard while not in Federal service) shall apply to—

''(A) any work or study performed on or after September 7, 1962; and

''(B) any claim based on such work or study arising after that date.''.

SEC. 604. ONE-YEAR EXTENSION OF PROHIBITION AGAINST REQUIRING CERTAIN INJURED MEMBERS TO PAY FOR MEALS PROVIDED BY MILITARY TREATMENT FACILITIES.

(a) EXTENSION.—Section 402(h)(3) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPORT ON ADMINISTRATION OF PROHIBITION.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the administration of section 402(h)(3) of title 37, United States Code (as amended by subsection (a)). The report shall include—

(1) a description and assessment of the mechanisms used by the military departments to implement the prohibition contained in such section; and

(2) such recommendations as the Secretary considers appropriate regarding making such prohibition permanent.

SEC. 605. ADDITIONAL HOUSING ALLOWANCE FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2)(A) Under regulations prescribed by the Secretary of Defense and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, the Secretary concerned may authorize payment of a housing allowance to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing under subsection (b) or the overseas basic allowance for housing under subsection (c), whichever applies to that location, for members of the regular components at that location in the same grade without dependents.

''(B) A member may concurrently receive a basic allowance for housing under paragraph (1) and a housing allowance under this paragraph, but may not receive the portion of the allowance, if any, authorized under section 404 of this title for lodging expenses if a housing allowance is authorized to be paid under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to months beginning on or after that date.

SEC. 606. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) A member of the uniformed services who is the spouse of a deceased member described in paragraph (2) may be paid a basic allowance for housing as provided for in that paragraph. An allowance paid under this paragraph is in addition to any other pay and allowances to which the member of the uniformed services is entitled under any other provision of law.''; and

(3) in paragraph (4), as so redesignated, by striking ''(2)'' and inserting ''(2) or (3)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to deaths occurring on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(f)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY UNITS.—Section 323(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) INCENTIVE BONUS FOR TRANSFER BETWEEN THE ARMED FORCES.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2009''.

SEC. 615. INCREASE IN SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

INCREASE IN SPECIAL PAY.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to written agreements entered into under section 302g of title 37, United States Code, on or after that date.

SEC. 616. EXPANSION AND ENHANCEMENT OF ACCESSION BONUS AUTHORITIES FOR CERTAIN OFFICERS IN HEALTH CARE SPECIALITIES.

(a) INCREASE IN ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(2) of title 37, United States Code, is amended by striking ''$30,000'' and inserting ''$200,000''.

(b) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302j the following new section:

''§ 302k. Special pay: accession bonus for medical officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited school of medicine or osteopathy in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in medicine or osteopathy; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a doctor or osteopath in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Medical Corps of the Army or the Navy or as an officer of the Air Force designated as a medical officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a doctor or osteopath, as the case may be, or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(c) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, as amended by subsection (b), is further amended by inserting after section 302k the following new section:

''§ 302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited dental school in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in dentistry; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a dentist in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Dental Corps of the Army or the Navy or as an officer of the Air Force designated as a dental officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a dentist or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) COORDINATION WITH OTHER ACCESSION BONUS AUTHORITY.—A person eligible to execute an agreement under both subsection (a) and section 302h of this title shall elect which authority to execute the agreement under. A person may not execute an agreement under both subsection (a) and such section 302h.

''(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by inserting after the item relating to section 302j the following new item:

''302k. Special pay: accession bonus for medical officers in critically short wartime specialties.

''302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 617. INCREASE IN NUCLEAR CAREER ACCESSION BONUS FOR NUCLEAR-QUALIFIED OFFICERS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to agreements under section 312b of title 37, United States Code, entered into on or after that date.

SEC. 618. MODIFICATION OF CERTAIN AUTHORITIES APPLICABLE TO THE TARGETED SHAPING OF THE ARMED FORCES.

(a) VOLUNTARY SEPARATION PAY AND BENEFITS.

(1) INCREASE IN MAXIMUM AMOUNT OF PAY.—Subsection (f) of section 1175a of title 10, United States Code, is amended by striking ''two times'' and inserting ''four times''.

(2) EXTENSION OF AUTHORITY.—Subsection (k)(1) of such section is amended by striking

''December 31, 2008'' and inserting ''December 31, 2012''.

(3) REPEAL OF LIMITATION ON APPLICABILITY.—Subsection (b) of section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310; 10 U.S.C. 1175a note) is repealed.

(b) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Section 638(a)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(c) ENHANCED AUTHORITY FOR SELECTIVE EARLY RETIREMENT AND EARLY DISCHARGES.—

(1) RENEWAL OF AUTHORITY.—Subsection (a) of section 638a of title 10, United States Code, is amended by inserting ''and during the period beginning on October 1, 2006, and ending on December 31, 2012,'' after ''December 31, 2001,''.

(2) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Subsection (c)(1) of such section is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(3) RELAXATION OF LIMITATION ON SELECTIVE EARLY DISCHARGE.—Subsection (d)(2) of such section is amended—

(A) in subparagraph (A), by inserting before the semicolon the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''; and

(B) in subparagraph (B), by inserting before the period the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''.

(d) INCREASE IN AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

SEC. 619. EXTENSION OF PILOT PROGRAM ON CONTRIBUTIONS TO THRIFT SAVINGS PLAN FOR INITIAL ENLISTEES IN THE ARMY.

(a) EXTENSION.—Subsection (a) of section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking ''During fiscal year 2006'' and inserting ''During the period beginning on January 6, 2006, and ending on December 31, 2008''.

(b) REPORT DATE.—Subsection (d)(1) of such section is amended by striking ''February 1, 2007'' and inserting ''February 1, 2008''.

SEC. 620. ACCESSION BONUS FOR MEMBERS OF THE ARMED FORCES APPOINTED AS COMMISSIONED OFFICERS AFTER COMPLETING OFFICER CANDIDATE SCHOOL.

(a) ACCESSION BONUS AUTHORIZED.—

(1) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 329. Special pay: accession bonus for officer candidates

''(a) ACCESSION BONUS AUTHORIZED.—Under regulations prescribed by the Secretary concerned, a person who, during the period beginning on October 1, 2006, and ending on December 31, 2007, executes a written agreement described in subsection (b) may, upon acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount not to exceed $8,000 determined by the Secretary concerned.

''(b) AGREEMENT.—A written agreement described in this subsection is a written agreement by a person—

''(1) to complete officer candidate school;

''(2) to accept a commission or appointment as an officer of the armed forces; and

''(3) to serve on active duty as a commissioned officer for a period specified in such agreement.

''(c) PAYMENT METHOD.—Upon acceptance of a written agreement under subsection (a) by the Secretary concerned, the total amount of the accession bonus payable under the agreement becomes fixed. The agreement shall specify whether the accession bonus will be paid in a lump sum or installments.

''(d) REPAYMENT.—A person who, having received all or part of the bonus under a written agreement under subsection (a), does not complete the total period of active duty as a commissioned officer as specified in such agreement shall be subject to the repayment provisions of section 303a(e) of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by adding at the end the following new item:

''329. Special pay: accession bonus for officer candidates.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2006.

(b) AUTHORITY FOR PAYMENT OF BONUS UNDER EARLIER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of the Army may pay a bonus to a person who, during the period beginning on April 1, 2005, and ending on April 6, 2006, executed an agreement to enlist for the purpose of attending officer candidate school and receive a bonus under section 309 of title 37, United States Code, and who has completed the terms of the agreement required for payment of the bonus.

(2) LIMITATION ON AMOUNT.—The amount of the bonus payable to a person under this subsection may not exceed $8,000.

(3) CONSTRUCTION WITH ENLISTMENT BONUS.—The bonus payable under this subsection is in addition to a bonus payable under section 309 of title 37, United States Code, or any other provision of law.

SEC. 621. ENHANCEMENT OF BONUS TO ENCOURAGE MEMBERS OF THE ARMY TO REFER OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

(a) INDIVIDUALS ELIGIBLE FOR BONUS.—Subsection (a) of section 645 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''a member of the Army, whether in the regular component of the Army or in the Army National Guard or Army Reserve,'' and inserting ''an individual referred to in paragraph (2)''; and

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

''(2) INDIVIDUALS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following individuals are eligible for a referral bonus under this section:

''(A) A member in the regular component of the Army.

''(B) A member of the Army National Guard.

''(C) A member of the Army Reserve.

''(D) A member of the Army in a retired status, including a member under 60 years of age who, but for age, would be eligible for retired pay.

''(E) A civilian employee of the Department of the Army.''.

(b) AMOUNT OF BONUS.—Subsection (d) of such section is amended to read as follows:

''(d) AMOUNT OF BONUS.—The amount of the bonus payable for a referral under subsection (a) may not exceed $2,000. The amount shall be payable in two lump sums as provided in subsection (e).''.

(c) PAYMENT OF BONUS.—Subsection (e) of such section is amended to read as follows:

''(e) PAYMENT.—A bonus payable for a referral of a person under subsection (a) shall be paid as follows:

''(1) Not more than $1,000 shall be paid upon the commencement of basic training by the person referred.

''(2) Not more than $1,000 shall be paid upon the completion of basic training and individual advanced training by the person referred.''.

(d) COORDINATION WITH RECEIPT OF RETIRED PAY.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection (g):

''(g) COORDINATION WITH RECEIPT OF RETIRED PAY.—A bonus paid under this section to a member of the Army in a retired status is in addition to any compensation to such member is entitled under title 10, 37, or 38, United States Code, or under any other provision of law.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to bonuses payable under section 645 of the National Defense Authorization Act for Fiscal Year 2006, as amended by this section, on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXPANSION OF PAYMENT OF REPLACEMENT VALUE OF PERSONAL PROPERTY DAMAGED DURING TRANSPORT AT GOVERNMENT EXPENSE.

(a) COVERAGE OF PROPERTY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.—Subsection (a) of section 2636a of title 10, United States Code, is amended by inserting ''or civilian employees of the Department of Defense'' after ''members of the armed forces''.

(b) REQUIREMENT FOR PAYMENT.—Effective March 1, 2008, such subsection is further amended by striking ''may include'' and inserting ''shall include''.

(c) REQUIREMENT FOR DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—Subsection (b) of such section is amended by striking ''may be deducted'' and inserting ''shall be deducted''.

(d) CERTIFICATION ON FAMILIES FIRST PROGRAM.—The Secretary of Defense shall submit to the congressional defense committees a report containing the certifications of the Secretary on the following matters with respect to the program of the Department of Defense known as ''Families First'':

(1) Whether there is an alternative to the system under the program that would provide equal or greater capability at less cost.

(2) Whether the estimates on costs, and the anticipated schedule and performance parameters, for the program and system are reasonable.

(3) Whether the management structure for the program is adequate to manage and control program costs.

(e) COMPTROLLER GENERAL REPORTS ON FAMILIES FIRST PROGRAM.—

(1) REVIEW.—The Comptroller General of the United States shall conduct a review and assessment of the progress of the Department of Defense in implementing the Families First program.

(2) ELEMENTS.—In conducting the review and assessment required by paragraph (1), the Comptroller General shall—

(A) assess the progress of the Department in achieving the goals of the Families First program, including progress in the development and deployment of the Defense Personal Property System;

(B) assess the organization, staffing, resources, and capabilities of the Defense Personal Property System Project Management Office established on April 7, 2006;

(C) evaluate the growth in cost of the program since the previous assessment of the program by the Comptroller General, and estimate the current annual cost of the Defense Personal Property System and each component of that system; and

(D) assess the feasibility of implementing processes and procedures, pending the satisfactory development of the Defense Personal Property System, which would achieve the goals of the program of providing improved personal property management services to members of the Armed Forces.

(3) REPORTS.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives reports as follows:

(A) An interim report on the review and assessment required by paragraph (1) not later than December 1, 2006.

(B) A final report on the review and assessment by not later than June 1, 2007.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MODIFICATION OF DEPARTMENT OF DEFENSE CONTRIBUTIONS TO MILITARY RETIREMENT FUND AND GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.—

(1) DETERMINATION OF CONTRIBUTIONS.—Section 1465 of title 10, United States Code, is amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A)(ii)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', except that amounts expected to be paid to members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(ii) in subparagraph (B)(ii)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting ''other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section,'' after ''full-time National Guard duty,''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(2) PAYMENTS.—Section 1466(a) of such title is amended—

(A) in paragraph (1)(B)—

(i) by striking ''(other than active duty for training)'';

(ii) by striking ''(other than full-time National Guard duty for training only)''; and

(iii) by inserting before the period at the end the following: '', except that amounts accrued for that month by members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(B) in paragraph (2)(B)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(b) DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.—

(1) EXCLUSION OF CADETS AND MIDSHIPMEN FROM TREATMENT ON ACTIVE DUTY.—Section 1111(b) of such title is amended by adding at the end the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the United States Coast Guard Academy, or a midshipman at the United States Naval Academy.''.

(2) DETERMINATION OF CONTRIBUTIONS.—Section 1115 of such title is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in paragraph (2)(B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''other than members on full-time National Guard duty other than for training)''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the semicolon the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''(other than members on full-time National Guard duty other than for training)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 642. REPEAL OF REQUIREMENT OF REDUCTION OF SBP SURVIVOR ANNUITIES BY DEPENDENCY AND INDEMNITY COMPENSATION.

(a) REPEAL.—

(1) IN GENERAL.—Subchapter II of chapter 73 of title 10, United States Code, is amended as follows:

(A) In section 1450, by striking subsection (c).

(B) In section 1451(c)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—Such subchapter is further amended as follows:

(A) In section 1450—

(i) by striking subsection (e); and

(ii) by striking subsection (k).

(B) In section 1451(g)(1), by striking subparagraph (C).

(C) In section 1452—

(i) in subsection (f)(2), by striking ''does not apply—'' and all that follows and inserting ''does not apply in the case of a deduction made through administrative error.''; and

(ii) by striking subsection (g).

(D) In section 1455(c), by striking '', 1450(k)(2),''.

(b) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person for any period before the effective date provided under subsection (e) by reason of the amendments made by subsection (a).

(c) RETURN OF SBP PREMIUMS PREVIOUSLY REFUNDED TO SBP RECIPIENTS.—

(1) RETURN OF CERTAIN REFUNDED AMOUNTS REQUIRED.—Under regulations prescribed by the Secretary of Defense, a surviving spouse who is or has been in receipt of an annuity under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, that is in effect before the effective date provided under subsection (e) and that is adjusted by reason of the amendments made by subsection (a) and who has received a refund of retired pay under section 1450(e) of title 10, United States Code (as in effect on the day before the effective date provided under subsection (e)), shall be required to repay such refund to the United States.

(2) TERMS AND CONDITIONS.—A surviving spouse repaying a refund to the United States under this subsection shall not be required to pay the United States any interest that would otherwise accrue or have accrued on any balance of such refund while such balance remains unpaid to the United States under this subsection. The amount repayable to the United States shall be repayable in a lump sum or over a period of years (not to exceed 10 years) agreed to by the surviving spouse or specified by the Secretary of Defense, in the absence of such an agreement.

(3) WAIVER OF REPAYMENT.—The Secretary of Defense may waive the repayment of a refund under this subsection if the Secretary determines that—

(A) hardship or other circumstances make repayment of such refund unwarranted;

(B) repayment of such refund would otherwise not be in the best interests of the United States.

(d) RECONSIDERATION OF OPTIONAL ANNUITY.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by adding at the end the following new sentences: ''The surviving spouse, however, may elect to terminate an annuity under this subparagraph in accordance with regulations prescribed by the Secretary concerned. Upon such an election, payment of an annuity to dependent children under this subparagraph shall terminate effective on the first day of the first month that begins after the date on which the Secretary concerned receives notice of the election, and, beginning on that day, an annuity shall be paid to the surviving spouse under paragraph (1) instead.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted.

SEC. 643. EFFECTIVE DATE OF PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452(j) of title 10, United States Code, is amended by striking ''October 1, 2008'' and inserting ''October 1, 2006''.

SEC. 644. EXPANSION OF CONDITIONS FOR DIRECT PAYMENT OF DIVISIBLE RETIRED PAY.

(a) REPEAL OF CERTAIN CONDITION.—Section 1408(d) of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act.

(2) PROHIBITION ON RETROACTIVE PAYMENTS.—No payment may be made under section 1408(d) of title 10, United States Code, to or for the benefit of any person covered by paragraph (2) of such section (as in effect on the day before the effective date specified in paragraph (1)) for any period before such effective date.

SEC. 645. AUTHORITY FOR COST OF LIVING ADJUSTMENTS OF RETIRED PAY TREATED AS DIVISIBLE PROPERTY.

(a) IN GENERAL.—Section 1408 of title 10, United States Code, is amended—

(1) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively; and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) COST OF LIVING ADJUSTMENTS OF DIVISIBLE PROPERTY.—A court order under subsection (a)(2)(C) may provide for the adjustment of the amount, if expressed in dollars, payable from the disposable retired pay of a member at the same time and in the same manner as retired pay is adjusted to reflect changes in the Consumer Price Index under section 1401a of this title.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to court orders that become effective after the end of the 90-day period beginning on the date of enactment of this Act.

SEC. 646. NOTICE AND COPY TO MEMBERS OF COURT ORDERS ON PAYMENT OF RETIRED PAY.

(a) WAIVER OF NOTICE.—Subsection (g) of section 1408 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''A person''; and

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

''(2) A member may waive receipt of notice on a court order otherwise required by paragraph (1). The waiver shall take such form and include such requirements as the Secretary concerned may prescribe.''.

(b) COPY OF COURT ORDER UPON REQUEST.—Such subsection is further amended—

(1) in paragraph (1), as designated by subsection (a)(1) of this section, by striking ''(together with a copy of such order)''; and

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

''(3) Upon the request of a member, written notice of a court order under paragraph (1) shall include a copy of the court order.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act, and shall apply with respect to court orders received on or after such date.

SEC. 647. RETENTION OF ASSISTIVE TECHNOLOGY AND DEVICES BY CERTAIN MEMBERS OF THE ARMED FORCES AFTER SEPARATION FROM SERVICE.

(a) RETENTION AUTHORIZED.—Chapter 58 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1154. Retention of assistive technology and devices provided before separation

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of Defense, a member of the armed forces who is provided an assistive technology or assistive technology device while a member of the armed forces for a severe or debilitating illness or injury incurred or aggravated by such member on active duty may retain such assistive technology or assistive technology device after separation from the armed forces.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology' and 'assistive technology device' have the meaning given such terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 58 of such title is amended by adding at the end the following new item:

''1154. Retention of assistive technology and devices provided before separation.''.

SEC. 648. RENAMING OF DEATH GRATUITY PAYABLE FOR DEATHS OF MEMBERS OF THE ARMED FORCES AS FALLEN HERO COMPENSATION.

(a) IN GENERAL.—Subchapter II of chapter 75 of title 10, United States Code, is amended as follows:

(1) In section 1475(a), by striking ''have a death gratuity paid'' and inserting ''have fallen hero compensation paid''.

(2) In section 1476(a)—

(A) in paragraph (1), by striking ''a death gratuity'' and inserting ''fallen hero compensation''; and

(B) in paragraph (2), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(3) In section 1477(a), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(4) In section 1478(a), by striking ''The death gratuity'' and inserting ''The amount of fallen hero compensation''.

(5) In section 1479(1), by striking ''the death gratuity'' and inserting ''fallen hero compensation''.

(6) In section 1489—

(A) in subsection (a), by striking ''a gratuity'' in the matter preceding paragraph (1) and inserting ''fallen hero compensation''; and

(B) in subsection (b)(2), by inserting ''or other assistance'' after ''lesser death gratuity''.

(b) CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENTS.—Such subchapter is further amended by striking ''**Death Gratuity:**'' each place it appears in the heading of sections 1475 through 1480 and 1489 and inserting ''**Fallen Hero Compensation:**''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of such subchapter is amended by striking ''Death gratuity:'' in the items relating to sections 1474 through 1480 and 1489 and inserting ''Fallen hero compensation:''.

(c) GENERAL REFERENCES.—Any reference to a death gratuity payable under subchapter II of chapter 75 of title 10, United States Code, in any law, regulation, document, paper, or other record of the United States shall be deemed to be a reference to fallen hero compensation payable under such subchapter, as amended by this section.

SEC. 649. EFFECTIVE DATE OF TERMINATION OF PHASE-IN OF CONCURRENT RECEIPT FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES RATED AS TOTAL BY VIRTUE OF UNEMPLOYABILITY.

(a) IN GENERAL.—Section 1414(a)(1) of title 10, United States Code, is amended by striking ''100 percent'' the first place it appears and all that follows and inserting ''100 percent and in the case of a qualified retiree receiving veterans' disability compensation at the rate payable for a 100 percent disability by reason of a determination of individual unemployability, payment of retired pay to such veteran is subject to subsection (c) only during the period beginning on January 1, 2004, and ending on December 31, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on December 31, 2004.

SEC. 650. DETERMINATION OF RETIRED PAY BASE OF GENERAL AND FLAG OFFICERS BASED ON RATES OF BASIC PAY PROVIDED BY LAW.

(a) DETERMINATION OF RETIRED PAY BASE.—

(1) IN GENERAL.—Chapter 71 of title 10, United States Code, is amended by inserting after section 1407 the following new section:

''§ 1407a. Retired pay base: members who were general or flag officers

''Notwithstanding any other provision of law, if the determination of the retired pay base or retainer pay base under section 1406 or 1407 of this title with respect to a person who was a commissioned officer in pay grades O–7 through O–10 involves a rate or rates of basic pay that were subject to a reduction under section 203(a)(2) of title 37, such determination shall be made utilizing such rate or rates of basic pay in effect as provided by law rather than such rate or rates as so reduced under section 203(a)(2) of title 37.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 71 of such title is amended by inserting after the item relating to section 1407 the following new item:

''1407a. Retired pay base: members who were general or flag officers.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to the computation of retired pay for members of the Armed Forces who retire on or after that date.

SEC. 651. INAPPLICABILITY OF RETIRED PAY MULTIPLIER MAXIMUM PERCENTAGE TO SERVICE OF MEMBERS OF THE ARMED FORCES IN EXCESS OF 30 YEARS.

(a) IN GENERAL.—Paragraph (3) of section 1409(b) of title 10, United States Code, is amended to read as follows:

''(3) 30 YEARS OF SERVICE.—

''(A) RETIREMENT BEFORE JANUARY 1, 2007.—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

''(B) RETIREMENT AFTER DECEMBER 31, 2006.—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

''(i) 75 percent; and

''(ii) the product (stated as a percentage) of—

''(I) 2½; and

''(II) the member's years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service in any service, regardless of when served, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.''.

(b) RETIRED PAY FOR NON-REGULAR SERVICE.—Section 12739(c) of such title is amended—

(1) by striking ''The total amount'' and inserting ''(1) Except as provided in paragraph (2), the total amount''; and

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

''(2) In the case of a person who retires after December 31, 2006, with more than 30 years of service credited to that person under section 12733 of this title, the total amount of the monthly retired pay computed under subsections (a) and (b) may not exceed the sum of—

''(A) 75 percent of the retired pay base upon which the computation is based; and

''(B) the product of—

''(i) the retired pay base upon which the computation is based; and

''(ii) 2½ percent of the years of service credited to that person under section 12733 of this title for service, regardless of when served, under conditions authorized for purposes of this paragraph during a period designated by the Secretary of Defense for purposes of this paragraph.''.

SEC. 652. MODIFICATION OF ELIGIBILITY FOR COMMENCEMENT OF AUTHORITY FOR OPTIONAL ANNUITIES FOR DEPENDENTS UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by striking ''who dies after November 23, 2003'' and inserting ''who dies after October 7, 2001''.

(b) APPLICABILITY.—Any annuity payable to a dependent child under subchapter II of chapter 73 of title 10, United States Code, by reason of the amendment made by subsection (a) shall be payable only for months beginning on or after the date of the enactment of this Act.

SEC. 653. COMMENCEMENT OF RECEIPT OF NON-REGULAR SERVICE RETIRED PAY BY MEMBERS OF THE READY RESERVE ON ACTIVE FEDERAL STATUS OR ACTIVE DUTY FOR SIGNIFICANT PERIODS.

(a) REDUCED ELIGIBILITY AGE.—Section 12731 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

''(1) has attained the eligibility age applicable under subsection (f) to that person;''; and

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

''(f)(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

''(2)(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after September 11, 2001, the eligibility age for purposes of subsection (a)(1) shall be reduced below 60 years of age by three months for each aggregate of 90 days on which such person so performs in any fiscal year after such date, subject to subparagraph (C). A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

''(B)(i) Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of this title or under section 12301(d) of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.

''(ii) Active service described in this subparagraph is service under a call to active service authorized by the President or the Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

''(C) The eligibility age for purposes of subsection (a)(1) may not be reduced below 50 years of age for any person under subparagraph (A).''.

(b) CONTINUATION OF AGE 60 AS MINIMUM AGE FOR ELIGIBILITY OF NON-REGULAR SERVICE RETIREES FOR HEALTH CARE.—Section 1074(b) of such title is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) Paragraph (1) does not apply to a member or former member entitled to retired pay for non-regular service under chapter 1223 of this title who is under 60 years of age.''.

(c) ADMINISTRATION OF RELATED PROVISIONS OF LAW OR POLICY.—With respect to any provision of law, or of any policy, regulation, or directive of the executive branch that refers to a member or former member of the uniformed services as being eligible for, or entitled to, retired pay under chapter 1223 of title 10, United States Code, but for the fact that the member or former member is under 60 years of age, such provision shall be carried out with respect to that member or former member by substituting for the reference to being 60 years of age a reference to having attained the eligibility age applicable under subsection (f) of section 12731 of title 10, United States Code (as added by subsection (a)), to such member or former member for qualification for such retired pay under subsection (a) of such section.

(d) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to applications for retired pay that are submitted under section 12731(a) of title 10, United States Code, on or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 661. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE ARMY EVACUATED FROM A COMBAT ZONE FOR INPATIENT CARE.

(a) AUDIT REQUIRED.—

(1) IN GENERAL.—The Secretary of the Army shall conduct a complete audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the audit conducted under paragraph (1).

(3) REPORT ELEMENTS.—The report under paragraph (2) shall include the following:

(A) A list of each member of the Army described in paragraph (1) identified (in a manner that protects the privacy of members so listed) by—

(i) date of wound or injury on which inclusion of such member on the list is based; and

(ii) grade and unit designation as of such date.

(B) For each member so listed, a statement of any underpayment of each of any pay, allowance, or other monetary benefit to which such member was entitled during the period beginning on the date of such wound or injury and ending on April 30, 2006, including basic pay, hazardous duty pay, imminent danger pay, basic allowance for housing, basic allowance for subsistence, any family separation allowance, any tax exclusion for combat duty, and any other pay, allowance, or monetary benefit to which such member was entitled during such period.

(C) For each member so listed, a statement of any disbursements made to correct underpayments made to such member as identified under subparagraph (B).

(D) For each member so listed, a statement of any debts to the United States collected or pending collection from such member.

(E) For each member so listed, a statement of any reimbursements or debt relief granted to such member for a debt identified under subparagraph (D).

(F) For each member so listed who has applied to the United States for a relief of debt—

(i) a description of the nature of the debt for which relief was applied; and

(ii) a description of the disposition of the application, including, if granted, the date of disbursement for relief granted, and, if denied, the reasons for the denial.

(G) For each member so listed, a report of any referral of such member to a collection or credit agency.

(4) FORM.—The report under paragraph (2) shall be in unclassified form, but may include a classified annex.

(b) ASSISTANCE WITH PAY OR ACCOUNT DIFFICULTIES.—

(1) CALL ASSISTANCE CENTER.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall establish within the Department of Defense an assistance center, accessible by toll-free telephone call, through which a covered member of the Armed Forces, or the primary next of kin of such a member in the case of such a member who dies, may secure assistance in resolving difficulties relating to the military pay or accounts of such member.

(2) REQUESTS FOR ASSISTANCE.—A request for assistance under paragraph (1) may be made—

(A) by a covered member of the Armed Forces; or

(B) by the primary next of kin on behalf of, or with respect to, a covered member of the Armed Forces.

(3) RESPONSE TO REQUESTS FOR ASSISTANCE.—The Secretary shall ensure that, in providing assistance under paragraph (1) to a covered member of the Armed Forces or next of kin of such a member, personnel of the assistance center established under that paragraph—

(A) provide an initial response to the request for assistance under paragraph (2) not later than 10 days after receipt of such request; and

(B) provide a final response to the request for assistance under that paragraph not later than 30 days after receipt of such request.

(4) COVERED MEMBER OF THE ARMED FORCES DEFINED.—In this subsection, the term ''covered member of the Armed Forces'' means a member of the Armed Forces wounded or injured in a combat zone who is evacuated from a theater of operations for inpatient care.

SEC. 662. PILOT PROGRAM ON TROOPS TO NURSE TEACHERS.

(a) PILOT PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall, in coordination with the Secretary of Health and Human Services and the Secretary of Education, conduct a pilot program to assess the feasibility and potential benefits of a program to—

(A) assist nurse corps officers described in subsection (c) in achieving necessary qualifications to become nurse educators and in

securing employment as nurse educators at accredited schools of nursing;

(B) provide scholarships to nurse corps officers described in subsection (c) in return for continuing service in the Selected Reserve or other forms of public service; and

(C) help alleviate the national shortage of nurse educators and registered nurses.

(2) DURATION.—Except as provided in subsection (h), the pilot program shall be conducted during the period beginning on January 1, 2007, and ending on December 31, 2012. A nurse corps officer may not enter into an agreement to participate in the pilot program after December 31, 2012.

(3) REGULATIONS.—The pilot program shall be conducted under regulations prescribed by the Secretary of Defense in consultation with the Secretary of Health and Human Services and the Secretary of Education.

(b) DESIGNATION.—The pilot program required by subsection (a) shall be known as the ''Troops to Nurse Teachers Pilot Program'' (in this section referred to as the ''Program'').

(c) NURSE CORPS OFFICERS.—A nurse corps officer described in this subsection is any commissioned officer of the Armed Forces qualified and designated as an officer in a Nurse Corps of the Armed Forces who is—

(1) serving in a reserve component of the Armed Forces;

(2) honorably discharged from the Armed Forces; or

(3) a retired member of the Armed Forces.

(d) SELECTION OF PARTICIPANTS IN PROGRAM.—

(1) APPLICATION.—An eligible nurse corps officer seeking to participate in the Program shall submit to the Secretary of Defense an application therefor. The application shall be in such form, and contain such information, as the Secretary may require.

(2) SELECTION.—The Secretary shall select participants in the Program from among qualified nurse corps officers submitting applications therefor under paragraph (1).

(e) PARTICIPANT AGREEMENT.—

(1) IN GENERAL.—A nurse corps officer selected under subsection (d) to participate in the Program shall enter into an agreement with the Secretary of Defense relating to participation in the Program.

(2) ELEMENTS.—The agreement of a nurse corps officer under the program shall, at the election of the Secretary for purposes of the Program and as appropriate with respect to that status of such nurse corps officer—

(A) require such nurse corps officer, within such time as the Secretary may require, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than one year; or

(B) require such nurse corps officer—

(i) within such time as the Secretary may require, to successfully complete a program leading to a master's degree or doctoral degree in a nursing field from an accredited school of nursing or to a doctoral degree in a related field from an accredited institution of higher education;

(ii) to serve in the Selected Reserve or some other form of public service under terms and conditions established by the Secretary; and

(iii) upon completion of such program and service, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than 3 years.

(f) ASSISTANCE.—

(1) TRANSITION ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(A) assistance as follows:

(A) Career placement assistance in securing full-time employment as a nurse educator at an accredited school of nursing.

(B) A stipend in an amount not to exceed $5,000 for transition to employment referred to in paragraph (1), and for educational training for such employment, for a period not to exceed two years after entry by such participant into an agreement under subsection (e).

(2) SCHOLARSHIP ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(B) scholarship assistance to pursue a degree described in subsection (e)(2)(B)(i) in an amount not to exceed $30,000 annually for a period of not more than four years.

(g) TREATMENT OF ASSISTANCE.—A stipend or scholarship provided under subsection (f) shall not be taken into account in determining the eligibility of a participant in the Program for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(h) ADMINISTRATION AFTER INITIAL PERIOD.—

(1) IN GENERAL.—The termination of the Program on December 31, 2012, under subsection (a)(2) shall not terminate the entitlement to assistance under the Program of any nurse corps officer entering into an agreement to participate in the Program under subsection (e) that continues in force after that date.

(2) ADMINISTRATION.—The Secretary of Education shall undertake any administration of the Program that is required after December 31, 2012, including responsibility for any funding necessary to provide assistance under the Program after that date.

(i) REPORT.—

(1) IN GENERAL.—Not later than three years after the commencement of the Program, the Secretary of Defense shall, in consultation with the Secretary of Health and Human Services and the Secretary of Education, submit to Congress a report on the Program.

(2) ELEMENTS.—The report shall—

(A) describe the activities undertaken under the Program; and

(B) include an assessment of the effectiveness of the Program in—

(i) facilitating the development of nurse educators;

(ii) encouraging service in the Selected Reserve and other forms of public service; and

(iii) helping alleviate the national shortage of nurse educators and registered nurses.

(j) DEFINITIONS.—In this section:

(1) NURSE EDUCATOR.—The term ''nurse educator'' means a registered nurse who—

(A) is a member of the nursing faculty at an accredited school of nursing;

(B) holds a graduate degree in nursing from an accredited school of nursing or a doctoral degree in a related field from an accredited institution of higher education;

(C) holds a valid, unrestricted license to practice nursing from a State; and

(D) has successfully completed additional course work in education and demonstrates competency in an advanced practice area of nursing.

(2) SCHOOL OF NURSING.—The term ''school of nursing'' means a school of nursing (as that term is defined in section 801 of the Public Health Service Act (42 U.S.C. 296)) that is accredited (as that term is defined in section 801(6) of the Public Health Service Act).

(k) FUNDING.—From amounts authorized to be appropriated for the Department of Defense, $5,000,000 may be available for the Program.

SEC. 663. EXPANSION AND ENHANCEMENT OF AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS OF THE ARMED FORCES.

(a) MEMBERS OF THE ARMY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Army'' and all that follows through ''in an active status'' and inserting ''a member of the Army (including a member on active duty or a member of a reserve component in an active status), a retired member of the Army, or a former member of the Army''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Army covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3322; 10 U.S.C. 4837 note) is repealed.

(b) MEMBERS OF THE NAVY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Section 6161 of title 10, United States Code, is amended by striking ''a member of the Navy'' and all that follows through ''in an active status'' and inserting ''a member of the Navy (including a member on active duty or a member of a reserve component in an active status), a retired member of the Navy , or a former member of the Navy''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Navy covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(b) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3323; 10 U.S.C. 6161 note) is repealed.

(c) MEMBERS OF THE AIR FORCE.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Air Force'' and all that follows through ''in an active status'' and inserting ''a member of the Air Force (including a member on active duty or a member of a reserve component in an active status), a retired member of the Air Force, or a former member of the Air Force''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Air Force covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3324; 10 U.S.C. 9837 note) is repealed.

(d) DEADLINE FOR REGULATIONS.—The Secretary of Defense shall prescribe the regulations required for purposes of sections 4837,

6161, and 9837 of title 10, United States Code, as amended by this section, not later than March 1, 2007.

SEC. 664. EXCEPTION FOR NOTICE TO CONSUMER REPORTING AGENCIES REGARDING DEBTS OR ERRONEOUS PAYMENTS PENDING A DECISION TO WAIVE, REMIT, OR CANCEL.

(a) EXCEPTION.—Section 2780(b) of title 10, United States Code, is amended—

(1) by striking ''The Secretary'' and inserting ''(1) Except as provided in paragraph (2), the Secretary''; and

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

''(2) No disclosure shall be made under paragraph (1) with respect to an indebtedness while a decision regarding waiver of collection is pending under section 2774 of this title, or a decision regarding remission or cancellation is pending under section 4837, 6161, or 9837 of this title, unless the Secretary concerned (as defined in section 101(5) of title 37), or the designee of such Secretary, determines that disclosure under that paragraph pending such decision is in the best interests of the United States.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2007.

(2) APPLICATION TO PRIOR ACTIONS.—Paragraph (2) of section 2780(b) of title 10, United States Code (as added by subsection (a)), shall not be construed to apply to or invalidate any action taken under such section before March 1, 2007.

(c) REPORT.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in section 2780(b) of title 10, United States Code, including—

(1) the total number of members of the Armed Forces who have been reported to consumer reporting agencies under such section;

(2) the circumstances under which such authority has been exercised, or waived (as provided in paragraph (2) of such section (as amended by subsection (a))), and by whom;

(3) the cost of contracts for collection services to recover indebtedness owed to the United States that is delinquent;

(4) an evaluation of whether or not such contracts, and the practice of reporting military debtors to collection agencies, has been effective in reducing indebtedness to the United States; and

(5) such recommendations as the Secretary considers appropriate regarding the continuing use of such authority with respect to members of the Armed Forces.

SEC. 665. ENHANCEMENT OF AUTHORITY TO WAIVE CLAIMS FOR OVERPAYMENT OF PAY AND ALLOWANCES.

(a) CLARIFICATION OF PAY AND ALLOWANCES.—Subsection (a) of section 2774 of title 10, United States Code, is amended in the matter preceding paragraph (1) by inserting ''(including any bonus or special or incentive pay)'' after ''pay or allowances''.

(b) WAIVER BY SECRETARIES CONCERNED.—Paragraph (2) of such subsection is amended—

(1) in the matter preceding subparagraph (A), by inserting ''or the designee of such Secretary'' after ''title 37,''; and

(2) in subparagraph (A), by striking ''$1,500'' and inserting ''$10,000''.

(c) TIME FOR WAIVER.—Subsection (b)(2) of such section is amended by striking ''three years'' and inserting ''five years''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007.

(e) DEADLINE FOR REVISED STANDARDS.—The Director of the Office of Management and Budget and the Secretary of Defense shall prescribe any modifications to the standards under section 2774 of title 10, United States Code, that are required or authorized by reason of the amendments made by this section not later than March 1, 2007.

SEC. 666. TERMS OF CONSUMER CREDIT EXTENDED TO SERVICEMEMBER OR SERVICEMEMBER'S DEPENDENT.

(a) TERMS OF CONSUMER CREDIT.—Title II of the Servicemembers Civil Relief Act (50 U.S.C. App. 521 et seq.) is amended by adding at the end the following new section:

''SEC. 208. TERMS OF CONSUMER CREDIT.

''(a) INTEREST.—A creditor who extends consumer credit to a servicemember or a servicemember's dependent shall not require the servicemember or the servicemember's dependent to pay interest with respect to the extension of such credit, except as—

''(1) agreed to under the terms of the credit agreement or promissory note;

''(2) authorized by applicable State or Federal law; and

''(3) not specifically prohibited by this section.

''(b) ANNUAL PERCENTAGE RATE.—A creditor described in subsection (a) shall not impose an annual percentage rate greater than 36 percent with respect to the consumer credit extended to a servicemember or a servicemember's dependent.

''(c) MANDATORY LOAN DISCLOSURES.—

''(1) INFORMATION REQUIRED.—With respect to any extension of consumer credit to a servicemember or a servicemember's dependent, a creditor shall provide to the servicemember or the servicemember's dependent the following information in writing, at or before the issuance of the credit:

''(A) A statement of the annual percentage rate applicable to the extension of credit.

''(B) Any disclosures required under the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(C) A clear description of the payment obligations of the servicemember or the servicemember's dependent, as applicable.

''(2) TERMS.—Such disclosures shall be presented in accordance with terms prescribed by the regulations issued by the Board of Governors of the Federal Reserve System to implement the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(d) LIMITATION.—A creditor described in subsection (a) shall not automatically renew, repay, refinance, or consolidate with the proceeds of other credit extended by the same creditor any consumer credit extended to a servicemember or a servicemember's dependent without—

''(1) executing new loan documentation signed by the servicemember or the servicemember's dependent, as applicable; and

''(2) providing the loan disclosures described in subsection (c) to the servicemember or the servicemember's dependent.

''(e) PREEMPTION.—Except as provided in subsection (f)(2), this section preempts any State or Federal law, rule, or regulation, including any State usury law, to the extent that such laws, rules, or regulations are inconsistent with this section, except that this section shall not preempt any such law, rule, or regulation that provides additional protection to a servicemember or a servicemember's dependent.

''(f) PENALTIES.—

''(1) MISDEMEANOR.—Any creditor who knowingly violates this section shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

''(2) PRESERVATION OF OTHER REMEDIES.—The remedies and rights provided under this section are in addition to and do not preclude any remedy otherwise available under law to the person claiming relief under this section, including any award for consequential and punitive damages.

''(g) DEFINITION.—For purposes of this section, the term 'interest' includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to the extension of consumer credit.''.

(b) CLERICAL AMENDMENT.—The table of contents of the Servicemembers Civil Relief Act (50 U.S.C. App. 501) is amended by inserting after the item relating to section 207 the following new item:

''Sec. 208. Terms of consumer credit''.

SEC. 667. JOINT FAMILY SUPPORT ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing assistance to families of members of the Armed Forces.

(b) LOCATIONS.—

(1) IN GENERAL.—The Secretary shall carry out the program for at least six regions of the country through sites established by the Secretary for purposes of the program in such regions.

(2) LOCATION OF CERTAIN SITES.—At least three of the sites established under paragraph (1) shall be located in an area that it geographically isolated from military installations.

(c) FUNCTIONS.—The Secretary shall provide assistance to families of the members of the Armed Forces under the program by providing at each site established for purposes of the program under subsection (b) the following:

(1) Financial, material, and other assistance to families of members of the Armed Forces.

(2) Mobile support services to families of members of the Armed Forces.

(3) Sponsorship of volunteers and family support professionals for the delivery of support services to families of members of the Armed Forces.

(4) Coordination of family assistance programs and activities provided by Military OneSource, Military Family Life Consultants, counselors, the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and non-profit entities.

(5) Facilitation of discussion on military family assistance programs, activities, and initiatives between and among the organizations, agencies, and entities referred to in paragraph (4).

(d) RESOURCES.—

(1) IN GENERAL.—The Secretary shall provide personnel and other resources necessary for the implementation and operation of the program at each site established under subsection (b).

(2) ACCEPTANCE OF CERTAIN SERVICES.—In providing resources under paragraph (1), the Secretary may accept and utilize the services of non-Federal Government volunteers and non-profit entities.

(e) PROCEDURES.—The Secretary shall establish procedures for the operation of each site established under subsection (b) and for the provision of assistance to families of members of the Armed Forces at such site.

(f) IMPLEMENTATION PLAN.—

(1) PLAN REQUIRED.—Not later than 30 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report setting forth a plan for the implementation of the program.

(2) ELEMENTS.—The plan required under paragraph (1) shall include the following:

(A) A description of the actions taken to select and establish sites for the program under subsection (b).

(B) A description of the procedures established under subsection (d).

(C) A review of proposed actions to be taken under the program to improve coordination on family assistance program and activities between and among the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and non-profit entities.

(g) REPORT.—

(1) IN GENERAL.—Not later than 270 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report on the program.

(2) ELEMENTS.—The report shall include the following:

(A) A description of the program, including each site established for purposes of the program, the procedures established under subsection (d) for operations at each such site, and the assistance provided through each such site for families of members of the Armed Forces.

(B) An assessment of the effectiveness of the program in providing assistance to families of members of the Armed Forces.

(C) An assessment of the advisability of extending the program or making it permanent.

(h) ASSISTANCE TO NON-PROFIT ENTITIES PROVIDING ASSISTANCE TO MILITARY FAMILIES.—The Secretary may provide financial, material, and other assistance to non-profit entities in order to facilitate the provision by such entities of assistance to geographically isolated families of members of the Armed Forces.

(i) SUNSET.—The program required by this section, and the authority to provide assistance under subsection (h), shall cease upon the date that is three years after the first obligation of amounts for the program.

(j) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 may be available for the program required by this section and the provision of assistance under subsection (h).

SEC. 668. IMPROVEMENT OF MANAGEMENT OF ARMED FORCES RETIREMENT HOME.

(a) REDESIGNATION OF CHIEF OPERATING OFFICER AS CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—Section 1515 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 415) is amended—

(A) by striking ''Chief Operating Officer'' each place it appears and inserting ''Chief Executive Officer''; and

(B) in subsection (e)(1), by striking ''Chief Operating Officer's'' and inserting ''Chief Executive Officer's''.

(2) CONFORMING AMENDMENTS.—Such Act is further amended by striking ''Chief Operating Officer'' each place it appears in a provision as follows and inserting ''Chief Executive Officer'':

(A) Section 1511 (24 U.S.C. 411).

(B) Section 1512 (24 U.S.C. 412).

(C) Section 1513(a) (24 U.S.C. 413(a)).

(D) Section 1514(c)(1) (24 U.S.C. 414(c)(1)).

(E) Section 1516(b) (24 U.S.C. 416(b)).

(F) Section 1517 (24 U.S.C. 417).

(G) Section 1518(c) (24 U.S.C. 418(c)).

(H) Section 1519(c) (24 U.S.C. 419(c)).

(I) Section 1521(a) (24 U.S.C. 421(a)).

(J) Section 1522 (24 U.S.C. 422).

(K) Section 1523(b) (24 U.S.C. 423(b)).

(L) Section 1531 (24 U.S.C. 431).

(3) CLERICAL AMENDMENTS.—(A) The heading of section 1515 of such Act is amended to read as follows:

''SEC. 1515. CHIEF EXECUTIVE OFFICER.''.

(B) The table of contents for such Act is amended by striking the item relating to section 1515 and inserting the following new item:

''Sec. 1515. Chief Executive Officer.''.

(4) REFERENCES.—Any reference in any law, regulation, document, record, or other paper of the United States to the Chief Operating Officer of the Armed Forces Retirement Home shall be considered to be a reference to the Chief Executive Officer of the Armed Forces Retirement Home.

(b) DIRECTOR AND DEPUTY DIRECTOR OF FACILITIES.—

(1) MILITARY DIRECTOR.—Subsection (b)(1) of section 1517 of such Act (24 U.S.C. 417) is amended by striking ''a civilian with experience as a continuing care retirement community professional or''.

(2) CIVILIAN DEPUTY DIRECTOR.—Subsection (d)(1)(A) of such section is amended by striking ''or a member'' and all that follows and inserting ''; and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act, and shall apply with respect to any vacancy that occur in the position of Director or Deputy Director of a facility of the Armed Forces Retirement Home that occurs on or after that date.

(c) CLARIFICATION OF MEMBERSHIP ON LOCAL BOARD OF TRUSTEES.—Section 1516(c)(1)(H) of such Act (24 U.S.C. 416(c)(1)(K)) is amended by inserting before the period at the end the following: '', who shall be a member of the Armed Forces serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half)''.

Subtitle F—Transition Assistance for Members of the National Guard and Reserve Returning From Deployment in Operation Iraqi Freedom or Operation Enduring Freedom

SEC. 681. SHORT TITLE.

This subtitle may be cited as the ''Heroes at Home Act of 2006''.

SEC. 682. SPECIAL WORKING GROUP ON TRANSITION TO CIVILIAN EMPLOYMENT OF MEMBERS OF THE NATIONAL GUARD AND RESERVE RETURNING FROM DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) WORKING GROUP REQUIRED.—The Secretary of Defense shall establish within the Department of Defense a working group to identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in transitioning to civilian employment on their return from such deployment.

(b) MEMBERS.—The working group established under subsection (a) shall include a balance of individuals appointed by the Secretary of Defense from among the following:

(1) Personnel of the Department of Defense.

(2) With the concurrence of the Secretary of Veterans Affairs, personnel of the Department of Veterans Affairs.

(3) With the concurrence of the Secretary of Labor, personnel of the Department of Labor.

(c) RESPONSIBILITIES.—The working group established under subsection (a) shall—

(1) identify and assess the needs of members of the National Guard and Reserve described in subsection (a) in transitioning to civilian employment on their return from deployment as described in that subsection, including the needs of—

(A) members who were self-employed before deployment and seek to return to such employment after deployment;

(B) members who were students before deployment and seek to return to school or commence employment after deployment;

(C) members who have experienced multiple recent deployments; and

(D) members who have been wounded or injured during deployment; and

(2) develop recommendations on means of improving assistance to members of the National Guard and Reserve described in subsection (a) in meeting the needs identified in paragraph (1) on their return from deployment as described in subsection (a).

(d) CONSULTATION.—In carrying out its responsibilities under subsection (c), the working group established under subsection (a) shall consult with the following:

(1) Appropriate personnel of the Small Business Administration.

(2) Representatives of employers who employ members of the National Guard and Reserve described in subsection (a) on their return to civilian employment as described in that subsection.

(3) Representatives of employee assistance organizations.

(4) Representatives of associations of employers.

(5) Representatives of organizations that assist wounded or injured members of the National Guard and Reserves in finding or sustaining employment.

(6) Representatives of such other public or private organizations and entities as the working group considers appropriate.

(e) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the working group established under subsection (a) shall submit to the Secretary of Defense and Congress a report on its activities under subsection (c).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the identification and assessment required under subsection (c)(1).

(B) The recommendations developed under subsection (c)(2), including recommendations on the following:

(i) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the employment and transition needs of members of the National Guard and Reserve described in subsection (a) upon their return from deployment as described in that subsection.

(ii) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the needs of family members of such members.

(iii) The improvement of collaboration between the pubic and private sectors in order to ensure the successful transition of such members into civilian employment upon their return from such deployment.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make the report under paragraph (1) available to the public, including through the Internet website of the Department of Defense.

(f) TERMINATION.—

(1) IN GENERAL.—The working group established under subsection (a) shall terminate on the date that is two years after the date of the enactment of this Act.

(2) INTERIM DUTIES.—During the period beginning on the date of the submittal of the report required by subsection (e) and the termination of the working group under paragraph (1), the working group shall serve as an advisory board to the Office for Employers and Employment Assistance Organizations under section 683.

(g) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals

in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 683. OFFICE FOR EMPLOYERS AND EMPLOYMENT ASSISTANCE ORGANIZATIONS.

(a) DESIGNATION OF OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall designate an office within the Department of Defense to assist employers, employment assistance organizations, and associations of employers in facilitating the successful transition to civilian employment of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) NAME.—The office designated under this subsection shall be known as the ''Office for Employers and Employment Assistance Organizations'' (in this section referred to as the ''Office'').

(3) HEAD.—The Secretary shall designate an individual to act as the head of the Office.

(4) INTEGRATION.—In designating the Office, the Secretary shall ensure close communication between the Office and the military departments, including the commands of the reserve components of the Armed Forces.

(b) FUNCTIONS.—The Office shall have the following functions:

(1) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful transition to civilian employment of members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection.

(2) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful adjustment of family members of the National Guard and Reserve to the deployment and return from deployment of members of the National Guard and Reserve as described in that subsection.

(c) RESOURCES TO BE PROVIDED.—

(1) IN GENERAL.—In carrying out the functions specified in subsection (b), the Office shall provide employers, employment assistance organizations, and associations of employers resources, services, and assistance that include the following:

(A) Guidelines on best practices and effective strategies.

(B) Education on the physical and mental health conditions that can and may be experienced by members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection in transitioning to civilian employment, including Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI), including education on—

(i) the detection of warning signs of such conditions;

(ii) the medical, mental health, and employment services available to such members, including materials on services offered by the Department of Defense, the Department of Veterans Affairs (including through the vet center program under section 1712A of title 38, United States Code), the Department of Labor, military support programs, and community mental health clinics; and

(iii) the mechanisms for referring such members for services described in clause (ii) and for other medical and mental health screening and care when appropriate.

(C) Education on the range and types of potential physical and mental health effects of deployment and post-deployment adjustment on family members of members of the National Guard and Reserve described in subsection (a), including education on—

(i) the detection of warning signs of such effects on family members of members of the National Guard and Reserves;

(ii) the medical, mental health, and employment services available to such family members, including materials on such services as described in subparagraph (B)(ii); and

(iii) mechanisms for referring such family members for services described in clause (ii) and for medical and mental health screening and care when appropriate.

(D) Education on mechanisms, strategies, and resources for accommodating and employing wounded or injured members of the National Guard and Reserves in work settings.

(2) PROVISION OF RESOURCES.—The Office shall make resources, services, and assistance available under this subsection through such mechanisms as the head of the Office considers appropriate, including the Internet, video conferencing, telephone services, workshops, trainings, presentations, group forums, and other mechanisms.

(d) PERSONNEL AND OTHER RESOURCES.—The Secretary of Defense shall assign to the Office such personnel, funding, and other resources as are required to ensure the effective discharge by the Office of the functions under subsection (b).

(e) REPORTS ON ACTIVITIES.—

(1) ANNUAL REPORT BY OFFICE.—Not later than one year after the designation of the Office, and annually thereafter, the head of the Office, in consultation with the working group established pursuant to section 682 (while in effect), shall submit to the Secretary of Defense a written report on the progress and outcomes of the Office during the one-year period ending on the date of such report.

(2) TRANSMITTAL TO CONGRESS.—Not later than 60 days after receipt of a report under paragraph (1), the Secretary shall transmit such report to the Committees on Armed Services of the Senate and the House of Representatives, together with—

(A) such comments on such report, and such assessment of the effectiveness of the Office, as the Secretary considers appropriate; and

(B) such recommendations on means of improving the effectiveness of the Office as the Secretary considers appropriate.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under paragraph (2) available to the public, including through the Internet website of the Office.

(f) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 684. ADDITIONAL RESPONSIBILITIES OF DEPARTMENT OF DEFENSE TASK FORCE ON MENTAL HEALTH RELATING TO MENTAL HEALTH OF MEMBERS OF THE NATIONAL GUARD AND RESERVE DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) ADDITIONAL RESPONSIBILITIES.—Section 723 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3348) is amended—

(1) by redesignating subsections (d), (e), (f), and (g) as subsections (e), (f), (g), and (h), respectively; and

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

''(d) ASSESSMENT OF MENTAL HEALTH NEEDS OF MEMBERS OF NATIONAL GUARD AND RESERVE DEPLOYED IN OIF OR OEF.—

''(1) IN GENERAL.—In addition to the activities required under subsection (c), the task force shall, not later than 12 months after the date of the enactment of the Heroes at Home Act of 2006, submit to the Secretary a report containing an assessment and recommendations on the needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(2) ELEMENTS.—The assessment and recommendations required by paragraph (1) shall include the following:

''(A) An assessment of the specific needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(B) An identification of mental health conditions and disorders (including Post Traumatic Stress Disorder (PTSD), suicide attempts, and suicide) occurring among members of the National Guard and Reserve who undergo multiple deployments in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(C) Recommendations on mechanisms for improving the mental health services available to members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom, including such members who undergo multiple deployments in such operations, upon their return from such deployment.''.

(b) REPORT.—Subsection (f) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) in the subsection heading, by striking ''REPORT'' and inserting ''REPORTS'';

(2) by striking paragraph (1) and inserting the following new paragraph (1):

''(1) IN GENERAL.—The report submitted to the Secretary under each of subsections (c) and (d) shall include—

''(A) a description of the activities of the task force under such subsection;

''(B) the assessment and recommendations required by such subsection; and

''(C) such other matters relating to the activities of the task force under such subsection as the task force considers appropriate.''; and

(3) in paragraph (2)—

(A) by striking ''the report under paragraph (1)'' and inserting ''a report under paragraph (1)''; and

(B) by striking ''the report as'' and inserting ''such report as''.

(c) PLAN MATTERS.—Subsection (g) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by striking ''the report from the task force under subsection (e)(1)'' and inserting ''a report from the task force under subsection (f)(1)''; and

(2) by inserting ''contained in such report'' after ''the task force'' the second place it appears.

(d) TERMINATION.—Subsection (h) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by inserting ''with respect to the assessment and recommendations required by subsection (d)'' after ''the task force''; and

(2) by striking ''subsection (e)(2)'' and inserting ''subsection (f)(2)''.

SEC. 685. GRANTS ON ASSISTANCE IN COMMUNITY-BASED SETTINGS FOR MEMBERS OF THE NATIONAL GUARD AND RESERVE AND THEIR FAMILIES AFTER DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) IN GENERAL.—The Secretary of Defense may award grants to eligible entities to carry out demonstration projects to assess

the feasibility and advisability of utilizing community-based settings for the provision of assistance to members of the National Guard and Reserve who serve in Operation Iraqi Freedom or Operation Enduring Freedom, and their families, after the return of such members from deployment in Operation Iraqi Freedom or Operation Enduring Freedom, as the case may be, including—

(1) services to improve the reuniting of such members of the National Guard and Reserve and their families;

(2) education to increase awareness of the physical and mental health conditions that members of the National Guard and Reserve can and may experience on their return from such deployment, including education on—

(A) Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI); and

(B) mechanisms for the referral of such members of the National Guard and Reserve for medical and mental health screening and care when necessary; and

(3) education to increase awareness of the physical and mental health conditions that family members of such members of the National Guard and Reserve can and may experience on the return of such members from such deployment, including education on—

(A) depression, anxiety, and relationship problems; and

(B) mechanisms for medical and mental health screening and care when appropriate.

(b) ELIGIBLE ENTITIES.—An entity eligible for the award of a grant under this section is any public or private non-profit organization, such as a community mental health clinic, family support organization, military support organization, law enforcement agency, community college, or public school.

(c) APPLICATION.—An eligible entity seeking a grant under this section shall submit to the Secretary of Defense an application therefor in such manner, and containing such information, as the Secretary may require for purposes of this section, including a description of how such entity will work with the Department of Defense, the Department of Veterans Affairs, State health agencies, other appropriate Federal, State, and local agencies, family support organizations, and other community organization in undertaking activities described in subsection (a).

(d) ANNUAL REPORTS BY GRANT RECIPIENTS.—An entity awarded a grant under this section shall submit to the Secretary of Defense on an annual basis a report on the activities undertaken by such entity during the preceding year utilizing amounts under the grant. Each report shall include such information as the Secretary shall specify for purposes of this subsection.

(e) ANNUAL REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall submit to Congress a report on activities undertaken under the grants awarded under this section. The report shall include recommendations for legislative, programmatic, or administrative action to improve or enhance activities under the grants awarded under this section.

(2) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under this subsection available to the public.

SEC. 686. LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, conduct a longitudinal study on the effects of traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom. The duration of the longitudinal study shall be 15 years.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The long-term physical and mental health effects of traumatic brain injuries incurred by members of the Armed Forces during service in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) The health care, mental health care, and rehabilitation needs of such members for such injuries after the completion of inpatient treatment through the Department of Defense, the Department of Veterans Affairs, or both.

(3) The type and availability of long-term care rehabilitation programs and services within and outside the Department of Defense and the Department of Veterans Affairs for such members for such injuries, including community-based programs and services and in-home programs and services.

(c) REPORTS.—

(1) PERIODIC AND FINAL REPORTS.—After the third, seventh, eleventh, and fifteenth years of the study required by subsection (a), the Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, submit to Congress a comprehensive report on the results of the study during the preceding years. Each report shall include the following:

(A) Current information on the cumulative outcomes of the study.

(B) Such recommendations as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate based on the outcomes of the study, including recommendations for legislative, programmatic, or administrative action to improve long-term care and rehabilitation programs and services for members of the Armed Forces with traumatic brain injuries.

(2) AVAILABILITY TO PUBLIC.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly take appropriate actions to make each report under this subsection available to the public.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $5,000,000.

(B) For each of fiscal years 2008 through 2021, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

SEC. 687. TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) TRAUMATIC BRAIN INJURY FAMILY CAREGIVER PANEL.—

(1) ESTABLISHMENT.—The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, establish within the Department of Defense a panel to develop coordinated, uniform, and consistent training curricula to be used in training family members in the provision of care and assistance to members and former members of the Armed Forces for traumatic brain injuries incurred during service in the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) DESIGNATION OF PANEL.—The panel established under paragraph (1) shall be known as the ''Traumatic Brain Injury Family Caregiver Panel''.

(3) MEMBERS.—The Traumatic Brain Injury Family Caregiver Panel established under paragraph (1) shall consist of 15 members appointed by the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, equally represented from among—

(A) physicians, nurses, rehabilitation therapists, and other individuals with an expertise in caring for and assisting individuals with traumatic brain injury, including those who specialize in caring for and assisting individuals with traumatic brain injury incurred in war;

(B) representatives of family caregivers or family caregiver associations;

(C) Department of Defense and Department of Veterans Affairs health and medical personnel with expertise in traumatic brain injury, and Department of Defense personnel and readiness representatives with expertise in traumatic brain injury;

(D) psychologists or other individuals with expertise in the mental health treatment and care of individuals with traumatic brain injury;

(E) experts in the development of training curricula; and

(F) any other individuals the Secretary considers appropriate.

(b) DEVELOPMENT OF CURRICULA.—

(1) IN GENERAL.—The Traumatic Brain Injury Family Caregiver Panel shall develop training curricula to be utilized during the provision of training to family members of members and former members of the Armed Forces described in subsection (a) on techniques, strategies, and skills for care and assistance for such members and former members with the traumatic brain injuries described in that subsection.

(2) SCOPE OF CURRICULA.—The curricula shall—

(A) be based on empirical research and validated techniques; and

(B) shall provide for training that permits recipients to tailor caregiving to the unique circumstances of the member or former member of the Armed Forces receiving care.

(3) PARTICULAR REQUIREMENTS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall—

(A) specify appropriate training commensurate with the severity of traumatic brain injury; and

(B) identify appropriate care and assistance to be provided for the degree of severity of traumatic brain injury for caregivers of various levels of skill and capability.

(4) USE OF EXISTING MATERIALS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall utilize and enhance any existing training curricula, materials, and resources applicable to such curricula as the Panel considers appropriate.

(5) DEADLINE FOR DEVELOPMENT.—The Traumatic Brain Injury Family Caregiver Panel shall develop the curricula not later than one year after the date of the enactment of this Act.

(c) DISSEMINATION OF CURRICULA.—

(1) IN GENERAL.—The Secretary of Defense shall, in consultation with the Traumatic Brain Injury Family Caregiver Panel, develop mechanisms for the dissemination of the curricula developed under subsection (b) to health care professionals referred to in paragraph (2) who treat or otherwise work with members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom. In developing such mechanisms, the Secretary may utilize and enhance existing mechanisms, including the Military Severely Injured Center.

(2) HEALTH CARE PROFESSIONALS.—The health care professionals referred to in this paragraph are the following:

(A) Personnel at military medical treatment facilities.

(B) Personnel at the polytrauma centers of the Department of Veterans Affairs.

(C) Personnel and care managers at the Military Severely Injured Center.

(D) Such other health care professionals of the Department of Defense as the Secretary considers appropriate.

(E) Such other health care professionals of the Department of Veterans Affairs as the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, considers appropriate.

(3) PROVISION OF TRAINING TO FAMILY CAREGIVERS.—

(A) IN GENERAL.—Health care professionals referred to in paragraph (2) who are trained in the curricula developed under subsection (b) shall provide training to family members of members and former members of the Armed Forces who incur traumatic brain injuries during service in the Operation Iraqi Freedom or Operation Enduring Freedom in the care and assistance to be provided for such injuries.

(B) TIMING OF TRAINING.—Training under this paragraph shall, to the extent practicable, be provided to family members while the member or former member concerned is undergoing treatment at a facility of the Department of Defense or Department of Veterans Affairs, as applicable, in order to ensure that such family members receive practice on the provision of such care and assistance under the guidance of qualified health professionals.

(C) PARTICULARIZED TRAINING.—Training provided under this paragraph to family members of a particular member or former member shall be tailored to the particular care needs of such member or former member and the particular caregiving needs of such family members.

(4) QUALITY ASSURANCE.—The Secretary shall develop mechanisms to ensure quality in the provision of training under this section to health care professionals referred to in paragraph (2) and in the provision of such training under paragraph (4) by such health care professionals.

(5) REPORT.—Not later than one year after the development of the curricula required by subsection (b), and annually thereafter, the Traumatic Brain Injury Family Caregiver Training Panel shall submit to the Secretary of Defense and the Secretary of Veterans Affairs, and to Congress, a report on the following:

(A) The actions undertaken under this subsection.

(B) The results of the tracking of outcomes based on training developed and provided under this section.

(C) Recommendations for the improvement of training developed and provided under this section.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $1,000,000.

(B) For each of fiscal years 2008 through 2011, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $1,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

TITLE VII—HEALTH CARE

Subtitle A—Benefits Matters

SEC. 701. IMPROVED PROCEDURES FOR CANCER SCREENING FOR WOMEN.

(a) PRIMARY AND PREVENTIVE HEALTH CARE SERVICES AUTHORITY.—Section 1074d of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''The services described in paragraphs (1) and (2) of subsection (b) shall be provided under such procedures and at such intervals as the Secretary of Defense shall prescribe.''; and

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following new paragraphs:

''(1) Cervical cancer screening.

''(2) Breast cancer screening.''.

(b) TRICARE PROGRAM.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of cervical cancer screenings and breast cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms'' and inserting ''cervical and breast cancer screenings''.

SEC. 702. NATIONAL MAIL-ORDER PHARMACY PROGRAM.

(a) AVAILABILITY OF REFILLS OF MAINTENANCE-TYPE MEDICATIONS SOLELY THROUGH PROGRAM.—

(1) IN GENERAL.—Subsection (a)(2) of section 1074g of title 10, United States Code, is amended—

(A) in subparagraph (E), by striking ''Pharmaceutical agents'' and inserting ''Except as provided in subparagraph (F), pharmaceutical agents''; and

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

''(F)(i) Effective April 1, 2007, refills of maintenance medications shall, except as provided under clause (ii), be available to eligible covered beneficiaries solely through the national mail-order pharmacy program referred to in subparagraph (E)(iii).

''(ii) Under such regulations as the Secretary may prescribe under this subparagraph, refills of a maintenance medication may be available to covered eligible beneficiaries through means other than the national mail-order pharmacy program if clinical requirements make it advisable that such medication be available to such beneficiaries through such other means.

''(iii) The Secretary shall specify the pharmaceutical agents constituting maintenance medications for purposes of this subparagraph.''.

(2) CONFORMING AMENDMENT.—Subsection (f)(1) of such section is amended by striking ''subsection (a)(2)(E)'' and inserting ''subparagraphs (E) and (F) of subsection (a)(2)''.

(b) PROHIBITION ON COPAYMENTS FOR CERTAIN PHARMACEUTICALS AVAILABLE THROUGH PROGRAM.—Subsection (a)(6) of such section is amended by adding at the end the following new subparagraph:

''(C) In establishing the cost-sharing requirements, the Secretary may not impose any copayment or cost-sharing requirement with respect to the following:

''(i) Refills of generic medications.

''(ii) Brand name medications determined by a physician to be medically necessary.''.

SEC. 703. AVAILABILITY UNDER TRICARE OF ANESTHESIA FOR CHILDREN IN CONNECTION WITH DENTAL PROCEDURES FOR WHICH DENTAL ANESTHESIA IS INAPPROPRIATE.

Section 1079(a)(1) of title 10, United States Code, is amended by inserting before the period at the end the following: '', except that, pursuant to such regulations as the Secretary of Defense may prescribe, hospitalization and professional services may be provided in connection with the anesthesia of a child under the age of six years for a dental procedure which, as determined by a qualified dental specialist, is necessary''.

SEC. 704. TRICARE COVERAGE FOR FORENSIC EXAMINATIONS FOLLOWING SEXUAL ASSAULTS AND DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(17) Forensic examinations following a sexual assault or domestic violence may be provided.''.

SEC. 705. PROHIBITION ON INCREASE IN FISCAL YEAR 2007 IN ENROLLMENT FEES FOR COVERAGE UNDER TRICARE PRIME.

(a) PROHIBITION.—Fees charged for enrollment in TRICARE Prime may not be increased during fiscal year 2007.

(b) TRICARE PRIME DEFINED.—In this section, the term ''TRICARE Prime'' means the managed care option of the TRICARE program.

SEC. 706. LIMITATION ON FISCAL YEAR 2007 INCREASE IN PREMIUMS FOR COVERAGE UNDER TRICARE OF MEMBERS OF RESERVE COMPONENTS WHO COMMIT TO CONTINUED SERVICE IN SELECTED RESERVE AFTER RELEASE FROM ACTIVE DUTY.

Any premium charged under subsection (d) of section 1076d of title 10, United States Code, for coverage under TRICARE of members of reserve components who commit to continued service in the Selected Reserve after release from active duty, as authorized by subsection (a) of such section, may not be increased during fiscal year 2007 by an amount which exceeds 2.2 percent of such premium as of September 30, 2006.

SEC. 707. TEMPORARY PROHIBITION ON INCREASE IN COPAYMENTS UNDER RETAIL PHARMACY SYSTEM OF PHARMACY BENEFITS PROGRAM.

Subsection (a)(6) of section 1074g of title 10, United States Code, as amended by section 702(b) of this Act, is further amended by adding at the end the following new subparagraph:

''(D) During the period beginning on October 1, 2006, and ending on September 31, 2007, the cost sharing requirements established under this paragraph for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) may not exceed amounts as follows:

''(i) In the case of generic agents, $3.

''(ii) In the case of formulary agents, $9.

''(iii) In the case of nonformulary agents, $22.''.

SEC. 708. EXPANSION OF ELIGIBILITY OF MEMBERS OF THE SELECTED RESERVE FOR COVERAGE UNDER TRICARE.

(a) IN GENERAL.—Subsection (a) of section 1076b of title 10, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) is an employee of a business with 20 or fewer employees.''.

(b) PREMIUMS.—Subsection (e)(2) of such section is amended by adding at the end the following new subparagraph:

''(C) For members eligible under paragraph (4) of subsection (a), the amount equal to 75 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

Subtitle B—Planning, Programming, and Management

SEC. 721. TREATMENT OF TRICARE RETAIL PHARMACY NETWORK UNDER FEDERAL PROCUREMENT OF PHARMACEUTICALS.

Section 1074g of title 10, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) TRICARE RETAIL PHARMACY NETWORK.—The TRICARE Retail Pharmacy Network under the TRICARE program shall be treated as an element of the Department of Defense for purposes of the procurement of drugs by Federal agencies under section 8126 of title 38 in connection with the provision by pharmacies in the Network of pharmaceutical services to eligible covered beneficiaries under this section.''.

SEC. 722. RELATIONSHIP BETWEEN THE TRICARE PROGRAM AND EMPLOYER-SPONSORED GROUP HEALTH CARE PLANS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097b the following new section:

''§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

''(a) IN GENERAL.—(1) The TRICARE program is the secondary payer for any health care services provided by an employer to a TRICARE eligible employee of such employer, and the spouse of such employee, through any group health plan offered by such employer.

''(2) An employer shall provide that a TRICARE eligible employee of such employer, and the spouse of such employee, is entitled to benefits and services under the group health plan offered by such employer in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(3) An employer of a TRICARE eligible employee may not establish any condition applicable to the participation of the employee in a group health plan offered by such employer in connection with the entitlement of the employee for health care services under the TRICARE program, including any condition on—

''(A) the eligibility of the employee for participation in the plan; or

''(B) benefits or services available to the employee under the plan.

''(b) PROHIBITION ON INCENTIVES FOR TRICARE ELIGIBLE EMPLOYEES NOT TO ENROLL OR TO DISENROLL IN GROUP HEALTH PLANS.—(1) An employer may not offer a TRICARE eligible employee any financial or other benefit (including health services coverage that is supplemental to health services coverage under the TRICARE program) not to enroll, or to disenroll, in the group health plan offered by the employer in order to ensure that the TRICARE program, rather than the plan, is the primary payer for health care services received by the employee.

''(2)(A) An employer who violates the prohibition in paragraph (1) shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each violation.

''(B) Any amounts collected under this paragraph shall be credited to the appropriation available for the TRICARE program for the fiscal year in which such amounts are collected.

''(3)(A) Except as provided in subparagraph (B), the provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a), other than subsections (a) and (b) of such section 1128A, which provisions relate to procedures for the imposition of civil money penalties for certain violations of the Social Security Act, shall apply to the imposition of penalties under paragraph (2).

''(B) The Secretary of Defense may provide in the regulations prescribed under this section for the application to the imposition of penalties under paragraph (2) of procedural requirements specified in such regulations rather than the procedural requirements referred to in subparagraph (A). Any procedural requirements under such regulations shall be comparable to the procedural requirements referred to in subparagraph (A).

''(c) ELECTION OF TRICARE ELIGIBLE EMPLOYEES TO PARTICIPATE IN GROUP HEALTH PLAN.—A TRICARE eligible employee shall have the opportunity to elect to participate in the group health plan offered by the employer of the employee and receive primary coverage for health care services under the plan in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(d) INAPPLICABILITY TO CERTAIN EMPLOYERS.—The provisions of this section do not apply to any employer who has fewer than 20 employees.

''(e) RETENTION OF ELIGIBILITY FOR COVERAGE UNDER TRICARE.—Nothing in this section, including an election made by a TRICARE eligible employee under subsection (c), shall be construed to effect, modify, or terminate the eligibility of a TRICARE eligible employee or spouse of such employee for health care or dental services under this chapter in accordance with the other provisions of this chapter.

''(f) COLLECTION OF INFORMATION.—(1) To improve the administration of this section, the Secretary of Defense may utilize the authorities on collection of information set forth in paragraphs (1) and (2) of section 1095(k) of this title, including the authority in the second sentence of paragraph (2) of such section.

''(2) Information obtained pursuant to the use of the authorities in paragraph (1) may not be disclosed for any purpose of than to carry out the purpose of this section.

''(g) OUTREACH.—The Secretary of Defense shall, in coordination with the other administering Secretaries, conduct outreach to inform covered beneficiaries who are entitled to health care benefits under the TRICARE program of the rights and responsibilities of such beneficiaries and employers under this section.

''(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations relating to the administration and enforcement of this section. The regulations shall be prescribed in consultation with the other administering Secretaries and the Attorney General, as appropriate.

''(i) DEFINITIONS.—In this section:

''(1) The term 'employer' includes a State or unit of local government.

''(2) The term 'group health plan' means a group health plan (as that term is defined in section 5000(b)(1) of the Internal Revenue Code of 1986 without regard to section 5000(d) of the Internal Revenue Code of 1986).

''(3) The term 'primary payer' means a group health plan that provides a benefit that would be primary under section 1079(j)(1) or 1086(g) of this title.

''(4) The term 'secondary payer' means a plan or program whose medical benefits are payable only after a primary payer has provided medical benefits in accordance with applicable law and the plan of the primary payer.

''(5) The term 'TRICARE eligible employee' means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

''(j) EFFECTIVE DATE.—This section shall take effect on January 1, 2008.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097b the following new item:

''1097c. TRICARE program: relationship with employer-sponsored group health plans.''.

SEC. 723. ENROLLMENT IN THE TRICARE PROGRAM.

(a) SYSTEM OF ENROLLMENT REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097c, as added by section 722(a) of this Act, the following new section:

''§ 1097d. TRICARE program: system of enrollment

''(a) ESTABLISHMENT OF SYSTEM.—Not later than October 1, 2007, the Secretary of Defense shall establish a universal system for enrollment of all beneficiaries who obtain health care services from military medical treatment facilities or civilian health care providers under the TRICARE program (in this section referred to as 'participating beneficiaries').

''(b) PURPOSES OF SYSTEM.—The purposes of the system required by subsection (a) shall be as follows:

''(1) To ensure the efficient administration of benefits under the TRICARE program, including the Standard option of TRICARE.

''(2) To ensure that the geographic distribution of healthcare providers under the TRICARE program meets the needs of participating beneficiaries for ready access to health care services under the program.

''(3) To promote the implementation of disease management and chronic care management programs authorized by the National Defense Authorization Act for Fiscal Year 2007 and other provisions of law.

''(c) ELEMENTS.—The system required by subsection (a) shall be subject to the following:

''(1) Enrollment is required for all benefits options under the TRICARE program.

''(2) A one-time enrollment fee (in the amount of $25, in the case of an individual enrolling in self only coverage, or $40, in the case of an individual enrolling in self and family coverage) may be collected for all participating beneficiaries who utilize the Standard option of TRICARE, except that such enrollment fee may not be collected from the following:

''(A) Dependents of members of the armed forces on active duty.

''(B) Dependents of Reserves on extended active duty pursuant to a call or order to active duty of 30 days or more.

''(C) Participating beneficiaries who are also eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

''(D) Participating beneficiaries enrolled in TRICARE Reserve Select under section 1076d of this title.

''(3) Enrollment in the system may occur at any time.

''(4) Enrollment in the system shall be by a variety of means utilizing a standard format.

''(d) ADMINISTRATION.—The Secretary shall provide for the administration of the system in each region of the TRICARE program by the TRICARE Regional Director for such region.

''(e) HEALTH RISK ASSESSMENT.—(1) The Secretary of Defense shall provide to each participating beneficiary who enrolls in the system required by subsection (a) a health risk assessment not later than 120 days after the date of the enrollment of such participating beneficiary in the system.

''(2) The Secretary shall provide health risk assessments under paragraph (1) by any means that the Secretary considers appropriate for purposes of this section.

''(f) CONSEQUENCES OF LACK OF PAYMENT OF ENROLLMENT FEE.—(1) In the case of any participating beneficiary who is subject to the

payment of an enrollment fee under the authority in subsection (c)(2), payment of the enrollment fee shall, except as provided in paragraph (2), be a condition for receipt of benefits under the TRICARE program.

''(2) The Secretary of Defense may waive the applicability of paragraph (1) to any participating beneficiary or class of participating beneficiaries if the Secretary determines that the waiver is in the best interests of the United States.

''(g) COMMUNICATIONS AND OUTREACH WITH ENROLLEES.—(1) The Secretary of Defense shall, on a periodic basis but not less often than annually, provide to participating beneficiaries who are enrolled in the system required by subsection (a) information on current matters relating to the TRICARE program, including information on benefits available under the TRICARE program and information on preventive health care services and other practices intended to promote health and wellness among such participating beneficiaries.

''(2) The Secretary shall, on a periodic basis, conduct surveys or otherwise collect information on participating beneficiaries enrolled in the system with respect to the following:

''(A) The satisfaction of such beneficiaries who are participants in the option of the TRICARE program known as TRICARE Standard with the nature and scope of, and access to, health care services under that option.

''(B) Other health care insurance, if any, that is available to such beneficiaries.

''(C) Any other matters that the Secretary considers appropriate to improve health care benefits and access to health care services under the TRICARE program.

''(h) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the other administering Secretaries.''.

(b) COMPTROLLER GENERAL REPORT ON SYSTEM.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the system of enrollment required by section 1097d of title 10, United States Code (as added by subsection (a)). The report shall include the following:

(1) An assessment of the progress made toward implementation of the system.

(2) A description and assessment of the integration of the system with the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the system by October 1, 2007.

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 1099 of title 10, United States Code, is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of such title is amended—

(1) by inserting after the item relating to section 1097c, as added by section 722(b) of this Act, the following new item:

''1097d. TRICARE program: system of enrollment.'';

and

(2) by striking the item relating to section 1099.

SEC. 724. INCENTIVE PAYMENTS FOR THE PROVISION OF SERVICES UNDER THE TRICARE PROGRAM IN MEDICALLY UNDERSERVED AREAS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097d, as added by section 723(a) of this Act, the following new section:

''§ 1097e. TRICARE program: incentive payments for provision of services in medically underserved areas

''(a) INCENTIVE PAYMENTS AUTHORIZED.—(1) Commencing with the calendar quarter beginning on January 1, 2008, the Secretary of Defense, after consultation with the other administering Secretaries, shall make incentive payments under this section to physicians participating in the TRICARE program in a medically underserved area.

''(2) Incentive payments payable under this section shall be paid with respect to physician professional services furnished in medically underserved areas.

''(3) The incentive payment payable under this section with respect to a physician professional service is in addition to any other amounts payable for such service under the TRICARE program.

''(b) MEDICALLY UNDERSERVED AREA.—For purposes of this section, a medically underserved area is either of the following:

''(1) A primary care scarcity county (with respect to a primary care physician) or specialist care scarcity county (with respect to any other physician) identified by the Secretary of Health and Human Services under section 1833(u)(4) of the Social Security Act (42 U.S.C. 1395l(u)(4)).

''(2) A health professional shortage area identified by the Secretary of Health and Human Services under section 1833(m)(1) of the Social Security Act (42 U.S.C. 1395l(m)(1)).

''(c) AMOUNT OF INCENTIVE PAYMENT.—The amount of the incentive payment payable under subsection (a) with respect to a physician professional service is as follows:

''(1) In the case of a service furnished by a primary care physician in a primary care scarcity county or a service furnished by any other physician in a specialist care scarcity county covered by subsection (b)(1), an amount equal to 5 percent of the amount payable for the service under the TRICARE program.

''(2) In the case of a service furnished in an area covered by subsection (b)(2), an amount equal to 10 percent of the amount payable for the service under the TRICARE program.

''(3) In the case of a service provided in a location that is covered by both paragraphs (1) and (2) of subsection (b), an amount equal to 15 percent of the amount payable for the service under the TRICARE program.

''(d) LOCATION OF PROVISION OF SERVICE.—(1) For purposes of identifying the location in which a physician professional service is furnished for purposes of this section, the Secretary of Defense shall use the 5-digit postal ZIP code system.

''(2) If the 5-digit postal ZIP code for an area covers more than one county, the dominant county (as determined by the United States Postal Service or otherwise) shall be used to determine whether the postal ZIP code is in a scarcity county covered by subsection (b)(1).

''(e) FREQUENCY OF PAYMENT.—Incentive payments payable under this section shall be paid on a quarterly basis for incentive payments accrued during the previous calendar quarter.

''(f) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title, as amended by section 723(d)(1) of this Act, is further amended by inserting after the item relating to section 1097d the following new item:

''1097e. TRICARE program: incentive payments for provision of services in medically underserved areas.''.

SEC. 725. STANDARDIZATION OF CLAIMS PROCESSING UNDER TRICARE PROGRAM AND MEDICARE PROGRAM.

(a) IN GENERAL.—Effective October 1, 2007, the claims processing requirements under the TRICARE program on the matters described in subsection (b) shall be identical to the claims processing requirements under the Medicare program on such matters.

(b) COVERED MATTERS.—The matters described in this subsection are as follows:

(1) The utilization of single or multiple provider identification numbers for purposes of the payment of health care claims by Department of Defense contractors.

(2) The documentation required to substantiate medical necessity for items and services that are covered under both the TRICARE program and the Medicare program.

(c) IMMEDIATE COLLECTION FROM THIRD-PARTY PAYERS.—

(1) POLICY REQUIRED.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe in regulations a policy for the collection of amounts from third-party payers as authorized by section 1095 of title 10, United States Code, immediately upon the presentation of claims for health care services to the Department of Defense.

(2) OVERPAYMENT.—The policy required by subsection (a) shall include mechanisms for the recoupment by third-party payers of amounts overpaid to the United States under the policy.

(d) ANNUAL REPORTS ON CLAIMS PROCESSING STANDARDIZATION.—

(1) IN GENERAL.—Not later than October 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each claims processing requirement listed in such report, a business case that justifies maintaining such requirement under the TRICARE program as a different claims processing requirement than that required under the Medicare program.

(e) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

(2) The term ''Medicare program'' means the program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(3) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 726. REQUIREMENTS FOR SUPPORT OF MILITARY TREATMENT FACILITIES BY CIVILIAN CONTRACTORS UNDER TRICARE.

(a) ANNUAL INTEGRATED REGIONAL REQUIREMENTS ON SUPPORT.—The Regional Director of each region under the TRICARE program shall develop each year integrated, comprehensive requirements for the support of military treatment facilities in such region that is provided by contract civilian health care and administrative personnel under the TRICARE program.

(b) PURPOSES.—The purposes of the requirements established under subsection (a) shall be as follows:

(1) To ensure consistent standards of quality in the support of military treatment facilities by contract civilian health care personnel under the TRICARE program.

(2) To identify targeted, actionable opportunities throughout each region of the TRICARE program for the most efficient delivery of health care and support of military treatment facilities.

(3) To ensure the most effective use of various available contracting methods in securing support of military treatment facilities by civilian personnel under the TRICARE

program, including resource-sharing and clinical support agreements, direct contracting, and venture capital investments.

(4) To achieve savings targets for each region under the TRICARE program.

(c) FACILITATION AND ENHANCEMENT OF CONTRACTOR SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to facilitate and enhance the support of military treatment facilities under the TRICARE program in order to assure maximum quality and productivity.

(2) ACTIONS.—In taking actions under paragraph (1), the Secretary shall—

(A) ensure approval by a Regional Director of all proposals for the support of military treatment facilities in the region concerned in accordance with the most current requirements established by such Regional Director under subsection (a);

(B) ensure the availability of adequate and sustainable funding support for projects which produce a return on investment to the military treatment facilities;

(C) ensure that a portion of any return on investment is returned to the military treatment facility to which such savings are attributable;

(D) require consistent standards of quality for contract civilian health care personnel providing support of military treatment facilities under the TRICARE program, including—

(i) consistent credentialing requirements among military treatment facilities; and

(ii) accreditation of health care staffing firms by the Joint Commission on the Accreditation of Health Care Organization Health Care Staffing Standards;

(E) remove financial disincentives for military treatment facilities and civilian contractors to initiate and sustain agreements for the support of military treatment facilities by such contractors under the TRICARE program;

(F) provide for a consistent process across all regions of the TRICARE program for developing cost benefit analyses of agreements for the support of military treatment facilities by civilian contractors under the TRICARE program based on actual cost and utilization data within each region of the TRICARE program; and

(G) provide for a system for tracking the performance of each project for support of military treatment facilities by a civilian contractor under the TRICARE program.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1 each year, the Secretary shall submit to the congressional defense committees a report on the support of military treatment facilities by civilian contractors under the TRICARE program during the preceding fiscal year.

(2) ELEMENTS.—Each report shall set forth, for the fiscal year covered by such report, the following:

(A) The status of the support of military health treatment facilities that is provided by contract civilian health care personnel under the TRICARE program in each region of the TRICARE program.

(B) An assessment of the compliance of such support with regional requirements under subsection (a).

(C) The number and type of agreements for the support of military treatment facilities by contract civilian health care personnel.

(D) The standards of quality in effect under the requirements under subsection (a).

(E) The savings anticipated, and any savings achieved, as a result of the implementation of the requirements under subsection (a).

SEC. 727. UNIFORM STANDARDS FOR ACCESS TO HEALTH CARE SERVICES FOR WOUNDED OR INJURED SERVICEMEMBERS.

(a) UNIFORM STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations uniform standards for the access of wounded or injured members of the Armed Forces to health care services through the military health care system.

(b) MATTERS COVERED BY STANDARDS.—The standards required by subsection (a) shall establish uniform policy with respect to the following:

(1) The access of wounded or injured members of the Armed Forces to emergency care.

(2) The access of such members to surgical services.

(3) Waiting times for referrals and consultations of such members by medical personnel, dental personnel, mental health specialists, and rehabilitative service specialists, including personnel and specialists with expertise in prosthetics and the in treatment of head, vision, and spinal cord injuries.

(4) Waiting times of such members for acute care and for routine follow-up care.

(c) REFERRAL TO PROVIDERS OUTSIDE MILITARY HEALTH CARE SYSTEM.—To the extent practicable, the Secretary shall require in the standards under subsection (a) that the standards be met through whatever means or mechanisms possible, including through the referral of members described in that subsection to health care providers outside the military health care system.

(d) TRACKING OF PERFORMANCE.—The standards required by subsection (a) shall require each Secretary concerned to establish mechanisms for tracking the performance of the military health care system under the jurisdiction of such Secretary in meeting the requirements for access of wounded or injured members of the Armed Forces to health care services set forth in such standards.

(e) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' has the meaning given that term in section 101(a) of title 10, United States Code.

SEC. 728. DISEASE AND CHRONIC CARE MANAGEMENT.

(a) PROGRAM REQUIRED.—Not later than October 1, 2007, the Secretary of Defense shall establish and implement throughout the military health care system a fully-integrated program on disease and chronic care management that provides, to the extent practicable, uniform policies and practices, and regional execution of such policies and practices, on disease management and chronic care management throughout that system, including both military hospitals and clinics and civilian healthcare providers.

(b) PURPOSES OF PROGRAM.—The purposes of the program required by subsection (a) are as follows:

(1) To facilitate the improvement of the health status of individuals under care in the military health care system.

(2) To ensure the availability of effective health care services in that system for individuals with diseases and other chronic conditions.

(3) To ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions.

(c) ELEMENTS.—The program required by subsection (a) shall meet the following requirements:

(1) Based on uniform policies prescribed by the Secretary under subsection (a), the program shall, at a minimum, address the following chronic diseases and conditions:

(A) Diabetes.

(B) Cancer.

(C) Heart disease.

(D) Asthma.

(E) Chronic obstructive pulmonary disorder.

(F) Depression and anxiety disorders.

(2) The program shall meet nationally-recognized accreditation standards for disease and chronic care management.

(3) The program shall include specific outcome measures and objectives on disease and chronic care management.

(4) The program shall include strategies for disease and chronic care management for all beneficiaries, including beneficiaries eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), for whom the TRICARE program is not the primary payer for health care benefits.

(5) Activities under the program shall conform to applicable laws and regulations relating to the confidentiality of health care information.

(d) DESIGN OF CERTAIN PORTIONS OF PROGRAM.—As part of the program required under subsection (a), the Secretary may contract for the design of a disease and chronic care management program for the military health care system.

(e) ACTIONS TO FACILITATE PROGRAM.—In order to facilitate the carrying out of the program required by subsection (a), the Secretary shall—

(1) require a comprehensive analysis of the disease and chronic care management opportunities within each region of the TRICARE program, including within military treatment facilities and through contractors under the TRICARE program;

(2) ensure continuous, adequate funding of disease and chronic care management activities throughout the military health care system in order to achieve maximum health outcomes and cost avoidance;

(3) eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors of the Department of Defense in the disease and chronic care management activities of the Department;

(4) ensure that appropriate clinical and claims data, including pharmacy utilization data, is available for use in implementing the program;

(5) ensure outreach to eligible beneficiaries, who, on the basis of their clinical conditions, are candidates for the program utilizing print and electronic media, telephone, and personal interaction; and

(6) provide a system for monitoring improvements in health status and clinical outcomes under the program and savings associated with the program.

(f) COMPTROLLER GENERAL REPORT.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the program required by subsection (a). The report shall include the following:

(1) An assessment of the progress made toward implementation of the program.

(2) A description and assessment of the integration of disease and chronic care management strategies in the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the program by October 1, 2007.

(g) SECRETARY OF DEFENSE REPORTS.—

(1) IN GENERAL.—Not later than January 1, 2008, and every year thereafter, the Secretary shall submit to the congressional defense committees a report on the program required by subsection (a).

(2) REPORT ELEMENTS.—Each report required by this subsection shall include the following:

(A) An assessment of the program during the one-year period ending on the date of such report.

(B) A description and assessment of improvements in health status and clinical outcomes.

(C) A description of the savings and return on investment associated with the program.

(D) A description of an investment strategy to assure the sustainment of the disease and chronic care management programs of the Department of Defense.

SEC. 729. POST-DEPLOYMENT HEALTH ASSESSMENTS FOR MEMBERS OF THE ARMED FORCES RETURNING FROM DEPLOYMENT IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe in regulations requirements applicable to the conduct of post-deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation.

(b) GENERAL REQUIREMENTS.—The regulations prescribed under subsection (a) shall require the following:

(1) That a health assessment be conducted on each member of the Armed Forces returning from deployment in support of a contingency operation within such time after the return of such member from deployment as the Secretary shall specify in the regulations.

(2) That each health assessment be conducted by a healthcare provider having such qualifications as the Secretary shall specify in the regulations.

(3) That each health assessment assess such health-related matters as the Secretary shall specify in the regulations, including an assessment of mental health (including Traumatic Brain Injury (TBI)) for referral of a member for further evaluation relating to mental health (including evaluation of the effects of combat or operational stress).

(4) That the results of each health assessment be stored in a centralized data base maintained by the Secretary under this section.

(c) ASSESSMENTS OF MENTAL HEALTH.—

(1) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—The regulations prescribed under subsection (a) shall include—

(A) criteria to be utilized by healthcare providers in determining whether to refer a member of the Armed Forces for further evaluation relating to mental health (including Traumatic Brain Injury);

(B) mechanisms to ensure that healthcare providers are trained in the application of such criteria in making such determinations; and

(C) mechanisms for oversight to ensure that healthcare providers apply such criteria consistently.

(2) AVAILABILITY OF REFERRAL.—Under the regulations, a copy of a referral of a member for further evaluation relating to mental health shall be—

(A) provided to the member;

(B) placed in the healthcare record of the member that is maintained by the Department of Defense; and

(C) provided to the healthcare manager of the member.

(3) TRACKING MECHANISMS.—The regulations shall include mechanisms to ensure that a member who receives a referral for further evaluation relating to mental health receives such evaluation and obtains such care and services as are warranted.

(4) QUALITY ASSURANCE.—The regulations shall include a requirement that the Department address, as part of the deployment health assessment quality assurance program of the Department, the following:

(A) The types of healthcare providers conducting post-deployment health assessments.

(B) The training received by such providers applicable to the conduct of such assessments, including training on assessments and referrals relating to mental health.

(C) The guidance available to such providers on how to apply the criteria prescribed under paragraph (1)(A) in determining whether to make a referral for further evaluation of a member of the Armed Forces relating to mental health.

(D) The effectiveness of the tracking mechanisms required under paragraph (3) in ensuring that members who receive referrals for further evaluations relating to mental health receive such evaluations and obtain such care and services as are warranted.

(d) COMPTROLLER GENERAL REPORTS ON IMPLEMENTATION OF REQUIREMENTS.—

(1) STUDY ON IMPLEMENTATION.—The Comptroller General of the United States shall carry out a study of the implementation of the requirements prescribed under this section.

(2) PERIODIC EVALUATION OF MENTAL HEALTH ASSESSMENT PROCESSES.—The Comptroller General shall, on a periodic basis, evaluate the following:

(A) The compliance of the Department of Defense and healthcare providers with the requirements under this section applicable to the assessment and referral of members of the Armed Forces relating to mental health.

(B) The effectiveness of the processes under such requirements in addressing the mental health care needs of members returning from deployments overseas.

(3) REPORTS.—(A) Not later than March 1, 2007, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study carried out under paragraph (1).

(B) Upon completion of an evaluation under paragraph (2), the Comptroller General shall submit to the committees of Congress referred to in subparagraph (A) a report on such evaluation.

(e) CONTINGENCY OPERATION DEFINED.—In this section, the term ''contingency operation'' has the meaning given that term in section 101(a)(13) of title 10, United States Code.

SEC. 730. MENTAL HEALTH SELF-ASSESSMENT PROGRAM.

(a) FINDING.—Congress finds that the Mental Health Self-Assessment Program (MHSAP) of the Department of Defense is vital to the overall health and well-being of deploying members of the Armed Forces and their families because that program provides—

(1) a non-threatening, voluntary, anonymous self-assessment of mental health that is effective in helping to detect mental health and substance abuse conditions;

(2) awareness regarding warning signs of such conditions; and

(3) information and outreach to members of the Armed Forces (including members of the National Guard and Reserves) and their families on specific services available for such conditions.

(b) EXPANSION OF PROGRAM.—The Secretary of Defense shall, acting through the Office of Health Affairs of the Department of Defense, take appropriate actions to expand the Mental Health Self-Assessment Program in order to achieve the following:

(1) The continuous availability of the assessment under the program to members and former members of the Armed Forces in order to ensure the long-term availability of the diagnostic mechanisms of the assessment to detect mental health conditions that may emerge over time.

(2) The availability of programs and services under the program to address the mental health of dependent children of members of the Armed Forces who have been deployed or mobilized.

(c) OUTREACH.—The Secretary shall develop and implement a plan to conduct outreach and other appropriate activities to expand and enhance awareness of the Mental Health Self-Assessment Program, and the programs and services available under that program, among members of the Armed Forces (including members of the National Guard and Reserves) and their families.

(d) REPORTS.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the actions undertaken under this section during the one-year period ending on the date of such report.

SEC. 731. ADDITIONAL AUTHORIZED OPTION PERIODS FOR EXTENSION OF CURRENT CONTRACTS UNDER TRICARE.

(a) ADDITIONAL NUMBER OF AUTHORIZED PERIODS.—

(1) IN GENERAL.—The Secretary of Defense, after consulting with the other administering Secretaries, may extend any contract for the delivery of health care entered into under section 1097 of title 10, United States Code, that is in force on the date of the enactment of this Act by one year, and upon expiration of such extension by one additional year, if the Secretary determines that such extension—

(A) is in the best interests of the United States; and

(B) will—

(i) facilitate the effective administration of the TRICARE program; or

(ii) ensure continuity in the delivery of health care under the TRICARE program.

(2) LIMITATION ON NUMBER OF EXTENSIONS.—The total number of one-year extensions of a contract that may be granted under paragraph (1) may not exceed 2 extensions.

(3) NOTICE AND WAIT.—The Secretary may not commence the exercise of the authority in paragraph (1) until 30 days after the date on which the Secretary submits to the congressional defense committees a report setting forth the minimum level of performance by an incumbent contractor under a contract covered by such paragraph that will be required by the Secretary in order to be eligible for an extension authorized by such paragraph.

(4) DEFINITIONS.—In this subsection, the terms ''administering Secretaries'' and ''TRICARE program'' have the meaning given such terms in section 1072 of title 10, United States Code.

(b) REPORT ON CONTRACTING MECHANISMS FOR HEALTH CARE SERVICE SUPPORT CONTRACTS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on contracting mechanisms under consideration for future contracts for health care service support under section 1097 of title 10, United States Code. The report shall include an assessment of the advantages and disadvantages for the Department of Defense (including the potential for stimulating competition and the effect on health care beneficiaries of the Department) of providing in such contracts for a single term of 5 years, with a single optional period of extension of an additional 5 years if performance under such contract is rated as ''excellent''.

SEC. 732. MILITARY VACCINATION MATTERS.

(a) ADDITIONAL ELEMENT FOR COMPTROLLER GENERAL STUDY AND REPORT ON VACCINE HEALTHCARE CENTERS.—Section 736(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat.

3356) is amended by adding at the end the following new paragraph:

''(10) The feasibility and advisability of transferring direct responsibility for the Centers from the Army Medical Command to the Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Force Protection and Readiness.''.

(b) RESPONSE TO MEDICAL NEEDS ARISING FROM MANDATORY MILITARY VACCINATIONS.—

(1) IN GENERAL.—The Secretary of Defense shall maintain a joint military medical center of excellence focusing on the medical needs arising from mandatory military vaccinations.

(2) ELEMENTS.—The joint military medical center of excellence under paragraph (1) shall consist of the following:

(A) The Vaccine Healthcare Centers of the Department of Defense, which shall be the principal elements of the center.

(B) Any other elements that the Secretary considers appropriate.

(3) AUTHORIZED ACTIVITIES.—In acting as the principal elements of the joint military medical center under paragraph (1), the Vaccine Healthcare Centers referred to in paragraph (2)(A) may carry out the following:

(A) Medical assistance and care to individuals receiving mandatory military vaccines and their dependents, including long-term case management for adverse events where necessary.

(B) Evaluations to identify and treat potential and actual health effects from vaccines before and after their use in the field.

(C) The development and sustainment of a long-term vaccine safety and efficacy registry.

(D) Support for an expert clinical advisory board for case reviews related to disability assessment questions.

(E) Long-term and short-term studies to identify unanticipated benefits and adverse events from vaccines.

(F) Educational outreach for immunization providers and those required to receive immunizations.

(G) The development, dissemination, and validation of educational materials for Department of Defense healthcare workers relating to vaccine safety, efficacy, and acceptability.

(c) LIMITATION ON RESTRUCTURING OF VACCINE HEALTHCARE CENTERS.—

(1) LIMITATION.—The Secretary of Defense may not downsize or otherwise restructure the Vaccine Healthcare Centers of the Department of Defense until the Secretary submits to Congress a report setting forth a plan for meeting the immunization needs of the Armed Forces during the 10-year period beginning on the date of the submittal of the report.

(2) REPORT ELEMENTS.—The report submitted under paragraph (1) shall include the following:

(A) An assessment of the potential biological threats to members of the Armed Forces that are addressable by vaccine.

(B) An assessment of the distance and time required to travel to a Vaccine Healthcare Center by members of the Armed Forces who have severe reactions to a mandatory military vaccine.

(C) An identification of the most effective mechanisms for ensuring the provision services by the Vaccine Healthcare Centers to both military medical professionals and members of the Armed Forces.

(D) An assessment of current military and civilian expertise with respect to mass adult immunization programs, including case management under such programs for rare adverse reactions to immunizations.

(E) An organizational structure for each military department to ensure support of the Vaccine Healthcare Centers in the provision of services to members of the Armed Forces.

SEC. 733. ENHANCED MENTAL HEALTH SCREENING AND SERVICES FOR MEMBERS OF THE ARMED FORCES.

(a) REQUIRED ELEMENTS OF ASSESSMENTS.—Each pre-deployment mental health assessment of a member of the Armed Forces, shall include the following:

(1) A mental health history of the member, with emphasis on mental health status during the 12-month period ending on the date of the assessment and a review of military service during that period.

(2) An assessment of the current treatment of the member, and any use of psychotropic medications by the member, for a mental health condition or disorder.

(3) An assessment of any behavior of the member identified by the member's commanding officer that could indicate the presence of a mental health condition.

(4) Information provided by the member (through a checklist or other means) on the presence of any serious mental illness or any symptoms indicating a mental health condition or disorder.

(b) REFERRAL FOR FURTHER EVALUATION.—Each member of the Armed Forces who is determined during a pre-deployment or post-deployment mental health assessment to have, or have symptoms or indicators for, a mental health condition or disorder shall be referred to a qualified health care professional with experience in the evaluation and diagnosis of mental health conditions.

(c) REFERRAL OF MEMBERS DEPLOYED IN CONTINGENCY OR COMBAT OPERATIONS.—Any member of the Armed Forces called or ordered to active duty in support of contingency or combat operations who requests access to mental health care services any time before, during, or after deployment shall be provided access to such services—

(1) not later than 72 hours after the making of such request; or

(2) at the earliest practicable time thereafter.

(d) MINIMUM MENTAL HEALTH STANDARDS FOR DEPLOYMENT.—

(1) STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations minimum standards for mental health for the eligibility of a member of the Armed Forces for deployment to a combat operation or contingency operation.

(2) ELEMENTS.—The standards required by paragraph (1) shall include the following:

(A) A specification of the mental health conditions, treatment for such conditions, and receipt of psychotropic medications for such conditions that preclude deployment of a member of the Armed Forces to a combat operation or contingency operation, or to a specified type of such operation.

(B) Guidelines for the deployability and treatment of members of the Armed Forces diagnosed with a severe mental illness or Post Traumatic Stress Disorder (PTSD).

(3) UTILIZATION.—The Secretary shall take appropriate actions to ensure the utilization of the standards prescribed under paragraph (1) in the making of determinations regarding the deployability of members of the Armed Forces to a combat operation or contingency operation.

(e) MONITORING OF CERTAIN INDIVIDUALS.—The Secretary of Defense shall develop a plan, to be implemented throughout the Department of Defense, for monitoring the mental health of each member of the Armed Forces who, after deployment to a combat operation or contingency operation, is known—

(1) to have a mental health condition or disorder; or

(2) to be receiving treatment, including psychotropic medications, for a mental health condition or disorder.

(f) IMPLEMENTATION.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House or Representatives a report on the actions taken to implement the requirements of this section.

SEC. 734. EDUCATION, TRAINING, AND SUPERVISION OF PERSONNEL PROVIDING SPECIAL EDUCATION SERVICES UNDER EXTENDED BENEFITS UNDER TRICARE.

Section 1079(d)(2) of title 10, United States Code is amended by adding at the end the following: ''The regulations shall include the following:

''(A) Requirements for education, training, and supervision of individuals providing special education services known as Applied Behavioral Analysis under this subsection that are in addition to any other education, training, and supervision requirements applicable to Board Certified Behavior Analysts or Board Certified Associate Behavior Analysts or are otherwise applicable to personnel providing such services under applicable State law.

''(B) Metrics to identify and measure the availability and distribution of individuals of various expertise in Applied Behavioral Analysis in order to evaluate and assure the availability of qualified personnel to meet needs for Applied Behavioral Analysis under this subsection.''.

Subtitle C—Studies and Reports

SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND TREATMENT OF POST TRAUMATIC STRESS DISORDER AND OTHER MENTAL HEALTH CONDITIONS.

(a) PILOT PROJECTS REQUIRED.—The Secretary of Defense shall carry out not less than three pilot projects to evaluate the efficacy of various approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder (PTSD) and other mental health conditions.

(b) DURATION.—The requirement to carry out pilot projects under this section shall commence on October 1, 2007. Any pilot projects carried out under this section shall cease on September 30, 2008.

(c) PILOT PROJECT REQUIREMENTS.—

(1) MOBILIZATION-DEMOBILIZATION FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at a military medical facility at a large military installation at which the mobilization or demobilization of members of the Armed Forces occurs.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed to evaluate and produce effective diagnostic and treatment approaches for use by primary care providers in the military health care system in order to improve the capability of such providers to diagnose and treat Post Traumatic Stress Disorder in a manner that avoids the referral of patients to specialty care by a psychiatrist or other mental health professional.

(2) NATIONAL GUARD OR RESERVE FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at the location of a National Guard or Reserve unit or units that are located more than 40 miles from a military medical facility and whose personnel are served primarily by civilian community health resources.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed—

(i) to evaluate approaches for providing evidence-based clinical information on Post Traumatic Stress Disorder to civilian primary care providers; and

(ii) to develop educational materials and other tools for use by members of the National Guard or Reserve who come into contact with other members of the National Guard or Reserve who may suffer from Post Traumatic Stress Disorder in order to encourage and facilitate early reporting and referral for treatment.

(3) INTERNET-BASED DIAGNOSIS AND TREATMENT.—One of the pilot projects under this section shall be designed to evaluate—

(A) Internet-based automated tools available to military and civilian health care providers for the early diagnosis and treatment of Post Traumatic Stress Disorder, and for tracking patients who suffer from Post Traumatic Stress Disorder; and

(B) Internet-based tools available to family members of members of the Armed Forces in order to assist such family members in the identification of the emergence of Post Traumatic Stress Disorder.

(d) EVALUATION OF PILOT PROJECTS.—The Secretary shall evaluate each pilot project carried out under this section in order to assess the effectiveness of the approaches taken under such pilot project—

(1) to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the regular components of the Armed Forces, and among members of the National Guard and Reserves, who have returned from deployment; and

(2) to provide outreach to the family members of the members of the Armed Forces described in paragraph (1) on Post Traumatic Stress Disorder and other mental health conditions among such members of the Armed Forces.

(e) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—Not later than December 31, 2008, the Secretary shall submit to the congressional defense committees a report on the pilot projects carried out under this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of each pilot project carried out under this section.

(B) An assessment of the effectiveness of the approaches taken under each pilot project to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces.

(C) Any recommendations for legislative or administrative action that the Secretary considers appropriate in light of the pilot projects, including recommendations on—

(i) the training of health care providers in the military and civilian health care systems on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions; and

(ii) the provision of outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserves who have returned from deployment.

(D) A plan, in light of the pilot projects, for the improvement of the health care services provided to members of the Armed Forces in order to better assure the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces, including a specific plan for outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserve who have returned from deployment in order to facilitate and enhance the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among such members of the National Guard and Reserves.

(f) FUNDING.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 303(a) for the Defense Health Program, $10,000,000 shall be available for pilot projects under this section.

(2) AVAILABILITY.—The amount available under paragraph (1) shall remain available until expended.

SEC. 742. ANNUAL REPORTS ON CERTAIN MEDICAL MALPRACTICE CASES.

(a) ANNUAL REPORTS TO SECRETARY OF DEFENSE.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1, 2007, and annually thereafter, each Secretary of a military department shall submit to the Secretary of Defense a report on the following:

(A) Each case (other than a case involving the treatment of a member of the Armed Forces on active duty) during the preceding calendar year in which—

(i) a complaint or claim was made of medical malpractice committed in a medical treatment facility of such military department or by a health care provider of or employed by such military department; and

(ii) either—

(I) a judgment was entered against the United States in the amount of $1,000,000 or more; or

(II) an award, compromise, or settlement was entered into by the United States requiring payment by the United States in the amount of $1,000,000 or more.

(B) Each case during the preceding calendar year in which the death of, or serious personal injury to, a member of the Armed Forces on active duty occurred as a result of medical malpractice while the member was a patient in a medical treatment facility of such military department or under the care of a health care provider of or employed by such military department.

(2) REQUIRED INFORMATION.—The information required in a report under paragraph (1) on a case covered by such paragraph shall include the following:

(A) A description of the medical malpractice involved.

(B) A description of the actions, if any, taken with respect to the continued practice in the military health care system of the health care professionals involved.

(b) TRANSMITTAL OF REPORTS TO CONGRESS.—

(1) TRANSMITTAL REQUIRED.—Not later than April 1, 2007, and annually thereafter, the Secretary of Defense shall transmit to the congressional defense committees the reports submitted to the Secretary by the Secretaries of the military departments in such year.

(2) TRANSMITTAL MATTERS.—In transmitting reports for a year under paragraph (1), the Secretary may include with such reports the following:

(A) Any information or recommendations with respect to the matters covered by such reports that the Secretary considers appropriate.

(B) A summary of the actions taken during the year to address medical malpractice in the military health care system.

(c) DISCLOSURE OF INFORMATION.—In submitting or transmitting reports under this section, the Secretaries of the military departments and the Secretary of Defense shall ensure that the information contained in such reports is suitable for disclosure to the public, taking into account the provisions of law as follows:

(1) Section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act'').

(2) Laws relating to the protection and confidentiality of medical quality assurance records, including the provisions of section 1102 of title 10, United States Code.

(3) Any other laws relating to the protection and confidentiality of medical records.

SEC. 743. COMPTROLLER GENERAL STUDY ON DEPARTMENT OF DEFENSE PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the Department of Defense pharmacy benefits program required by section 1074g of title 10, United States Code.

(b) ELEMENTS.—The study required by subsection (a) shall include an examination of the following:

(1) The cost of the Department of Defense pharmacy benefits program since the inception of the program.

(2) The relative costs of various options under the program.

(3) The copayment structure under the program.

(4) The effectiveness of the rebate system under the program as a way of passing on discounts received by the Federal Government in the purchase of pharmaceutical agents.

(5) The uniform formulary under the program, including the success of the formulary in achieving savings anticipated through use of the formulary.

(6) Various alternative means of purchasing pharmaceutical agents more efficiently for availability under the program.

(7) The composition and decision-making processes of the Pharmacy and Therapeutics Committee.

(8) The composition of the Beneficiary Advisory Panel and its history as an advisory panel under the program (including the frequency of the acceptance of its recommendations by the Secretary of Defense).

(9) Quality assurance mechanisms under the program.

(10) The role of the program in support of the disease and chronic care management programs of the Department of Defense.

(11) Mechanisms for customer service and customer feedback under the program.

(12) Beneficiary satisfaction with the program.

(c) RESPONSE TO CERTAIN FINDINGS.—

(1) PHARMACY AND THERAPEUTICS COMMITTEE.—The Pharmacy and Therapeutics Committee shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(7); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and decision-making processes of the Committee as the Committee considers appropriate in light of such results in order to improve the efficiency of such processes.

(2) BENEFICIARY ADVISORY PANEL.—The Beneficiary Advisory Panel shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(8); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and advisory functions of the Panel as the Panel considers appropriate in light of such results in order to—

(i) ensure the independence and consumer focus of the Panel;

(ii) ensure the participation of the Panel as an advisory board throughout implementation of the Department of Defense pharmacy benefits program; and

(iii) achieve more effective communication between the Secretary and the Panel.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Comptroller General shall submit to the

congressional defense committees a report on the study required by subsection (a). The report shall include such recommendations as the Comptroller General considers appropriate for legislative or administrative action to improve the Department of Defense pharmacy benefits program in light of the study.

SEC. 744. COMPTROLLER GENERAL AUDITS OF DEPARTMENT OF DEFENSE HEALTH CARE COSTS AND COST-SAVING MEASURES.

(a) GENERAL AUDIT REQUIRED.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the health care costs and cost-saving measures of the Department of Defense in accordance with this subsection. The Comptroller General shall conduct the audit in conjunction with the Department of Defense initiative to manage future medical benefits available through the Department known as ''Sustain the Benefit''.

(2) ELEMENTS.—The audit required by paragraph (1) shall examine the following:

(A) The basis for the calculation by the Department of Defense of the portion of the costs of health care benefits provided by the Department to beneficiaries that were paid by such beneficiaries in each of 1995 and 2005, including—

(i) a comparison of the cost to the Department of providing such benefits in each of 1995 and 2005;

(ii) the explanation for any increases in the costs of the Department of providing such benefits between 1995 and 2005; and

(iii) a comparison of the amounts paid, by category of beneficiaries, for health care benefits in 1995 with the amounts paid, by category of beneficiaries, for such benefits in 2005.

(B) The calculations and assumptions utilized by the Department in estimating the savings anticipated through the implementation of proposed increases in cost-sharing for health care benefits beginning in 2007.

(C) The average annual rate of increase, based on inflation, of medical costs for the Department under the Defense Health Program.

(D) The annual rate of growth in the cost of the Defense Health Program that is attributable to inflation in the cost of medical services over the last five years and how such rate of growth compares with annual rates of increases in health care premiums under the Federal Employee Health Benefit Program and other health care programs as well as rates of growth of other health care cost indices over that time.

(E) The assumptions utilized by the Department in estimating savings associated with adjustments in copayments for pharmaceuticals.

(F) The costs of the administration of the Defense Health Program and the TRICARE program for all categories of beneficiaries.

(c) AUDIT OF TRICARE RESERVE SELECT PROGRAM.—

(1) IN GENERAL.—In addition to the audit required by subsection (a), the Comptroller General shall conduct an audit of the costs of the Department of Defense in implementing the TRICARE Reserve Select Program.

(2) ELEMENTS.—The audit required by paragraph (1) shall include an examination of the following:

(A) A comparison of the annual premium amounts established by the Department of Defense for the TRICARE Reserve Select Program with the actual costs of the Department in providing benefits under that program in fiscal years 2004 and 2005.

(B) The rate of inflation of health care costs of the Department during fiscal years 2004 and 2005, and a comparison of that rate of inflation with the annual increase in premiums under the TRICARE Reserve Select Program in January 2006.

(C) A comparison of the financial and health-care utilization assumptions utilized by the Department in establishing premiums under the TRICARE Reserve Select Program with actual experiences under that program in the first year of the implementation of that program.

(3) TRICARE RESERVE SELECT PROGRAM DEFINED.—In this section, the term ''TRICARE Reserve Select Program'' means the program carried out under section 1074d of title 10, United States Code.

(d) USE OF INDEPENDENT EXPERTS.—Notwithstanding any other provision of law, in conducting the audits required by this section, the Comptroller General may engage the services of appropriate independent experts, including actuaries.

(e) REPORT.—Not later than April 1, 2007, the Comptroller General shall submit to the congressional defense committees a report on the audits conducted under this section. The report shall include—

(1) the findings of the Comptroller General as a result of the audits; and

(2) such recommendations as the Comptroller General considers appropriate in light of such findings to ensure maximum efficiency in the administration of the health care benefits programs of the Department of Defense.

SEC. 745. REVIEW OF DEPARTMENT OF DEFENSE MEDICAL QUALITY IMPROVEMENT PROGRAM.

(a) REVIEW REQUIRED.—The Secretary of Defense shall enter into a contract with the Institute of Medicine of the National Academy of Sciences, or another similarly qualified independent academic medical organization, for the purpose of conducting an independent review of the Department of Defense medical quality improvement program.

(b) ELEMENTS.—The review required pursuant to subsection (a) shall include the following:

(1) An assessment of the methods used by the Department of Defense to monitor medical quality in services provided in military hospitals and clinics and in services provided in civilian hospitals and providers under the military health care system.

(2) An assessment of the transparency and public reporting mechanisms of the Department on medical quality.

(3) An assessment of how the Department incorporates medical quality into performance measures for military and civilian health care providers within the military health care system.

(4) An assessment of the patient safety programs of the Department.

(5) A description of the extent to which the Department seeks to address particular medical errors, and an assessment of the adequacy of such efforts.

(6) An assessment of accountability within the military health care system for preventable negative outcomes involving negligence.

(7) An assessment of the performance of the health care safety and quality measures of the Department.

(8) An assessment of the collaboration of the Department with national initiatives to develop evidence-based quality measures and intervention strategies, especially the initiatives of the Agency for Health Care Research and Quality within the Department of Health and Human Services.

(9) A comparison of the methods, mechanisms, and programs and activities referred to in paragraphs (1) through (8) with similar methods, mechanisms, programs, and activities used in other public and private health care systems and organizations.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the review required pursuant to subsection (a).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the review required pursuant to subsection (a).

(B) A discussion of recent highlights in the accomplishments of the Department of Defense medical quality assurance program.

(C) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of the program.

SEC. 746. STUDY OF HEALTH EFFECTS OF EXPOSURE TO DEPLETED URANIUM.

(a) STUDY.—The Secretary of Defense, in consultation with the Secretary for Veterans Affairs and the Secretary of Health and Human Services, shall conduct a comprehensive study of the health effects of exposure to depleted uranium munitions on uranium-exposed soldiers and on children of uranium-exposed soldiers who were born after the exposure of the uranium-exposed soldiers to depleted uranium.

(b) URANIUM-EXPOSED SOLDIERS.—In this section, the term ''uranium-exposed soldiers'' means a member or former member of the Armed Forces who handled, came in contact with, or had the likelihood of contact with depleted uranium munitions while on active duty, including members and former members who—

(1) were exposed to smoke from fires resulting from the burning of vehicles containing depleted uranium munitions or fires at depots at which depleted uranium munitions were stored;

(2) worked within environments containing depleted uranium dust or residues from depleted uranium munitions;

(3) were within a structure or vehicle while it was struck by a depleted uranium munition;

(4) climbed on or entered equipment or structures struck by a depleted uranium munition; or

(5) were medical personnel who provided initial treatment to members of the Armed Forces described in paragraph (1), (2), (3), or (4).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Defense shall submit a report to Congress on the results of the study described in subsection (a).

Subtitle D—Other Matters

SEC. 761. EXTENSION OF LIMITATION ON CONVERSION OF MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

Section 744(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3360; 10 U.S.C. 129c note) is amended—

(1) by inserting ''in a fiscal year'' before ''until'';

(2) by inserting ''with respect to that fiscal year'' after ''House of Representatives''; and

(3) by striking the last sentence and inserting the following new sentences: ''The certification with respect to fiscal year 2007 may not be submitted before June 30, 2006. The certification with respect to any fiscal year after fiscal year 2007 shall be submitted at the same time the budget of the President for such fiscal year is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.''.

SEC. 762. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-Up Agency (in this section referred to as the ''Agency'') of the Institute of Medicine of the National Academy of Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—Of the funds available to the Defense Health Program, the Secretary of Defense may make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study and shipment of data and specimens to the Medical Follow-Up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that year. The Secretary of Defense is authorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—Of the funds available to the Defense Health Program, the Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-Up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007 from amounts available from the Department of Defense for that year.

SEC. 763. SENSE OF SENATE ON THE TRANSFORMATIONAL MEDICAL TECHNOLOGY INITIATIVE OF THE DEPARTMENT OF DEFENSE.

(a) FINDINGS.—The Senate finds the following:

(1) The most recent Quadrennial Defense Review and other studies have identified the need to develop broad-spectrum medical countermeasures against the threat of genetically engineered bioterror agents.

(2) The Transformational Medical Technology Initiative of the Department of Defense implements cutting edge transformational medical technologies and applies them to address the challenges of known, emerging, and bioengineered threats.

(3) The Transformational Medical Technology Initiative is designed to provide such technologies in a much shorter timeframe, and at lower cost, than is required with traditional approaches.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Transformational Medical Technology Initiative is an important effort to provide needed capability within the Department of Defense to field effective broad-spectrum countermeasures against a significant array of current and future biological threats; and

(2) innovative technological approaches to achieve broad-spectrum medical countermeasures are a necessary component of the capacity of the Department to provide chemical-biological defense and force protection capabilities for the Armed Forces.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. ADDITIONAL CERTIFICATION REQUIREMENTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ADDITIONAL CERTIFICATION REQUIREMENTS.—Subsection (a) of section 2366a of title 10, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) redesignating paragraph (7) as paragraph (10); and

(3) by inserting after paragraph (6) the following new paragraphs:

''(7) the program is needed to meet validated requirements consistent with the national military strategy;

''(8) reasonable estimates have been developed to execute the product development and production plan under the program;

''(9) funding is available to execute the product development and production plan under the program consistent with the estimates described in paragraph (8) for the program; and''.

(b) WAIVER FOR NATIONAL SECURITY.—Subsection (c) of such section is amended by striking ''(5), or (6)'' and inserting ''(5), (6), (7), (8), or (9)''.

SEC. 802. EXTENSION AND ENHANCEMENT OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) PRIORITY FOR PROPOSALS FROM CERTAIN BUSINESSES.—Paragraph (5) of subsection (b) of section 2359b of title 10, United States Code, is amended to read as follows:

''(5) The Under Secretary—

''(A) may establish procedures to ensure that the Challenge Program does not become an avenue for the repetitive submission of proposals that have been previously reviewed and found not to have merit; and

''(B) may establish procedures to ensure that the Challenge Program establishes appropriate priorities for proposals from businesses that are not major contractors with the Department of Defense.''.

(b) EXTENSION.—Subsection (j) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2012''.

SEC. 803. BASELINE DESCRIPTION AND UNIT COST REPORTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) SPECIFICATION OF ORIGINAL BASELINE ESTIMATE.—Section 2435(d)(1) of title 10, United States Code, is amended by inserting after ''with respect to the program under subsection (a)'' the following: ''in preparation for entry into system development and demonstration, or at program initiation, whichever occurs later''.

(b) REPORTS TO CONGRESS ON CERTAIN COST INCREASES.—Section 2433(e)(1) of such title is amended by adding at the end the following new subparagraph:

''(C) If the Secretary concerned determines that the program acquisition unit cost or procurement unit cost of a major defense acquisition program has increased by a percentage equal to or greater than the significant cost growth threshold for the program and a Selected Acquisition Report has been submitted to Congress under subparagraph (A) or (B), each subsequent quarterly or comprehensive annual Selected Acquisition Report shall include the information required by subsection (g). No further report on increases in the program acquisition unit cost or procurement unit cost shall be required under subsection (c) or (d) unless the program manager has reasonable cause to believe that the program acquisition unit cost or procurement unit cost has increased by a percentage equal to or greater than the critical cost growth threshold.''.

SEC. 804. MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.

(a) REPORTS AND INFORMATION ON PROGRAM COST AND PERFORMANCE.—

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144 the following new chapter:

''CHAPTER 144A—MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS

''Sec.
''2445a. Major automated information system program defined.
''2445b. Cost, schedule, and performance information.
''2445c. Reports: quarterly reports; reports on program changes.
''2445d. Construction with other reporting requirements.

''§ 2445a. Major automated information system program defined

''(a) IN GENERAL.—In this chapter, the term 'major automated information system program' means a Department of Defense program for the acquisition of an automated information system (either as a product or a service) if—

''(1) the program is designated by the Secretary of Defense, or a designee of the Secretary, as a major automated information system program; or

''(2) the dollar value of the program is estimated to exceed—

''(A) $32,000,000 in fiscal year 2000 constant dollars for all program costs in a single fiscal year;

''(B) $126,000,000 in fiscal year 2000 constant dollars for all program acquisition costs for the entire program; or

''(C) $378,000,000 in fiscal year 2000 constant dollars for the total life-cycle costs of the program (including operation and maintenance costs).

''(b) ADJUSTMENT.—The Secretary of Defense may adjust the amounts (and base fiscal year) set forth in subsection (a) on the basis of Department of Defense escalation rates. An adjustment under this subsection shall be effective after the Secretary transmits a written notification of the adjustment to the congressional defense committees.

''(c) INCREMENTS.—In the event any increment of a major automated information system program separately meets the requirements for treatment as a major automated information system program, the provisions of this chapter shall apply to such increment as well as to the overall major automated information system program of which such increment is a part.

''§ 2445b. Cost, schedule, and performance information

''(a) SUBMITTAL OF COST, SCHEDULE, AND PERFORMANCE INFORMATION.—The Secretary

of Defense shall submit to Congress each calendar year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, budget justification documents regarding cost, schedule, and performance for each major automated information system program for which funds are requested by the President in the budget.

''(b) ELEMENTS.—The documents submitted under subsection (a) with respect to a major automated information system program shall include detailed and summarized information with respect to the automated information system to be acquired under the program, and shall specifically include each of the following:

''(1) The development schedule, including major milestones.

''(2) The implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability.

''(3) Estimates of development costs and full life-cycle costs.

''(4) A summary of key performance parameters.

''(c) BASELINE.—(1) For purposes of this chapter, the initial submittal to Congress of the documents required by subsection (a) with respect to a major automated information system program shall constitute the original estimate or information originally submitted on such program for purposes of the reports and determinations on program changes in section 2445c of this title.

''(2) An adjustment or revision of the original estimate or information originally submitted on a program may be treated as the original estimate or information originally submitted on the program if the adjustment or revision is the result of a critical change in the program covered by section 2445c(d) of this title.

''(3) In the event of an adjustment or revision to the original estimate or information originally submitted on a program under paragraph (2), the Secretary of Defense shall include in the next budget justification documents submitted under subsection (a) after such adjustment or revision a notification to the congressional defense committees of such adjustment or revision, together with the reasons for such adjustment or revision.

''§ 2445c. Reports: quarterly reports; reports on program changes

''(a) QUARTERLY REPORTS BY PROGRAM MANAGERS.—The program manager of a major automated information system program shall, on a quarterly basis, submit to the senior Department of Defense official responsible for the program a written report identifying any variance in the projected development schedule, implementation schedule, life-cycle costs, or key performance parameters for the major automated information system to be acquired under the program from such information as originally submitted to Congress under section 2445b of this title.

''(b) SENIOR OFFICIALS RESPONSIBLE FOR PROGRAMS.—For purposes of this section, the senior Department of Defense official responsible for a major automated information system program is—

''(1) in the case of an automated information system to be acquired for a military department, the senior acquisition executive for the military department; or

''(2) in the case of any other automated information system to be acquired for the Department of Defense or any component of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(c) REPORT ON SIGNIFICANT CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 45 days after receiving such report, notify the congressional defense committees in writing of such determination.

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than 25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

''(d) REPORT ON CRITICAL CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

''(A) carry out an evaluation of the program under subsection (e); and

''(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally submitted to Congress under section 2445b(b) of this title.

''(e) PROGRAM EVALUATION.—The evaluation of a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(A) shall include an assessment of—

''(1) the projected cost and schedule for completing the program if current requirements are not modified;

''(2) the projected cost and schedule for completing the program based on reasonable modification of such requirements; and

''(3) the rough order of magnitude of the cost and schedule for any reasonable alternative system or capability.

''(f) REPORT ON CRITICAL PROGRAM CHANGES.—A report on a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(B) shall include a written certification (with supporting explanation) stating that—

''(1) the automated information system to be acquired under the program is essential to the national security or to the efficient management of the Department of Defense;

''(2) there is no alternative to the system which will provide equal or greater capability at less cost;

''(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

''(4) the management structure for the program is adequate to manage and control program costs.

''(g) PROHIBITION ON OBLIGATION OF FUNDS.—(1) If the determination of a critical change to a program is made by the senior Department official responsible for the program under subsection (d)(2) and a report is not submitted to Congress within the 60-day period provided by subsection (d)(1), appropriated funds may not be obligated for any major contract under the program.

''(2) The prohibition on the obligation of funds for a program under paragraph (1) shall cease to apply on the date on which Congress has received a report in compliance with the requirements of subsection (d)(2).

''§ 2445d. Construction with other reporting requirements

''In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no reports on the program are required under such chapter if the requirements of this chapter with respect to the program are met.''.

(2) CLERICAL AMENDMENTS.—The tables of chapters the beginning of subtitle A of such title, and of part IV of subtitle A of such title, are each amended by inserting after the item relating to chapter 144 the following new item:

''144A. Major Automated Information System Programs ..... 2445a''.

(b) REPORT ON REPORTING REQUIREMENTS APPLICABLE TO MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the reporting requirements applicable to major automated information system programs as of the date of the report, including a specification of such reporting requirements considered by the Secretary to be duplicative or redundant.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on January 1, 2008, and shall apply with respect to any major automated information system program for which amounts are requested in the budget of the President (as submitted to Congress under section 1105 of title 31, United States Code) for a fiscal year after fiscal year 2008, regardless of whether the acquisition of the automated information system to be acquired under the program was initiated before, on, or after January 1, 2008.

(2) REPORT REQUIREMENT.—Subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 805. ADJUSTMENT OF ORIGINAL BASELINE ESTIMATE FOR MAJOR DEFENSE ACQUISITION PROGRAMS EXPERIENCING COST GROWTH RESULTING FROM DAMAGE CAUSED BY HURRICANES KATRINA, RITA, AND WILMA.

(a) ADJUSTMENT AUTHORIZED.—Notwithstanding any limitations under section 2435(d) of title 10, United States Code, the Secretary of Defense may adjust the original Baseline Estimate for a major defense acquisition program that is carried out primarily in the Hurricane Katrina disaster area, Hurricane Rita disaster area, or Hurricane Wilma disaster area for the sole purpose of addressing cost growth in such program that, as determined by the Secretary, is directly attributable to damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma.

(b) NOTICE TO CONGRESS.—The Secretary shall identify any adjustment to the original Baseline Estimate of a major defense acquisition program under subsection (a), and provide an explanation of the basis for such adjustment, in the first Selected Acquisition Report that is submitted under section 2432 of title 10, United States Code, after such adjustment is made.

(c) SUNSET.—The authority to adjust an original Baseline Estimate for a major defense acquisition program under subsection (a) shall expire on the date that is one year after the date of the enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) The term ''major defense acquisition program'' has the meaning given that term in section 2430 of title 10, United States Code.

(2) The term ''original Baseline Estimate'', in the case of a major defense acquisition program, means the first baseline description for the program established under section 2435(a) of title 10, United States Code.

(3) The terms ''Hurricane Katrina disaster area'', ''Hurricane Rita disaster area'', and ''Hurricane Wilma disaster area'' have the meaning given such terms in section 1400M of the Internal Revenue Code of 1986.

SEC. 806. INTERNAL CONTROLS FOR PROCUREMENTS ON BEHALF OF THE DEPARTMENT OF DEFENSE BY CERTAIN NON-DEFENSE AGENCIES.

(a) INSPECTOR GENERAL REVIEWS AND DETERMINATIONS.—

(1) IN GENERAL.—For each covered non-defense agency, the Inspector General of the Department of Defense and the Inspector General of such non-defense agency shall, not later than March 15, 2007, jointly—

(A) review—

(i) the procurement policies, procedures, and internal controls of such non-defense agency that are applicable to the procurement of property and services on behalf of the Department by such non-defense agency; and

(ii) the administration of those policies, procedures, and internal controls; and

(B) determine in writing whether—

(i) such non-defense agency is compliant with defense procurement requirements;

(ii) such non-defense agency is not compliant with defense procurement requirements, but has a program or initiative to significantly improve compliance with defense procurement requirements;

(iii) neither of the conclusions stated in clauses (i) and (ii) is correct in the case of such non-defense agency; or

(iv) such non-defense agency is not compliant with defense procurement requirements to such an extent that the interests of the Department of Defense are at risk in procurements conducted by such non-defense agency.

(2) ACTIONS FOLLOWING CERTAIN DETERMINATIONS.—If the Inspectors General determine under paragraph (1) that the conclusion stated in clause (ii), (iii), or (iv) of subparagraph (B) of that paragraph is correct in the case of a covered non-defense agency, such Inspectors General shall, not later than June 15, 2008, jointly—

(A) conduct a second review, as described in subparagraph (A) of that paragraph, regarding such non-defense agency's procurement of property or services on behalf of the Department of Defense in fiscal year 2007; and

(B) determine in writing whether such non-defense agency is or is not compliant with defense procurement requirements.

(b) COMPLIANCE WITH DEFENSE PROCUREMENT REQUIREMENTS.—For the purposes of this section, a covered non-defense agency is compliant with defense procurement requirements if such non-defense agency's procurement policies, procedures, and internal controls applicable to the procurement of products and services on behalf of the Department of Defense, and the manner in which they are administered, are adequate to ensure such non-defense agency's compliance with the requirements of laws and regulations that apply to procurements of property and services made directly by the Department of Defense.

(c) MEMORANDA OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of each covered non-defense agency shall enter into a memorandum of understanding with each other to carry out the reviews and make the determinations required by this section.

(2) SCOPE OF MEMORANDA.—The Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency may by mutual agreement conduct separate reviews of the procurement of property and services on behalf of the Department of Defense that are conducted by separate business units, or under separate governmentwide acquisition contracts, of such non-defense agency. In any case where such separate reviews are conducted, the Inspectors General shall make separate determinations under paragraph (1) or (2) of subsection (a), as applicable, with respect to each such separate review.

(d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF DEPARTMENT OF DEFENSE.—

(1) LIMITATION DURING REVIEW PERIOD.—After March 15, 2007, and before June 16, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency for which a determination described in clause (iii) or (iv) of paragraph (1)(B) of subsection (a) has been made under subsection (a).

(2) LIMITATION AFTER REVIEW PERIOD.—After June 15, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency that, having been subject to review under this section, has not been determined under this section as being compliant with defense procurement requirements.

(3) LIMITATION FOLLOWING FAILURE TO REACH MOU.—Commencing on the date that is 60 days after the date of the enactment of this Act, if a memorandum of understanding between the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency cannot be attained causing the review required by this section to not be performed, no official of the Department of Defense, except as provided in subsection (e) or (f), may order, purchase or otherwise procure property or services in an amount in excess of $100,000 through such non-defense agency.

(e) EXCEPTION FROM APPLICABILITY OF LIMITATIONS.—

(1) EXCEPTION.—No limitation applies under subsection (d) with respect to the procurement of property and services on behalf of the Department of Defense by a covered non-defense agency during any period that there is in effect a determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, made in writing, that it is necessary in the interest of the Department of Defense to continue to procure property and services through such non-defense agency.

(2) APPLICABILITY OF DETERMINATION.—A written determination with respect to a covered non-defense agency under paragraph (1) is in effect for the period, not in excess of one year, that the Under Secretary shall specify in the written determination. The Under Secretary may extend from time to time, for up to one year at a time, the period for which the written determination remains in effect.

(f) TERMINATION OF APPLICABILITY OF LIMITATIONS.—Subsection (d) shall cease to apply to a covered non-defense agency on the date on which the Inspector General of the Department of Defense and the Inspector General of such non-defense agency jointly—

(1) determine that such non-defense agency is compliant with defense procurement requirements; and

(2) notify the Secretary of Defense of that determination.

(g) IDENTIFICATION OF PROCUREMENTS MADE DURING A PARTICULAR FISCAL YEAR.—For the purposes of subsection (a), a procurement shall be treated as being made during a particular fiscal year to the extent that funds are obligated by the Department of Defense for that procurement in that fiscal year.

(h) RESOLUTION OF DISAGREEMENTS.—If the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency are unable to agree on a joint determination under subsection (a) or subsection (f), a determination by the Inspector General of the Department of Defense under such subsection shall be conclusive for the purposes of this section.

(i) DEFINITIONS.—In this section:

(1) The term ''covered non-defense agency'' means each of the following:

(A) The Department of Veterans Affairs.

(B) The National Institutes of Health.

(2) The term ''governmentwide acquisition contract'', with respect to a covered non-defense agency, means a task or delivery order contract that—

(A) is entered into by the non-defense agency; and

(B) may be used as the contract under which property or services are procured for one or more other departments or agencies of the Federal Government.

SEC. 807. REGULATIONS ON USE OF FIXED-PRICE CONTRACTS IN DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of Defense on the use of fixed-price type contracts in development programs.

(b) ELEMENTS.—As modified under subsection (a), the regulations described in that subsection shall—

(1) establish a preference for the use of fixed-price type contracts in development programs to the maximum extent practicable in light of the level of program risk; and

(2) require the use of fixed-price type contracts in each contract for system development and demonstration, or operational system development, unless the use of a different contract type is specifically authorized pursuant to subsection (c).

(c) AUTHORIZATION OF USE OF DIFFERENT CONTRACT TYPE.—

(1) IN GENERAL.—As modified under subsection (a), the regulations described in that subsection shall provide that the Secretary of Defense may authorize the use of a difference contract type under subsection (b)(2) with respect to a program upon a written determination by the Secretary that—

(A) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and

(B) the complexity and technical challenge of the program is not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

(2) SUBMITTAL TO CONGRESSIONAL DEFENSE COMMITTEES.—The regulations shall provide that a copy of any determination on a program under paragraph (1), together with an explanation of the basis for such determination, shall be submitted to the congressional defense committees with the first Selected Acquisition Report submitted under section 2432 of title 10, United States Code, after such determination is made.

(3) DELEGATION OF AUTHORITY.—The regulations shall provide that the authority to make a determination under paragraph (1) may not be delegated below the level of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(d) REPEAL OF SUPERSEDED REQUIREMENTS.—Section 807 of the National Defense Authorization Act for Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

(e) EFFECTIVE DATE OF REGULATIONS.—

(1) IN GENERAL.—The modified regulations required under this section shall apply to any contract entered into after the date that is 120 days after the date of the enactment of this Act.

(2) SYSTEM DEVELOPMENT AND DEMONSTRATION OR OPERATIONAL SYSTEM DEVELOPMENT.—The modification required by subsection (b)(2) in the regulations shall apply with respect to programs that enter into system development and demonstration, or operational system development, after the date that is 120 days after the date of the enactment of this Act.

SEC. 808. AVAILABILITY OF FUNDS FOR PERFORMANCE-BASED LOGISTICS CONTRACTS FOR WEAPON SYSTEMS LOGISTICS SUPPORT.

(a) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—

(1) IN GENERAL.—Amounts available to the Department of Defense for operation and maintenance—

(A) are available for performance-based logistics contracts for weapon systems; and

(B) subject to paragraph (2), may be used in accordance with the terms of such contracts to implement engineering changes that result in a reduction of the operation and maintenance costs to the Government of such systems.

(2) LIMITATION.—Funds may not be used for a performance-based logistics contract to implement engineering changes the total cost of which is expected to exceed $20,000,000.

(b) NOTICE TO CONGRESS ON ENTRY INTO CONTRACTS.—

(1) IN GENERAL.—Not later than 30 days before entering into a performance-based logistics contract under this section, the Secretary of a military department shall submit to Congress a notice of intent to enter into such contract.

(2) ELEMENTS.—The notice on a performance-based logistics contract under paragraph (1) shall include the following:

(A) A statement that the military department concerned—

(i) has performed a business case analysis for such contract;

(ii) has determined, based on such analysis, that there is a reasonable expectation that such contract will result in an overall reduction of operation and maintenance costs with respect to a weapon system; and

(iii) has specific plans in place to—

(I) update such analysis at appropriate decision points when sufficient cost and performance data have been collected to validate the assumptions used in developing such analysis; and

(II) periodically review and validate the propriety and integrity of program performance measures, and verify the reliability of contractor cost and performance data, with respect to such contract.

(B) An estimate of the projected cost and savings from such contract, together with an explanation of the basis for such estimates.

(c) PERFORMANCE-BASED LOGISTICS CONTRACT DEFINED.—In this section, the term ''performance-based logistics contract'' means a contract for the acquisition of logistics support (whether at the system, subsystem, or major assembly level) for a weapon system that combines logistics support in an integrated, affordable, performance package designed to optimize system readiness and meet performance goals for the weapon system through long-term support arrangements with clear lines of authority and responsibility for the provision of such support.

(d) REPORT.—

(1) IN GENERAL.—Not later than March 1, 2012, the Secretary of Defense shall submit to the congressional defense committees a report on the status of all performance-bases logistics contracts entered into pursuant to this section.

(2) ELEMENTS.—The report under paragraph (1) shall include, for each contract covered by such report, a comparison of the projected cost and savings of such contract (as estimated in the notice to Congress under subsection (b)(2)(B)) with the actual cost and savings of such contract (as determined in accordance with the plan for such contract under subsection (b)(2)(A)(iii)).

(e) SUNSET.—

(1) IN GENERAL.—The authority to enter contracts under this section shall terminate on September 30, 2012.

(2) EFFECT ON EXISTING CONTRACTS.—The termination under paragraph (1) of the authority to enter contracts under this section shall not affect the use of funds for purposes authorized by subsection (a) under contracts entered on or before the date specified in that paragraph.

SEC. 809. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of the following:

(1) Ship critical safety items.

(2) Modifications, repair, and overhaul of ship critical safety items.

(b) ELEMENTS.—The policy required under subsection (a) shall include requirements as follows:

(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of such items.

(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source on a qualified manufacturers list or a source approved by the design control activity in accordance with section 2319 of title 10, United States Code (as amended by subsection (d)).

(3) That the ship critical safety items delivered, and the services performed with respect to such items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms ''ship critical safety item'' and ''design control activity'' have the meanings given such terms in subsection (g) of 2319 of title 10, United States Code (as so amended).

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

(1) in subsection (c)(3), by inserting ''or ship critical safety item'' after ''aviation critical safety item''; and

(2) in subsection (g)—

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

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

''(2) The term 'ship critical safety item' means any ship part, assembly, or support equipment containing a characteristic the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship or unacceptable risk of personal injury or loss of life.''; and

(C) in paragraph (3), as so redesignated—

(i) by inserting ''or ship critical safety item'' after ''aviation critical safety item'';

(ii) by inserting '', or the seaworthiness of a ship or ship equipment,'' after ''equipment''; and

(iii) by striking ''the item'' and inserting ''such item''.

SEC. 810. THREE-YEAR EXTENSION OF REQUIREMENT FOR REPORTS ON COMMERCIAL PRICE TREND ANALYSES OF THE DEPARTMENT OF DEFENSE.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 2306a note) is amended by striking ''2006'' and inserting ''2009''.

SEC. 811. PILOT PROGRAM ON TIME-CERTAIN DEVELOPMENT IN ACQUISITION OF MAJOR WEAPON SYSTEMS.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

(b) PURPOSE OF PILOT PROGRAM.—The purpose of the pilot program authorized by subsection (a) is to assess the feasibility and advisability of utilizing time-certain development in the acquisition of major weapon systems in order to deliver new capabilities to the warfighter more rapidly through disciplined decision-making, emphasis on technological maturity, and appropriate tradeoffs between system performance and schedule.

(c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

(1) IN GENERAL.—The decision whether to include a major weapon system in the pilot program shall be made by the Milestone Decision Authority for the acquisition program for the system.

(2) CRITERIA.—A major weapon system may be included in the pilot program only if the Milestone Decision Authority determines, in consultation with the service acquisition executive for the military department carrying out the acquisition program for the system and one or more combatant commanders responsible for fielding the system, that—

(A) the certification requirements of section 2366a of title 10, United States Code, have been met, and no waivers have been granted from such requirements;

(B) a preliminary design has been completed after appropriate requirements analysis using systems engineering, and the system, as so designed, will meet battlefield needs identified by the relevant combatant commanders;

(C) all critical technologies needed to meet system requirements have been demonstrated in an operational environment;

(D) an independent cost estimate has been conducted and used as the basis for funding requirements for the acquisition program for the system;

(E) the budget of the military department responsible for carrying out the acquisition program for the system provides the funding necessary to execute the product development and production plan consistent with the requirements identified pursuant to subparagraph (D);

(F) an appropriately-qualified program manager has entered into a performance agreement with the Milestone Decision Authority that establishes expected parameters for the cost, schedule, and performance of the acquisition program for the system, consistent with a business case for such acquisition program;

(G) the service acquisition executive and the program manager have agreed that the program manager will continue in such position until the delivery of the initial operational capability under the acquisition program for the system;

(H) the service acquisition executive, the relevant combatant commanders, and the program manager have agreed that no additional requirements will be added during the development phase of the acquisition program for the system; and

(I) a planned initial operational capability will be delivered to the relevant combatant commanders no more than 6 years after the date of the milestone B approval for the system.

(3) TIMING OF DECISION.—The decision whether to include a major weapon system in the pilot program shall be made at the time of milestone approval for the acquisition program for the system.

(d) LIMITATION ON NUMBER OF SYSTEM IN PILOT PROGRAM.—The number of major weapon systems included in the pilot program at any time may not exceed 12 major weapon systems.

(e) SPECIAL FUNDING AUTHORITY.—

(1) AUTHORITY FOR RESERVE ACCOUNT.—Notwithstanding any other provision of law, the Secretary of Defense may establish a special reserve account utilizing funds made available for the major weapon systems included in the pilot program.

(2) ELEMENTS.—The special reserve account may include—

(A) funds made available for any major weapon system included in the pilot program to cover termination liability;

(B) funds made available for any major weapon system included in the pilot program for award fees that may be earned by contractors; and

(C) funds appropriated to the special reserve account.

(3) AVAILABILITY OF FUNDS.—Funds in the special reserve account may be used, in accordance with guidance issued by the Secretary for purposes of this section, for the following purposes:

(A) To cover termination liability for any major weapon system included in the pilot program.

(B) To pay award fees that are earned by any contractor for a major weapon system included in the pilot program.

(C) To address unforeseen contingencies that could prevent a major weapon system included in the pilot program from meeting critical schedule or performance requirements.

(4) REPORTS ON USE OF FUNDS.—Not later than 30 days after the use of funds in the special reserve account for the purpose specified in paragraph (3)(C), the Secretary shall submit to the congressional defense committees a report on report the use of funds in the account for such purpose. The report shall set forth the purposes for which the funds were used and the reasons for the use of the funds for such purposes.

(f) ADMINISTRATION OF PILOT PROGRAM.—The Secretary of Defense shall prescribe policies and procedures on the administration of the pilot program. Such policies and procedures shall—

(1) provide for the use of program status reports based on earned value data to track progress on a major weapon system under the pilot program against baseline estimates applicable to such system at each systems engineering technical review point; and

(2) grant authority to the program manager for the acquisition program for a major weapon system to make key program decisions and trade-offs, subject to management reviews only if cost or schedule deviations exceed 10 percent baselines for such acquisition program.

(g) EXPIRATION OF AUTHORITY TO INCLUDE ADDITIONAL SYSTEMS IN PILOT PROGRAM.—

(1) EXPIRATION.—A major weapon system may not be included in the pilot program after September 30, 2012.

(2) RETENTION OF SYSTEMS.—A major weapon system included in the pilot program before the date specified in paragraph (1) in accordance with the requirements of this section may remain in the pilot program after that date.

(h) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than one year after including the first major weapon system in the pilot program, and annually thereafter, the Secretary shall submit to the congressional defense committees a report on the pilot program, and the major weapon systems included in the pilot program, during the one-year period ending on the date of such report.

(2) ELEMENTS.—Each report under this subsection shall include—

(A) a description of progress under the pilot program, and on each major weapon system included in the pilot program, during the period covered by such report; and

(B) such other matters as the Secretary considers appropriate.

(i) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term ''major weapon system'' means a weapon system that is treatable as a major system under section 2302(5) of title 10, United States Code.

SEC. 812. GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.

(a) GOVERNMENT PERFORMANCE OF FUNCTIONS.—

(1) IN GENERAL.—Section 2383 of title 10, United States Code is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.—The head of an agency shall ensure that, at a minimum, for each major defense acquisition program and each major automated information system program, each of the following positions is performed by a properly qualified full-time Federal military or civilian employee:

''(1) Program manager.

''(2) Deputy program manager.

''(3) Chief engineer.

''(4) Systems engineer.

''(5) Cost estimator.''.

(2) DEFINITIONAL MATTERS.—Subsection (c) of such section, as redesignated by paragraph (1)(A) of this subsection, is further amended by adding at the end the following new paragraphs:

''(5) The term 'major defense acquisition program' has the meaning given such term in section 2430(a) of this title.

''(6) The term 'major automated information system program' has the meaning given such term in section 2445a(a) of this title.''.

(b) EFFECTIVE DATE AND PHASE-IN.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is one year after the date of enactment of this Act.

(2) TEMPORARY WAVER.—During the two-year period beginning on the effective date specified in paragraph (1), the head of an agency may waive the requirement in subsection (b) of section 2383 of title 10, United States Code, as amended by subsection (a) of this section, with regard to a specific function on a particular program upon a written determination by the head of the agency that a properly qualified full-time Federal military or civilian employee cannot reasonably be made available to perform such function.

Subtitle B—Defense Industrial Base Matters

SEC. 821. REMOVAL OF HAND AND MEASURING TOOLS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Subsection (b) of section 2533a of title 10, United States Code, is amended by striking paragraph (3).

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking ''(b)(1)(A), (b)(2), or (b)(3)'' each place it appears and inserting ''(b)(1)(A) or (b)(2)''.

SEC. 822. APPLICABILITY OF CERTAIN REQUIREMENTS REGARDING SPECIALTY METALS.

(a) EXEMPTION FOR CERTAIN COMMERCIAL ITEMS.—Subsection (i) of section 2533a of title 10, United States Code, is amended—

(1) by inserting '', DUAL-USE ITEMS, AND ELECTRONIC COMPONENTS'' after ''COMMERCIAL ITEMS'';

(2) by inserting ''(1)'' before ''this section'';

(3) in paragraph (1), as so designated, by inserting ''described in subsection (b)(1)'' after ''commercial items''; and

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

''(2) This section is not applicable to—

''(A) a contract or subcontract for the procurement of a commercial item containing specialty metals described in subsections (b)(2) and (b)(3); or

''(B) specialty metals that are incorporated into an electronic component, where the value of the specialty metal used in the component is de minimis in relation to the value of the electronic component.

''(3) For purposes of paragraph (2)(A), a commercial item does not include—

''(A) any item that contains noncommercial modifications that cost or are expected to cost, in the aggregate, more than 5 percent of the total price of such item;

''(B) any item that would not be considered to be a commercial item, but for sales to government entities or inclusion in items that are sold to government entities;

''(C) forgings or castings for military unique end items;

''(D) fasteners other than commercial off-the-shelf items (as defined in section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c)); or

''(E) specialty metals.''.

(b) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Such section is further amended by adding at the end the following new subsection:

''(k) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Subsection (a) does not apply to

the procurement of an item from a contractor or a first-tier subcontractor if the Secretary of Defense or the Secretary of a military department determines that—

''(1) the item is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of similar items delivered to non-defense customers; and

''(2) the contractor or subcontractor has made a contractual commitment to purchase a quality, grade, and amount of domestically-melted specialty metals for use by the purchaser during the period of contract performance in the production of the item and other similar items delivered to non-defense customers that is not less that the greater of—

''(A) the amount of specialty metals that is purchased by the contractor for use in the item delivered to the Department of Defense; or

''(B) 40 percent of the amount of specialty metals purchased by the contractor or subcontractor for use during such period in the production of the item and similar items delivered to non-defense contractors.''.

(c) DE MINIMIS STANDARD FOR SPECIALTY METALS.—Such section is further amended by adding at the end the following new subsection:

''(l) MINIMUM THRESHOLD FOR SPECIALTY METALS.—Notwithstanding the requirements of subsection (a), the Secretary of Defense or the Secretary of a military department may accept delivery of an item containing specialty metals that were not grown, reprocessed, reused, or produced in the United States if the total amount of noncompliant specialty metals in the item does not exceed 2 percent of the total amount of specialty metals in the item.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall take effect on the date of the enactment of this Act, and shall apply with respect to items accepted for delivery on or after that date.

(2) CIVIL-MILITARY INTEGRATION.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act, and shall apply to contracts entered into on or after that date.

SEC. 823. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2539c. Waiver of domestic source or content requirements

''(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

''(1) in a foreign country that has a Declaration of Principles with the United States;

''(2) in a foreign country that has a Declaration of Principles with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States; or

''(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States.

''(b) COVERED REQUIREMENTS.—For purposes of this section:

''(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

''(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

''(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

''(1) application of the requirement would impede the reciprocal procurement of defense items under a Declaration of Principles with the United States; and

''(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

''(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

''(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

''(1) The Small Business Act (15 U.S.C. 631 et seq.).

''(2) The Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

''(3) Sections 7309 and 7310 of this title.

''(4) Section 2533a of this title.

''(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

''(h) CLARIFICATION OF RELATIONSHIP WITH BUY AMERICAN ACT.—Nothing in this section shall be construed to alter in any way the applicability of the Buy American Act (41 U.S.C. 10a), or the authority of the Secretary of Defense to waive the requirements of such Act, with respect to the procurement of any item to which such Act would apply without regard to this section.

''(i) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.

''(j) DECLARATION OF PRINCIPLES.—(1) In this section, the term 'Declaration of Principles' means a written understanding (including any Statement of Principles) between the Department of Defense and its counterpart in a foreign country signifying a cooperative relationship between the Department and its counterpart to standardize or make interoperable defense equipment used by the armed forces and the armed forces of the foreign country across a broad spectrum of defense activities, including—

''(A) harmonization of military requirements and acquisition processes;

''(B) security of supply;

''(C) export procedures;

''(D) security of information;

''(E) ownership and corporate governance;

''(F) research and development;

''(G) flow of technical information; and

''(H) defense trade.

''(2) A Declaration of Principles is underpinned by a memorandum of understanding or other agreement providing for the reciprocal procurement of defense items between the United States and the foreign country concerned without unfair discrimination in accordance with section 2531 of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

''2539c. Waiver of domestic source or content requirements.''.

SEC. 824. REPEAL OF REQUIREMENT FOR IDENTIFICATION OF ESSENTIAL MILITARY ITEMS AND MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.

Section 813 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1543) is repealed.

SEC. 825. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER TRADE AGREEMENTS.

No provision of this Act or any amendment made by this Act shall apply to a procurement by or for the Department of Defense to the extent that the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under a trade agreement.

Subtitle C—Defense Contractor Matters

SEC. 841. REQUIREMENTS FOR DEFENSE CONTRACTORS RELATING TO CERTAIN FORMER DEPARTMENT OF DEFENSE OFFICIALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2410p. Defense contractors: requirements concerning former Department of Defense officials

''(a) IN GENERAL.—Each contract for the procurement of goods or services in excess of $10,000,000, other than a contract for the procurement of commercial items, that is entered into by the Department of Defense shall include a provision under which the contractor agrees to submit to the Secretary of Defense, not later than April 1 of each year such contract is in effect, a written report setting forth the information required by subsection (b).

''(b) REPORT INFORMATION.—Except as provided in subsection (c), a report by a contractor under subsection (a) shall—

''(1) list the name of each person who—

''(A) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces who served—

''(i) in an Executive Schedule position under subchapter II of chapter 53 of title 5;

''(ii) in a position in the Senior Executive Service under subchapter VIII of chapter 53 of title 5;

''(iii) in a general or flag officer position compensated at a rate of pay for grade 0–7 or above under section 201 of title 37; or

''(iv) as a program manager, deputy program manager, procuring contracting officer, administrative contracting officer,

source selection authority, member of the source selection evaluation board, or chief of a financial or technical evaluation team for a contract with a value in excess of $10,000,000; and

''(B) during the preceding calendar year was provided compensation by the contractor, if such compensation was first provided by the contractor not more than two years after such officer, employee, or member left service in the Department of Defense; and

''(2) in the case of each person listed under paragraph (1)—

''(A) identify the agency in which such person was employed or served on active duty during the last two years of such person's service with the Department of Defense;

''(B) state such person's job title and identify each major defense system, if any, on which such person performed any work with the Department of Defense during the last two years of such person's service with the Department; and

''(C) state such person's current job title with the contractor and identify each major defense system on which such person has performed any work on behalf of the contractor.

''(c) DUPLICATE INFORMATION NOT REQUIRED.—An annual report submitted by a contractor pursuant to subsection (b) need not provide information with respect to any former officer or employee of the Department of Defense or former or retired member of the armed forces if such information has already been provided in a previous annual report filed by such contractor under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by adding at the end the following new item:

''2410p. Defense contractors: requirements concerning former Department of Defense officials.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

SEC. 842. LEAD SYSTEMS INTEGRATORS.

(a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD SYSTEMS INTEGRATORS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, as amended by section 841(a)(1) of this Act, is further amended by adding at the end the following new section:

''§ 2410q. Contracts: limitations on lead systems integrators

''(a) IN GENERAL.—Except as provided in subsection (b), no contractor performing any inherently governmental functions, or functions closely associated with inherently governmental functions, relating to the acquisition, engineering, structuring, planning, integration, management, or control of a system of systems, regardless of whether or not such contractor is expressly designated as a so-called 'lead systems integrator', may have any financial interest in the development or construction of any individual system or element of such system of systems.

''(b) EXCEPTION.—A contractor described in subsection (a) may have a financial interest in the development or construction of an individual system or element of a system of systems if the Secretary of Defense certifies to the congressional defense committees that—

''(1) the contractor is the preferred best of industry supplier of the system or element concerned; and

''(2) the contractor was selected to develop or construct the system or element concerned only after a formal competition for such system or element conducted by the Department of Defense in which the contractor participated only as a respondent to the request for proposal (RFP) under the competition.

''(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude a contractor described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

''(d) DEFINITIONS.—In this section:

''(1) The term 'best of industry', with respect to the development or construction of a system or element by a contractor, means that the contractor provides the Government any of the following in the development or construction of the system or element for the Government:

''(A) Best overall value.

''(B) Best technology.

''(C) Best capability.

''(D) Best availability.

''(2) The term 'functions closely associated with inherently governmental functions' has the meaning given such term in section 2383(b)(3) of this title.

''(3) The term 'inherently governmental functions' has the meaning given such term in section 2383(b)(2) of this title.

''(4) The term 'system of systems' means a set of interdependent systems, including one or more major weapon systems, that are related to provide a given capability and in which the loss of any one would significantly degrade the performance or capabilities of the set of systems as a whole.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title, as amended by section 841(a)(2) of this Act, is further amended by adding at the end the following new item:

''2410q. Contracts: limitations on lead systems integrators.''.

(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

(b) UPDATE OF REGULATIONS ON LEAD SYSTEMS INTEGRATORS.—Not later than December 31, 2006, the Secretary of Defense shall update the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead systems integrators set forth in section 805(b) of the National Defense Authorization for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3372).

(c) DEFINITION OF LEAD SYSTEMS INTEGRATOR.—

(1) DEFINITION REQUIRED.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a precise and comprehensive definition of the term ''lead systems integrator'', as that term is utilized in such section.

(2) MATTERS TO BE ADDRESSED.—In defining the term ''lead systems integrator'' under paragraph (1), the Secretary shall take into account the following:

(A) The importance of lead systems integrators in the production, fielding, and sustainment of complex systems, including their role in addressing increases in cost, the evolution of interoperability requirements, and the maintenance and sustainment of critical capabilities.

(B) The unique engineering and integration skills of lead systems integrators.

(C) The management and organizational skills and capabilities of lead systems integrators, including the capacity of lead systems integrators to facilitate the participation of small and disadvantaged businesses in the production, fielding, and sustainment of complex systems.

(d) CONTRACT TYPES AND FEE STRUCTURES.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a specification of various types of contracts and fee structures, including award and incentive fees, that are appropriate for use by lead systems integrators in the production, fielding, and sustainment of complex systems.

SEC. 843. LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.

(a) GUIDANCE ON LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance, with detailed implementation instructions (including definitions), for the Department of Defense on the appropriate use of award and incentive fees in Department of Defense acquisition programs.

(b) ELEMENTS.—The guidance under subsection (a) shall—

(1) ensure that all new contracts using award fees link such fees to acquisition outcomes (which shall be defined in terms of program cost, schedule, and performance);

(2) provide guidance on the circumstances in which contractor performance may be judged to be ''excellent'' or ''superior'' and the percentage of the available award fee which contractors should be paid for such performance;

(3) establish standards for determining the percentage of the available award fee, if any, which contractors should be paid for performance that is judged to be ''acceptable'', ''average'', ''expected'', ''good'', or ''satisfactory'';

(4) ensure that no award fee may be paid for contractor performance that is judged to be below-satisfactory performance or performance that does not meet the basic requirements of the contract;

(5) provide specific direction on the circumstances, if any, in which it may be appropriate to roll over award fees that are not earned in one award fee period to a subsequent award fee period or periods;

(6) ensure that the Department of Defense—

(A) collects relevant data on award and incentive fees paid to contractors; and

(B) has mechanisms in place to evaluate such data on a regular basis;

(7) include performance measures to evaluate the effectiveness of award and incentive fees as a tool for improving contractor performance and achieving desired program outcomes; and

(8) provide mechanisms for sharing proven incentive strategies for the acquisition of different types of products and services among contracting and program management officials.

(c) ASSESSMENT OF INDEPENDENT EVALUATION MECHANISMS.—

(1) IN GENERAL.—The Secretary of Defense shall select a federally-funded research and development center to assess various mechanisms that could be used to ensure an independent evaluation of contractor performance for the purpose of making determinations applicable to the judging and payment of award fees.

(2) CONSIDERATIONS.—The assessment conducted pursuant to paragraph (1) shall include consideration of the advantages and disadvantages of a system in which award fees are—

(A) held in a separate fund or funds of the Department of Defense; and

(B) allocated to a specific program only upon a determination by an independent board, charged with comparing contractor performance across programs, that such fees

have been earned by the contractor for such program.

(3) REPORT.—The Secretary shall submit to the congressional defense committees a report on the assessment conducted pursuant to paragraph (1) not later than one year after the date of the enactment of this Act.

SEC. 844. PROHIBITION ON EXCESSIVE PASS-THROUGH CHARGES.

(a) REGULATIONS REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations prohibiting excessive pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense that are in excess of the simplified acquisition threshold, as specified in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

(b) SCOPE OF REGULATIONS.—The regulations prescribed under this section shall not apply to any firm, fixed-price contract or subcontract (or task or delivery order) that is—

(1) awarded on the basis of adequate price competition; or

(2) for the acquisition of a commercial item, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(c) DEFINITIONS.—In this section:

(1) The term ''excessive pass-through charge'' means a charge by a covered contractor or subcontractor for overhead or profit on work performed by a covered lower-tier contractor (other than charges for the direct costs of managing lower-tier contracts and overhead and profit based on such direct costs).

(2) The term ''covered contractor'' means the following:

(A) A contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) to subcontractors.

(B) In the case of a contract providing for the development or production of more than one weapon system, a contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) for any particular weapon system under such contract to subcontractors.

(3) The term ''covered lower-tier contractor'' means the following:

(A) With respect to a covered contractor described by paragraph (2)(A) in a contract, any lower-tier subcontractor under such contract.

(B) With respect to a covered contractor described by paragraph (2)(B) in a contract, any lower-tier subcontractor on a weapon system under such contract for which such covered contractor has assigned work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit).

(d) EFFECTIVE DATE.—The regulations prescribed under this section shall apply to contracts awarded for or on behalf of the Department of Defense on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 845. REPORT ON DEPARTMENT OF DEFENSE CONTRACTING WITH CONTRACTORS OR SUBCONTRACTORS EMPLOYING MEMBERS OF THE SELECTIVE RESERVE.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on contracting with the Department of Defense by actual and potential contractors and subcontractors of the Department who employ members of the Selected Reserve of the reserve components of the Armed Forces.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The extent to which actual and potential contractors and subcontractors of the Department, including small businesses, employ members of the Selective Reserve.

(2) The extent to which actual and potential contractors and subcontractors of the Department have been or are likely to be disadvantaged in the performance of contracts with the Department, or in competition for new contracts with the Department, when employees who are such members are mobilized as part of a United States military operation overseas.

(3) Any actions that, in the view of the Secretary, should be taken to address any such disadvantage, including—

(A) the extension of additional time for the performance of contracts to contractors and subcontractors of Department who employ members of the Selected Reserve who are mobilized as part of a United States military operation overseas; and

(B) the provision of assistance in forming contracting relationships with other entities to ameliorate the temporary loss of qualified personnel.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study required by this section. The report shall set forth the findings and recommendations of the Secretary as a result of the study.

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 819 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3385; 10 U.S.C. 2305 note) is repealed.

Subtitle D—Program Manager Matters

SEC. 861. PROGRAM MANAGER EMPOWERMENT AND ACCOUNTABILITY.

(a) STRATEGY.—The Secretary of Defense shall develop a comprehensive strategy for enhancing the role of Department of Defense program managers in developing and carrying out defense acquisition programs.

(b) MATTERS TO BE ADDRESSED.—The strategy required by this section shall address, at a minimum—

(1) enhanced training and educational opportunities for program managers;

(2) increased emphasis on the mentoring of current and future program managers by experienced senior executives and program managers within the Department;

(3) improved career paths and career opportunities for program managers;

(4) additional incentives for the recruitment and retention of highly qualified individuals to serve as program managers;

(5) improved resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) for program managers;

(6) improved means of collecting and disseminating best practices and lessons learned to enhance program management across the Department;

(7) common templates and tools to support improved data gathering and analysis for program management and oversight purposes;

(8) increased accountability of program managers for the results of defense acquisition programs; and

(9) enhanced monetary and nonmonetary awards for successful accomplishment of program objectives by program managers.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the strategy developed pursuant to this section.

SEC. 862. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM DEVELOPMENT PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program development period of defense acquisition programs.

(b) PROGRAM DEVELOPMENT PERIOD.—For the purpose of this section, the term ''program development period'' refers to the period before a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall provide that the program manager for the program development period of a defense acquisition program is responsible for—

(1) bringing to maturity the technologies and manufacturing processes that will be needed to carry out such program;

(2) ensuring continuing focus during program development on meeting stated mission requirements and other requirements of the Department of Defense;

(3) making trade-offs between program cost, schedule and performance for the lifecycle of such program;

(4) developing a business case for such program; and

(5) ensuring that appropriate information is available to the milestone decision authority to make a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program), including information necessary to make the certification required by section 2366a of title 10, United States Code.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program development period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program until such time as such program is ready for a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

SEC. 863. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM EXECUTION PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program execution period of defense acquisition programs.

(b) PROGRAM EXECUTION PERIOD.—For the purpose of this section, the term ''program execution period'' refers to the period after Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall—

(1) require the program manager for the program execution period of a defense acquisition program to enter into a performance agreement with the milestone decision authority for such program within six months of assignment, that—

(A) establishes expected parameters for the cost, schedule, and performance of such program consistent with the business case for such program;

(B) provides the commitment of the milestone decision authority to provide the level funding and resources required to meet such parameters; and

(C) provides the assurance of the program manager that such parameters are achievable and that such program manager will be accountable for meeting such parameters; and

(2) provide the program manager with the authority to—

(A) veto the addition of new program requirements that would be inconsistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(B) make trade-offs between cost, schedule and performance, provided that such trade-offs are consistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(C) redirect funding within such program, to the extent necessary to achieve the parameters established in the performance agreement entered pursuant to paragraph (1);

(D) develop such interim goals and milestones as may be required to achieve the parameters established in the performance agreement entered pursuant to paragraph (1); and

(E) use program funds to recruit and hire such technical experts as may be required to carry out such program, if necessary expertise is not otherwise provided by the Department of Defense.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program execution period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program at the time of Milestone B approval (or Key Decision Point B approval in the case of a space program) and continues in such position until the delivery of the first production units of such program.

(e) LIMITED WAIVER AUTHORITY.—The Secretary may waive the requirement in subsection (d)(3) that a program manager for the program execution period of a defense acquisition program serve in that position until the delivery of the first production units of such program upon submitting to the congressional defense committees a written determination that—

(1) such program is so complex, and the delivery of the first production units will take so long, that it would not be feasible for a single individual to serve as program manager for the entire period covered by such subsection; and

(2) the complexity of such program, and length of time that will be required to deliver the first production units, are not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

SEC. 864. DEPARTMENT OF DEFENSE PLAN FOR CONTINGENCY PROGRAM MANAGEMENT.

(a) REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall develop a plan for the Department of Defense for contingency program management during combat operations and post-conflict operations.

(b) MATTERS TO BE COVERED.—The plan of the Department of Defense for contingency program management required by subsection (a) shall, at a minimum, provide for—

(1) the designation of a senior executive service official on the Joint Staff with the responsibility for administering the plan;

(2) the assignment of a senior commissioned officer of the Armed Forces with appropriate program management experience and qualifications to act as head of contingency program management during combat operations, post-conflict operations, and contingency operations, who shall report directly to the commander of the combatant command in whose area of responsibility the operations occur;

(3) a preplanned organizational structure for contingency program management that is designed to ensure that the Department is prepared to conduct contingency program management during combat operations and post-conflict operations, including advance planning for—

(A) unified, agile program management processes and procedures for an interagency and coalition environment;

(B) standardized joint contract mechanisms with clearly defined metrics;

(C) continuity of program and project management;

(D) identification of a deployable cadre of experts, trained in processes required under paragraph (4);

(E) required information technology resources and reliable, interoperable connections and communications; and

(F) coordination of program management operations with the activities of commanders in the field;

(4) a requirement for the development of a training program for contingency program management, including—

(A) comprehension of program management that focuses on cost, scope, schedule, success metrices, project oversight, and resource balancing;

(B) contracting options and rules;

(C) procedures for the Department on funding, accountability and component and partner responsibilities; and

(D) effective communications and rules for coordination with commanders in the field; and

(5) a requirement for identification of hiring and appointment authorities for rapid deployment of personnel under this section to ensure the availability of key personnel for sufficient lengths of time to provide for continuing of program and project management.

(c) UTILIZATION IN PLAN FOR INTERAGENCY PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.—To the extent practicable, the elements of the plan of the Department of Defense for contingency program management required by subsection (a) shall be taken into account in the development of the plan for the establishment of interagency operating procedures for stabilization and reconstruction operations required by section 1222.

SEC. 865. COMPTROLLER GENERAL REPORT.

Not later than February 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the actions taken by the Secretary of Defense to comply with the requirements of this subtitle. The report shall include a description of such actions and an assessment by the Comptroller General of the effectiveness of such actions in meeting such requirements.

Subtitle E—Other Matters

SEC. 871. CLARIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) in paragraph (2)(A), by inserting ''or, for a defense agency, the director of the defense agency'' after ''(41 U.S.C. 414(c))''; and

(2) in paragraph (3), by inserting ''or director of a defense agency'' after ''executive''.

SEC. 872. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804(d) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 873. ONE-YEAR EXTENSION OF INAPPLICABILITY OF CERTAIN LAWS TO CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

Subsections (a)(2)(A) and (b)(2)(A) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2021), as amended by section 848(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3395), are each further amended by striking ''2006'' and inserting ''2007''.

SEC. 874. PILOT PROGRAM ON EXPANDED USE OF MENTOR-PROTEGE AUTHORITY.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program to assess the feasibility and advisability of treating small business concerns described in subsection (b) as disadvantaged small business concerns under the Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note).

(b) COVERED SMALL BUSINESS CONCERNS.—The small business concerns described in this subsection are small business concerns that—

(1) are participants in the Small Business Innovative Research Program of the Department of Defense established pursuant to section 9 of the Small Business Act (15 U.S.C. 638); and

(2) as determined by the Secretary, are developing technologies that will assist in detecting or defeating Improvised Explosive Devices (IEDs) or other critical force protection measures.

(c) TREATMENT AS DISADVANTAGED SMALL BUSINESS CONCERNS.—

(1) IN GENERAL.—For purposes of the pilot program, the Secretary may treat a small business concern described in subsection (b) as a disadvantaged small business concern under the Mentor-Protege Program.

(2) MENTOR-PROTEGE AGREEMENT.—Any eligible business concerned approved for participation in the Mentor-Protege Program as a mentor firm may enter into a mentor-protege agreement and provide assistance described in section 831 of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern treated under paragraph (1) as a disadvantaged small business concern under the Mentor-Protege Program.

(d) FUNDING.—

(1) IN GENERAL.—Notwithstanding the limitation in section 9(f)(2) of the Small Business Act (15 U.S.C. 638(f)(2)), funds for any reimbursement provided to a mentor firm under section 831(g) of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern described in subsection (b) under the pilot program shall be derived from funds available for the Small Business Innovative Research Program of the Department of Defense.

(2) LIMITATION.—The amount available under paragraph (1) for reimbursement described in that paragraph may not exceed the amount equal to one percent of the funds available for the Small Business Innovative Research Program.

(e) SUNSET.—

(1) AGREEMENTS.—No mentor-protege agreement may be entered into under the pilot program after September 30, 2010.

(2) OTHER MATTERS.—No reimbursement may be paid, and no credit toward the attainment of a subcontracting goal may be

granted, under the pilot program after September 30, 2013.

(f) REPORT.—Not later than March 1, 2009, the Secretary shall submit to the appropriate committees of Congress a report on the pilot program. The report shall—

(1) describe the extent to which mentor-protege agreements have been entered under the pilot program; and

(2) describe and assess the technological benefits arising under such agreements.

(g) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services, Appropriations, and Small Business and Entrepreneurship of the Senate; and

(B) the Committees on Armed Services and Appropriations of the House of Representatives.

(2) The term ''small business concern'' has the meaning given that term in section 831(m)(1) of the National Defense Authorization Act for Fiscal Year 1991.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. UNITED STATES MILITARY CANCER INSTITUTE.

(a) ESTABLISHMENT.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2117. United States Military Cancer Institute

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish in the University the United States Military Cancer Institute. The Institute shall be established pursuant to regulations prescribed by the Secretary.

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

''(1) To establish and maintain a clearinghouse of data on the incidence and prevalence of cancer among members and former members of the armed forces.

''(2) To conduct research that contributes to the detection or treatment of cancer among the members and former members of the armed forces.

''(c) HEAD OF INSTITUTE.—The Director of the United States Military Cancer Institute is the head of the Institute. The Director shall report to the President of the University regarding matters relating to the Institute.

''(d) ELEMENTS.—(1) The Institute is composed of clinical and basic scientists in the Department of Defense who have an expertise in research, patient care, and education relating to oncology and who meet applicable criteria for affiliation with the Institute.

''(2) The components of the Institute include military treatment and research facilities that meet applicable criteria and are designated as affiliates of the Institute.

''(e) RESEARCH.—(1) The Director of the United States Military Cancer Institute shall carry out research studies on the following:

''(A) The epidemiological features of cancer, including assessments of the carcinogenic effect of genetic and environmental factors, and of disparities in health, inherent or common among populations of various ethnic origins within the members of the armed forces.

''(B) The prevention and early detection of cancer among members and former members of the armed forces.

''(C) Basic, translational, and clinical investigation matters relating to the matters described in subparagraphs (A) and (B).

''(2) The research studies under paragraph (1) shall include complementary research on oncologic nursing.

''(f) COLLABORATIVE RESEARCH.—The Director of the United States Military Cancer Institute shall carry out the research studies under subsection (e) in collaboration with other cancer research organizations and entities selected by the Institute for purposes of the research studies.

''(g) ANNUAL REPORT.—(1) Not later than November 1 each year, the Director of the United States Military Cancer Institute shall submit to the President of the University a report on the current status of the research studies being carried out by the Institute under subsection (e).

''(2) Not later than 60 days after receiving a report under paragraph (1), the President of the University shall transmit such report to the Secretary of Defense and to Congress.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following new item:

''2117. United States Military Cancer Institute.''.

SEC. 902. SENIOR ACQUISITION EXECUTIVE FOR SPECIAL OPERATIONS WITHIN STAFF OF THE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT.

(a) INCLUSION WITHIN STAFF.—The staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under section 138(b)(4) of title 10, United States Code, shall include a senior acquisition executive for special operations.

(b) DUTIES.—The senior acquisition executive within the staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under subsection (a) shall conduct policy and management oversight of the acquisition activities of the Special Operations Command under section 167 of title 10, United States Code, and shall have such other duties as the Assistant Secretary shall designate.

SEC. 903. UNITED STATES MARINE BAND AND UNITED STATES MARINE DRUM AND BUGLE CORPS.

(a) IN GENERAL.—Section 6222 of title 10, United States Code, is amended to read as follows:

''§ 6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members

''(a) UNITED STATES MARINE BAND.—The band of the Marine Corps shall be composed of one director, two assistant directors, and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(b) UNITED STATES MARINE DRUM AND BUGLE CORPS.—The drum and bugle corps of the Marine Corps shall be composed of one commanding officer and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(c) APPOINTMENT AND PROMOTION.—(1) The Secretary of the Navy shall prescribe regulations for the appointment and promotion of members of the Marine Band and members of the Marine Drum and Bugle Corps.

''(2) The President may from time to time appoint members of the Marine Band and members of the Marine Drum and Bugle Corps to grades not above the grade of captain. The authority of the President to make appointments under this paragraph may be delegated only to the Secretary of Defense.

''(3) The President, by and with the advice and consent of the Senate, may from time to time appoint any member of the Marine Band or of the Marine Drum and Bugle Corps to a grade above the grade of captain.

''(d) RETIREMENT.—Unless otherwise entitled to higher retired grade and retired pay, a member of the Marine Band or Marine Drum and Bugle Corps who holds, or has held, an appointment under this section is entitled, when retired, to be retired in, and with retired pay based on, the highest grade held under this section in which the Secretary of the Navy determines that such member served satisfactorily.

''(e) REVOCATION OF APPOINTMENT.—The Secretary of the Navy may revoke any appointment of a member of the Marine Band or Marine Drum and Bugle Corps. When a member's appointment to a commissioned grade terminates under this subsection, such member is entitled, at the option of such member—

''(1) to be discharged from the Marine Corps; or

''(2) to revert to the grade and status such member held at the time of appointment under this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 565 of such title is amended by striking the item relating to section 6222 and inserting the following new item:

''6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members.''.

SEC. 904. MILITARY DEPUTIES TO THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS FOR ACQUISITION, LOGISTICS, AND TECHNOLOGY MATTERS.

(a) DEPARTMENT OF THE ARMY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Army the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall be a lieutenant general of the Army on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall not be counted against the numbers and percentages of officers of the Army of the grade of lieutenant general.

(b) DEPARTMENT OF THE NAVY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Navy the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition.

(2) VICE ADMIRAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall be a vice admiral on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall not be counted against the numbers and percentages of officers of the grade of vice admiral.

(c) DEPARTMENT OF THE AIR FORCE.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Air Force the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall be a lieutenant general of the Air Force on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall

not be counted against the numbers and percentages of officers of the Air Force of the grade of lieutenant general.

Subtitle B—Space Activities

SEC. 911. ESTABLISHMENT OF OPERATIONALLY RESPONSIVE SPACE CAPABILITIES.

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

(1) Access to and use of space is critical for preserving peace and protecting the national security, commercial, and civil interests of the United States.

(2) Key priorities for the national security space activities of the United States include improving the capacity to support military operations worldwide and responding to strategic military threats.

(3) To the maximum extent possible, space capabilities should be integrated into the strategy, doctrine, operations, and contingency plans of the Armed Forces of the United States.

(4) The commanders of the combatant commands should have access to responsive space capabilities that provide prompt, focused support in their theater of operations, which capabilities should compliment other national and Department of Defense space assets while providing direct and flexible support to the warfighter on the battlefield.

(5) The United States Space Transportation Policy of January 6, 2005, calls for the demonstration, before 2010, of an initial capability for operationally responsive access to and use of space to support the national security requirements of the United States.

(b) POLICY.—It is the policy of the United States—

(1) to demonstrate, acquire, and deploy an effective capability for operationally responsive space to support the warfighter from space; and

(2) that the capability described in paragraph (1) shall consist of—

(A) responsive satellite payloads;

(B) inexpensive space launch vehicles and range procedures that facilitate the timely launch of satellites;

(C) common technical standards for satellite busses; and

(D) a configuration of operations and command and control capabilities that permit the warfighter to exploit responsive space assets for combat operations.

(c) OPERATIONALLY RESPONSIVE SPACE HYBRID PROGRAM OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Hybrid Program Office (in this subsection referred to as the ''Office'').

(2) ELEMENTS.—The Office shall consist of elements of the Department of Defense selected by the Secretary from among the science and technology, acquisition, and operations elements of the Department having the capacity to contribute to the development of capabilities for operationally responsive space. Such elements shall be selected so as to achieve a balanced representation of the military departments in the Office in order to ensure proper acknowledgment of joint considerations in the activities of the Office.

(3) ORGANIZATION OF ELEMENTS.—The elements of the Office under paragraph (2) shall be organized by the Secretary into divisions as follows:

(A) A science and technology division that shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on payloads, bus, and launch equipment.

(B) An acquisition division that shall undertake the acquisition of systems necessary to procure, integrate, sustain, and launch assets for operationally responsive space.

(C) An operations division that shall—

(i) sustain and maintain assets for operationally responsive space prior to launch;

(ii) integrate and launch such assets; and

(iii) operate such assets in orbit.

(D) A combatant command support division that shall serve as the primary intermediary between the military departments and the combatant commands on operationally responsive space, including the integration of assets for operationally responsive space into—

(i) the operations plans of the combatant commands;

(ii) the training and tactics procedures of the military departments; and

(iii) military exercises, demonstrations, and war games.

(3) ACCOUNTABILITY.—The head of the Office shall report to the Executive Agent for Space of the Department of Defense regarding the activities of Office under this subsection.

(4) ACQUISITION AUTHORITY.—The acquisition activities of the Office shall be subject to the following:

(A) The Executive Agent for Space of the Department of Defense shall be the senior acquisition executive of the Office.

(B) The Joint Capabilities Integration and Development System process shall not apply to acquisitions by the Office.

(C) The commander of the United States Strategic Command, or a designate of the commander, shall—

(i) validate all system requirements for systems to be acquired by the Office; and

(ii) participate in the approval of any acquisition program initiated by the Office.

(D) The unit procurement cost of a launch vehicle procured by the Office may not exceed $20,000,000.

(E) The unit procurement cost of an integrated satellite procured by the Office may not exceed $40,000,000.

(5) ADJUSTMENT OF UNIT PROCUREMENT COST LIMITS.—The Executive Agent for Space shall adjust the amounts specified in subparagraphs (D) and (E) of paragraph (4) to take into account the effects of inflation. Such adjustment shall take place once every five years.

(d) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(B) An identification of the capabilities required by the Department to fulfill such mission.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Hybrid Program Office under subsection (c).

(D) The security classification level required for the Office in order to ensure that the Office carries out its responsibilities under subsection (c) in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to the Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A schedule for the implementation of the plan.

(G) The funding and personnel required to implement the plan over the course of the current future-years defense program under section 221 of title 10, United States Code.

(e) DEFINITIONS.—In this section:

(1) The term ''operationally responsive space'' means the development and launch of space assets upon demand in a low-cost manner.

(2) The term ''procurement unit cost'' has the meaning given that term in section 2432(a) of title 10, United States Code.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM ON PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section'' and inserting ''may be conducted through September 30, 2009''.

SEC. 913. INDEPENDENT REVIEW AND ASSESSMENT OF DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT FOR NATIONAL SECURITY IN SPACE.

(a) INDEPENDENT REVIEW AND ASSESSMENT REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for an independent review and assessment of the organization and management of the Department of Defense for national security in space.

(2) CONDUCT OF REVIEW.—The review and assessment shall be conducted by an appropriate entity outside the Department of Defense selected by the Secretary for purposes of this section.

(3) ELEMENTS.—The review and assessment shall address the following:

(A) The requirements of the Department of Defense for national security space capabilities, as identified by the Department, and the efforts of the Department to fulfill such requirements.

(B) The future space missions of the Department, and the plans of the Department to meet the future space missions.

(C) The actions that could be taken by the Department to modify the organization and management of the Department over the near-term, medium-term, and long-term in order to strengthen United States national security in space, and the ability of the Department to implement its requirements and carry out the future space missions, including the following:

(i) Actions to exploit existing and planned military space assets to provide support for United States military operations.

(ii) Actions to improve or enhance current interagency coordination processes regarding the operation of national security space assets, including improvements or enhancements in interoperability and communications.

(iii) Actions to improve or enhance the relationship between the intelligence aspects of national security space (so-called ''black space'') and the non-intelligence aspects of national security space (so-called ''white space'').

(iv) Actions to improve or enhance the manner in which military space issues are addressed by professional military education institutions.

(4) LIAISON.—The Secretary shall designate at least one senior civilian employee of the Department of Defense, and at least one general or flag officer of an Armed Force, to serve as liaison between the Department, the

Armed Forces, and the entity conducting the review and assessment.

(b) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the entity conducting the review and assessment shall submit to the Secretary and the congressional defense committees a report on the review and assessment.

(2) ELEMENTS.—The report shall include—

(A) the results of the review and assessment; and

(B) recommendations on the best means by which the Department may improve its organization and management for national security in space.

Subtitle C—Other Matters

SEC. 921. DEPARTMENT OF DEFENSE POLICY ON UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall, in consultation with the Chairman of the Joint Chiefs of Staff, develop a policy applicable throughout the Department of Defense on research, development, test, and evaluation, procurement, and operation of unmanned systems.

(b) ELEMENTS.—The policy required by subsection (a) shall include the following:

(1) Mission requirements (including mission requirements for the military departments and joint mission requirements) for unmanned systems to replace manned systems in the performance of routine or dangerous missions.

(2) A strategy and schedules for the replacement of manned systems with unmanned systems in the performance of such missions.

(3) Preference for joint unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.

(4) Joint development and procurement of unmanned systems and components.

(5) A strategy for the divestment of the military department unmanned systems unique to a particular department with a preference for joint unmanned systems.

(6) Programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems.

(7) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as executive agent for the Department on unmanned systems.

(8) Requirements for the integration of unmanned and manned missions.

(9) Requirements in order to satisfy the goals for unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the policy required by subsection (a).

SEC. 922. EXECUTIVE SCHEDULE LEVEL IV FOR DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS.

(a) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Deputy Under Secretary of Defense for Personnel and Readiness the following new item:

''Deputy Under Secretary of Defense for Logistics and Materiel Readiness.''.

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Under Secretary of Defense for Logistics and Materiel Readiness.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to individuals appointed as Deputy Under Secretary of Defense for Logistics and Materiel Readiness on or after that date.

SEC. 923. THREE-YEAR EXTENSION OF JOINT INCENTIVES PROGRAM ON SHARING OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

Section 8111(d)(4) of title 38, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

SEC. 924. SENSE OF SENATE ON NOMINATION OF INDIVIDUAL TO SERVE AS DIRECTOR OF OPERATIONAL TEST AND EVALUATION ON A PERMANENT BASIS.

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

(1) Congress established the position of Director of Operational Test and Evaluation of the Department of Defense in 1983 to ensure the operational effectiveness and suitability of weapon systems in combat.

(2) The Director of Operational Test and Evaluation serves as the principal adviser to the Secretary of Defense on operational test and evaluation and is vital to ensuring the operational effectiveness of weapon systems in combat.

(3) The position of Director of Operational Test and Evaluation has been held on an acting basis since February 15, 2005.

(b) SENSE OF SENATE.—It is the sense of the Senate that the President should submit to the Senate the nomination of an individual for the position of Director of Operational Test and Evaluation as soon as practicable.

SEC. 925. INCLUSION OF HOMELAND DEFENSE AND CIVIL SUPPORT MISSIONS OF THE NATIONAL GUARD AND RESERVES IN THE QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (15) as paragraph (16); and

(2) by inserting after paragraph (14) the following new paragraph (15):

''(15) The homeland defense mission and civil support missions of the active and reserve components of the armed forces, including the organization and capabilities required for the active and reserve components to discharge each such mission.''.

SEC. 926. REFORMS TO THE DEFENSE TRAVEL SYSTEM TO A FEE-FOR-USE-OF-SERVICE SYSTEM.

No later than one year after the enactment of this Act, the Secretary of Defense may not obligate or expend any funds related to the Defense Travel System except those funds obtained through a one-time, fixed price service fee per Department of Defense customer utilizing the system with an additional fixed fee for each transaction.

SEC. 927. REPORT ON INCORPORATION OF ELEMENTS OF THE RESERVE COMPONENTS INTO THE SPECIAL FORCES.

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

(1) The Quadrennial Defense Review recommends an increase in the size of the Special Operations Command and the Special Forces as a fundamental part of our efforts to fight the war on terror.

(2) The Special Forces play a crucial role in the war on terror, and the expansion of their force structure as outlined in the Quadrennial Defense Review should be fully funded.

(3) Expansion of the Special Forces should be consistent with the Total Force Policy.

(4) The Secretary of Defense should assess whether the establishment of additional reserve component Special Forces units and associated units is consistent with the Total Force Policy.

(5) Training areas in high-altitude and mountainous areas represent a national asset for preparing Special Forces units and personnel for duty in similar regions of Central Asia.

(b) REPORT ON INCORPORATION OF ELEMENTS INTO SPECIAL FORCES.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report to address whether units and capabilities should be incorporated into the reserve components of the Armed Forces as part of the expansion of the Special Forces as outlined in the Quadrennial Defense Review, and consistent with the Total Force Policy.

(c) REPORT ON SPECIAL FORCES TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the effort taken by the United States Special Operations Command to provide Special Forces training in high-altitude and mountainous areas within the United States.

Subtitle D—National Guard Bureau Matters

SEC. 931. SHORT TITLE.

This title may be cited as the ''National Defense Enhancement and National Guard Empowerment Act of 2006''.

SEC. 932. EXPANDED AUTHORITY OF CHIEF OF THE NATIONAL GUARD BUREAU AND EXPANDED FUNCTIONS OF THE NATIONAL GUARD BUREAU.

(a) EXPANDED AUTHORITY.—

(1) IN GENERAL.—Subsection (a) of section 10501 of title 10, United States Code, is amended by striking ''joint bureau of the Department of the Army and the Department of the Air Force'' and inserting ''joint activity of the Department of Defense''.

(2) PURPOSE.—Subsection (b) of such section is amended by striking ''between'' and all that follows and inserting ''between—

''(1)(A) the Secretary of Defense, the Joint Chiefs of Staff, and the commanders of the combatant commands for the United States, and (B) the Department of the Army and the Department of the Air Force; and

''(2) the several States.''.

(b) ENHANCEMENTS OF POSITION OF CHIEF OF THE NATIONAL GUARD BUREAU.—

(1) ADVISORY FUNCTION ON NATIONAL GUARD MATTERS.—Subsection (c) of section 10502 of title 10, United States Code, is amended by inserting ''to the Secretary of Defense, to the Chairman of the Joint Chiefs of Staff,'' after ''principal advisor''.

(2) GRADE.—Subsection (e) of such section, as redesignated by paragraph (2)(A)(i) of this subsection, is further amended by striking ''lieutenant general'' and inserting ''general''.

(3) ANNUAL REPORT TO CONGRESS ON VALIDATED REQUIREMENTS.—Section 10504 of such title is amended by adding at the end the following new subsection:

''(c) ANNUAL REPORT ON VALIDATED REQUIREMENTS.—Not later than December 31 each year, the Chief of the National Guard Bureau shall submit to Congress a report on the requirements validated under section 10503a(b)(1) of this title during the preceding fiscal year.''.

(c) ENHANCEMENT OF FUNCTIONS OF NATIONAL GUARD BUREAU.—

(1) DEVELOPMENT OF CHARTER.—Section 10503 of title 10, United States Code, is amended—

(A) in the matter preceding paragraph (1), by striking ''The Secretary of the Army and the Secretary of the Air Force shall jointly develop'' and inserting ''The Secretary of Defense, in consultation with the Secretary of the Army and the Secretary of the Air Force, shall develop''; and

(B) in paragraph (12), by striking ''the Secretaries'' and inserting ''the Secretary of Defense''.

(2) ADDITIONAL GENERAL FUNCTIONS.—Such section is further amended—

(A) by redesignating paragraph (12), as amended by paragraph (1)(B) of this subsection, as paragraph (13); and

(B) by inserting after paragraph (11) the following new paragraph (12):

''(12) Facilitating and coordinating with other Federal agencies, and with the several States, the use of National Guard personnel and resources for and in contingency operations, military operations other than war, natural disasters, support of civil authorities, and other circumstances.''.

(3) MILITARY ASSISTANCE FOR CIVIL AUTHORITIES.—Chapter 1011 of such title is further amended by inserting after section 10503 the following new section:

''§ 10503a. Functions of National Guard Bureau: military assistance to civil authorities

''(a) IDENTIFICATION OF ADDITIONAL NECESSARY ASSISTANCE.—The Chief of the National Guard Bureau shall—

''(1) identify gaps between Federal and State capabilities to prepare for and respond to emergencies; and

''(2) make recommendations to the Secretary of Defense on programs and activities of the National Guard for military assistance to civil authorities to address such gaps.

''(b) SCOPE OF RESPONSIBILITIES.—In meeting the requirements of subsection (a), the Chief of the National Guard Bureau shall, in coordination with the Adjutant Generals of the States, have responsibilities as follows:

''(1) To validate the requirements of the several States and Territories with respect to military assistance to civil authorities.

''(2) To develop doctrine and training requirements relating to the provision of military assistance to civil authorities.

''(3) To administer amounts provided the National Guard for the provision of military assistance to civil authorities.

''(4) To carry out any other responsibility relating to the provision of military assistance to civil authorities as the Secretary of Defense shall specify.

''(c) ASSISTANCE.—The Chairman of the Joint Chiefs of Staff shall assist the Chief of the National Guard Bureau in carrying out activities under this section.

''(d) CONSULTATION.—The Chief of the National Guard Bureau shall carry out activities under this section in consultation with the Secretary of the Army and the Secretary of the Air Force.''.

(4) LIMITATION ON INCREASE IN PERSONNEL OF NATIONAL GUARD BUREAU.—The Secretary of Defense shall, to the extent practicable, ensure that no additional personnel are assigned to the National Guard Bureau in order to address administrative or other requirements arising out of the amendments made by this subsection.

(d) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of section 10503 of such title is amended to read as follows:

''§ 10503. Functions of National Guard Bureau: charter''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1011 of such title is amended by striking the item relating to section 10503 and inserting the following new items:

''10503. Functions of National Guard Bureau: charter.

''10503a. Functions of National Guard Bureau: military assistance to civil authorities.''.

SEC. 933. REQUIREMENT THAT POSITION OF DEPUTY COMMANDER OF THE UNITED STATES NORTHERN COMMAND BE FILLED BY A QUALIFIED NATIONAL GUARD OFFICER.

(a) IN GENERAL.—The position of Deputy Commander of the United States Northern Command shall be filled by a qualified officer of the National Guard who is eligible for promotion to the grade of lieutenant general.

(b) PURPOSE.—The purpose of the requirement in subsection (a) is to ensure that information received from the National Guard Bureau regarding the operation of the National Guard of the several States is integrated into the plans and operations of the United States Northern Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) AGGREGATE LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $4,000,000,000.

(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 AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF ADDITIONAL EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

(a) IRAQ, AFGHANISTAN, AND THE GLOBAL WAR ON TERROR.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234).

(b) HURRICANE DISASTER RELIEF AND RECOVERY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

(c) BORDER SECURITY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title V of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE TO SAVINGS RELATING TO LOWER INFLATION.

(a) REDUCTION.—The aggregate amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of all the amounts authorized to be appropriated by such titles reduced by $951,469,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation as a result of a review of the inflation assumptions used in the preparation of the budget of the President for fiscal year 2007, as submitted to Congress pursuant to section 1005 of title 31, United States Code.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in titles I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to such accounts.

SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$5,000,000,000''.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions

for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. MODIFICATION OF DATE OF SUBMITTAL OF OMB/CBO REPORT ON SCORING OF OUTLAYS.

Section 226(a) of title 10, United States Code, is amended by striking ''January 15 of each year'' and inserting ''April 1 of each year''.

SEC. 1007. PROHIBITION ON PARKING OF FUNDS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773a the following new section:

''§ 2773b. Parking of funds: prohibition; penalties

''(a) PROHIBITION.—An officer or employee of the Department of Defense may not direct the designation of funds for a particular purpose in the budget of the President, as submitted to Congress pursuant to section 1105 of title 31, or the supporting documents of the Department of Defense component of such budget, with the knowledge or intent that such funds, if made available to the Department, will not be used for the purpose for which they are designated.

''(b) PENALTIES.—The direction of the designation of funds in violation of the prohibition in subsection (a) shall be treated for purposes of chapter 13 of title 31 as a violation of section 1341(a)(1)(A) of title 31.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2773a the following new item:

''2773b. Parking of funds: prohibition; penalties.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 31 days after the date of the enactment of this Act.

(2) MODIFICATION OF CERTAIN POLICIES AND REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall modify the policies and regulations of the Department of Defense regarding the preparation and submittal to Congress of budget materials for the Department of Defense to take into account the provisions of section 2773b of title 10, United States Code (as added by subsection (a)).

SEC. 1008. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on Armed Services of the Senate to accompany S. 2766 of the 109th Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for such program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1009. REPORTS TO CONGRESS AND NOTICE TO PUBLIC ON EARMARKS IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT AND NOTICE REQUIRED.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense available to the public, each year information as follows:

(1) A description of each earmark of funds made available to the Department of Defense for the previous fiscal year, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be utilized, the purpose of such earmark (if known), and the recipient of such earmark.

(2) The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.

(3) The total cost of administering all such earmarks.

(4) An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:

(A) A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department.

(B) B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department.

(C) C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department.

(D) D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

(E) F for an earmark that distracts from or otherwise impedes that capacity of the Department to meet the primary goals of the Department.

(b) EARMARK DEFINED.—In this section, the term ''earmark'' means a provision of law, or a directive contained within a joint explanatory statement or report accompanying a conference report or bill (as applicable), that specifies the identity of an entity, program, project, or service, including a defense system, to receive assistance not requested by the President and the amount of the assistance to be so received.

Subtitle B—Naval Vessels

SEC. 1011. REPEAL OF REQUIREMENT FOR 12 OPERATIONAL AIRCRAFT CARRIERS WITHIN THE NAVY.

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

(1) by striking subsection (b); and

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

SEC. 1012. APPROVAL OF TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BY VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended by inserting ''or vessel of that class'' after ''that vessel''.

SEC. 1013. NAMING OF CVN–78 AIRCRAFT CARRIER AS THE U.S.S. GERALD FORD.

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

(1) Gerald R. Ford has served his country with honor and distinction for the past 64 years, and continues to serve.

(2) Gerald R. Ford joined the United States Naval Reserve in 1942 and served valiantly at sea on the U.S.S. Monterey (CVL–26) during World War II, taking part in major operations in the Pacific, including at Makin Island, Kwajalein, Truk, Saipan, and the Philippine Sea.

(3) The U.S.S. Monterey earned 10 battle stars, awarded for participation in battle, while Gerald R. Ford served on the vessel.

(4) Gerald R. Ford was first elected to the House of Representatives in 1948.

(5) In the course of 25 years of service in the House of Representatives, Gerald R. Ford distinguished himself by his exemplary record for character, decency, and trustworthiness.

(6) Throughout his service in Congress, Gerald R. Ford was an ardent proponent of strong national defense and international leadership by the United States.

(7) From 1965 to 1973, Gerald R. Ford served as minority leader of the House of Representatives, raising the standard for bipartisanship in his tireless fight for freedom, hope, and justice.

(8) In 1973, Gerald R. Ford was appointed by President Nixon to the office of Vice President of the United States with the overwhelming support of Congress.

(9) From 1974 to 1976, Gerald R. Ford served as the 38th President of the United States, taking office during one of the most challenging periods in the history of the United States and restoring the faith of the people of the United States in the office of the President through his steady leadership, courage, and ultimate integrity.

(10) President Gerald R. Ford helped restore the prestige of the United States in the world community by working to achieve peace in the Middle East, preserve détente with the Soviet Union, and set new limits on the spread of nuclear weapons.

(11) President Gerald R. Ford served as Commander in Chief of the Armed Forces of the United States with great dignity, supporting a strong Navy and a global military presence for the United State and honoring the men and women of the Armed Forces of the United States.

(12) Since leaving the office of President, Gerald R. Ford has been an international ambassador of American goodwill, a noted scholar and lecturer, a strong supporter of human rights, and a promoter of higher education.

(13) Gerald R. Ford was awarded the Medal of Freedom and the Congressional Gold Medal in 1999 in recognition of his contribution to the Nation.

(14) As President, Gerald R. Ford bore the weight of a constitutional crisis and guided the Nation on a path of healing and restored hope, earning forever the enduring respect and gratitude of the Nation.

(b) NAMING OF CVN–78 AIRCRAFT CARRIER.—CVN–78, a nuclear powered aircraft carrier of the Navy, shall be named the U.S.S. Gerald Ford.

SEC. 1014. AUTHORITY TO DONATE SS ARTHUR M. HUDDELL TO THE GOVERNMENT OF GREECE.

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

(1) It is in the economic and environmental interests of the United States to promote the disposal of vessels in the National Defense Reserve Fleet that are of insufficient value to warrant further preservation.

(2) The Maritime Administration of the Department of Transportation has been authorized to make such disposals, including the sale and recycling of such vessels and the donation of such vessels to any State, commonwealth, or possession of the United States, and to nonprofit organizations.

(3) The government of Greece has expressed an interest in obtaining and using the ex-Liberty ship, SS ARTHUR M. HUDDELL, for purposes of a museum exhibit.

(4) It is in the interest of the United States to authorize the Maritime Administration to donate SS ARTHUR M. HUDDELL to Greece.

(b) DONATION OF SS ARTHUR M. HUDDELL TO GOVERNMENT OF GREECE.—Notwithstanding Section 510(j) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1158), the Secretary of Transportation is authorized to transfer SS ARTHUR M. HUDDELL, by gift, to the Government of Greece, in accordance with terms and conditions determined by the Secretary.

(c) ADDITIONAL EQUIPMENT.—The Secretary may convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet to assist the Government of Greece under this section for purposes of the museum exhibit referred to in subsection (a)(3).

Subtitle C—Counterdrug Matters

SEC. 1021. EXTENSION OF AVAILABILITY OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''2005 and 2006'' and inserting ''2005 through 2008''; and

(2) in subsection (c), by striking ''2005 and 2006'' and inserting ''2005 through 2008''.

SEC. 1022. EXTENSION OF AUTHORITY OF DEPARTMENT OF DEFENSE TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

Section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 1023. EXTENSION AND EXPANSION OF CERTAIN AUTHORITIES TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES.

(a) CONCURRENCE OF SECRETARY OF STATE IN PROVISION OF SUPPORT.—Paragraph (1) of subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), as amended by section 1021 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136: 117 Stat. 1593), is further amended by striking ''shall consult with'' and inserting ''shall seek the concurrence of''.

(b) EXTENSION OF AUTHORITY.—Paragraph (2) of such subsection is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

(c) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section 1033, as so amended, is further amended by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.
''(11) The Government of Kazakhstan.
''(12) The Government of Kyrgyzstan.
''(13) The Government of Armenia.
''(14) The Government of Niger.
''(15) The Government of Mauritania.
''(16) The Government of Mali.
''(17) The Government of Chad.
''(18) The Government of Indonesia.
''(19) The Government of Philippines.
''(20) The Government of Thailand.
''(21) The Government of Malaysia.
''(22) The Government of Guatemala.
''(23) The Government of Belize.
''(24) The Government of Panama.''.

(d) TYPES OF SUPPORT.—Subsection (c)(2) of such section 1033, as so amended, is further amended by inserting '', vehicles, and, subject to section 484(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c(a)), aircraft, and detection, interception, monitoring, and testing equipment'' after ''patrol boats''.

(e) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section 1033, as so amended, is further amended—

(1) by striking ''or $40,000,000'' and inserting ''$40,000,000''; and

(2) by inserting before the period at the end the following: '', or $80,000,000 during any of the fiscal years 2007 through 2008''.

(f) ANNUAL REPORT ON SUPPORT PROVIDED TO ADDITIONAL GOVERNMENTS.—Such section 1033 is further amended by adding at the end the following new subsection:

''(i) ANNUAL REPORT ON SUPPORT PROVIDED TO CERTAIN GOVERNMENTS.—Not later than November 30 each year through 2008, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a comprehensive report on the support provided under this section during the preceding fiscal year to each government referred to in paragraphs (1) through (24) of subsection (b).''.

SEC. 1024. OPERATION BAHAMAS, TURKS & CAICOS.

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

(1) In 1982 the United States Government created Operation Bahamas, Turks & Caicos (OPBAT) to counter the smuggling of cocaine into the United States.

(2) According to the Drug Enforcement Agency, an estimated 80 percent of the cocaine entering the United States in the 1980s came through the Bahamas, whereas, according to the Office of National Drug Control Policy, only an estimated 10 percent comes through the Bahamas today.

(3) According to the Drug Enforcement Agency, more than 80,000 kilograms of cocaine and nearly 700,000 pounds of marijuana have been seized in Operation Bahamas, Turks & Caicos since 1986, with a combined street value of approximately two trillion dollars.

(4) The Army has provided military airlift to law enforcement officials under Operation Bahamas, Turks & Caicos to create an effective, reliable, and immediate response capability for drug interdiction. This support is largely responsible for the decline in cocaine shipments to the United States through the Bahamas.

(5) The Bahamas is an island nation composed of approximately 700 islands and keys, which makes aviation assets the best and most efficient method of transporting law enforcement agents and interdicting smugglers.

(6) It is in the interests of the United States to maintain the results of the successful Operation Bahamas, Turks & Caicos program and prevent drug smugglers from rebuilding their operations through the Bahamas.

(b) REPORT ON UNITED STATES GOVERNMENT SUPPORT FOR OPBAT.—

(1) REPORT ON DECISION TO WITHDRAW.—Not later than 30 days before implementing a decision to withdraw Department of Defense helicopters from Operation Bahamas, Turks & Caicos, the Secretary of Defense shall submit to the Congress a report outlining the plan for the coordination of the Operation Bahamas, Turks & Caicos mission, at the same level of effectiveness, using other United States Government assets.

(2) CONSULTATION.—The Secretary of Defense shall consult with the Secretary of State, the Attorney General, and the Secretary of Homeland Security, and with other appropriate officials of the United States Government, in preparing the report under paragraph (1).

(3) ELEMENTS.—The report under paragraph (1) on the withdrawal of equipment referred to in that paragraph shall include the following:

(A) An explanation of the military justification for the withdrawal of the equipment.

(B) An assessment of the availability of other options (including other Government helicopters) to provide the capability being provided by the equipment to be withdrawn.

(C) An explanation of how each option specified under subparagraph (B) will provide the capability currently provided by the equipment to be withdrawn.

(D) An assessment of the potential use of unmanned aerial vehicles in Operation Bahamas, Turks & Caicos, including the capabilities of such vehicles and any advantages or disadvantages associated with the use of such vehicles in that operation, and a recommendation on whether or not to deploy such vehicles in that operation.

Subtitle D—Defense Intelligence and Related Matters

SEC. 1031. TWO-YEAR EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2008''.

SEC. 1032. ANNUAL REPORT ON INTELLIGENCE OVERSIGHT ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees and the congressional intelligence committees a report on the intelligence oversight activities of the Department of Defense during the previous calendar year.

(b) ELEMENTS.—Each report under subsection (a) shall include, for the calendar year covered by such report, the following:

(1) A description of any questionable intelligence activity that came to the attention of any General Counsel or Inspector General within the Department of Defense, or the Under Secretary of Defense for Intelligence, and a description of the actions taken by such official with respect to such activity.

(2) A description of the results of intelligence oversight inspections undertaken by each of the following:

(A) The Office of the Secretary of Defense.
(B) Each military department.
(C) Each combat support agency.
(D) Each field operating agency.

(3) A description of any changes made in—

(A) any program for the intelligence oversight activities of the Department of Defense, including any training program; or

(B) any published directive or policy memoranda on the intelligence or intelligence-related activities of—

(i) any military department;
(ii) any combat support agency; or
(iii) any field operating agency.

(c) DEFINITIONS.—In this section:

(1) The term ''combat support agency'' has the meaning given that term in section 193(f) of title 10, United States Code.

(2) The term ''congressional intelligence committees'' has the meaning given that term in section 3(7) of the National Security Act of 1947 (50 U.S.C. 401a(7)).

(3) The term ''field operating agency'' means a specialized subdivision of the Department of Defense that carries out activities under the operational control of the Department.

(4) The term ''intelligence oversight activities of the Department of Defense'' refers to any activity undertaken by an agency, element, or component of the Department of Defense to ensure compliance with regard to requirements or instructions on the intelligence and intelligence-related activities of the Department under law or any Executive order or Presidential directive (including Executive Order No. 12333).

(5) The term ''questionable intelligence activity'' means an intelligence or intelligence-related activity of the Department of Defense that may violate the law or any Executive order or Presidential directive (including Executive Order No. 12333).

SEC. 1033. ADMINISTRATION OF PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) TRANSFER OF ADMINISTRATION TO SECRETARY OF DEFENSE.—

(1) IN GENERAL.—Administration of the pilot project on the establishment of a Civilian Linguist Reserve Corps required by section 613 of the Intelligence Authorization Act for Fiscal Year 2005 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C. 403–1b note) is hereby transferred from the Director of National Intelligence to the Secretary of Defense.

(2) CONFORMING AMENDMENTS.—Section 613 of the Intelligence Authorization Act for Fiscal Year 2005 is amended—

(A) by striking ''Director of National Intelligence'' each place it appears and inserting ''Secretary of Defense''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) DISCHARGE OF PROJECT.—Subsection (a) of such section is further amended by adding at the end the following new sentence: ''The Secretary shall carry out the pilot project through the National Security Education Program.''.

(c) REPEAL OF SPECIFICATION OF DURATION OF PROJECT.—Such section is further amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(d) MODIFICATION OF REPORT REQUIREMENTS.—Subsection (d) of such section, as redesignated by subsection (b) of this section, is further amended—

(1) in paragraph (1), by striking ''an initial and a final report'' and inserting ''a report'';

(2) in paragraph (2), by striking ''Each report'' and inserting ''The report''; and

(3) in paragraph (3), by striking ''final report'' and inserting ''report required under paragraph (1)''.

(e) REPEAL OF SUPERSEDED AUTHORIZATION.—Such section is further amended by striking subsection (f).

SEC. 1034. IMPROVEMENT OF AUTHORITIES ON THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) EXPANSION OF EMPLOYMENT CREDITABLE UNDER SERVICE AGREEMENTS.—Paragraph (2) of subsection (b) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended to read as follows:

''(2)(A) will (in accordance with regulations prescribed by the Secretary of Defense in coordination with the heads of the other Federal departments and agencies concerned) begin work not later than three years after the recipient's completion of degree study during which scholarship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); or

''(B) will (in accordance with such regulations) begin work not later than two years after the recipient's completion or termination of study for which fellowship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); and''.

(b) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—Such section is further amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

''(h) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—

''(1) IN GENERAL.—The Secretary of Defense may—

''(A) appoint or retain a person provided scholarship or fellowship assistance under the program in a position in the Department of Defense on an interim basis during the period of the person's pursuit of a degree under the program and for a period not to exceed two years after completion of the degree, but only if, in the case of the period after completion of the degree—

''(i) there is no appropriate permanent position for the person under subsection (b)(2)(A); and

''(ii) there is an active and ongoing effort to identify and assign the person to an appropriate permanent position as soon as possible; and

''(B) if there is no appropriate permanent position available for the person after the end of the periods described in subparagraph (A), separate the person from employment with the Department without regard to any other provision of law, in which event the service agreement of the person under subsection (b) shall terminate.

''(2) TREATMENT OF CERTAIN SERVICE.—The period of service of a person covered by paragraph (1) in a position on an interim basis under that paragraph shall, after completion of the degree, be treated as a period of service for purposes of satisfying the obligated service requirements of the person under the service agreement of the person under subsection (b).''.

(c) PLAN FOR IMPROVING PROGRAM.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for improving the recruitment, placement, and retention within the Department of Defense of individuals who receive scholarships or fellowships under the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) in order to facilitate the purposes of that Act in meeting the requirements of the Department in acquiring individuals with critical foreign language skills and individuals who are regional experts.

SEC. 1035. COLLECTION BY NATIONAL SECURITY AGENCY OF SERVICE CHARGES FOR CERTIFICATION OR VALIDATION OF INFORMATION ASSURANCE PRODUCTS.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

''SEC. 20.(a) The Director may collect charges for evaluating, certifying, or validating information assurance products under the National Information Assurance Program or successor program.

''(b) The charges collected under subsection (a) shall be established through a public rulemaking process in accordance with Office of Management and Budget Circular No. A–25.

''(c) Charges collected under subsection (a) shall not exceed the direct costs of the program referred to in that subsection.

''(d) The appropriation or fund bearing the cost of the service for which charges are collected under the program referred to in subsection (a) may be reimbursed, or the Director may require advance payment subject to such adjustment on completion of the work as may be agreed upon.

''(e) Amounts collected under this section shall be credited to the account or accounts from which costs associated with such amounts have been or will be incurred, to reimburse or offset the direct costs of the program referred to in subsection (a).''.

SEC. 1036. FUNDING FOR A CERTAIN MILITARY INTELLIGENCE PROGRAM.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $450,000,000.

(b) OFFSET.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby decreased by $450,000,000, with the amount of the reduction to be allocated to amounts available for a classified program as described on page 34 of Volume VII (Compartmented Annex) of the Fiscal Year 2007 Military Intelligence Program justification book.

Subtitle E—Defense Against Terrorism and Related Security Matters

SEC. 1041. ENHANCEMENT OF AUTHORITY TO PAY MONETARY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

Section 127b(c) of title 10, United States Code, is amended—

(1) in paragraph (1)(B), by inserting ''or to a subcommander of a combatant command designated by the commander of the combatant command and approved by an Under Secretary of Defense to whom such authority is delegated under subparagraph (A),'' after ''combatant command''; and

(2) in paragraph (2), by striking ''$2,500'' and inserting ''$10,000''.

SEC. 1042. USE OF THE ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.

(a) USE OF THE ARMED FORCES AUTHORIZED.—

(1) IN GENERAL.—Section 333 of title 10, United States Code, is amended to read as follows:

''§ 333. Major public emergencies; interference with State and Federal law

''(a) USE OF ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.—(1) The President may employ the armed forces, including the National Guard in Federal service, to—

''(A) restore public order and enforce the laws of the United States when, as a result of a natural disaster, epidemic, or other serious public health emergency, terrorist attack or incident, or other condition in any State or possession of the United States, the President determines that—

''(i) domestic violence has occurred to such an extent that the constituted authorities of the State or possession are incapable of maintaining public order; and

''(ii) such violence results in a condition described in paragraph (2); or

''(B) suppress, in a State, any insurrection, domestic violence, unlawful combination, or conspiracy if such insurrection, violation, combination, or conspiracy results in a condition described in paragraph (2).

''(2) A condition described in this paragraph is a condition that—

''(A) so hinders the execution of the laws of a State or possession, as applicable, and of the United States within that State or possession, that any part or class of its people is deprived of a right, privilege, immunity, or protection named in the Constitution and secured by law, and the constituted authorities of that State or possession are unable, fail, or refuse to protect that right, privilege, or immunity, or to give that protection; or

''(B) opposes or obstructs the execution of the laws of the United States or impedes the course of justice under those laws.

''(3) In any situation covered by paragraph (1)(B), the State shall be considered to have denied the equal protection of the laws secured by the Constitution.

''(b) NOTICE TO CONGRESS.—The President shall notify Congress of the determination to exercise the authority in subsection (a)(1)(A) as soon as practicable after the determination and every 14 days thereafter during the duration of the exercise of the authority.''.

(2) PROCLAMATION TO DISPERSE.—Section 334 of such title is amended by inserting ''or those obstructing the enforcement of the laws'' after ''insurgents''.

(3) HEADING AMENDMENT.—The heading of such 15 of such title is amended to read as follows:

''CHAPTER 15—ENFORCEMENT OF THE LAWS TO RESTORE PUBLIC ORDER''.

(4) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 15 and inserting the following new item:

''15. Enforcement of the Laws To Restore Public Order ..... 331''.

(B) The table of sections at the beginning of chapter 15 of such title is amended by striking the item relating to sections 333 and inserting the following new item:

''333. Major public emergencies; interference with State and Federal law.''.

(b) PROVISION OF SUPPLIES, SERVICES, AND EQUIPMENT.—

(1) IN GENERAL.—Chapter 152 of such title is amended by adding at the end the following new section:

''§ 2567. Provision of supplies, services, and equipment in major public emergencies

''(a) PROVISION AUTHORIZED.—In any situation in which the President determines to exercise the authority in section 333(a)(1)(A) of this title, the President may direct the Secretary of Defense to provide supplies, services, and equipment to persons affected by the situation.

''(b) COVERED SUPPLIES, SERVICES, AND EQUIPMENT.—The supplies, services, and equipment provided under this section may include food, water, utilities, bedding, transportation, tentage, search and rescue, medical care, minor repairs, the removal of debris, and other assistance necessary for the immediate preservation of life and property.

''(c) LIMITATIONS.—(1) Supplies, services, and equipment may be provided under this section—

''(A) only to the extent that the constituted authorities of the State or possession concerned are unable to provide such supplies, services, and equipment, as the case may be; and

''(B) only until such authorities, or other departments or agencies of the United States charged with the provision of such supplies, services, and equipment, are able to provide such supplies, services, and equipment.

''(2) The Secretary may provide supplies, services, and equipment under this section only to the extent that the Secretary determines that doing so will not interfere with military preparedness or ongoing military operations or functions.

''(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—The provision of supplies, services, or equipment under this section shall not be subject to the provisions of section 403(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).''.

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

''2567. Provision of supplies, services, and equipment in major public emergencies.''.

(c) CONFORMING AMENDMENTS.—Section 12304(c) of such title is amended—

(1) by striking paragraph (1); and

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

SEC. 1043. TREATMENT UNDER FREEDOM OF INFORMATION ACT OF CERTAIN CONFIDENTIAL INFORMATION SHARED WITH STATE AND LOCAL PERSONNEL.

Confidential business information and other sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared, pursuant to section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482), with State and local personnel involved in the prevention, interdiction, or disruption of, or response to, terrorist activity shall not be subject to disclosure under section 552 of title 5, United States Code (commonly referred to as the ''Freedom of Information Act''), by virtue of the sharing of such information with such personnel.

SEC. 1044. TEMPORARY NATIONAL GUARD SUPPORT FOR SECURING THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—(1) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to annual training duty under section 502(a) of title 32, United States Code, to carry out in any State along the southern land border of the United States the activities authorized in subsection (b) for the purpose of securing such border. Such duty shall not exceed 21 days in any year.

(2) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to perform duty under section 502(f) of title 32, United States Code, to provide command, control, and continuity of support for units and personnel performing annual training duty under paragraph (1).

(b) AUTHORIZED ACTIVITIES.—The activities authorized by this subsection are the following:

(1) Ground surveillance activities.

(2) Airborne surveillance activities.

(3) Logistical support.

(4) Provision of translation services and training.

(5) Provision of administrative support services.

(6) Provision of technical training services.

(7) Provision of emergency medical assistance and services.

(8) Provision of communications services.

(9) Rescue of aliens in peril.

(10) Construction of roadways, patrol roads, fences, barriers, and other facilities to secure the southern land border of the United States.

(11) Ground and air transportation.

(c) COOPERATIVE AGREEMENTS.—Units and personnel of the National Guard of a State may perform activities in another State under subsection (a) only pursuant to the terms of an emergency management assistance compact or other cooperative arrangement entered into between the Governors of such States for purposes of this section, and only with the approval of the Secretary of Defense.

(d) COORDINATION OF ASSISTANCE.—The Secretary of Homeland Security shall, in consultation with the Secretary of Defense and the Governors of the States concerned, coordinate the performance of activities under this section by units and personnel of the National Guard.

(e) ANNUAL TRAINING.—Annual training duty performed by members of the National Guard under this section shall be appropriate for the units and individual members concerned, taking into account the types of units and military occupational specialties of individual members performing such duty.

(f) PROHIBITION ON DIRECT PARTICIPATION IN LAW ENFORCEMENT.—Activities carried out under this section shall not include the direct participation of a member of the National Guard in a search, seizure, arrest, or similar activity.

(g) DURATION OF AUTHORITY.—The authority of this section shall expire on January 1, 2009.

(h) DEFINITIONS.—In this section:

(1) The term ''Governor of a State'' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(2) The term ''State'' means each of the several States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) The term ''State along the southern land border of the United States'' means each of the following:

(A) The State of Arizona.

(B) The State of California.

(C) The State of New Mexico.

(D) The State of Texas.

Subtitle F—Miscellaneous Authorities on Availability and Use of Funds

SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSEMENT FROM NON-FEDERAL SOURCES TO DEFRAY DEPARTMENT OF DEFENSE COSTS OF CONFERENCES.

(a) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2262. Department of Defense conferences: collection of fees to cover Department of Defense costs

''(a) IN GENERAL.—(1) The Secretary of Defense may, whether directly or by contract, collect fees from any individual or commercial participant in a conference, seminar, exhibition, symposium, or similar meeting (in this section referred to collectively as a 'conference') conducted by the Department of Defense.

''(2) Fees may be collected with respect to a conference under this subsection in advance of the conference.

''(3) The total amount of fees collected under this subsection with respect to a conference may not exceed the costs of the Department of Defense with respect to the conference.

''(b) TREATMENT OF COLLECTIONS.—(1) Amounts collected under subsection (a) with respect to a conference shall be credited to the appropriation or account from which the costs of the conference are paid.

''(2) In the event the total amount of fees collected with respect to a conference exceeds the costs of the Department with respect to the conference, the amount of such excess shall be deposited into the Treasury as miscellaneous receipts.

''(3) Amounts credited to an appropriation or account under paragraph (1) with respect to a conference shall be available to pay the costs of the Department with respect to the conference or to reimburse the Department for costs incurred with respect to the conference.

''(c) ANNUAL REPORTS.—(1) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the use of the authority under this section.

''(2) Each report under this subsection shall include the following:

''(A) A list of conferences during the last two calendar years for which fees were collected under subsection (a).

''(B) For each conference listed under subparagraph (A)—

''(i) The estimated costs of the Department for such conference.

''(ii) The actual costs of the Department for such conference, including a separate statement of the amount of any conference coordinator fees associated with such conference.

''(iii) The amount for collected under subsection (a) for such conference.

''(C) An estimate of the number of conferences to be conducted in the calendar year of such report for which the Department will collect fees under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following new item:

''2262. Department of Defense conferences: collection of fees to cover Department of Defense costs.''.

SEC. 1052. MINIMUM ANNUAL PURCHASE AMOUNTS FOR AIRLIFT FROM CARRIERS PARTICIPATING IN THE CIVIL RESERVE AIR FLEET.

(a) IN GENERAL.—Chapter 931 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet

''(a) IN GENERAL.—The Secretary of Defense may award to air carriers participating in the Civil Reserve Air Fleet on a fiscal year basis a one-year contract for airlift services with a minimum purchase amount determined in accordance with this section.

''(b) MINIMUM PURCHASE AMOUNT.—(1) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year shall be based on forecast needs, but may not exceed the amount equal to 80 percent of the annual average expenditure of the Department of Defense for airlift during the five-fiscal year period ending in the fiscal year before the fiscal year for which such contracts are awarded.

''(2) In calculating the annual average expenditure of the Department of Defense for airlift for purposes of paragraph (1), the Secretary of Defense may omit from the calculation any fiscal year exhibiting unusually high demand for airlift if the Secretary determines that the omission of such fiscal year from the calculation will result in a more accurate forecast of anticipated airlift for purposes of that paragraph.

''(3) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year, as determined under paragraph (1), shall be allocated among all carriers awarded contracts under that subsection for such fiscal year in proportion to the commitments of such carriers to the Civil Reserve Air Fleet for such fiscal year.

''(c) ADJUSTMENT TO MINIMUM PURCHASE AMOUNT FOR PERIODS OF UNAVAILABILITY OF AIRLIFT.—In determining the minimum purchase amount payable under a contract under subsection (a) for airlift provided by a carrier during the fiscal year covered by such contract, the Secretary of Defense may adjust the amount allocated to the carrier under subsection (b)(3) to take into account periods during such fiscal year when services of the carrier are unavailable for usage by the Department of Defense, including during periods of refused business or suspended operations or when the carrier is placed in non-use status pursuant to section 2640 of this title for safety issues.

''(d) DISTRIBUTION OF AMOUNTS.—If any amount available under this section for the minimum purchase of airlift from a carrier for a fiscal year under a contract under subsection (a) is not utilized to purchase airlift from the carrier in such fiscal year, such amount shall be provided to the carrier prior to the first day of the following fiscal year.

''(e) TRANSFER OF FUNDS.—At the beginning of each fiscal year, the Secretary of each military department shall transfer to the transportation working capital fund a percentage of the total amount anticipated to be required in such fiscal year for payment of minimum purchase amounts under all contracts awarded under subsection (a) for such fiscal year equivalent to the percentage of the anticipated use of airlift by such military department during such fiscal year from all carriers under contracts awarded under subsection (a) for such fiscal year.

''(f) AVAILABILITY OF AIRLIFT.—(1) From the total amount of airlift available for a fiscal year under all contracts awarded under subsection (a) for such fiscal year, a military department shall be entitled to obtain a percentage of such airlift equivalent to the percentage of the contribution of the military department to the transportation working capital fund for such fiscal year under subsection (e).

''(2) A military department may transfer any entitlement to airlift under paragraph (1) to any other military department or to any other agency, element, or component of the Department of Defense.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 931 of such title is amended by adding at the end the following new item:

''9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet.''.

SEC. 1053. INCREASED FLEXIBILITY IN USE OF FUNDS FOR JOINT STAFF EXERCISES.

(a) IN GENERAL.—Amounts available to the Chairman of the Joint Chiefs of Staff for joint staff exercises may be available for any expenses as follows:

(1) Expenses of the Armed Forces in connection with such exercises, including expense relating to self-deploying watercraft under the jurisdiction of a military department.

(2) Expenses relating to the costs of port support activities in connection with such exercises, including transportation and port handling.

(3) Expenses relating to the breakout and operation of prepositioned watercraft and lighterage for joint logistics and over the shore exercises in connection with such exercises.

(b) SUPPLEMENT NOT SUPPLANT.—Any amounts made available by the Chairman of the Joint Chiefs of Staff under subsection (a) for expenses covered by that subsection are in addition to any other amounts available under law for such expenses.

SEC. 1054. STRENGTHENING THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

For purposes of discharging the duties of the Special Inspector General for Iraq Reconstruction under subsection (f) of section 3001 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (5 U.S.C. 8G note), and for purposes of determining the date of termination of the Office of the Special Inspector General under subsection (o) of such section, any funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, regardless of how such funds may be designated, shall be treated as amounts appropriated or otherwise made available for the Iraq Relief and Reconstruction Fund.

Subtitle G—Report Matters

SEC. 1061. REPORT ON CLARIFICATION OF PROHIBITION ON CRUEL, INHUMAN, OR DEGRADING TREATMENT OR PUNISHMENT.

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

(1) It is critical that members of the Armed Forces have clear guidelines about the legality of interrogation techniques as they seek critical intelligence in the War on Terrorism.

(2) To avoid confusion, any determination made about the legality of various interrogation techniques must be consistent across the United States Government.

(3) Confusion continues about the permissibility of various interrogation techniques, even after the enactment of the Detainee Treatment Act of 2005 (title X of division A of Public Law 109–148).

(4) In testimony before the Senate and in written response to queries from the Senate, senior military commanders, Judge Advocates General of the Armed Forces, and various civilian officials of the Executive Branch have given incomplete or varying answers to questions on what constitutes cruel, inhuman, or degrading treatment.

(5) It is critical to clarify these matters in order to ensure that members of the Armed Forces do not receive unclear or misleading guidance on such matters.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the congressional defense committees a report setting forth the coordinated and definitive legal opinion of the United States Government on whether each of the following interrogation techniques constitutes cruel, inhuman, or degrading treatment or punishment (as defined in section 1002(d) of the Detainee Treatment Act of 2006 (as defined in the Detainee Treatment Act of 2005 (119 Stat. 2740; 42 U.S.C. 2000dd(d)):

(1) Waterboarding, or any other technique using water, bags, or other devices or substances to induce a sensation of drowning or asphyxiation.

(2) Sleep deprivation, including, at a minimum, depriving a prisoner of sleep for 24 hours or more or permitting five or less hours of sleep per day over a period of three or more days.

(3) Stress positions, including the use of any technique in which a prisoner is placed or shackled in a painful or awkward position (including prolonged standing or crouching, shackling arms above the head for prolonged periods, or the use of shackles or handcuffs in a manner which causes pain due to the swelling of tissue over a prolonged period of time).

(4) The use of extreme temperatures as an aid to interrogation.

(5) The use of beatings, slapping, or violent shaking.

(6) The use of dogs as an aid to interrogation.

(7) The use of nakedness or other forms of sexual humiliation as an aid to interrogation.

(c) ELEMENTS.—The report under subsection (b) shall state, for each interrogation technique listed in that subsection, the following

(1) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen within the United States.

(2) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen outside the United States.

(3) Whether the technique would be legal if used to interrogate a member of the Armed Forces of the United States by a state party to the Geneva Conventions.

(4) Whether the technique would be legal if used to interrogate a United States citizen by a state party to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

(d) CERTIFICATION ON NATURE OF OPINIONS.—The report under subsection (b) shall include a certification that the legal opinions set forth in the report are the coordinated and definitive opinion of the United States Government binding on all departments and agencies of the United States Government, any personnel of such departments and agencies, and any contractors of such departments and agencies.

(e) DISSEMINATION OF OPINIONS.—

(1) IN GENERAL.—The President shall ensure the dissemination of the legal opinions set forth in the report to all departments and agencies of the United States Government, together with the instruction that such opinions be further disseminated to all personnel of such departments and agencies and all contractors of such departments and agencies.

(2) CERTIFICATION ON DISSEMINATION.—The report shall include a certification regarding compliance with the requirement in paragraph (1).

(f) DEFINITIONS.—In this section:

(1) The term ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment'' means the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York, December 10, 1984, and entering into force June 26, 1987 (T. Doc. 100–20).

(2) The term ''Geneva Conventions'' means—

(A) the Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, done at Geneva August 12, 1949 (6 UST 3114);

(B) the Convention for the Amelioration of the Condition of the Wounded, Sick, and Shipwrecked Members of Armed Forces at Sea, done at Geneva August 12, 1949 (6 UST 3217);

(C) the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316); and

(D) the Convention Relative to the Protection of Civilian Persons in Time of War, done at Geneva August 12, 1949 (6 UST 3516).

SEC. 1062. REPORTS ON MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE SERVING IN THE LEGISLATIVE BRANCH.

(a) MONTHLY REPORTS ON DETAILS AND FELLOWSHIPS OF LONG DURATION.—Not later than 120 days after the date of the enactment of this Act, and monthly thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the members of the Armed Forces and civilian employees of the Department of Defense who, as of the date of such report, have served continuously in the Legislative Branch for more than 12 consecutive months in one or a combination of covered legislative details or fellowships.

(b) REPORTS ON CERTAIN MILITARY DETAILS AND FELLOWSHIPS.—If a member of the Armed Forces is assigned to a covered legislative detail or fellowship as the last tour of duty of such member before retirement or separation from the Armed Forces in contravention of the regulations of the Department of Defense, the Secretary shall submit to the congressional defense committees a report on the assignment of such member to such covered legislative detail or fellowship. The report shall include a rationale for the waiver of the regulations of the Department in order to permit the detail or fellowship.

(c) REPORT ELEMENTS.—Each report under subsection (a) or (b) shall set forth, for each member of the Armed Forces or civilian employee covered of the Department of Defense covered by such report, the following:

(1) The name of such member or employee.

(2) In the case of a member, the Armed Force of such member.

(3) The committee or member of Congress to which such member or employee is detailed or assigned.

(4) A general description of the projects or tasks undertaken or to be undertaken, as applicable, by such member or employee as a detailee, fellow, or both.

(5) The anticipated termination date of the current detail or fellowship of such member or employee.

(d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP DEFINED.—In this section, the term ''covered legislative detail or fellowship'' means the following:

(1) A detail under the provisions of Department of Defense Directive 1000.17.

(2) A legislative fellowship (including a legislative fellowship under the provisions of Department of Defense Directive 1322.6).

SEC. 1063. ADDITIONAL ELEMENT IN ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL WARFARE DEFENSE.

Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

''(10) A description of the coordination and integration of the program of the Defense Advanced Research Projects Agency (DARPA) on basic and applied research and advanced technology development on chemical and biological warfare defense technologies and systems under section 1701(c)(2) with the overall program of the Department of Defense on chemical and biological warfare defense, including—

''(A) the degree to which the program of the Defense Advanced Research Projects Agency supports the objectives and requirements of the program of the Department of Defense; and

''(B) the means of determining the level of coordination and support provided by the program of the Defense Advanced Research Projects Agency for the program of the Department of Defense.''.

SEC. 1064. REPORT ON LOCAL BOARDS OF TRUSTEES OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Washington under section 1516 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 416).

(2) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Gulfport under section 1516 of such Act.

SEC. 1065. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) ANNUAL REPORT ON AVIATION CAREER INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended by striking subsection (f).

(b) ANNUAL REPORT ON EFFECTS OF CERTAIN INITIATIVES ON RECRUITMENT AND RETENTION.—

(1) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by striking the item relating to section 1015.

(c) SECRETARY OF DEFENSE RECOMMENDATION ON NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section 1041 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1217) is repealed.

(d) REPORT ON PILOT PROGRAM TO ENHANCE MILITARY RECRUITING BY IMPROVING MILITARY AWARENESS OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–134); 10 U.S.C. 503 note) is amended by striking subsection (c).

(e) ANNUAL REPORT ON MEDICAL INFORMATICS.—Section 723(d) of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 1071 note) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(f) REPORT ON IMPOSITION OF ADDITIONAL CHARGES OR FEES FOR ATTENDANCE AT CERTAIN ACADEMIES.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the second sentence.

SEC. 1066. REPORT ON INCENTIVES TO ENCOURAGE CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES TO SERVE IN THE BUREAU OF CUSTOMS AND BORDER PROTECTION.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report assessing the desirability and feasibility of offering incentives to covered members and former members of the Armed Forces for the purpose of encouraging such members to serve in the Bureau of Customs and Border Protection.

(b) COVERED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.—For purposes of this section, covered members and former members of the Armed Forces are the following:

(1) Members of the reserve components of the Armed Forces.

(2) Former members of the Armed Forces within two years of separation from service in the Armed Forces.

(c) REQUIREMENTS AND LIMITATIONS.—

(1) NATURE OF INCENTIVES.—In considering incentives for purposes of the report required by subsection (a), the Secretaries shall consider such incentives, whether monetary or otherwise and whether or not authorized by current law or regulations, as the Secretaries jointly consider appropriate.

(2) TARGETING OF INCENTIVES.—In assessing any incentive for purposes of the report, the Secretaries shall give particular attention to the utility of such incentive in—

(A) encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former of the Armed Forces who have provided border patrol or border security assistance to the Bureau as part of their duties as members of the Armed Forces; and

(B) leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, required for service with the Bureau of Customs and Border Protection.

(3) PAYMENT.—In assessing incentives for purposes of the report, the Secretaries shall assume that any costs of such incentives shall be borne by the Department of Homeland Security.

(d) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of various monetary and non-monetary incentives considered for purposes of the report.

(2) An assessment of the desirability and feasibility of utilizing any such incentive for the purpose specified in subsection (a), including an assessment of the particular utility of such incentive in encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former members of the Armed Forces described in subsection (c)(2).

(3) Any other matters that the Secretaries jointly consider appropriate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services, Homeland Security and Governmental Affairs, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Homeland Security, and Appropriations of the House of Representatives.

SEC. 1067. REPORT ON REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on each report described in paragraph (2) that is required by law to be submitted to the congressional defense committees by the Department of Defense or any department, agency, element, or component under the Department of Defense.

(2) COVERED REPORTS.—Paragraph (1) applies with respect to any report required under a provision of law enacted on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136) that requires recurring reports to the committees referred to in that paragraph.

(b) ELEMENTS.—The report required by subsection (a) shall set forth the following:

(1) Each report described by that subsection, including a statement of the provision of law under which such report is required to be submitted to Congress.

(2) For each such report, an assessment by the Secretary of the utility of such report from the perspective of the Department of Defense and a recommendation on the advisability of repealing the requirement for the submittal of such report.

SEC. 1068. REPORT ON TECHNOLOGIES FOR NEUTRALIZING OR DEFEATING THREATS TO MILITARY ROTARY WING AIRCRAFT FROM PORTABLE AIR DEFENSE SYSTEMS AND ROCKET PROPELLED GRENADES.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on technologies for neutralizing or defeating threats to military rotary wing aircraft posed by portable air defense systems and rocket propelled grenades that are being researched, developed, employed, or considered by the United States Government or the North Atlantic Treaty Organization.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the expected value and utility of the technologies, particularly with respect to—

(A) the saving of lives;

(B) the ability to reduce the vulnerability of aircraft; and

(C) the enhancement of the ability of aircraft and their crews to accomplish assigned missions;

(2) an assessment of the potential costs of developing and deploying such technologies;

(3) a description of efforts undertaken to develop such technologies, including—

(A) non-lethal counter measures;

(B) lasers and other systems designed to dazzle, impede, or obscure threatening weapon or their users;

(C) direct fire response systems;

(D) directed energy weapons; and

(E) passive and active systems; and

(4) a description of any impediments to the development of such technologies, such as legal restrictions under the law of war, treaty restrictions under the Protocol on Blinding Lasers, and political obstacles such as the reluctance of other allied countries to pursue such technologies.

SEC. 1069. REPORTS ON DEPARTMENT OF JUSTICE EFFORTS TO INVESTIGATE AND PROSECUTE CASES OF CONTRACTING ABUSE IN IRAQ, AFGHANISTAN, AND THROUGHOUT THE WAR ON TERROR.

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

(1) Waste, fraud, and abuse in contracting are harmful to United States efforts to successfully win the conflicts in Iraq and Afghanistan and succeed in the war on terror. The act of stealing from our soldiers who are daily in harm's way is clearly criminal and must be actively prosecuted.

(2) It is a vital interest of United States taxpayers to be protected from theft of their tax dollars by corrupt contractors.

(3) Whistleblower lawsuits are an important tool for exposing waste, fraud, and abuse and can identify serious graft and corruption.

(4) This issue is of paramount importance to the United States taxpayer, and the Congress must be provided with information about alleged contractor waste, fraud, and abuse taking place in Iraq, Afghanistan, and throughout the war on terror and about the efforts of the Department of Justice to combat these crimes.

(b) REPORTS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the Attorney General shall submit to the Committee on the Judiciary and the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on the Judiciary and the Committee on Government Reform of the House of Representatives, and the congressional defense committees a report on efforts to investigate and prosecute cases of waste, fraud, and abuse under sections 3729 and 3730(b) of title 31, United States Code, or any other related law that are related to Federal contracting in Iraq, Afghanistan, and throughout the war on terror.

(2) CONTENT.—Each report submitted under paragraph (1) shall include the following:

(A) Information on organized efforts of the Department of Justice that have been created to ensure that the Department of Justice is investigating, in a timely and appropriate manner, claims of contractor waste, fraud, and abuse related to the activities of the United States Government in Iraq, Afghanistan, and throughout the war on terror.

(B) Information on the specific number of personnel, financial resources, and workdays devoted to addressing this waste, fraud, and abuse, including a complete listing of all of the offices across the United States and throughout the world that are working on these cases and an explanation of the types of additional resources, both in terms of personnel and finances, that the Department of Justice needs to ensure that all of these cases proceed on a timely basis.

(C) A detailed description of any internal Department of Justice task force that exists to work specifically on cases of contractor fraud and abuse in Iraq, Afghanistan, and throughout the war on terror, including a description of its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the nature and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(D) A detailed description of any interagency task force that exists to work specifically on cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the type, nature, and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a

relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(E) The names of the senior officials directly responsible for oversight of the efforts to address these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(F) Specific information on the number of investigators and other personnel that have been provided to the Department of Justice by other Federal departments and agencies in support of the efforts of the Department of Justice to combat contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including data on the quantity of time that these investigators have spent working within the Department of Justice structures dedicated to this effort.

(G) Specific information on the full number of investigations, including grand jury investigations currently underway, that are addressing these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(H) Specific information on the number and status of the criminal cases that have been launched to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(I) Specific information on the number of civil cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including specific information on the quantity of cases initiated by private parties, as well as the quantity of cases that have been referred to the Department of Justice by the Department of Defense, the Department of State, and other relevant Federal departments and agencies.

(J) Specific information on the resolved civil and criminal cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including the specific results of these cases, the types of waste, fraud, and abuse that took place, the amount of funds that were returned to the United States Government as a result of resolution of these cases, and a full description of the type and substance of the waste, fraud, and abuse that took place. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(K) The best estimate by the Department of Justice of the scale of the problem of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

SEC. 1070. REPORT ON BIODEFENSE STAFFING AND TRAINING REQUIREMENTS IN SUPPORT OF NATIONAL BIOSAFETY LABORATORIES.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Homeland Security and the Secretary of Health and Human Services, conduct a study to determine the staffing and training requirements for pending capital programs to construct biodefense laboratories (including agriculture and animal laboratories) at Biosafety Level (BSL) 3 and Biosafety Level 4 or to expand current biodefense laboratories to such biosafety levels.

(b) ELEMENTS.—In conducting the study, the Secretary of Defense shall address the following:

(1) The number of trained personnel, by discipline and qualification level, required for existing biodefense laboratories at Biosafety Level 3 and Biosafety Level 4.

(2) The number of research and support staff, including researchers, laboratory technicians, animal handlers, facility managers, facility or equipment maintainers, biosecurity personnel (including biosafety, physical, and electronic security personnel), and other safety personnel required to manage biodefense research efforts to combat bioterrorism at the biodefense laboratories described in subsection (a).

(3) The training required to provide the personnel described by paragraphs (1) and (2), including the type of training (whether classroom, laboratory, or field training) required, the length of training required by discipline, and the curriculum required to be developed for such training.

(4) Training schedules necessary to meet the scheduled openings of the biodefense laboratories described in subsection (a), including schedules for refresher training and continuing education that may be necessary for that purpose.

(c) REPORT.—Not later than December 31, 2006, the Secretary of Defense shall submit to Congress a report setting forth the results of the study conducted under this section.

SEC. 1070A. ANNUAL REPORT ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on the amount of the acquisitions made by the agency in the preceding fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

(b) CONTENT.—Each report required by subsection (a) shall separately indicate—

(1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States;

(2) an itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.); and

(3) a summary of—

(A) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

(B) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

(c) PUBLIC AVAILABILITY.—The Department of Defense submitting a report under subsection (a) shall make the report publicly available to the maximum extent practicable.

(d) APPLICABILITY.—This section shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 1070B. ANNUAL REPORT ON FOREIGN SALES OF SIGNIFICANT MILITARY EQUIPMENT MANUFACTURED INSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on foreign military sales and direct sales to foreign customers of significant military equipment manufactured inside the United States.

(b) CONTENT.—Each report required by subsection (a) shall indicate, for each sale in excess of $2,000,000—

(1) the nature of the military equipment sold and the dollar value of the sale;

(2) the country to which the military equipment was sold; and

(3) the manufacturer of the equipment and the State in which the equipment was manufactured.

(c) PUBLIC AVAILABILITY.—The Department of Defense shall make reports submitted under this section publicly available to the maximum extent practicable.

SEC. 1070C. REPORT ON FEASIBILITY OF ESTABLISHING REGIONAL COMBATANT COMMAND FOR AFRICA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report on the establishment of a United States Armed Forces regional combatant command for Africa.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) a study on the feasibility and desirability of establishing of a United States Armed Forces regional combatant command for Africa;

(2) an assessment of the benefits and problems associated withestablishing such a command; and

(3) an estimate of the costs, time, and resources needed to establish such a command.

SEC. 1070D. ANNUAL REPORTS ON EXPANDED USE OF UNMANNED AERIAL VEHICLES IN THE NATIONAL AIRSPACE SYSTEM.

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

(1) Unmanned aerial vehicles (UAVs) serve Department of Defense intelligence, surveillance, reconnaissance, and combat missions.

(2) Operational reliability of unmanned systems continues to improve and sense-and-avoid technology development and fielding must continue in an effort to provide unmanned aerial systems with an equivalent level of safety to manned aircraft.

(3) Unmanned aerial vehicles have the potential to support the Nation's homeland defense mission, border security mission, and natural disaster recovery efforts.

(4) Accelerated development and testing of standards for the integration of unmanned aerial vehicles in the National Airspace System would further the increased safe use of such vehicles for border security, homeland defense, and natural disaster recovery efforts.

(b) ANNUAL REPORTS.—Not later than one year after the date of the enactment of this Act and annually thereafter until the Federal Aviation Administration promulgates such policy, the Secretary of Defense shall submit to the Committees on Armed Services, Commerce, Science and Transportation, and Homeland Security and Governmental Affairs of the Senate and the Committees on Armed Services, Energy and Commerce, and Government Reform of the House of Representatives a report on the actions of the Department of Defense to support the development by the Federal Aviation Administration of a policy on the testing and operation of unmanned aerial vehicles in the National Airspace System.

Subtitle H—Technical and Conforming Amendments

SEC. 1071. UNIFORM DEFINITION OF NATIONAL SECURITY SYSTEM FOR CERTAIN DEPARTMENT OF DEFENSE PURPOSES.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''section 2315 of this title'' and inserting ''section 3542(b)(2) of title 44''.

(b) INFORMATION TECHNOLOGY.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For the purposes of subtitle III of title 40, the term 'national security system' has the meaning given that term in section 3542(b)(2) of title 44.''.

SEC. 1072. CONFORMING AMENDMENT RELATING TO REDESIGNATION OF DEFENSE COMMUNICATIONS AGENCY AS DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

''(1) The Defense Information Systems Agency.''.

SEC. 1073. TECHNICAL AMENDMENT.

Effective as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) and as if included in the enactment thereof, section 341(e) of such Act (119 Stat. 3199) is amended by striking ''(a)(1)(E)'' and inserting ''(a)(1)(F)''.

Subtitle I—Other Matters

SEC. 1081. NATIONAL FOREIGN LANGUAGE COORDINATION COUNCIL.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Effective on October 1, 2006, there is established the National Foreign Language Coordination Council (in this section referred to as the ''Council'').

(2) INDEPENDENT ESTABLISHMENT.—The National Foreign Language Coordination Council shall be an independent establishment as defined under section 104 of title 5, United States Code.

(b) MEMBERSHIP.—The Council shall consist of the following members or their designees:

(1) The National Language Director, who shall serve as the chairperson of the Council.

(2) The Secretary of Education.

(3) The Secretary of Defense.

(4) The Secretary of State.

(5) The Secretary of Homeland Security.

(6) The Attorney General.

(7) The Director of National Intelligence.

(8) The Secretary of Labor.

(9) The Director of the Office of Personnel Management.

(10) The Director of the Office of Management and Budget.

(11) The Secretary of Commerce.

(12) The Secretary of Health and Human Services.

(13) The Secretary of the Treasury.

(14) The Secretary of Housing and Urban Development.

(15) The Secretary of Agriculture.

(16) The Chairman and President of the Export-Import Bank of the United States.

(17) The heads of such other Federal agencies as the Council considers appropriate.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Council shall be charged with—

(A) developing a national foreign language strategy, within 18 months of the date of the enactment of this Act, in consultation with—

(i) State and local government agencies;

(ii) academic sector institutions;

(iii) foreign language related interest groups;

(iv) business associations;

(v) industry;

(vi) heritage associations; and

(vii) other relevant stakeholders;

(B) conducting a survey of the extent of Federal agency foreign language and area expertise, and of Federal agency needs for such expertise;

(C) identifying and evaluating the adequacy of Federal foreign language programs, including any duplicative or overlapping programs that may impede efficiency; and

(D) monitoring the implementation of such strategy through—

(i) application of current and recently enacted laws; and

(ii) the promulgation and enforcement of rules and regulations.

(2) STRATEGY CONTENT.—The strategy developed under paragraph (1) shall include—

(A) identification of priorities to expand foreign language skills in the public and private sectors;

(B) recommendations for improving coordination of foreign language programs and activities among Federal agencies, enhancing Federal foreign language programs and activities, and allocating resources appropriately in order to maximize the use of resources;

(C) needed national policies and corresponding legislative and regulatory actions in support of, and allocation of designated resources to, promising programs and initiatives at all levels (Federal, State, and local), especially in the less commonly taught languages that are seen as critical for national security and global competitiveness during the next 20 to 50 years;

(D) effective ways to increase public awareness of the need for foreign language skills and career paths in the public and private sectors that can employ those skills, with the objective of increasing support for foreign language study among—

(i) Federal, State, and local leaders;

(ii) students;

(iii) parents;

(iv) elementary, secondary, and postsecondary educational institutions; and

(v) employers;

(E) recommendations for incentives for developing related educational programs, including foreign language teacher training;

(F) coordination of public and private sector efforts to provide foreign language instruction and acquire foreign language and area expertise;

(G) coordination of public and private sector initiatives to develop a strategic posture for language research;

(H) recommendations for—

(i) the development of foreign language achievement standards; and

(ii) corresponding assessments of foreign language achievement standards for the elementary, secondary, and postsecondary education levels, including the National Assessment of Educational Progress in foreign languages;

(I) recommendations for development of—

(i) language skill-level certification standards;

(ii) frameworks for pre-service and professional development study for those who teach foreign language;

(iii) suggested graduation criteria for foreign language studies in non-language areas, such as—

(I) international business;

(II) national security;

(III) public administration;

(IV) health care;

(V) engineering;

(VI) law;

(VII) journalism; and

(VIII) sciences;

(J) identification of and means for replicating best practices for teaching foreign languages in the public and private sectors, including best practices from the international community; and

(K) recommendations for overcoming barriers in foreign language proficiency.

(d) SUBMISSION OF STRATEGY TO PRESIDENT AND CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Council shall prepare and transmit to the President and the relevant committees of Congress the national foreign language strategy required under subsection (c).

(e) MEETINGS.—The Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate, but shall meet in formal session at least 2 times a year. State and local government agencies and other organizations (such as academic sector institutions, foreign language-related interest groups, business associations, industry, and heritage community organizations) shall be invited, as appropriate, to public meetings of the Council at least once a year.

(f) STAFF.—

(1) IN GENERAL.—The Director may—

(A) appoint, without regard to the provisions of title 5, United States Code, governing the competitive service, such personnel as the Director considers necessary; and

(B) compensate such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title.

(2) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(3) EXPERTS AND CONSULTANTS.—With the approval of the Council, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) TRAVEL EXPENSES.—Council members and staff shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(5) SECURITY CLEARANCE.—

(A) IN GENERAL.—Subject to subparagraph (B), the appropriate Federal agencies or departments shall cooperate with the Council in expeditiously providing to the Council members and staff appropriate security clearances to the extent possible pursuant to existing procedures and requirements.

(B) EXCEPTION.—No person shall be provided with access to classified information under this section without the appropriate required security clearance access.

(6) COMPENSATION.—The rate of pay for any employee of the Council (including the Director) may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(g) POWERS.—

(1) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action that the Council is authorized to take in this section.

(2) INFORMATION.—

(A) COUNCIL AUTHORITY TO SECURE.—The Council may secure directly from any Federal agency such information, consistent with Federal privacy laws, including the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) and the Department of Education's General Education Provisions Act (20 U.S.C. 1232(h)), the Council considers necessary to carry out its responsibilities.

(B) REQUIREMENT TO FURNISH REQUESTED INFORMATION.—Upon request of the Director, the head of such agency shall furnish such information to the Council.

(3) DONATIONS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(4) MAIL.—The Council may use the United States mail in the same manner and under the same conditions as other Federal agencies.

(h) CONFERENCES, NEWSLETTER, AND WEBSITE.—In carrying out this section, the Council—

(1) may arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to improve foreign language education;

(2) may publish a newsletter concerning Federal, State, and local programs that are

effectively meeting the foreign language needs of the nation; and

(3) shall create and maintain a website containing information on the Council and its activities, best practices on language education, and other relevant information.

(i) REPORTS.—Not later than April 1, 2007, and annually thereafter, the Council shall prepare and transmit to the President and the relevant committees of Congress a report that describes—

(1) the activities of the Council to develop the national foreign language strategy required under subsection (c);

(2) the findings of the Council as of the date of such report;

(3) the efforts of the Council to improve foreign language education and training; and

(4) impediments identified by the Council to the implementation of a comprehensive national foreign language strategy, including any statutory and regulatory restrictions.

(j) ESTABLISHMENT OF NATIONAL LANGUAGE DIRECTOR.—

(1) IN GENERAL.—There is established a National Language Director who shall be appointed by the President. The National Language Director shall be a nationally recognized individual with credentials and abilities in the public and private sectors to be involved with creating and implementing long-term solutions to achieving national foreign language and cultural competency.

(2) RESPONSIBILITIES.—The National Language Director shall—

(A) develop and monitor the implementation of a national foreign language strategy across the public and private sectors;

(B) establish formal relationships among the major stakeholders in meeting the needs of the Nation for improved capabilities in foreign languages and cultural understanding, including Federal, State, and local government agencies, academia, industry, labor, and heritage communities; and

(C) coordinate and lead a public information campaign that raises awareness of public and private sector careers requiring foreign language skills and cultural understanding, with the objective of increasing interest in and support for the study of foreign languages among national leaders, the business community, local officials, parents, and individuals.

(k) ENCOURAGEMENT OF STATE INVOLVEMENT.—

(1) STATE CONTACT PERSONS.—The Council shall consult with each State to provide for the designation by each State of an individual to serve as a State contact person for the purpose of receiving and disseminating information and communications received from the Council.

(2) STATE INTERAGENCY COUNCILS AND LEAD AGENCIES.—Each State is encouraged to establish a State interagency council on foreign language coordination or designate a lead agency for the State for the purpose of assuming primary responsibility for coordinating and interacting with the Council and State and local government agencies as necessary.

(l) SUNSET.—This section shall cease to have effect on September 30, 2015.

(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 2007, $1,500,000 to carry out this section.

SEC. 1082. SUPPORT OF SUCCESSOR ORGANIZATIONS OF THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING SYSTEM EXECUTIVE BOARD.

Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (Public Law 106–405; 114 Stat. 1753; 10 U.S.C. 2281 note) is amended by striking ''the Interagency Global Positioning System Executive Board, including an Executive Secretariat to be housed at the Department of Commerce'' and inserting ''the National Space-Based Positioning, Navigation, and Timing Executive Committee, the National Space-Based Positioning, Navigation, and Timing Coordination Office, and the National Space-Based Positioning, Navigation, and Timing Advisory Board, and any successor organization''.

SEC. 1083. QUADRENNIAL DEFENSE REVIEW.

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

(1) The Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, is vital in laying out the strategic military planning and threat objectives of the Department of Defense.

(2) The Quadrennial Defense Review is critical to identifying the correct mix of military planning assumptions, defense capabilities, and strategic focuses for the Armed Forces of the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Quadrennial Defense Review is intended to provide more than an overview of global threats and the general strategic orientation of the Department of Defense.

(c) IMPROVEMENTS TO QUADRENNIAL DEFENSE REVIEW.—

(1) CONDUCT OF REVIEW.—Subsection (b) of section 118 of title 10, United States Code, is amended—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

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

''(4) to make recommendations that are not constrained to comply with the budget submitted to Congress by the President pursuant to section 1105 of title 31.''.

(2) ADDITIONAL ELEMENT IN REPORT TO CONGRESS.—Subsection (d) of such section is amended—

(A) in paragraph (1), by inserting '', the strategic planning guidance,'' after ''United States'';

(B) by redesignating paragraphs (9) through (15) as paragraphs (10) through (16), respectively; and

(C) by inserting after paragraph (8) the following new paragraph (9):

''(9) The specific capabilities, including the general number and type of specific military platforms, needed to achieve the strategic and warfighting objectives identified in the review.''.

(3) CJCS REVIEW.—Subsection (e)(1) of such section is amended by inserting before the period at the end the following: '' and a description of the capabilities needed to address such risk''.

(4) INDEPENDENT ASSESSMENT.—Such section is further amended by adding at the end the following new subsection:

''(f) INDEPENDENT ASSESSMENT.—(1) Not later than one year before the date a report on a quadrennial defense review is to be submitted to Congress under subsection (d), the President shall appoint a panel to conduct an independent assessment of the review.

''(2) The panel appointed under paragraph (1) shall be composed of seven individuals (who may not be employees of the Department of Defense) as follows:

''(A) Three members shall be appointed by the President.

''(B) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Speaker of the House of Representatives.

''(C) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the House of Representatives.

''(D) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Majority Leader of the Senate.

''(E) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the Senate.

''(3) Not later than three months after the date that the report on a quadrennial defense review is submitted to Congress under subsection (d), the panel appointed under paragraph (2) shall provide to the congressional defense committees an assessment of the assumptions, planning guidelines, recommendations, and realism of the review.''.

SEC. 1084. SENSE OF CONGRESS ON THE COMMENDABLE ACTIONS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds that—

(1) on June 7, 2006, the United States Armed Forces conducted an air raid near the City of Baquba, northeast of Baghdad, Iraq, that resulted in the death of Ahmad Fadeel al-Nazal al-Khalayleh, better known as Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) Zarqawi, as the operational commander of al-Qaeda in Iraq, led a brutal campaign of suicide bombings, car bombings, assassinations, and abductions that caused the deaths of many members of the United States Armed Forces, civilian officials of the United States Government, thousands of innocent Iraqi civilians, and innocent civilians of other nations;

(3) Zarqawi publicly swore his allegiance to Osama bin Laden and al-Qaeda in 2004, and changed the name of his terrorist organization from the ''Monotheism and Holy War Group'' to ''al-Qaeda in Iraq'';

(4) in an audiotape broadcast in December 2004, Osama bin Laden, the leader of al-Qaeda's worldwide terrorist organization, called Zarqawi ''the prince of al-Qaeda in Iraq'';

(5) 3 perpetrators confessed to being paid by Zarqawi to carry out the October 2002 assassination of the United States diplomat, Lawrence Foley, in Amman, Jordan;

(6) the Monotheism and Holy War Group claimed responsibility for—

(A) the August 2003 suicide attack that destroyed the United Nations headquarters in Baghdad and killed the United Nations envoy to Iraq Sergio Vieira de Mello along with 21 other people; and

(B) the suicide attack on the Imam Ali Mosque in Najaf that occurred less than 2 weeks later, which killed at least 85 people, including the Ayatollah Sayed Mohammed Baqr al-Hakim, and wounded dozens more;

(7) Zarqawi is believed to have personally beheaded American hostage Nicholas Berg in May 2004;

(8) in May 2004, Zarqawi was implicated in a car bombing that killed Izzadine Salim, the rotating president of the Iraqi Governing Council;

(9) in November 2005, al-Qaeda in Iraq attacked 3 hotels in Amman, Jordan, killing at least 67 innocent civilians;

(10) Zarqawi and his terrorist organization were directly responsible for numerous other brutal terrorist attacks against the American and coalition troops, Iraqi security forces and recruits, and innocent Iraqi civilians;

(11) Zarqawi sought to turn Iraq into a safe haven for al-Qaeda;

(12) to achieve that end, Zarqawi stated his opposition to the democratically elected government of Iraq and worked to divide the Iraqi people, foment sectarian violence, and incite a civil war in Iraq; and

(13) the men and women of the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners and the Iraqi Security Forces, should be commended for their courage and extraordinary efforts to track down the most wanted terrorist in Iraq and to secure a free and prosperous future for the people of Iraq.

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

(1) commends the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners, for the actions taken through June 7, 2006, that resulted in the death of Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) commends the United States Armed Forces, the intelligence community, and other agencies for this action and their exemplary performance in striving to bring freedom, democracy, and security to the people of Iraq;

(3) commends the coalition partners of the United States, the new government of Iraq, and members of the Iraqi Security Forces for their invaluable assistance in that operation and their extraordinary efforts to secure a free and prosperous Iraq;

(4) commends our civilian and military leadership for their continuing efforts to eliminate the leadership of al-Qaeda in Iraq, and also commends the new government of Iraq, led by Prime Minister Jawad al-Maliki, for its contribution to that achievement;

(5) recognizes that the death of Abu Musab al-Zarqawi is a victory for American and coalition forces in the global war on terror and a blow to the al-Qaeda terrorist organization;

(6) commends the Iraqi Prime Minister Jawad al-Maliki on the finalization of the new Iraqi cabinet;

(7) urges the democratically elected government in Iraq to use this opportunity to defeat the terrorist enemy, to put an end to ethnic and sectarian violence, and to achieve a free, prosperous, and secure future for Iraq; and

(8) affirms that the Senate will continue to support the United States Armed Forces, the democratically elected unity government of Iraq, and the people of Iraq in their quest to secure a free, prosperous, and democratic Iraq.

SEC. 1085. BUDGETING FOR ONGOING MILITARY OPERATIONS.

The President's budget submitted pursuant to section 1105(a) of title 31, United States Code, for each fiscal year after fiscal year 2007 shall include—

(1) a request for funds for such fiscal year for ongoing military operations in Afghanistan and Iraq;

(2) an estimate of all funds expected to be required in that fiscal year for such operations; and

(3) a detailed justification of the funds requested.

SEC. 1086. COURT SECURITY IMPROVEMENTS.

(a) JUDICIAL BRANCH SECURITY REQUIREMENTS.—

(1) ENSURING CONSULTATION AND COORDINATION WITH THE JUDICIARY.—Section 566 of title 28, United States Code, is amended by adding at the end the following:

''(i) The Director of the United States Marshals Service shall consult and coordinate with the Judicial Conference of the United States on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(2) CONFORMING AMENDMENT.—Section 331 of title 28, United States Code, is amended by adding at the end the following:

''The Judicial Conference shall consult and coordinate with the Director of United States Marshals Service on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(b) PROTECTION OF FAMILY MEMBERS.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended—

(1) in subparagraph (A), by inserting ''or a family member of that individual'' after ''that individual''; and

(2) in subparagraph (B)(i), by inserting ''or a family member of that individual'' after ''the report''.

(c) EXTENSION OF SUNSET PROVISION.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''2005'' each place that term appears and inserting ''2009''.

(d) PROTECTIONS AGAINST MALICIOUS RECORDING OF FICTITIOUS LIENS AGAINST FEDERAL JUDGES AND FEDERAL LAW ENFORCEMENT OFFICERS.—

(1) OFFENSE.—Chapter 73 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 1521. RETALIATING AGAINST A FEDERAL JUDGE OR FEDERAL LAW ENFORCEMENT OFFICER BY FALSE CLAIM OR SLANDER OF TITLE.

''(a) Whoever files or attempts to file, in any public record or in any private record which is generally available to the public, any false lien or encumbrance against the real or personal property of a Federal judge or a Federal law enforcement official, on account of the performance of official duties by that Federal judge or Federal law enforcement official, knowing or having reason to know that such lien or encumbrance is false or contains any materially false, fictitious, or fraudulent statement or representation, shall be fined under this title or imprisoned for not more than 10 years, or both.

''(b) As used in this section—

''(1) the term 'Federal judge' means a justice or judge of the United States as defined in section 451 of title 28, United States Code, a judge of the United States Court of Federal Claims, a United States bankruptcy judge, a United States magistrate judge, and a judge of the United States Court of Appeals for the Armed Forces, United States Court of Appeals for Veterans Claims, United States Tax Court, District Court of Guam, District Court of the Northern Mariana Islands, or District Court of the Virgin Islands; and

''(2) the term 'Federal law enforcement officer' has the meaning given that term in section 115 of this title and includes an attorney who is an officer or employee of the United States in the executive branch of the Government.''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 73 of title 18, United States Code, is amended by adding at the end the following new item:

''1521. Retaliating against a Federal judge or Federal law enforcement officer by false claim or slander of title.''.

(e) PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.—

(1) OFFENSE.—Chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 118. PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.

''(a) Whoever knowingly makes restricted personal information about a covered official, or a member of the immediate family of that covered official, publicly available, with the intent that such restricted personal information be used to kill, kidnap, or inflict bodily harm upon, or to threaten to kill, kidnap, or inflict bodily harm upon, that covered official, or a member of the immediate family of that covered official, shall be fined under this title and imprisoned not more than 5 years, or both.

''(b) As used in this section—

''(1) the term 'restricted personal information' means, with respect to an individual, the Social Security number, the home address, home phone number, mobile phone number, personal email, or home fax number of, and identifiable to, that individual;

''(2) the term 'covered official' means—

''(A) an individual designated in section 1114;

''(B) a Federal judge or Federal law enforcement officer as those terms are defined in section 1521; or

''(C) a grand or petit juror, witness, or other officer in or of, any court of the United States, or an officer who may be serving at any examination or other proceeding before any United States magistrate judge or other committing magistrate; and

''(3) the term 'immediate family' has the same meaning given that term in section 115(c)(2).''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''Sec. 117. Domestic assault by an habitual offender.

''Sec. 118. Protection of individuals performing certain official duties.''.

(f) PROHIBITION OF POSSESSION OF DANGEROUS WEAPONS IN FEDERAL COURT FACILITIES.—Section 930(e)(1) of title 18, United States Code, is amended by inserting ''or other dangerous weapon'' after ''firearm''.

(g) CLARIFICATION OF VENUE FOR RETALIATION AGAINST A WITNESS.—Section 1513 of title 18, United States Code, is amended by adding at the end the following:

''(g) A prosecution under this section may be brought in the district in which the official proceeding (whether or not pending, about to be instituted or completed) was intended to be affected, or in which the conduct constituting the alleged offense occurred.''.

(h) WITNESS PROTECTION GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by adding at the end the following new part:

''PART JJ—WITNESS PROTECTION GRANTS

''SEC. 3001. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—From amounts made available to carry out this part, the Attorney General may make grants to States, units of local government, and Indian tribes to create and expand witness protection programs in order to prevent threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(b) USES OF FUNDS.—Grants awarded under this part shall be—

''(1) distributed directly to the State, unit of local government, or Indian tribe; and

''(2) used for the creation and expansion of witness protection programs in the jurisdiction of the grantee.

''(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this part, the Attorney General may give preferential consideration, if feasible, to an application from a jurisdiction that—

''(1) has the greatest need for witness and victim protection programs;

''(2) has a serious violent crime problem in the jurisdiction; and

''(3) has had, or is likely to have, instances of threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to

carry out this section $20,000,000 for each of fiscal years 2006 through 2010.''.

(i) GRANTS TO STATES TO PROTECT WITNESSES AND VICTIMS OF CRIMES.—

(1) IN GENERAL.—Section 31702 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(5) to create and expand witness and victim protection programs to prevent threats, intimidation, and retaliation against victims of, and witnesses to, violent crimes.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 31707 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13867) is amended to read as follows:

''SEC. 31707. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $20,000,000 for each of the fiscal years 2006 through 2010 to carry out this subtitle.''.

(j) ELIGIBILITY OF STATE COURTS FOR CERTAIN FEDERAL GRANTS.—

(1) CORRECTIONAL OPTIONS GRANTS.—Section 515 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a) is amended—

(A) in subsection (a)—

(i) in paragraph (2), by striking ''and'' at the end;

(ii) in paragraph (3), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(4) grants to State courts to improve security for State and local court systems.''; and

(B) in subsection (b), by inserting after the period the following:

''Priority shall be given to State court applicants under subsection (a)(4) that have the greatest demonstrated need to provide security in order to administer justice.''.

(2) ALLOCATIONS.—Section 516(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762b) is amended by—

(A) striking ''80'' and inserting ''70'';

(B) striking ''and 10'' and inserting ''10''; and

(C) inserting before the period the following: '', and 10 percent for section 515(a)(4)''.

(k) BANKRUPTCY, MAGISTRATE, AND TERRITORIAL JUDGES LIFE INSURANCE.—

(1) BANKRUPTCY JUDGES.—Section 153 of title 28, United States Code, is amended by adding at the end the following:

''(e) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a bankruptcy judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(2) UNITED STATES MAGISTRATE JUDGES.—Section 634(c) of title 28, United States Code, is amended—

(A) by inserting ''(1)'' after ''(c)''; and

(B) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a magistrate judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(3) TERRITORIAL JUDGES.—

(A) GUAM.—Section 24 of the Organic Act of Guam (48 U.S.C. 1424b) is amended by adding at the end the following:

''(c) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(B) COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—Section 1(b) of the Act of November 8, 1977 (48 U.S.C. 1821) is amended by adding at the end the following:

''(5) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(C) VIRGIN ISLANDS.—Section 24(a) of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1614(a)) is amended—

(i) by inserting ''(1)'' after ''(a)''; and

(ii) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(m) HEALTH INSURANCE FOR SURVIVING FAMILY AND SPOUSES OF JUDGES.—Section 8901(3) of title 5, United States Code, is amended—

(1) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (D), by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(E) a member of a family who is a survivor of—

''(i) a Justice or judge of the United States, as defined under section 451 of title 28, United States Code;

''(ii) a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands;

''(iii) a judge of the United States Court of Federal Claims; or

''(iv) a United States bankruptcy judge or a full-time United States magistrate judge.''.

SEC. 1087. SENSE OF THE SENATE ON DESTRUCTION OF CHEMICAL WEAPONS.

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

(1) The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, done at Paris on January 13, 1993 (commonly referred to as the ''Chemical Weapons Convention''), requires all United States chemical weapons stockpiles be destroyed by no later than the extended deadline of April 29, 2012.

(2) On April 10, 2006, the Department of Defense notified Congress that the United States would not meet even the extended deadline under the Chemical Weapons Convention for destruction of United States chemical weapons stockpiles.

(3) Destroying existing chemical weapons is a homeland security imperative, an arms control priority, and required by United States law.

(4) The elimination and nonproliferation of chemical weapons of mass destruction is of utmost importance to the national security of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States is committed to making every effort to safely dispose of its chemical weapons stockpiles by the Chemical Weapons Convention deadline of April 29, 2012, or as soon thereafter as possible, and will carry out all of its other obligations under the Convention;

(2) the Secretary of Defense should prepare a comprehensive schedule for safely destroying the United States chemical weapons stockpiles to prevent further delays in the destruction of such stockpiles, and the schedule should be submitted annually to the congressional defense committees separately or as part of another required report; and

(3) the Secretary of Defense should make every effort to ensure adequate funding to complete the elimination of the United States chemical weapons stockpile in the shortest time possible, consistent with the requirement to protect public health, safety, and the environment.

SEC. 1088. IMPROVED ACCOUNTABILITY FOR COMPETITIVE CONTRACTING IN HURRICANE RECOVERY.

The exceptions to full and open competition otherwise available under paragraphs (2), (3), (4), and (5) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)) and paragraphs (2), (3), (4), and (5) of section 2304(c) of title 10, United States Code, shall not apply to Federal contracts worth over $500,000 for the procurement of property or services in connection with relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season.

SEC. 1089. PROTECTION OF CERTAIN DISCLOSURES OF INFORMATION BY FEDERAL EMPLOYEES.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Employee Protection of Disclosures Act''.

(b) CLARIFICATION OF DISCLOSURES COVERED.—Section 2302(b)(8) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation'';

(2) in subparagraph (B)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, of information that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation (other than a violation of this section)''; and

(3) by adding at the end the following:

''(C) any disclosure that—

''(i) is made by an employee or applicant of information required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs that the employee or applicant reasonably believes is direct and specific evidence of—

''(I) any violation of any law, rule, or regulation;

''(II) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety; or

''(III) a false statement to Congress on an issue of material fact; and

''(ii) is made to—

''(I) a member of a committee of Congress having a primary responsibility for oversight of a department, agency, or element of the Federal Government to which the disclosed information relates and who is authorized to receive information of the type disclosed;

''(II) any other Member of Congress who is authorized to receive information of the type disclosed; or

''(III) an employee of Congress who has the appropriate security clearance and is authorized to receive information of the type disclosed.''.

(c) COVERED DISCLOSURES.—Section 2302(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (B)(ii), by striking ''and'' at the end;

(2) in subparagraph (C)(iii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) 'disclosure' means a formal or informal communication or transmission, but does not include a communication concerning policy decisions that lawfully exercise discretionary authority unless the employee providing the disclosure reasonably believes that the disclosure evidences—

''(i) any violation of any law, rule, or regulation; or

''(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.''.

(d) REBUTTABLE PRESUMPTION.—Section 2302(b) of title 5, United States Code, is amended by amending the matter following paragraph (12) to read as follows:

''This subsection shall not be construed to authorize the withholding of information from Congress or the taking of any personnel action against an employee who discloses information to Congress, except that an employee or applicant may be disciplined for the disclosure of information described in paragraph (8)(C)(i) to a Member or employee of Congress who is not authorized to receive such information. For purposes of paragraph (8), any presumption relating to the performance of a duty by an employee who has authority to take, direct others to take, recommend, or approve any personnel action may be rebutted by substantial evidence. For purposes of paragraph (8), a determination as to whether an employee or applicant reasonably believes that they have disclosed information that evidences any violation of law, rule, regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety shall be made by determining whether a disinterested observer with knowledge of the essential facts known to and readily ascertainable by the employee could reasonably conclude that the actions of the Government evidence such violations, mismanagement, waste, abuse, or danger.''.

(e) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS; SECURITY CLEARANCES; AND RETALIATORY INVESTIGATIONS.—

(1) PERSONNEL ACTION.—Section 2302(a)(2)(A) of title 5, United States Code, is amended—

(A) in clause (x), by striking ''and'' after the semicolon; and

(B) by redesignating clause (xi) as clause (xiv) and inserting after clause (x) the following:

''(xi) the implementation or enforcement of any nondisclosure policy, form, or agreement;

''(xii) a suspension, revocation, or other determination relating to a security clearance or any other access determination by a covered agency;

''(xiii) an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section; and''

(2) PROHIBITED PERSONNEL PRACTICE.—Section 2302(b) of title 5, United States Code, is amended—

(A) in paragraph (11), by striking ''or'' at the end;

(B) in paragraph (12), by striking the period and inserting a semicolon; and

(C) by inserting after paragraph (12) the following:

''(13) implement or enforce any nondisclosure policy, form, or agreement, if such policy, form, or agreement does not contain the following statement: 'These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse, or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosures that could compromise national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Control Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling'; or

''(14) conduct, or cause to be conducted, an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section.''.

(3) BOARD AND COURT REVIEW OF ACTIONS RELATING TO SECURITY CLEARANCES.—

(A) IN GENERAL.—Chapter 77 of title 5, United States Code, is amended by inserting after section 7702 the following:

''§ 7702a. Actions relating to security clearances

''(a) In any appeal relating to the suspension, revocation, or other determination relating to a security clearance or access determination, the Merit Systems Protection Board or any reviewing court—

''(1) shall determine whether paragraph (8) or (9) of section 2302(b) was violated;

''(2) may not order the President or the designee of the President to restore a security clearance or otherwise reverse a determination of clearance status or reverse an access determination; and

''(3) subject to paragraph (2), may issue declaratory relief and any other appropriate relief.

''(b)(1) If, in any final judgment, the Board or court declares that any suspension, revocation, or other determination with regard to a security clearance or access determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall conduct a review of that suspension, revocation, access determination, or other determination, giving great weight to the Board or court judgment.

''(2) Not later than 30 days after any Board or court judgment declaring that a security clearance suspension, revocation, access determination, or other determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall issue an unclassified report to the congressional committees of jurisdiction (with a classified annex if necessary), detailing the circumstances of the agency's security clearance suspension, revocation, other determination, or access determination. A report under this paragraph shall include any proposed agency action with regard to the security clearance or access determination.

''(c) An allegation that a security clearance or access determination was revoked or suspended in retaliation for a protected disclosure shall receive expedited review by the Office of Special Counsel, the Merit Systems Protection Board, and any reviewing court.

''(d) For purposes of this section, corrective action may not be ordered if the agency demonstrates by a preponderance of the evidence that it would have taken the same personnel action in the absence of such disclosure.''.

(B) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 77 of title 5, United States Code, is amended by inserting after the item relating to section 7702 the following:

''7702a. Actions relating to security clearances.''.

(f) EXCLUSION OF AGENCIES BY THE PRESIDENT.—Section 2302(a)(2)(C) of title 5, United States Code, is amended by striking clause (ii) and inserting the following:

''(ii)(I) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the National Imagery and Mapping Agency, the National Security Agency; and

''(II) as determined by the President, any executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities, if the determination (as that determination relates to a personnel action) is made before that personnel action; or''.

(g) ATTORNEY FEES.—Section 1204(m)(1) of title 5, United States Code, is amended by striking ''agency involved'' and inserting ''agency where the prevailing party is employed or has applied for employment''.

(h) DISCIPLINARY ACTION.—Section 1215(a)(3) of title 5, United States Code, is amended to read as follows:

''(3)(A) A final order of the Board may impose—

''(i) disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, or reprimand;

''(ii) an assessment of a civil penalty not to exceed $1,000; or

''(iii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (ii).

''(B) In any case in which the Board finds that an employee has committed a prohibited personnel practice under paragraph (8) or (9) of section 2302(b), the Board shall impose disciplinary action if the Board finds that the activity protected under paragraph (8) or (9) of section 2302(b) was a significant motivating factor, even if other factors also motivated the decision, for the employee's decision to take, fail to take, or threaten to take or fail to take a personnel action, unless that employee demonstrates, by preponderance of evidence, that the employee would have taken, failed to take, or threatened to take or fail to take the same personnel action, in the absence of such protected activity.''.

(i) SPECIAL COUNSEL AMICUS CURIAE APPEARANCE.—Section 1212 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) The Special Counsel is authorized to appear as amicus curiae in any action

brought in a court of the United States related to any civil action brought in connection with section 2302(b) (8) or (9), or subchapter III of chapter 73, or as otherwise authorized by law. In any such action, the Special Counsel is authorized to present the views of the Special Counsel with respect to compliance with section 2302(b) (8) or (9) or subchapter III of chapter 73 and the impact court decisions would have on the enforcement of such provisions of law.

''(2) A court of the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).''.

(j) JUDICIAL REVIEW.—

(1) IN GENERAL.—Section 7703(b)(1) of title 5, United States Code, is amended to read as follows:

''(b)(1)(A) Except as provided in subparagraph (B) and paragraph (2), a petition to review a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit. Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

''(B) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, a petition to review a final order or final decision of the Board in a case alleging a violation of paragraph (8) or (9) of section 2302(b) shall be filed in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2).''.

(2) REVIEW OBTAINED BY OFFICE OF PERSONNEL MANAGEMENT.—Section 7703(d) of title 5, United States Code, is amended to read as follows:

''(d)(1) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting a civil service law, rule, or regulation affecting personnel management and that the Board's decision will have a substantial impact on a civil service law, rule, regulation, or policy directive. If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the Court of Appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.

''(2) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, this paragraph shall apply to any review relating to paragraph (8) or (9) of section 2302(b) obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2) if the Director determines, in his discretion, that the Board erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the court of appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.''.

(k) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—

(1) IN GENERAL.—

(A) REQUIREMENT.—Each agreement in Standard Forms 312 and 4414 of the Government and any other nondisclosure policy, form, or agreement of the Government shall contain the following statement: ''These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling.''.

(B) ENFORCEABILITY.—Any nondisclosure policy, form, or agreement described under subparagraph (A) that does not contain the statement required under subparagraph (A) may not be implemented or enforced to the extent such policy, form, or agreement is inconsistent with that statement.

(2) PERSONS OTHER THAN GOVERNMENT EMPLOYEES.—Notwithstanding paragraph (1), a nondisclosure policy, form, or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that such forms do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

(l) CLARIFICATION OF WHISTLEBLOWER RIGHTS FOR CRITICAL INFRASTRUCTURE INFORMATION.—Section 214(c) of the Homeland Security Act of 2002 (6 U.S.C. 133(c)) is amended by adding at the end the following: ''For purposes of this section a permissible use of independently obtained information includes the disclosure of such information under section 2302(b)(8) of title 5, United States Code.''.

(m) ADVISING EMPLOYEES OF RIGHTS.—Section 2302(c) of title 5, United States Code, is amended by inserting '', including how to make a lawful disclosure of information that is specifically required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs to the Special Counsel, the Inspector General of an agency, Congress, or other agency employee designated to receive such disclosures'' after ''chapter 12 of this title''.

(n) SCOPE OF DUE PROCESS.—

(1) SPECIAL COUNSEL.—Section 1214(b)(4)(B)(ii) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(2) INDIVIDUAL ACTION.—Section 1221(e)(2) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(o) EFFECTIVE DATE.—This Act shall take effect 30 days after the date of enactment of this Act.

SEC. 1090. SENSE OF CONGRESS REGARDING THE MEN AND WOMEN OF THE ARMED FORCES OF THE UNITED STATES IN IRAQ.

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

(1) In 2003, members of the Armed Forces of the United States successfully liberated the people of Iraq from the tyrannical regime of Saddam Hussein.

(2) Members of the Armed Forces of the United States have bravely risked their lives everyday over the last 3 years to protect the people of Iraq from terror attacks by Al Qaeda and other extremist organizations.

(3) Members of the Armed Forces of the United States have conducted dozens of operations with coalition forces to track, apprehend, and eliminate terrorists in Iraq.

(4) Members of the Armed Forces of the United States have helped sustain political progress in Iraq by assisting the people of Iraq as they exercised their right to choose their leaders and draft their own constitution.

(5) Members of the Armed Forces of the United States have taught over 150,000 soldiers of Iraq to respect civilian authority, conduct counter-insurgency operations, provide meaningful security, and protect the people of Iraq from terror attacks.

(6) Members of the Armed Forces of the United States have built new schools, hospitals, and public works throughout Iraq.

(7) Members of the Armed Forces of the United States have helped rebuild Iraq's dilapidated energy sector.

(8) Members of the Armed Forces of the United States have restored electrical power and sewage waste treatment for the people of Iraq.

(9) Members of the Armed Forces of the United States have established lasting and productive relationships with local leaders in Iraq and secured the support of a majority of the populace of Iraq.

(10) Members of the Armed Forces of the United States have courageously endured sophisticated terror tactics, including deadly car-bombs, sniper attacks, and improvised explosive devices.

(11) Members of the Armed Forces of the United States have paid a high cost in order to defeat the terrorists, defend innocent civilians, and protect democracy from those who desire the return of oppression and extremism to Iraq.

(12) Members of the Armed Forces of the United States have performed their duty in Iraq with an unflagging commitment to the highest ideals and traditions of the United States and the Armed Forces.

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

(1) the men and women in uniform of the Armed Forces of the United States in Iraq should be commended for their on-going service to the United States, their commitment to the ideals of the United States, and their determination to win the Global War on Terrorism;

(2) gratitude should be expressed to the families of the Armed Forces of the United States, especially those families who have lost loved ones in Operational Iraqi Freedom; and

(3) the people of the United States should honor those who have paid the ultimate sacrifice and assist those families who have loved ones in the Armed Forces of the United States deployed overseas.

SEC. 1091. EXTENSION OF RETURNING WORKER EXEMPTION.

Section 402(b)(1) of the Save Our Small and Seasonal Businesses Act of 2005 (title IV of division B of Public Law 109–13; 8 U.S.C. 1184 note) is amended by striking ''2006'' and inserting ''2008''.

SEC. 1092. LIMITATION ON THE UNITED STATES SHARE OF ASSESSMENTS FOR UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) IN GENERAL.—Section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 287e note) is amended by adding at the end the following:

''(v) For assessments made during calendar years 2005, 2006, and 2007, 27.10 percent.''.

(b) CONFORMING AMENDMENT.—Section 411 of the Department of State and Related Agency Appropriations Act, 2005 (title IV of division B of Public Law 108–447; 22 U.S.C. 287e note) is repealed.

SEC. 1093. TERMINATION OF PROGRAM.

Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after ''January 1, 1989'' the following: '', and shall terminate on the date of enactment of the National Defense Authorization Act for Fiscal Year 2007''.

SEC. 1094. PATENT TERM EXTENSIONS FOR THE BADGES OF THE AMERICAN LEGION, THE AMERICAN LEGION WOMEN'S AUXILIARY, AND THE SONS OF THE AMERICAN LEGION.

(a) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION.—The term of a certain design patent numbered 54,296 (for the badge of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(b) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION WOMEN'S AUXILIARY.—The term of a certain design patent numbered 55,398 (for the badge of the American Legion Women's Auxiliary) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(c) PATENT TERM EXTENSION FOR THE BADGE OF THE SONS OF THE AMERICAN LEGION.—The term of a certain design patent numbered 92,187 (for the badge of the Sons of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

SEC. 1095. AVAILABILITY OF FUNDS FOR SOUTH COUNTY COMMUTER RAIL PROJECT, PROVIDENCE, RHODE ISLAND.

Funds available for the South County Commuter Rail project, Providence, Rhode Island, authorized by paragraphs (34) and (35) of section 3034(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1650) shall be available for the purchase of commuter rail equipment for the South County Commuter Rail project upon the receipt by the Rhode Island Department of Transportation of an approved environmental assessment for the South County Commuter Rail project.

SEC. 1096. SENSE OF CONGRESS ON IRAQ SUMMIT.

SENSE OF CONGRESS.—It is the sense of Congress that the President should convene a summit as soon as possible that includes the leaders of the Government of Iraq, leaders of the governments of each country bordering Iraq, representatives of the Arab League, the Secretary General of the North Atlantic Treaty Organization, representatives of the European Union, and leaders of the governments of each permanent member of the United Nations Security Council, for the purpose of reaching a comprehensive political agreement for Iraq that addresses fundamental issues including federalism, oil revenues, the militias, security guarantees, reconstruction, economic assistance, and border security.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES ON TERMINAL LEAVE PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member is also entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of the uniformed services.''.

SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MANAGEMENT, FUNCTIONAL, AND TECHNICAL WORKFORCE OF THE DEPARTMENT OF DEFENSE.

(a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL PLAN.—The Secretary of Defense shall include in the March 1, 2007, Strategic Human Capital Plan required by section 1122(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape and improve the senior management, functional, and technical workforce (including scientists and engineers) of the Department of Defense.

(b) SCOPE OF PLAN.—The strategic plan required by subsection (a) shall cover, at a minimum, the following categories of Department of Defense civilian personnel:

(1) Appointees in the senior executive service under section 3131 of title 5, United States Code.

(2) Persons serving in positions described in section 5376(a) of title 5, United States Code.

(3) Highly qualified experts appointed pursuant to section 9903 of title 5, United States Code.

(4) Scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into by law by Public Law 106–398 (114 Stat. 1654A–315)).

(5) Scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note).

(6) Persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code.

(7) Persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code.

(c) CONTENTS OF PLAN.—The strategic plan required by subsection (a) shall include—

(1) an assessment of—

(A) the needs of the Department of Defense for senior management, functional, and technical personnel (including scientists and engineers) in light of recent trends and projected changes in the mission and organization of the Department and in light of staff support needed to accomplish that mission;

(B) the capability of the existing civilian employee workforce of the Department to meet requirements relating to the mission of the Department, including the impact on that capability of projected trends in the senior management, functional, and technical personnel workforce of the Department based on expected losses due to retirement and other attrition; and

(C) gaps in the existing or projected civilian employee workforce of the Department that should be addressed to ensure that the Department has continued access to the senior management, functional, and technical personnel (including scientists and engineers) it needs; and

(2) a plan of action for developing and reshaping the senior management, functional, and technical workforce of the Department to address the gaps identified under paragraph (1)(C), including—

(A) any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in subsection (b) or to establish a new category of senior management or technical personnel;

(B) any changes in the number of personnel authorized in any category of personnel identified in subsection (b) that may be needed to address such gaps and effectively meet the needs of the Department;

(C) any changes in the rates or methods of pay for any category of personnel identified in subsection (b) that may be needed to address inequities and ensure that the Department has full access to appropriately qualified personnel to address such gaps and meet the needs of the Department;

(D) specific recruiting and retention goals, including the program objectives of the Department to be achieved through such goals;

(E) specific strategies for development, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior management, functional, and technical workforce of the Department, including the program objectives of the Department to be achieved through such strategies; and

(F) specific steps that the Department has taken or plans to take to ensure that the senior management, functional, and technical workforce of the Department is managed in compliance with the requirements of section 129 of title 10, United States Code.

SEC. 1103. AUTHORITY TO EQUALIZE ALLOWANCES, BENEFITS, AND GRATUITIES OF PERSONNEL ON OFFICIAL DUTY IN IRAQ AND AFGHANISTAN.

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

(1) As part of the United States effort to bring democracy and freedom to Iraq and Afghanistan, employees of a broad range of Federal agencies are needed to serve in those countries, furnishing expertise to their counterpart agencies in the Government of Iraq and the Government of Afghanistan.

(2) While the heads of a number of Federal agencies already possess authority to provide to their personnel on official duty abroad allowances, benefits, and death gratuities comparable to those provided by the Secretary of State to similarly-situated Foreign Service personnel on official duty abroad, other agency heads do not possess such authority.

(3) In order to assist the United States Government in recruiting personnel to serve

in Iraq and Afghanistan, and to avoid inequities in allowances, benefits, and death gratuities among similarly-situated United States Government civilian personnel on official duty in these countries, it is essential that the heads of all agencies that have personnel on official duty in Iraq and Afghanistan have the same basic authority with respect to allowances, benefits, and death gratuities for such personnel.

(b) IN GENERAL.—During any fiscal year, the head of an agency may, in the agency head's discretion, provide to an individual employed by, or assigned or detailed to, such agency allowances, benefits, and gratuities comparable to those provided by the Secretary of State to members of the Foreign Service under section 413 and chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3973; 4081 et seq.), if such individual is on official duty in Iraq or Afghanistan.

(c) CONSTRUCTION.—Nothing in this section shall be construed to impair or otherwise affect the authority of the head of an agency under any other provision of law.

SEC. 1104. PROGRAMS FOR USE OF LEAVE BY CAREGIVERS FOR FAMILY MEMBERS OF INDIVIDUALS PERFORMING CERTAIN MILITARY SERVICE.

(a) FEDERAL EMPLOYEES PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (3) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' has the meaning given under section 6331 of title 5, United States Code.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—The Office of Personnel Management shall establish a program to authorize a caregiver to—

(A) use any sick leave of that caregiver during a covered period of service in the same manner and to the same extent as annual leave is used; and

(B) use any leave available to that caregiver under subchapter III or IV of chapter 63 of title 5, United States Code, during a covered period of service as though that covered period of service is a medical emergency.

(3) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing agency and the Office of Personnel Management.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(4) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(5) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Office of Personnel Management shall prescribe regulations to carry out this subsection.

(6) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(b) VOLUNTARY PRIVATE SECTOR LEAVE PROGRAM.—

(1) DEFINITIONS.—

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (4) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' means an employee of a business entity participating in the program under this subsection.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—The Secretary of Labor may establish a program to authorize employees of business entities described under paragraph (3) to use sick leave, or any other leave available to an employee, during a covered period of service in the same manner and to the same extent as annual leave (or its equivalent) is used.

(B) EXCEPTION.—Subparagraph (A) shall not apply to leave made available under the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(3) VOLUNTARY BUSINESS PARTICIPATION.—The Secretary of Labor may solicit business entities to voluntarily participate in the program under this subsection.

(4) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing business entity.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(5) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(6) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor may prescribe regulations to carry out this subsection.

(7) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(c) GAO REPORT.—Not later than June 30, 2007, the Government Accountability Office shall submit a report to Congress on the programs under subsections (a) and (b) that includes—

(1) an evaluation of the success of each program; and

(2) recommendations for the continuance or termination of each program.

SEC. 1105. THREE-YEAR EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL MANAGEMENT PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(e)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—General Matters

SEC. 1201. EXPANSION OF HUMANITARIAN AND CIVIC ASSISTANCE TO INCLUDE COMMUNICATIONS AND INFORMATION CAPACITY.

Section 401 of title 10, United States Code, as amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) Expenses covered by paragraph (1) include communications or information systems equipment or supplies incurred in providing assistance described in subsection (e)(4).''; and

(C) in paragraph (4), as redesignated by subparagraph (A) of this paragraph, by striking ''paragraph (2)(B)'' and inserting ''paragraph (3)(B)''; and

(2) in subsection (e)(4), by inserting before the period the following: '', including information and communications technology facilities''.

SEC. 1202. MODIFICATION OF AUTHORITIES RELATING TO THE REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) REDESIGNATION OF PROGRAM AS REGIONAL DEFENSE COMBATTING TERRORISM FELLOWSHIP PROGRAM.—Section 2249c of title 10, United States Code, is amended in subsections (a) and (c)(3), by striking ''Counterterrorism'' and inserting ''Combatting Terrorism''.

(b) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Subsection (a) of such section is further amended by striking ''the attendance'' and all that follows through ''military educational institutions'' and inserting ''the education and training of foreign military officers and other foreign officials at military or civilian educational institutions''.

(2) INCREASE IN AMOUNT AVAILABLE.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(3) AVAILABILITY OF AMOUNTS ACROSS FISCAL YEARS.—Subsection (b) of such section is further amended by adding at the end the following new sentence: ''Amounts available under the authority in subsection (a) for a fiscal year may be used for programs that begin in such fiscal year but end in the next fiscal year.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the item relating to section 2249c and insert the following new item:

''2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program.''.

SEC. 1203. LOGISTIC SUPPORT OF ALLIED FORCES FOR COMBINED OPERATIONS.

(a) AUTHORITY TO USE FUNDS TO PROVIDE SUPPORT.—

(1) IN GENERAL.—Subchapter I of chapter 134 of title 10, United States Code, is amended by inserting after section 2249c the following new section:

''§ 2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations

''(a) AUTHORITY TO USE FUNDS.—Subject to subsections (b) and (c), funds appropriated to the Department of Defense for operation and maintenance may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide logistic support, supplies, and services to allied forces participating in combined operations with the armed forces of the United States.

''(b) LIMITATION RELATING TO COMBINED OPERATIONS.—The authority in subsection (a) to provide logistic support, supplies, and services may be exercised only—

''(1) with respect to combined operations during a period of active hostilities, a contingency operation, or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, country stabilization operations, or peacekeeping operations under chapter VI or VII of the Charter of the United Nations); and

''(2) in circumstances in which the Secretary of Defense determines that the allied forces to be provided such logistic support, supplies, and services—

''(A) are essential to the success of such combined operations; and

''(B) would not be able to participate in such combined operations but for the provision of such logistic support, supplies, and services.

''(c) LIMITATIONS RELATING TO AMOUNT.—(1) Except as provided in paragraph (2), the amount of logistic support, supplies, and services provided under subsection (a) in any fiscal year may not exceed $100,000,000.

''(2) In any fiscal year, in addition to any logistic support, supplies, and services provided under subsection (a) that are covered by paragraph (1), logistic support, supplies, and services in the amount of $5,000,000 may be provided under that subsection if such support, supplies, and services are solely for purposes of enhancing the interoperability of the logistical support systems of allied forces with the logistical support systems of the armed forces of the United States in order to facilitate combined operations.

''(d) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on the use of the authority in subsection (a) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(1) Each nation provided logistic support, supplies, and services.

''(2) For each such nation, a description of the type and value of logistic support, supplies, and services so provided.

''(e) DEFINITIONS.—In this section:

''(1) The term 'appropriate committees of Congress' means—

''(A) the Committees on Armed Services and Foreign Relations of the Senate; and

''(B) the Committees on Armed Services and International Relations of the House of Representatives.

''(2) The term 'logistic support, supplies, and services' has the meaning given such term in section 2350(1) of this title and includes sealift.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by inserting after the item relating to section 2249c the following new item:

''2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 1204. EXCLUSION OF PETROLEUM, OIL, AND LUBRICANTS FROM LIMITATIONS ON AMOUNT OF LIABILITIES THE UNITED STATES MAY ACCRUE UNDER ACQUISITION AND CROSS-SERVICING AGREEMENTS.

(a) EXCLUSION.—Section 2347 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) The limitations in this section on the amount of reimbursable liabilities or reimbursable credits that the United States may accrue under this subchapter shall not apply with respect to the sale, purchase, or exchange of petroleum, oils, or lubricants.''.

(b) CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of subsection (a) of such section are each amended by striking ''(other than petroleum, oils, and lubricants)''.

SEC. 1205. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LOAN SIGNIFICANT MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Defense may treat significant military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for purposes of providing for the use of such equipment by military forces of nations participating in combined operations with United States Forces in Iraq and Afghanistan if the Secretary, with the concurrence of the Secretary of State, determines in writing that it is in the national security interests of the United States to provide for the use of such equipment in such manner.

(2) LIMITATION ON DURATION OF PROVISION.—Equipment may be used by foreign military forces under this subsection for not longer than one year.

(3) LIMITATION ON USE.—Equipment may be used by foreign military forces under this subsection solely for personnel protection or to aid in the personnel survivability of such forces.

(b) SEMIANNUAL REPORTS.—

(1) REPORTS REQUIRED.—The Secretary of Defense shall, in coordination with the Secretary of State, submit to the appropriate committees of Congress a report on the exercise of the authority in subsection (a) as follows:

(A) If the authority is exercised during the first six-month period of a fiscal year, not later than 30 days after such period.

(B) If the authority is exercised during the second six-month period of a fiscal year, not later than 30 days after such period.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each exercise of authority under subsection (a) during the period covered by such report, the following:

(A) A copy of the written determination under subsection (a) with respect to the exercise of such authority.

(B) A statement of each recipient of equipment under the exercise of such authority.

(C) A description of the type, quantity, and value of the equipment supplied to each such recipient, and a description of the terms and duration of the supply of the equipment to such recipient.

(c) CONSTRUCTION WITH LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT.—The provision of significant military equipment for use under this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control regime under law relating to the transfer of military technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services and Foreign Relations of the Senate; and

(B) the Committees on Armed Services and International Relations of the House of Representatives.

(2) The term ''significant military equipment'' means items designated as significant military equipment on the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(e) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2008.

SEC. 1206. MODIFICATION OF AUTHORITIES RELATING TO THE BUILDING OF THE CAPACITY OF FOREIGN MILITARY FORCES.

(a) FUNDS AVAILABLE FOR PRESIDENTIAL PROGRAM.—Subsection (c) of section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3456) is amended by striking ''defense-wide''.

(b) LIMITED AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—Such section is further amended—

(1) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) COMBATANT COMMANDER AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may, with the concurrence of the Secretary of State,

authorize any commander of a geographic combatant command to respond to unanticipated changes in a security environment within the area of responsibility of such commander by conducting a program to build the capacity of the national military forces of a country within such area of responsibility in order for such country to—

''(A) conduct counterterrorist operations; or

''(B) participate in or support military and stability operations.

''(2) REQUIRED ELEMENTS.—Any program under paragraph (1) shall include elements that promote—

''(A) observance of and respect for human rights and fundamental freedoms; and

''(B) respect for legitimate civilian authority within the country concerned.

''(3) AUTHORIZED ELEMENTS.—Any program under paragraph (1) may include the provision of equipment, supplies, and training.

''(4) ANNUAL FUNDING LIMITATION.—The Secretary of Defense may make available, from funds available for operation and maintenance for fiscal year 2007 or 2008, not to exceed $200,000,000 to conduct activities under paragraph (1) in such fiscal year. Of the amount so made available for a fiscal year, not more than $50,000,000 may be available for any commander of a particular geographic combatant command in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) ASSISTANCE OTHERWISE PROHIBITED BY LAW.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) that is otherwise prohibited by any provision of law.

''(6) LIMITATION ON ELIGIBLE COUNTRIES.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) to any foreign country that is otherwise prohibited from receiving such type of assistance under any other provision of law.

''(7) FORMULATION AND EXECUTION OF PROGRAMS.—The Secretary of Defense shall prescribe guidance for programs authorized by paragraph (1). Such guidance shall include requirements for the commanders of the geographic combatant commands to—

''(A) formulate any program under paragraph (1) for a country jointly with the United States ambassador or chief of mission to such country; and

''(B) coordinate with the United States ambassador or chief of mission to a country in implementing any program under paragraph (1) for such country.

''(8) CONGRESSIONAL NOTIFICATION.—Not less than 15 days after the initiation of activities in a country under a program under paragraph (1), the Secretary of Defense, in coordination with the Secretary of State, shall submit to the congressional committees specified in subsection (e)(3) a notice of the following:

''(A) The country being assisted in the building of the capacity of its military forces under the program.

''(B) The budget, implementation timeline with milestones, and completion date for the program.

''(C) The source and planned expenditure of funds to complete the program.''.

(c) LIMITED AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—Such section is further amended by inserting after subsection (f), as added by subsection (b)(2) of this section, the following new subsection (g):

''(g) COMBATANT COMMANDER AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may authorize any commander of a geographic combatant command to provide the assistance described in paragraph (2) to respond to urgent and unanticipated humanitarian relief or reconstruction requirements in a foreign country within the area of responsibility of the commander of the geographic combatant command if the commander of the geographic combatant command determines that the provision of such assistance will promote the security interests of the United States and the country to which such assistance will be provided. Such assistance may be provided without regard to any provision of chapter 137, 140, or 141 of title 10, United States Code, or any other provision of law that would prohibit, restrict, or limit the provision of such assistance.

''(2) TYPES OF ASSISTANCE.—The assistance that may be provided under paragraph (1) includes the following:

''(A) Construction, reconstruction, or repair of municipal, educational, cultural, or other local facilities.

''(B) Reconstitution or improvement of utilities or other local infrastructure.

''(C) Provision of any other goods or services necessary to respond to urgent and unanticipated humanitarian relief or reconstruction requirements.

''(3) PROHIBITION ON ASSISTANCE IN CERTAIN COUNTRIES.—Assistance may not be provided under paragraph (1) in Iraq or Afghanistan.

''(4) ANNUAL FUNDING LIMITATION.—From funds available for operation and maintenance for fiscal year 2007 or 2008, not more than $200,000 may be available to the commander of a geographic combatant command to conduct activities under paragraph (1) in any particular country in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) CONSTRUCTION OF AUTHORITY.—The authority and funds available to the commanders of the geographic combatant commands under this subsection are in addition to any other authorities and funds available to the commanders of the geographic combatant commands.

''(6) GUIDANCE ON PROVISION OF ASSISTANCE.—(A) No funds may be obligated or expended for the provision of assistance under paragraph (1) until the Secretary of Defense prescribes guidance on the provision of assistance under that paragraph.

''(B) The guidance under this paragraph shall include a requirement that any assistance provided under paragraph (1) in a particular country be provided only with the concurrence of the United States ambassador or chief of mission to that country.

''(C) Not later than 30 days after the issuance of the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

''(D) Not later than 30 days after issuing any modification to the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report on such modification.

''(7) REPORT.—Not later than November 1 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the provision of assistance under paragraph (1) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(A) The source of funds utilized to provide assistance under paragraph (1) during such fiscal year.

''(B) Each country in which assistance was so provided.

''(C) For each country so provided assistance, the type and amount of assistance provided.''.

(d) TERMINATION OF AUTHORITY.—Subsection (i) of such section, as redesignated by subsection (b)(1) of this section, is further amended to read as follows:

''(i) TERMINATION.—

''(1) TERMINATION OF PRESIDENTIAL PROGRAM.—The authority of the President under subsection (a) to direct the Secretary of Defense to conduct a program terminates at the close of September 30, 2008. Any program directed before that date may be completed, but only using funds available for fiscal year 2006, 2007, or 2008.

''(2) TERMINATION OF COMBATANT COMMANDER AUTHORITIES.—The authority of the commanders of the geographic combatant commands to carry out programs under subsection (f), and to provide assistance under subsection (g), terminates at the close of September 30, 2008. Any program or assistance commenced before that date may be completed, but only using funds available for fiscal year 2007 or 2008.''.

SEC. 1207. PARTICIPATION OF THE DEPARTMENT OF DEFENSE IN MULTINATIONAL MILITARY CENTERS OF EXCELLENCE.

(a) PARTICIPATION AUTHORIZED.—During fiscal year 2007, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence hosted by any nation or combination of nations referred to in subsection (b) for purposes of—

(1) enhancing the ability of military forces and civilian personnel of the nations participating in such centers to engage in joint exercises or coalition or international military operations; or

(2) improving interoperability between the Armed Forces of the United States and the military forces of friendly foreign nations.

(b) COVERED NATIONS.—The nations referred to in this section are as follows:

(1) The United States.

(2) Any member nation of the North Atlantic Treaty Organization (NATO).

(3) Any major non-NATO ally.

(4) Any other friendly foreign nation identified by the Secretary of Defense, with the concurrence of the Secretary of State, for purposes of this section.

(c) MEMORANDUM OF UNDERSTANDING.—The participation of the Department of Defense, or of members of the armed forces or civilian personnel of the Department, in a multinational military center of excellence under subsection (a) shall be governed by the terms of one or more memoranda of understanding entered into by the Secretary of Defense, with the concurrence of the Secretary of State, and the foreign nation or nations concerned.

(d) AVAILABILITY OF APPROPRIATED FUNDS.—(1) Funds appropriated to the Department of Defense for operation and maintenance are available as follows:

(A) To pay the United States share of the expenses of any multinational military center of excellence in which the United States participates under this section.

(B) To pay the costs of the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military

centers of excellence under this section, including the costs of pay, salaries, and expenses of such members and personnel in participating in such centers.

(2) The amount available under paragraph (1)(A) in fiscal year 2007 for the expenses referred to in that paragraph may not exceed $3,000,000.

(e) USE OF DEPARTMENT OF DEFENSE FACILITIES AND EQUIPMENT.—(1) Facilities and equipment of the Department of Defense may be used for purposes of the support of multinational military centers of excellence under this section that are hosted by the Department.

(2) The use of facilities and equipment for support of a multinational military center of excellence under paragraph (1) may, at the election of the Secretary of Defense, be with or without reimbursement by other nations participating in the center.

(f) REPORT ON USE OF AUTHORITY.—

(1) REPORT REQUIRED.—Not later than October 31, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the use of the authority in this section during fiscal year 2007.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the participation of the Department of Defense, and of members of the Armed Forces and civilian personnel of the Department, in multinational military centers of excellence under the authority of this section during fiscal year 2007.

(B) For each multinational military center of excellence in which the Department of Defense, or members of the Armed Forces or civilian personnel of the Department, so participated—

(i) a description of such multinational military center of excellence;

(ii) a description of the activities participated in by the Department, or by members of the Armed Forces or civilian personnel of the Department; and

(iii) a statement of the costs of the Department for such participation, including—

(I) a statement of the United States share of the expenses of such center, and a statement of the percentage of the United States share of the expenses of such center to the total expenses of such center; and

(II) a statement of the amount of such costs (including a separate statement of the amount of costs paid for under the authority of this section by category of costs).

(g) DEFINITIONS.—In this section:

(1) The term ''multinational military center of excellence'' means an entity sponsored by one or more nations that is accredited and approved by the North Atlantic Treaty Organization military committee as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of the North Atlantic Treaty Organization by providing such personnel opportunities to—

(A) enhance education and training;

(B) improve interoperability and capabilities;

(C) assist in the development of doctrine; and

(D) validate concepts through experimentation.

(2) The term ''major non-NATO ally'' means a country (other than a member nation of the North Atlantic Treaty Organization) that is designated as a major non-NATO ally for purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

SEC. 1208. DISTRIBUTION OF EDUCATION AND TRAINING MATERIALS AND INFORMATION TECHNOLOGY TO ENHANCE INTEROPERABILITY.

(a) DISTRIBUTION AUTHORIZED.—In furtherance of the national security objectives of the United States and to improve interoperability between the Armed Forces of the United States and military forces of friendly foreign countries, the Secretary of Defense may—

(1) provide to the personnel referred to in subsection (b) electronically-distributed learning content for the education and training of such personnel for the development and enhancement of allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations; and

(2) provide information technology, including computer software developed for such purpose, to support the use of such learning content for the education and training of such personnel.

(b) PERSONNEL.—The personnel to which learning content and information technology may be provided under subsection (a) are as follows:

(1) Military and civilian personnel of friendly foreign governments.

(2) Personnel of internationally-recognized nongovernmental organizations.

(c) EDUCATION AND TRAINING.—The education and training provided under subsection (a) shall include the following:

(1) Internet based education and training.

(2) Advanced distributed learning and similar Internet learning tools, as well as distributed training and computer assisted exercises.

(d) INFORMATION TECHNOLOGY.—In providing information technology under subsection (a)(2), the Secretary of Defense may only expend funds for the development and provision of information technology and learning content necessary to support the provision of education and training authorized by this section.

(e) SECRETARY OF STATE CONCURRENCE IN CERTAIN ACTIVITIES.—In the case of any activity proposed to be undertaken under the authority in this section that is not authorized by another provision of law, the Secretary of Defense may not undertake such activity without the concurrence of the Secretary of State.

(f) CONSTRUCTION WITH OTHER AUTHORITY.—

(1) SUPPLEMENTAL AUTHORITY.—The authority in this section is in addition to any other authority available to the Secretary of Defense to provide assistance to foreign nations or military forces.

(2) LIMITATION.—The provision of learning content and information technology under the authority in this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations.

(g) GUIDANCE.—

(1) GUIDANCE REQUIRED.—The Secretary of Defense shall develop and issue guidance on the procedures for the use of the authority in this section.

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after issuing the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

(3) MODIFICATION.—In the event the Secretary modifies the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth the modified guidance not later than 30 days after the date of such modification.

(h) ANNUAL REPORT.—

(1) REPORT REQUIRED.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in this section during the preceding fiscal year.

(2) ELEMENTS.—The report under paragraph (1) shall include, for the fiscal year covered by such report, the following:

(A) A statement of the recipients of learning content and information technology provided under this section.

(B) A description of the type, quantity, and value of the learning content and information technology provided under this section.

(i) TERMINATION.—The authority in this section shall expire on September 30, 2008.

SEC. 1209. UNITED STATES' POLICY ON THE NUCLEAR PROGRAMS OF IRAN.

(a) FINDINGS.—Congress finds that:

(1) The pursuit by the Iranian regime of a capability to produce nuclear weapons represents a threat to the United States, the middle east region, and international peace and security.

(2) On May 31, 2006, Secretary of State Rice announced that the United States would join negotiations with Iran, along with the United Kingdom, France, and Germany, provided that Iran fully and verifiably suspends its enrichment and reprocessing activities.

(3) On June 1, 2006, President George W. Bush stated that ''Secretary Rice, at my instructions, said to the world that we want to solve the problem of the Iranian nuclear issue diplomatically. And we made it very clear publicly that we're willing to come to the table, so long as the Iranians verifiably suspend their program. In other words, we said to the Iranians [that] the United States of America wants to work with our partners to solve the problem''.

(4) On June 1, 2006, the United States, the United Kingdom, France, Germany, the People's Republic of China, and the Russian Federation agreed upon a package of incentives and disincentives, which was subsequently presented to Iran by the High Representative of the European Union, Javier Solana.

(b) SENSE OF CONGRESS.—Congress—

(1) endorses the policy of the United States, announced May 31, 2006, to achieve a successful diplomatic outcome, in coordination with leading members of the international community, with respect to the threat posed by the efforts of the Iranian regime to acquire a capability to produce nuclear weapons;

(2) calls on Iran to suspend fully and verifiably its enrichment and reprocessing activities, cooperate fully with the International Atomic Energy Agency, and enter into negotiations, including with the United States, pursuant to the package presented to Iran by the High Representative of the European Union; and

(3) urges the President and the Secretary of State to keep Congress fully and currently informed about the progress of this vital diplomatic initiative.

SEC. 1210. MODIFICATION OF LIMITATIONS ON ASSISTANCE UNDER THE AMERICAN SERVICEMEMBERS' PROTECTION ACT OF 2002.

Section 2013(13)(A) of the American Servicemembers' Protection Act of 2002 (title II of Public Law 107–206; 116 Stat. 909; 22 U.S.C. 7432(13)(A)) is amended by striking ''or 5''.

SEC. 1211. SENSE OF THE CONGRESS COMMENDING THE GOVERNMENT OF IRAQ FOR AFFIRMING ITS POSITION OF NO AMNESTY FOR TERRORISTS WHO ATTACK UNITED STATES ARMED FORCES.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March 2003.

(3) More than 2,500 of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

(4) The National Security Advisor of Iraq affirmed that the Government of Iraq will ''never give amnesty to those who have killed American soldiers or Iraqi soldiers or civilians.''

(5) The National Security Advisor of Iraq thanked ''the American wives and American women and American mothers for the treasure and blood they have invested in this country . . . of liberating 30 million people in this country . . . and we are ever so grateful.''

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

(1) the goal of the United States and our coalition partners has been to empower the Iraqi nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty. Through successive elections and difficult political agreements the unity government is now in place exercising that sovereignty. We must respect that exercise of that sovereignty in accordance with their own wisdom;

(2) history records that governments derived of free elections should not grant amnesty to those who have committed war crimes or terrorists acts; and

(3) the United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people who have fought once a conflict is concluded.

SEC. 1212. SENSE OF CONGRESS ON THE GRANTING OF AMNESTY TO PERSONS KNOWN TO HAVE KILLED MEMBERS OF THE ARMED FORCES IN IRAQ.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March of 2003.

(3) More than 2,500 members of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

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

(1) the Government of Iraq should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States; and

(2) the President should immediately notify the Government of Iraq that the Government of the United States strongly opposes granting amnesty to persons who have attacked members of the Armed Forces of the United States.

SEC. 1213. ANNUAL REPORTS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS.

(a) ANNUAL REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to Congress a report listing all assessed and voluntary contributions of the United States Government for the preceding fiscal year to the United Nations and United Nations affiliated agencies and related bodies.

(b) ELEMENTS.—Each report under subsection (a) shall set forth, for the fiscal year covered by such report, the following:

(1) The total amount of all assessed and voluntary contributions of the United States Government to the United Nations and United Nations affiliated agencies and related bodies.

(2) The approximate percentage of United States Government contributions to each United Nations affiliated agency or body in such fiscal year when compared with all contributions to such agency or body from any source in such fiscal year.

(3) For each such contribution—

(A) the amount of such contribution;

(B) a description of such contribution (including whether assessed or voluntary);

(C) the department or agency of the United States Government responsible for such contribution;

(D) the purpose of such contribution; and

(E) the United Nations or United Nations affiliated agency or related body receiving such contribution.

SEC. 1214. NORTH KOREA.

(a) COORDINATOR OF POLICY ON NORTH KOREA.—

(1) APPOINTMENT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the President shall appoint a senior presidential envoy to act as coordinator of United States policy on North Korea.

(2) DESIGNATION.—The individual appointed under paragraph (1) may be known as the ''North Korea Policy Coordinator'' (in this subsection referred to as the ''Coordinator)''.

(3) DUTIES.—The Coordinator shall—

(A) conduct a full and complete interagency review of United States policy toward North Korea including matters related to security and human rights;

(B) provide policy direction for negotiations with North Korea relating to nuclear weapons, ballistic missiles, and other security matters; and

(C) provide leadership for United States participation in Six Party Talks on the denuclearization of the Korean peninsula.

(4) REPORT.—Not later than 90 days after the date of the appointment of an individual as Coordinator under paragraph (1), the Coordinator shall submit to the President and Congress an unclassified report, with a classified annex if necessary, on the actions undertaken under paragraph (3). The report shall set forth—

(A) the results of the review under paragraph (3)(A); and

(B) any other matters on North Korea that the individual considers appropriate.

(b) REPORT ON NUCLEAR AND MISSILE PROGRAMS OF NORTH KOREA.—

(1) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to Congress an unclassified report, with a classified annex as appropriate, on the nuclear program and the missile program of North Korea.

(2) ELEMENTS.—Each report submitted under paragraph (1) shall include the following:

(A) The most current national intelligence estimate on the nuclear program and the missile program of North Korea, and, consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments in the estimate.

(B) The most current unclassified United States Government assessment, stated as a range if necessary, of (i) the number of nuclear weapons possessed by North Korea and (ii) the amount of nuclear material suitable for weapons use produced by North Korea by plutonium reprocessing and uranium enrichment for each period as follows:

(I) Before October 1994.

(II) Between October 1994 and October 2002.

(III) Between October 2002 and the date of the submittal of the initial report under paragraph (1).

(IV) Each 12-month period after the submittal of the initial report under paragraph (1).

(C) Any other matter relating to the nuclear program or missile program of North Korea that the President considers appropriate.

SEC. 1215. COMPREHENSIVE STRATEGY FOR SOMALIA.

(a) SENSE OF SENATE.—It is the sense of the Senate that the United States should—

(1) support the development of the Transitional Federal Institutions in Somalia into a unified national government, support humanitarian assistance to the people of Somalia, support efforts to prevent Somalia from becoming a safe haven for terrorists and terrorist activities, and support regional stability;

(2) broaden and integrate its strategic approach toward Somalia within the context of United States activities in countries of the Horn of Africa, including Djibouti, Ethiopia, Kenya, Eritrea, and in Yemen on the Arabian Peninsula; and

(3) carry out all diplomatic, humanitarian, counter-terrorism, and security-related activities in Somalia within the context of a comprehensive strategy developed through an interagency process.

(b) DEVELOPMENT OF A COMPREHENSIVE STRATEGY FOR SOMALIA.—

(1) REQUIREMENT FOR STRATEGY.—Not later then 90 days after the date of the enactment of this Act, the President shall develop and submit to the appropriate committees of Congress a comprehensive strategy toward Somalia within the context of United States activities in the countries of the Horn of Africa.

(2) CONTENT OF STRATEGY.—The strategy should include the following:

(A) A clearly stated policy towards Somalia that will help establish a functional, legitimate, unified national government in Somalia that is capable of maintaining the rule of law and preventing Somalia from becoming a safe haven for terrorists.

(B) An integrated political, humanitarian, intelligence, and military approach to counter transnational security threats in Somalia within the context of United States activities in the countries of the Horn of Africa.

(C) An interagency framework to plan, coordinate, and execute United States activities in Somalia within the context of other activities in the countries of the Horn of Africa among the agencies and departments of the United States to oversee policy and program implementation.

(D) A description of the type and form of diplomatic engagement to coordinate the implementation of the United States policy in Somalia.

(E) A description of bilateral, regional, and multilateral efforts to strengthen and promote diplomatic engagement in Somalia.

(F) A description of appropriate metrics to measure the progress and effectiveness of the United States policy towards Somalia and throughout the countries of the Horn of Africa.

(G) Guidance on the manner in which the strategy will be implemented.

(c) ANNUAL REPORTS.—Not later than April 1, 2007, and annually thereafter, the President shall prepare and submit to the appropriate committees of Congress a report on the status of the implementation of the strategy.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee Intelligence of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, the Committees on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1216. INTELLIGENCE ON IRAN.

(a) SUBMITTAL TO CONGRESS OF UPDATED NATIONAL INTELLIGENCE ESTIMATE ON IRAN.—

(1) SUBMITTAL REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress an updated National Intelligence Estimate on Iran.

(2) NOTICE REGARDING SUBMITTAL.—If the Director determines that the National Intelligence Estimate required by paragraph (1) cannot be submitted by the date specified in that paragraph, the Director shall submit to Congress a report setting forth—

(A) the reasons why the National Intelligence Estimate cannot be submitted by such date; and

(B) an estimated date for the submittal of the National Intelligence Estimate.

(3) FORM.—The National Intelligence Estimate under paragraph (1) shall be submitted in classified form. Consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments of the National Intelligence Estimate should be submitted.

(4) ELEMENTS.—The National Intelligence Estimate submitted under paragraph (1) shall address the following:

(A) The foreign policy and regime objectives of Iran.

(B) The current status of the nuclear programs of Iran, including—

(i) an assessment of the current and projected capabilities of Iran to design a nuclear weapon, to produce plutonium, enriched uranium, and other weapons materials, to build a nuclear weapon, and to deploy a nuclear weapon; and

(ii) an assessment of the intentions of Iran regarding possible development of nuclear weapons, the motivations underlying such intentions, and the factors that might influence changes in such intentions.

(C) The military and defense capabilities of Iran, including any non-nuclear weapons of mass destruction programs and related delivery systems.

(D) The relationship of Iran with terrorist organizations, the use by Iran of terrorist organizations in furtherance of its foreign policy objectives, and the factors that might cause Iran to reduce or end such relationships.

(E) The prospects for support from the international community for various potential courses of action with respect to Iran, including diplomacy, sanctions, and military action.

(F) The anticipated reaction of Iran to the courses of action set forth under subparagraph (E), including an identification of the course or courses of action most likely to successfully influence Iran in terminating or moderating its policies of concern.

(G) The level of popular and elite support within Iran for the Iran regime, and for its civil nuclear program, nuclear weapons ambitions, and other policies, and the prospects for reform and political change within Iran.

(H) The views among the populace and elites of Iran with respect to the United States, including views on direct discussions with or normalization of relations with the United States.

(I) The views among the populace and elites of Iran with respect to other key countries involved in nuclear diplomacy with Iran.

(J) The likely effects and consequences of any military action against the nuclear programs or other regime interests of Iran.

(K) The confidence level of key judgments in the National Intelligence Estimate, the quality of the sources of intelligence on Iran, the nature and scope of any gaps in intelligence on Iran, and any significant alternative views on the matters contained in the National Intelligence Estimate.

(b) PRESIDENTIAL REPORT ON POLICY OBJECTIVES AND UNITED STATES STRATEGY REGARDING IRAN.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the President shall submit to Congress a report on the following:

(A) The objectives of United States policy on Iran.

(B) The strategy for achieving such objectives.

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form with a classified annex, as appropriate.

(3) ELEMENTS.—The report submitted under paragraph (1) shall—

(A) address the role of diplomacy, incentives, sanctions, other punitive measures and incentives, and other programs and activities relating to Iran for which funds are provided by Congress; and

(B) summarize United States contingency planning regarding the range of possible United States military actions in support of United States policy objectives with respect to Iran.

(c) DIRECTOR OF NATIONAL INTELLIGENCE REPORT ON PROCESS FOR VETTING AND CLEARING ADMINISTRATION OFFICIALS' STATEMENTS DRAWN FROM INTELLIGENCE.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress a report on the process for vetting and clearing statements of Administration officials that are drawn from or rely upon intelligence.

(2) ELEMENTS.—The report shall—

(A) describe current policies and practices of the Office of the Director of National Intelligence and the intelligence community for—

(i) vetting and clearing statements of senior Administration officials that are drawn from or rely upon intelligence; and

(ii) how significant misstatements of intelligence that may occur in public statements of senior public officials are identified, brought to the attention of any such officials, and corrected;

(B) assess the sufficiency and adequacy of such policies and practices; and

(C) include any recommendations that the Director considers appropriate to improve such policies and practices.

SEC. 1217. REPORTS ON IMPLEMENTATION OF THE DARFUR PEACE AGREEMENT.

(a) REQUIREMENT FOR REPORTS.—Not later than 30 days after the date of the enactment of this Act, and every 60 days thereafter until the date that the President submits the certification described in subsection (b), the President shall submit to Congress a report on the implementation of the Darfur Peace Agreement of May 5, 2006, and the situation in Darfur, Sudan. Each such report shall include—

(1) a description of the steps being taken by the Government of Sudan, the Sudan Liberation Movement/Army (SLM/A), and other parties to the Agreement to uphold their commitments to—

(A) demobilize and disarm the Janjaweed, as stated in paragraphs 214(F), 338, 339, 340, 366, 387, and 368 of the Agreement;

(B) provide secure, unfettered access for humanitarian personnel and supplies, as stated in paragraph 214(E) of the Agreement;

(C) ensure that foreign combatants respect the provisions of the Agreement, as stated in paragraphs 341 through 344 of the Agreement; and

(D) expedite the safe and voluntary return of internally-displaced persons and refugees to their places of origin, as stated in paragraphs 182 through 187 of the Agreement; and

(2) a description of any violation of the Agreement and any delay in implementing the Agreement, including any such violation or delay that compromises the safety of civilians, and the names of the individuals or entities responsible for such violation or delay;

(3) a description of any attacks against civilians and any activities that disrupt implementation of the Agreement by armed persons who are not a party to the Agreement; and

(4) a description of the ability of the Ceasefire Commission, the African Union Mission in Sudan, and the other organizations identified in the Agreement to monitor the implementation of the Agreement, and a description of any obstruction to such monitoring.

(b) CERTIFICATION.—The certification described in this subsection is a certification made by the President and submitted to Congress that the Government of Sudan has fulfilled its obligations under the Darfur Peace Agreement of May 5, 2006, to demobilize and disarm the Janjaweed and to protect civilians.

(c) FORM AND AVAILABILITY OF REPORTS.—

(1) FORM.—A report submitted under this section shall be in an unclassified form and may include a classified annex.

(2) AVAILABILITY.—The President shall make the unclassified portion of a reported submitted under this section available to the public.

Subtitle B—Report Matters

SEC. 1221. REPORT ON INCREASED ROLE AND PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, and a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

(3) A discussion of whether and how members of the United Nations Command in the Republic of Korea might be persuaded to deploy military forces in peacetime to the Republic of Korea to bolster the deterrence mission of the United Nations Command.

(4) An assessment of how the military and political requirements for United States military forces in the Republic of Korea

might be affected were multinational partners in the United Nations Command in the Republic of Korea to increase their contribution of military forces stationed in the Republic of Korea.

(5) An assessment of whether and how the contribution of additional military forces to the United Nations Command in the Republic of Korea by a multinational partner might affect that partner's approach to facilitating a diplomatic resolution of the nuclear challenge posed by the Democratic Peoples Republic of Korea.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 1222. REPORT ON INTERAGENCY OPERATING PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.

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

(1) the United States Government should bring to bear all elements of national power to achieve its national security objectives, including stabilization and reconstruction operations;

(2) civilian agencies of the United States Government lack the capacity to deploy rapidly, and for sustained periods of time, trained personnel to support stabilization and reconstruction operations in the field;

(3) civilian agencies of the United States Government should expand their capacity to plan, coordinate, and conduct stabilization and reconstruction operations, including their capacity to deploy civilians with relevant expertise to participate in sustained stability and reconstruction operations;

(4) National Security Presidential Directive 44, entitled ''Management of Interagency Efforts Concerning Reconstruction and Stabilization'', is a positive step toward improving coordination, planning, and implementation by the United States Government of reconstruction and stabilization assistance for foreign states and regions at risk of, in, or in transition from conflict or civil strife;

(5) all the relevant United States Government agencies should include in their budget requests for future fiscal years adequate funding for planning and preparing to support contingency operations and, as necessary, request emergency supplemental funds for unanticipated contingency operations; and

(6) the President should provide clear guidance to United States Government agencies to manage complex operations and establish a standard, integrated approach to the planning and conduct of interagency operations to ensure a coherent and unified United States Government approach to contingency operations.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the President shall submit to Congress a report setting forth a plan to establish interagency operating procedures for the departments and agencies of the United States Government for the planning and conduct of stabilization and reconstruction operations.

(c) PLAN ELEMENTS.—The plan required under the report under subsection (b) shall include the following:

(1) A delineation of the roles, responsibilities, and authorities of the departments and agencies of the United States Government for stabilization and reconstruction operations.

(2) A description of operational processes for setting policy direction for stabilization and reconstruction operations in order to guide—

(A) operational planning and funding decisions of such departments and agencies;

(B) oversight of policy implementation;

(C) integration of programs and activities into an implementation plan;

(D) integration of civilian and military planning efforts;

(E) provision of guidance to field-level personnel on program direction and priorities; and

(F) monitoring of field implementation of assistance programs.

(3) A description of available capabilities and resources of each department and agency of the United States Government that could be used in support of stabilization and reconstruction operations, and an identification of additional resources needed to support the conduct of stabilization and reconstruction activities.

(4) A description of how the capabilities and resources of the departments and agencies of the United States Government under stabilization and reconstruction operations will be coordinated.

(5) A description of existing, or planned, protocols between departments and agencies of the United States Government on the utilization and allocation of assets in field operations under stabilization and reconstruction operations.

(6) Recommendations for improving interagency training, education, and simulation exercises in order to adequately prepare civilian and military personnel in the departments and agencies of the United States Government to perform stabilization and reconstruction operations.

(7) A discussion of the statutory and budgetary impediments, if any, that prevent civilian agencies of the United States Government from fully and effectively participating in stabilization and reconstruction operations, and recommendations for legislative or administration actions to enhance the ability of the United States Government to conduct stabilization and reconstruction operations.

(8) Guidance for the implementation of the plan.

SEC. 1223. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) REPORTS ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE.—Section 1003 of the Department of Defense Authorization Act, 1985 (22 U.S.C. 1928 note) is amended by striking subsections (c) and (d).

(b) COST-SHARING REPORT.—Section 1313 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2894; 22 U.S.C. 1928 note) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 1224. REPORTS ON THE DARFUR PEACE AGREEMENT.

Not later than 60 days after the date of the enactment of this Act, annually thereafter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the Department of Defense's role in assisting the parties to the Darfur Peace Agreement of May 5, 2006 with implementing that Agreement. Each such report shall include a description of—

(1) the assets that the United States military, in concert with the United States North Atlantic Treaty Organisation (NATO) allies, are able to offer the African Union Mission in Sudan (AMIS) and any United Nations peacekeeping mission authorized for Darfur;

(2) any plans of the Secretary of Defense to support the AMIS by providing information regarding the location of belligerents and potential violations of the Darfur Peace Agreement and assistance to improve the AMIS use of intelligence and tactical mobility;

(3) the resources that will be used during the current fiscal year to provide the support described in paragraph (2) and the resources that will be needed during the next fiscal year to provide such support;

(4) the efforts of the Secretary of Defense and Secretary of State to leverage troop contributions from other countries to serve in the proposed United Nation peacekeeping mission for Darfur;

(5) any plans of the Secretary of Defense to participate in the deployment of any NATO mentoring or technical assistance teams to Darfur to assist the AMIS; and

(6) any actions carried out by the Secretary of Defense to address deficiencies in the AMIS communications systems, particularly the interoperability of communications equipment.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,000,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,500,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,400,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be

obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) AUTHORITY.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE AND WAIT.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) LIMITATION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303(b) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended by striking ''December 31, 2006, and no waiver shall remain in effect after that date'' and inserting ''December 31, 2011''.

SEC. 1304. REMOVAL OF CERTAIN RESTRICTIONS ON PROVISION OF COOPERATIVE THREAT REDUCTION ASSISTANCE.

(a) REPEAL OF RESTRICTIONS.—

(1) SOVIET NUCLEAR THREAT REDUCTION ACT OF 1991.—Section 211(b) of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 22 U.S.C. 2551 note) is repealed.

(2) COOPERATIVE THREAT REDUCTION ACT OF 1993.—Section 1203(d) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5952(d)) is repealed.

(3) RUSSIAN CHEMICAL WEAPONS DESTRUCTION FACILITIES.—Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) is repealed.

(b) INAPPLICABILITY OF OTHER RESTRICTIONS.—

Section 502 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 106 Stat. 3338; 22 U.S.C. 5852) shall not apply to any Cooperative Threat Reduction program.

TITLE XIV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

SEC. 1401. PURPOSE.

The purpose of this title is to authorize anticipated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1402. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft, $404,100,000.

(2) For missile procurement, $450,000,000.

(3) For weapons and tracked combat vehicles, $214,400,000.

(4) For other procurement, $686,600,000.

SEC. 1403. MARINE CORPS PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $319,800,000.

SEC. 1404. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the aircraft procurement account for the Air Force in the amount of $51,800,000.

SEC. 1405. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $22,124,466,000.

(2) For the Navy, $2,349,560,000.

(3) For the Marine Corps, $1,544,920,000.

(4) For the Air Force, $2,779,898,000.

(5) For Defense-wide activities, $3,388,402,000.

(6) For the Army National Guard, $59,000,000.

SEC. 1406. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program in the amount of $960,200,000 for operation and maintenance.

SEC. 1407. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for military personnel accounts a total of $7,335,872,000.

SEC. 1408. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year for the Joint Improvised Explosive Device Defeat Fund a total of $2,100,000,000.

SEC. 1409. CLASSIFIED PROGRAMS.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for classified programs a total of $3,000,000,000.

SEC. 1410. IRAQ FREEDOM FUND.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Freedom Fund in the amount of $2,230,982,000.

(b) TRANSFER.—

(1) TRANSFER AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Freedom Fund to any accounts as follows:

(A) Operation and maintenance accounts of the Armed Forces.

(B) Military personnel accounts.

(C) Research, development, test, and evaluation accounts of the Department of Defense.

(D) Procurement accounts of the Department of Defense.

(E) Accounts providing funding for classified programs.

(F) The operating expenses account of the Coast Guard.

(2) NOTICE TO CONGRESS.—A transfer may not be made under the authority in paragraph (1) until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the transfer.

(3) TREATMENT OF TRANSFERRED FUNDS.—Amounts transferred to an account under the authority in paragraph (1) shall be merged with amounts in such account and shall be made available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(4) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

SEC. 1411. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1412. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—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 title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(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;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1413. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

SEC. 1414. AMOUNT FOR PROCUREMENT OF HEMOSTATIC AGENTS FOR USE IN THE FIELD.

(a) SENSE OF CONGRESS.—It is the sense of Congress that every member of the Armed Forces deployed in a combat zone should carry life saving resources on them, including hemostatic agents.

(b) AVAILABILITY OF FUNDS.—(1) Of the amount authorized under section 1405(1) for operation and maintenance for the Army, $15,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed

Forces in the field so that each soldier serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(2) Of the amount authorized under section 1405(3) for operation and maintenance for the Marine Corps, $5,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed Forces in the field so that each Marine serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(c) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the distribution of hemostatic agents to members of the Armed Forces serving in Iraq and Afghanistan, including a description of any distribution problems and attempts to resolve such problems.

SEC. 1415. OUR MILITARY KIDS YOUTH SUPPORT PROGRAM.

(a) ARMY FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(1) for operation and maintenance for the Army, $1,500,000 may be available for the expansion nationwide of the Our Military Kids youth support program for dependents of elementary and secondary school age of members of the National Guard and Reserve who are severely wounded or injured during deployment.

(b) ARMY NATIONAL GUARD FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(6) for operation and maintenance for the Army National Guard, $500,000 may be available for the expansion nationwide of the Our Military Kids youth support program.

SEC. 1416. JOINT ADVERTISING, MARKET RESEARCH AND STUDIES PROGRAM.

(a) INCREASE IN AMOUNT FOR OPERATION AND MAINTENANCE, DEFENSE-WIDE.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, is hereby increased by $10,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, as increased by subsection (a), $10,000,000 may be available for the Joint Advertising, Market Research and Studies (JAMRS) program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $10,000,000, due to unexpended obligations, if available.

SEC. 1417. REPORT.

Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on how the data, including social security numbers, contained in the Joint Advertising, Market Research and Studies (JAMRS) program is maintained and protected, including the security measures in place to prevent unauthorized access or inadvertent disclosure of the data that could lead to identity theft.

SEC. 1418. SUBMITTAL TO CONGRESS OF DEPARTMENT OF DEFENSE SUPPLEMENTAL AND COST OF WAR EXECUTION REPORTS.

Section 1221(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3462; 10 U.S.C. 113 note) is amended—

(1) in the subsection caption by inserting ''CONGRESS AND'' after ''SUBMISSION TO''; and

(2) by inserting ''the congressional defense committees and'' before ''the Comptroller General''.

SEC. 1419. LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN PURPOSES RELATING TO IRAQ.

No funds authorized to be appropriated by this Act may be obligated or expended for a purpose as follows:

(1) To establish a permanent United States military installation or base in Iraq.

(2) To exercise United States control over the oil resources of Iraq.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2007''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$20,000,000
Alaska	Fort Richardson	$72,300,000
	Fort Wainwright	$8,800,000
California	Fort Irwin	$10,000,000
Colorado	Fort Carson	$24,000,000
Georgia	Fort Gillem	$15,000,000
	Fort Stewart/Hunter Army Air Field	$95,300,000
Hawaii	Schofield Barracks	$54,500,000
Kansas	Fort Leavenworth	$15,000,000
	Fort Riley	$47,400,000
Kentucky	Blue Grass Army Depot	$3,500,000
	Fort Campbell	$127,200,000
Louisiana	Fort Polk	$9,800,000
Maryland	Aberdeen Proving Ground	$8,800,000
Michigan	Detroit Arsenal	$18,500,000
Missouri	Fort Leonard Wood	$23,900,000
New York	Fort Drum	$209,200,000
North Carolina	Fort Bragg	$96,900,000
	Sunny Point (Military Ocean Terminal)	$46,000,000
Oklahoma	McAlester Army Ammunition Plant	$3,050,000
Pennsylvania	Letterkenny Depot	$7,500,000
Texas	Fort Hood	$75,000,000
	Red River Depot	$6,000,000
Utah	Dugway Proving Ground	$14,400,000
Virginia	Fort Belvoir	$58,000,000
Washington	Fort Lewis	$502,600,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	$157,632,000
	Vilseck	$19,000,000
Italy	Vicenza	$223,000,000
Japan	Camp Hansen	$7,150,000
Korea	Camp Humphreys	$77,000,000
	Yongpyong	$7,400,000
Romania	Babadag Range	$34,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Fort Richardson	162 Units	$70,000,000
	Fort Wainwright	234 Units	$132,000,000
Arizona	Fort Huachuca	119 Units	$32,000,000
Arkansas	Pine Bluff Arsenal	10 Units	$2,900,000
Wisconsin	Fort McCoy	13 Units	$4,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $336,859,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,452,581,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,266,650,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $525,982,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $217,629,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $594,991,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $676,829,000.

(6) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(7) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(8) For the construction of increment 2 of a barracks complex for the 3rd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(9) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(10) For the construction of phase 2 of the Defense Access Road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

(3) $40,400,000 (the balance of the amount authorized under section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2101) for construction of a barracks complex for divisional artillery for Fort Bragg, North Carolina).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$5,966,000
California	Marine Corps Air Station, Camp Pendleton	$6,412,000
	Marine Corps Base, Camp Pendleton	$106,142,000
	Marine Corps Air Station, Miramar	$2,968,000
	Naval Air Station, North Island	$21,535,000
	Marine Corps Base, Twentynine Palms	$8,217,000
Connecticut	Naval Submarine Base, New London	$9,580,000
Florida	Cape Canaveral	$9,900,000
	Naval Station, Pensacola	$13,486,000
Georgia	Marine Corps Logistics Base, Albany	$62,000,000
	Navy Submarine Base, Kings Bay	$20,282,000
Hawaii	Naval Base, Pearl Harbor	$48,338,000
	Naval Shipyard, Pearl Harbor	$22,000,000
Indiana	Naval Support Activity, Crane	$6,730,000
Maine	Portsmouth Naval Shipyard	$9,650,000
Maryland	Naval Air Station, Patuxent River	$16,316,000
	Naval Support Activity, Suitland	$67,939,000
Mississippi	Naval Air Station, Meridian	$5,870,000
Nevada	Naval Air Station, Fallon	$7,730,000
North Carolina	Marine Corps Air Station, New River	$27,300,000
	Marine Corps Base, Camp Lejeune	$160,904,000
Rhode Island	Naval Station, Newport	$3,410,000
South Carolina	Marine Corps Air Station, Beaufort	$14,970,000
Virginia	Marine Corps Base, Quantico	$30,628,000
	Naval Special Weapons Center, Dahlgren	$9,850,000
	Naval Shipyard, Norfolk	$34,952,000
	Naval Station, Norfolk	$12,062,000
	Naval Support Activity, Norfolk	$38,962,000
Washington	Naval Air Station, Whidbey Island	$67,303,000
	Naval Submarine Base, Bangor	$13,507,000

(b) OUTSIDE THE UNITED STATES.—.Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installation or location outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	$37,473,000
Italy	Naval Air Station, Sigonella	$13,051,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Installation or Location	Amount
Various Locations	Helicopter Support Facility	$12,185,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amount set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Logistics Base, Barstow	74 Units	$27,851,000
Guam	Naval Base, Guam	176 Units	$98,174,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,600,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $176,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,072,435,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $808,750,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,247,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $305,071,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $498,525,000.

(7) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(8) For the construction of increment 2 of Alpha and Bravo wharf improvements at Naval Base, Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrade at Recruit Training Command, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of the Wesley Brown Field House at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $26,685,000.

(11) For the construction of increment 2 of wharf upgrades at Naval Station, Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(12) For the construction of increment 2 of the ship repair pier 3 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(13) For the construction of increment 2 of the Bachelor Enlisted Quarters Homeport Ashore Program at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat.3490), $20,917,000.

(14) For the construction of phase 2 of the reclamation and conveyance project at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $33,290,000.

(15) For the construction of increment 3 of the Navy Outlaying Landing Field facilities at Washington County, North Carolina, authorized for various locations, continental United States, by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $7,926,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106), $14,274,000.

(17) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(18) For the construction of increment 2 of an addition to Hockmuth Hall at Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $11,559,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $39,874,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704) for various locations, continental United States).

(3) $33,951,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106) for construction of a limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington).

(4) $22,661,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois).

(5) $24,740,000 (the balance of the amount authorized under section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for wharf upgrades at Naval Station, Yokosuka, Japan.

(6) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of a National Maritime Intelligence Center addition at Suitland, Maryland).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489) is amended—

(1) in the item related to Marine Corps Base, Camp Pendleton, California, by striking ''$90,437,000'' in the amount column and inserting ''$86,006,000''; and

(2) in the item relating to Marine Corps Base, Quantico, Virginia, by striking ''$18,429,000'' in the amount column and inserting ''$19,829,000''.

(b) CONFORMING AMENDMENTS.—Section 2204(b) of that Act (119 Stat. 3492) is amended—

(1) in paragraph (2), by striking ''$37,721,000'' and inserting ''$33,290,000''; and

(2) in paragraph (7), by striking ''$10,159,000'' and inserting ''$11,559,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	$38,300,000
	Elmendorf Air Force Base	$68,100,000
Arizona	Davis-Monthan Air Force Base	$4,600,000
California	Beale Air Force Base	$28,000,000
	Travis Air Force Base	$85,800,000
Colorado	Buckley Air Force Base	$10,700,000
	Schriever Air Force Base	$21,000,000
Delaware	Dover Air Force Base	$30,400,000
Florida	Eglin Air Force Base	$19,350,000
	Hurlburt Field	$32,950,000
	MacDill Air Force Base	$71,000,000
	Tyndall Air Force Base	$1,800,000
Georgia	Robins Air Force Base	$52,600,000
Hawaii	Hickam Air Force Base	$28,538,000
Illinois	Scott Air Force Base	$28,200,000
Kentucky	Fort Knox	$3,500,000
Maryland	Andrews Air Force Base	$29,000,000
Massachusetts	Hanscom Air Force Base	$12,400,000
Nevada	Indian Springs Air Force Auxiliary Field	$49,923,000
	Nellis Air Force Base	$4,800,000
New Jersey	McGuire Air Force Base	$15,500,000
New Mexico	Kirtland Air Force Base	$11,400,000
North Dakota	Minot Air Force Base	$9,000,000
Oklahoma	Altus Air Force Base	$9,500,000
	Tinker Air Force Base	$8,100,000
South Carolina	Charleston Air Force Base	$10,200,000
	Shaw Air Force Base	$22,200,000
South Dakota	Ellsworth Air Force Base	$3,000,000
Texas	Fort Bliss	$8,500,000
	Lackland Air Force Base	$13,200,000
Utah	Hill Air Force Base	$63,400,000
Virginia	Langley Air Force Base	$57,700,000
Wyoming	Francis E. Warren Air Force Base	$11,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	$53,150,000
Guam	Andersen Air Force Base	$52,800,000
Italy	Naval Air Station, Sigonella	$26,000,000
Korea	Kunsan Air Base	$46,700,000
	Osan Air Base	$2,156,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for unspecified installations or locations in the amounts, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
Worldwide Unspecified	Common Battlefield Airman Training Complex	$14,200,000
Worldwide Classified	Classified Project	$3,377,000
	Classified—Special Evaluation Program	$4,600,000
	Classified	$1,700,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts, set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Eielson Air Force Base	129 Units	$87,414,000
Idaho	Mountain Home Air Force Base	457 Units	$107,800,000
Missouri	Whiteman Air Force Base	116 Units	$39,270,000
Montana	Malmstrom Air Force Base	493 Units	$140,252,000
North Carolina	Seymour Johnson Air Force Base	56 Units	$22,956,000
North Dakota	Minot Air Force Base	575 Units	$170,188,000
Texas	Dyess Air Force Base	199 Units	$49,215,000
Germany	Ramstein Air Base	101 Units	$73,488,000
	Spangdahlem Air Base	60 Units	$39,294,000
United Kingdom	Royal Air Force Lakenheath	74 Units	$35,282,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $13,202,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $403,727,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,195,485,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $863,661,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $180,806,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $23,877,000.

(4) For unspecified minor military construction projects authorized by 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, $90,632,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,182,138,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C–17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) (2) and (3) of subsection (a).

(2) $35,000,000 (the balance of the amount authorized under section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494) for construction of a main base runway at Edwards Air Force Base, California).

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECT.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; Stat. 119 Stat. 3494) is amended in the item relating to MacDill Air Force Base, Florida, by striking ''$107,200,000'' in the amount column and inserting ''$101,500,000''.

(b) CONFORMING AMENDMENT.—Section 2304(b)(4) of that Act (119 Stat. 3496) is amended by striking ''$29,000,000'' and inserting ''$23,300,000''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,715,000
California	Beale Air Force Base	$9,000,000
Pennsylvania	Defense Distribution Depot, New Cumberland	$8,900,000
Virginia	Fort Belvoir	$5,500,000
Washington	Naval Air Station, Whidbey Island	$26,000,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	$24,400,000
Colorado	Fort Carson	$26,100,000
Florida	Hurlburt Field	$14,482,000
	MacDill Air Force Base	$27,300,000
Kentucky	Fort Campbell	$24,500,000
North Carolina	Fort Bragg	$44,868,000
	Marine Corps Base, Camp Lejune	$51,600,000
	Pope Air Force Base	$15,276,000
Virginia	Naval Air Base, Little Creek	$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	$37,200,000
California	Fort Irwin	$6,050,000
Florida	Naval Hospital, Jacksonville	$16,000,000
	MacDill Air Force Base	$87,000,000
Hawaii	Naval Base, Pearl Harbor	$7,700,000
Illinois	Naval Hospital, Great Lakes	$20,000,000
Maryland	Fort Detrick	$550,000,000
New York	Fort Drum	$9,700,000
Texas	Fort Hood	$18,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Camp Ederle	$31,460,000

Defense Education Activity—Continued

Country	Installation or Location	Amount
	Vicenza	$15,750,000
Korea	Osan Air Base	$4,589,000
Spain	Naval Station, Rota	$23,048,000

Defense Logistics Agency

Country	Installation or Location	Amount
Japan	Okinawa	$5,000,000
Wake Island	Wake Island	$2,600,000

Missile Defense Agency

Country	Installation or Location	Amount
Kwajalein	Kwajalein Atoll	$7,592,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid Air Base	$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	$52,000,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Defense Logistics Agency: Family Housing

State	Installation or Location	Purpose	Amount
Virginia	Defense Supply Center, Richmond	25 Units	$7,840,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $484,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $60,000,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 $7,122,602,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $557,399,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $170,789,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,150,000.

(6) For energy conservation projects authorized by section 2403, $60,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, $5,526,894,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000.

(10) For the construction of increment 8 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $41,836,000.

(11) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $99,157,000.

(12) For the construction of increment 2 of a replacement of a regional security operations center, Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(2) of this Act, $47,016,000.

(13) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section

2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(14) For the construction of increment 2 of a replacement of a regional security operations center, Augusta, Georgia, authorized by section 2401(a) of the Military Construction Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(1) of this Act, $107,118,000.

(15) For the construction of increment 2 of construction of an operations building, Menwith Hall Station, United Kingdom, authorized by section 2401(b) of the Military Construction Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2405(b)(1) of this Act, $46,386,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $184,752,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Augusta, Georgia).

(3) $254,508,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Kunia, Hawaii).

(4) $521,000,000 (the balance of the amount authorized under section 2401(a) for construction of a replacement facility, Fort Detrick, Maryland).

(5) $187,120,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado).

(6) $134,554,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky).

SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) is amended—

(1) in the item relating to Augusta, Georgia, by striking ''$61,466,000'' in the amount column and inserting ''$340,836,000''; and

(2) in the item relating to Kunia, Hawaii, by striking ''$305,000,000'' in the amount column and inserting ''$350,490,000''.

(b) MODIFICATION OF OUTSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking ''$86,354,000'' in the amount column and inserting ''$88,083,000''.

(c) CONFORMING AMENDMENT.—Section 2403(b) of that Act (119 Stat. 3500) is amended—

(1) in paragraph (2), by striking ''$12,500,000'' and inserting ''$291,870,000'';

(2) in paragraph (3), by striking ''$256,034,000'' and inserting ''$301,524,000''; and

(3) in paragraph (5), by striking ''$44,657,000'' and inserting ''$46,386,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of $205,985,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $524,031,000; and

(B) for the Army Reserve, $189,817,000.

(2) For the Department of the Navy, for the Navy and Marine Corps Reserve, $48,408,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $245,743,000; and

(B) for the Air Force Reserve, $44,936,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment Program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2004 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1716), authorizations set forth in the tables in subsection (b), as provided in sections 2101, 2301, 2302, 2401, and 2601 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Fort Wainwright	Multi-Purpose Training Range Complex	$47,000,000
Hawaii	Helemano Military Reservation	Land Easement	$1,400,000
Virginia	Fort Belvoir	NGIC Land Acquisition	$7,000,000
	Fort Lee	Fire & Emergency Services Center (Ph 2)	$3,850,000

Army: Extension of 2004 Project Authorizations—Continued

State	Installation or Location	Project	Amount
Italy	Aviano Air Base	Joint Deployment Facility (Ph 1)	$15,500,000

Air Force: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
California	Travis Air Force Base	Replace Family Housing (56 Units)	$12,723,000
Florida	Eglin Air Force Base	Replace Family Housing (279 Units)	$32,166,000
Hawaii	Hickam Air Force Base	Expand Strategic Airlift Parking Ramp	$10,102,000
Texas	Dyess Air Force Base	Replace Family Housing (116 Units)	$19,973,000

Defense Wide: Extension of 2004 Project Authorizations

Agency	Installation or Location	Project	Amount
Defense Logistics Agency	Hickam Air Force Base, Hawaii	Replace Hydrant Fuel System	$14,100,000

Army National Guard: Extension of 2004 Authorization of Appropriations

State	Installation or Location	Project	Amount
Indiana	Gary	Army Aviation Support Facility	$15,581,000
New Mexico	Albuquerque	Readiness Center, Add/Alt (ADRS)	$2,533,000
Pennsylvania	Fort Indiantown Gap	Multi-Purpose Training Range	$15,338,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), authorizations set forth in the tables in subsection (b), as provided in section 2302 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2003 Project Authorizations

State	Installation or Location	Project	Amount
Florida	Eglin Air Force Base	Replace Family Housing (134 Units)	$15,906,000
	Eglin Air Force Base	Replace Housing Office	$597,000
Texas	Randolph Air Force Base	Replace Family Housing Maintenance Facility	$447,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. THREE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended—

(1) in subsection (a), by striking ''fiscal years 2005 and 2006'' and inserting ''fiscal years 2005, 2006, 2007, 2008, and 2009''; and

(2) in subsection (f)—

(A) in paragraph (1), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Construction and Veterans Affairs, and Related Agencies of''; and

(B) in paragraph (2), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Quality of Life and Veterans Affairs, and Related Agencies of''.

SEC. 2802. AUTHORITY TO CARRY OUT MILITARY CONSTRUCTION PROJECTS IN CONNECTION WITH INDUSTRIAL FACILITY INVESTMENT PROGRAM.

(a) AUTHORITY.—Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2870. Authority to carry out military construction projects in connection with industrial facility investment program

''(a) AUTHORITY.—The Secretary of Defense may carry out a military construction project, not previously authorized, for the purpose of carrying out activities under section 2474(a)(2) of this title, using funds appropriated or otherwise made available for that purpose.

''(b) CREDITING OF FUNDS.—Funds appropriated or otherwise made available in a fiscal year for the purpose of carrying out a military construction project with respect to a public depot under subsection (a) may be credited to the amount required under section 2208(s) of this title to be invested in such fiscal year in the capital budget for such public depot.

''(c) NOTICE AND WAIT REQUIREMENT.—The Secretary may not carry out a project under subsection (a) until 21 days after the date on which the Secretary notifies the congressional defense committees of the intent to carry out such project and the savings estimated to be realized from such project or, if earlier, 14 days after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.

''(d) ANNUAL REPORT.—Not later than December 31 of each year, the Secretary shall submit to Congress a report describing actions taken under this section and the savings realized from such actions during the fiscal year ending in the year in which the report is submitted.''.

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

''2870. Authority to carry out military construction projects in connection with industrial facility investment program.''.

SEC. 2803. MODIFICATION OF NOTIFICATION REQUIREMENTS RELATED TO COST VARIATION AUTHORITY.

Section 2853(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking the semicolon at the end and inserting ''; and'';

(2) by amending paragraph (2) to read as follows:

''(2)(A) in the case of a cost increase or a reduction in the scope of work—

''(i) the Secretary concerned notifies the appropriate committees of Congress in writing of the cost increase or reduction in scope and the reasons therefor, including a description of the funds proposed to be used to finance any increased costs; and

''(ii) a period of 21 days has elapsed after the date on which the notification is received by the committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title; or

''(B) in the case of a cost decrease, the Secretary concerned notifies the appropriate committees of Congress in writing not later than 14 days after the date funds are obligated in connection with the military construction project or military family housing project.''; and

(3) by striking paragraph (3).

SEC. 2804. CONSIDERATION OF LOCAL COMPARABILITY OF FLOOR AREAS IN CONSTRUCTION, ACQUISITION, AND IMPROVEMENT OF MILITARY UNACCOMPANIED HOUSING.

(a) IN GENERAL.—Section 2856 of title 10, United States Code, is amended to read as follows:

''§ 2856. Military unaccompanied housing: local comparability of floor areas

''In the construction, acquisition, and improvement of military unaccompanied housing, the Secretary concerned shall ensure that the floor areas of such housing in a particular locality (as designated by the Secretary concerned for purposes of this section) do not exceed the floor areas of similar housing in the private sector in that locality.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2856 and inserting the following:

''2856. Military unaccompanied housing: local comparability of floor areas.''.

SEC. 2805. INCREASE IN THRESHOLDS FOR UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) INCREASE.—Section 2805(a)(1) of title 10, United States Code, is amended—

(1) by striking ''$1,500,000'' and inserting ''$2,500,000''; and

(2) by striking ''$3,000,000'' and inserting ''$4,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

SEC. 2806. INCLUSION OF MILITARY TRANSPORTATION AND SUPPORT SYSTEMS IN ENERGY SAVINGS PROGRAM.

(a) IN GENERAL.—Section 2865 of title 10, United States Code, is amended—

(1) in the section heading, by inserting ''**for military operations and**'' after ''**Energy savings**'';

(2) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

''(1) The Secretary of Defense shall designate energy performance goals for the Department of Defense for military transportation and support systems and installations. The goals shall be consistent, where appropriate, with the Energy Policy Act of 2005 (Public Law 109–58).'';

(B) in paragraph (2), by striking ''energy conservation measures'' and all that follows through ''energy savings'' and inserting ''energy conservation measures and alternative energy initiatives to achieve maximum total life-cycle energy savings'';

(C) in paragraph (3)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance''; and

(ii) by inserting after ''10 years or less'' the following: '', except that the Secretary may provide that energy conservation measures related to equipment and systems supporting industrial processes may have a positive net present value over a period of 20 years or less''; and

(D) in paragraph (4)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance'';

(ii) in subparagraph (A), by inserting ''vehicles, military support equipment,'' after ''such as''; and

(iii) in subparagraph (B), by striking ''an operation or maintenance process, such as improved training'' and inserting ''a military operation or maintenance process, such as the use of alternative fuels and energy sources, improved training,'';

(3) in subsection (b)(2)(A), by striking ''installations of the Department of Defense as may be designated'' and inserting ''installations of the Department of Defense and related to such vehicles and military support equipment of the Department of Defense as may be designated'';

(4) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(5) by inserting after subsection (d) the following new subsection:

''(e) ENERGY EFFICIENCY IN NEW CONSTRUCTION.—

''(1) The Secretary of Defense shall ensure, to the maximum extent practicable, that energy efficient products meeting the Department's requirements, if cost effective over the life cycle of the product and readily available, be used in new facility construction by or for the Department carried out under this chapter.

''(2) In determining the energy efficiency of products, the Secretary shall consider products that—

''(A) meet or exceed Energy Star specifications; or

''(B) are listed on the Department of Energy's Federal Energy Management Program Product Energy Efficiency Recommendations product list.''.

SEC. 2807. REPEAL OF AUTHORITY TO CONVEY PROPERTY AT CLOSED OR REALIGNED MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) REPEAL.—Section 2869 of title 10, United States Code, is repealed.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENTS.—(A) Section 2822(b) of such title is amended by striking paragraph (6).

(B) Section 2883(c) of such title is amended—

(i) in paragraph (1), by striking subparagraph (F); and

(ii) in paragraph (2), by striking subparagraph (F).

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869.

SEC. 2808. REPEAL OF REQUIREMENT TO DETERMINE AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING FOR ACQUISITION IN LIEU OF CONSTRUCTION OF NEW FAMILY HOUSING.

(a) IN GENERAL.—Section 2823 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2823.

SEC. 2809. UPDATING FOREIGN CURRENCY FLUCTUATION ADJUSTMENT FOR CERTAIN MILITARY FAMILY HOUSING LEASES IN KOREA.

Section 2828(e)(5)(A) of title 10, United States Code, is amended to read as follows:

''(A) for—

''(i) foreign currency fluctuations from October 1, 1987, in the case of maximum lease amounts provided for under paragraphs (1), (2), and (3); or

''(ii) foreign currency appreciation during the previous fiscal year, starting from the fiscal year of enactment of the lease authority under paragraph (4), in the case of the maximum lease amount provided for under such paragraph; and''.

SEC. 2810. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) REDUCTION OF APPLICABLE NOTIFICATION PERIODS.—Section 2881a of title 10, United States Code, is amended by striking ''90

days'' both places it appears and inserting ''30 days''.

(b) EXTENSION OF AUTHORITY.—Subsection (f) of such section is amended by striking ''2007'' and inserting ''2009''.

SEC. 2811. CERTIFICATION REQUIRED FOR CERTAIN MILITARY CONSTRUCTION PROJECTS.

The Department of Defense may not use amounts authorized to be appropriated for a fiscal year beginning after September 30, 2006, to carry out a military construction project to construct a facility designed to provide training in urban operations for personnel of the Department of Defense or other Federal agencies until the Under Secretary of Defense for Personnel and Readiness, in consultation with the Commander of the United States Joint Forces Command, has certified to the congressional defense committees that—

(1) the Secretary of Defense has approved a strategy for training and facility construction for operations in urban terrain; and

(2) the Under Secretary has evaluated the project and determined that the project—

(A) is consistent with such strategy; and

(B) incorporates the appropriate capabilities for joint and interagency use in accordance with such strategy.

SEC. 2812. MODIFICATION OF LAND ACQUISITION AUTHORITY, PERQUIMANS COUNTY, NORTH CAROLINA.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1320), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2149), is further amended by striking ''840 acres'' and inserting ''1,550 acres''.

SEC. 2813. NAMING OF RESEARCH LABORATORY AT AIR FORCE ROME RESEARCH SITE, ROME, NEW YORK, IN HONOR OF SHERWOOD L. BOEHLERT, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The new laboratory facility at the Air Force Rome Research Site, Rome, New York, shall be known and designated as the ''Sherwood L. Boehlert Engineering Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such laboratory facility shall be deemed to be a reference to the Sherwood L. Boehlert Engineering Center.

SEC. 2814. NAMING OF ADMINISTRATION BUILDING AT JOINT SYSTEMS MANUFACTURING CENTER IN LIMA, OHIO, AFTER MICHAEL G. OXLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The administration building under construction at the Joint Systems Manufacturing Center in Lima, Ohio, shall, upon be completion, be known and designated as the ''Michael G. Oxley Administration and Technology Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such administration building shall be deemed to be a reference to the Michael G. Oxley Administration and Technology Center.

SEC. 2815. NAMING OF MILITARY FAMILY HOUSING FACILITY AT FORT CARSON, COLORADO, IN HONOR OF JOEL HEFLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The Secretary of the Army shall designate one of the military family housing areas or facilities constructed for Fort Carson, Colorado, using the authority provided by subchapter IV of chapter 169 of title 10, United States Code, as the ''Joel Hefley Village''. Any reference in any law, regulation, map, document, record, or other paper of the United States to the military housing area or facility designated under this section shall be considered to be a reference to Joel Hefley Village.

SEC. 2816. AUTHORITY TO OCCUPY UNITED STATES SOUTHERN COMMAND FAMILY HOUSING.

(a) The Secretary of the Army may authorize family members of a member of the armed forces on active duty who is occupying a housing unit leased under section 2828(b)(4) of title 10, United States Code and who is assigned to a family-member-restricted area to remain in the leased housing unit until the member completes the family-member-restricted tour. Costs incurred for such housing during such tour shall be included in the costs subject to the limitation under subparagraph (B) of that paragraph.

(b) The authority granted by subsection (a) shall expire on September 30, 2008.

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONSOLIDATION OF EASEMENT PROVISIONS.

(a) CONSOLIDATION OF EASEMENT PROVISIONS.—

(1) TRANSFER OF EASEMENTS SECTION.—Section 2668 of title 10, United States Code, is—

(A) transferred to appear after section 2671 of such title; and

(B) redesignated as section 2672 of such title.

(2) CONSOLIDATED AUTHORITY.—Section 2672, as redesignated by paragraph (1), is amended—

(A) in subsection (a)—

(i) by inserting ''TYPES OF EASEMENTS.—'' after ''(a)'';

(ii) in the matter preceding paragraph (1), by striking ''to a State, Territory, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Territory, Commonwealth, or possession,'';

(iii) in paragraph (2), by striking ''oil pipe lines'' and inserting ''gas, water, sewer, and oil pipe lines''; and

(iv) in paragraph (13), by striking '', except a purpose covered by section 2669 of this title'';

(B) in subsection (b), by inserting ''LIMITATION ON SIZE.—'' after ''(b)'';

(C) in subsection (c), by inserting ''TERMINATION.—'' after ''(c)'';

(D) in subsection (d), by inserting ''NOTICE TO DEPARTMENT OF THE INTERIOR.—'' after ''(d)''; and

(E) in subsection (e), by inserting ''DISPOSITION OF CONSIDERATION.—'' after ''(e)''.

(b) REPEAL OF OBSOLETE AUTHORITY.—Section 2669 of such title is repealed.

(c) CONFORMING AMENDMENTS.—The table of sections at the beginning of chapter 159 of such title is amended—

(1) by striking the items relating to sections 2668 and 2669; and

(2) by inserting after the item relating to section 2671 the following new item:

''2672. Easements for rights-of-way.''.

SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS FOR CONSERVATION AND ENVIRONMENTAL RESTORATION PURPOSES.

(a) AUTHORITY TO GRANT RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, as amended by section 2821 of this Act, is further amended by inserting after section 2672 of such title the following new section:

''§ 2672a. Authority to grant restrictive easements

''(a) CONSERVATION EASEMENTS.—(1)(A) If the Secretary of a military department finds that it will be in the public interest, the Secretary may, subject to paragraph (2), grant, upon such terms as the Secretary considers advisable and with the consent of an entity described in subparagraph (B), a restrictive easement to such entity over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

''(B) An entity referred to in subparagraph (A) is—

''(i) a State or local government; or

''(ii) a qualified organization, as that term is defined in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

''(2) An easement under paragraph (1) shall not be granted unless the Secretary of the military department concerned determines that—

''(A) the conservation of the property can not be effectively achieved through the application of State law by units of State or local government without granting such easement;

''(B) the jurisdiction that encompasses the property authorizes such easement; and

''(C) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing such easement.

''(b) ENVIRONMENTAL EASEMENTS.—If the Secretary of a military department finds that it will be in the public interest, the Secretary may grant, upon such terms as the Secretary considers advisable and with the consent of a State or local government, a restrictive easement to such government over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property to ensure the continued effectiveness of any environmental restoration function on the property conducted pursuant to chapter 160 of this title.

''(c) LIMITATIONS.—(1) No easement granted under this section may include more land than is necessary for the easement.

''(2) Easements granted under this section shall be without consideration from the recipient.

''(3) Nothing in this section shall alter the responsibilities of any party under Federal or State environmental laws.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 2821 of this Act, is further amended by inserting after the item relating to section 2672 the following new item:

''2672a. Authority to grant restrictive easements for conservation and environmental restoration purposes.''.

SEC. 2823. CONSOLIDATION OF PROVISIONS RELATING TO TRANSFERS OF REAL PROPERTY WITHIN THE DEPARTMENT OF DEFENSE AND TO OTHER FEDERAL AGENCIES.

(a) CONSOLIDATION AND RESTATEMENT OF AUTHORITY ON INTERCHANGE, TRANSFER, AND SCREENING OF DEPARTMENT OF DEFENSE REAL PROPERTY.—Section 2696 of title 10, United States Code, is amended to read as follows:

''§ 2696. Real property: transfer between armed forces; screening for transfer or conveyance

''(a) TRANSFER BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another.

''(b) SCREENING AND CONVEYANCE OF PROPERTY FOR CORRECTIONAL FACILITIES PURPOSES.—(1) Except as provided in paragraph (2), before any real property or facility of the United States that is under the jurisdiction of any department, agency, or instrumentality of the Department of Defense is determined to be excess to the needs of such department, agency, or instrumentality, the Secretary of Defense shall—

''(A) provide adequate notification of the availability of such real property or facility within the Department of Defense;

''(B) if such real property or facility remains available after such notification, notify the Attorney General of its availability; and

''(C) if the Attorney General certifies to the Secretary that a determination has been made by the Director of the Bureau of Justice Assistance within the Department of Justice to utilize such real property or facility under the correctional options program carried out under section 515 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a), convey such real property or facility, without reimbursement, to a public agency referred to in paragraph (1) or (3) of subsection (a) of such section for such utilization.

''(2) The provisions of this subsection shall not apply during any portion of a fiscal year after four conveyances have been made under this subsection in such fiscal year.

''(c) SCREENING FOR FURTHER FEDERAL USE BEFORE CONVEYANCE TO NON-FEDERAL ENTITIES.—(1) The Secretary concerned may not convey real property that is authorized or required to be conveyed, whether for or without consideration, by any provision of law unless the Administrator has screened the property for further Federal use in accordance with subtitle I of title 40 and title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.).

''(2)(A) Before the end of the 30-day period beginning on the date of the enactment of a provision of law authorizing or requiring the conveyance of a parcel of real property by the Secretary concerned, the Administrator of General Services shall complete the screening referred to in paragraph (1) with regard to the real property and notify the Secretary concerned and Congress of the results of the screening. The notice shall include—

''(i) the name of the Federal agency requesting transfer of the property;

''(ii) the proposed use to be made of the property by the Federal agency; and

''(iii) the fair market value of the property, including any improvements thereon, as estimated by the Administrator.

''(B) If the Administrator fails to complete the screening and notify the Secretary concerned and Congress within such period, the Secretary concerned shall proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance.

''(3) If the Administrator submits notice under paragraph (2)(A) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.

''(4) The screening requirements of this subsection shall not apply to real property authorized or required to be conveyed under any of the following provisions of law:

''(A) A base closure law.

''(B) Chapter 5 of title 40.

''(C) Any specific provision of law authorizing or requiring the transfer of administrative jurisdiction over a parcel or real property between Federal agencies.''.

(b) CONFORMING AMENDMENTS.—

(1) CONFORMING AMENDMENTS TO AUTHORITY ON INTERCHANGE OF PROPERTY AND SERVICES.—(A) Section 2571(a) of such title is amended by striking ''and real property''.

(B) The heading of such section is amended to read as follows:

''§ 2571. Interchange of supplies and services''.

(2) REPEAL OF SUPERSEDED AUTHORITY ON SCREENING AND TRANSFER FOR CORRECTIONAL PURPOSES.—Section 2693 of such title is repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

''2571. Interchange of supplies and services.''.

(2) The table of sections at the beginning of chapter 159 of such title is amended—

(A) by striking the item relating to section 2693; and

(B) by striking the item relating to section 2696 and inserting the following new item:

''2696. Real property: transfer between armed forces; screening for transfer or conveyance.''.

SEC. 2824. AUTHORITY TO USE EXCESS PROPERTY AS EXCHANGE UNDER AGREEMENTS TO LIMIT ENCROACHMENTS ON MILITARY TRAINING, TESTING, AND OPERATIONS.

Section 2684a(h) of title 10, United States Code, is amended—

(1) in the heading, by striking ''FUNDING'' and inserting ''CONSIDERATION''; and

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

''(3) Land under the jurisdiction of the Secretary concerned that is determined to be excess to the needs of the Department of Defense may be used by way of exchange to enter into an agreement under this section, but only if such land is located within the same State as the installation that is the subject of the agreement.''.

SEC. 2825. MODIFICATION OF UTILITY SYSTEM AUTHORITY AND RELATED REPORTING REQUIREMENTS.

Section 2688 of title 10, United States Code, as amended by section 2823 of the Military Construction Authorization Act for Fiscal Year 2006 (Public Law 109–163), is further amended—

(1) in subsection (a)(2)(A)—

(A) in clause (i), by striking the semicolon at the end and inserting ''; and''; and

(B) by striking clause (iii); and

(2) in subsection (d)—

(A) in paragraph (1), by striking ''10 years'' and inserting ''50 years''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''a term in excess of 10 years'' and all that follows through the period at the end and inserting ''a term not to exceed 50 years.''; and

(ii) in the second sentence, by striking ''shall include'' and all that follows through the period at the end and inserting ''shall include an explanation of the term of the contract.''.

SEC. 2826. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR CERTAIN STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES.

Section 2675(a) of title 10, United States Code, is amended by striking ''five years'' and inserting ''10 years''.

SEC. 2827. MODIFICATION OF LAND TRANSFER AUTHORITY, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

Section 2831 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2795) is amended by striking ''consisting of approximately 3 acres'' and inserting ''consisting of approximately 4 acres and containing two buildings, known as building 6 and building 7''.

SEC. 2828. REPORTS ON ARMY TRAINING RANGES.

(a) LIMITATION.—The Secretary of the Army may not carry out any acquisition of real property to expand the Pinon Canyon Maneuver Site at Fort Carson, Colorado until 30 days after the Secretary submits the report required under subsection (b).

(b) REPORT ON PINON CANYON MANEUVER SITE.—

(1) IN GENERAL.—Not later than November 30, 2006, the Secretary of the Army shall submit to the congressional defense committees a report containing an analysis of any potential expansion of the military training range at the Pinon Canyon Maneuver Site at Fort Carson, Colorado.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) A description of the Army's current and projected military requirements for training at the Pinon Canyon Maneuver Site.

(B) An analysis of the reasons for any changes in those requirements, including the extent to which they are a result of the increase of military personnel due to the 2005 round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) A proposed plan for addressing those requirements, including a description of any proposed expansion of the existing training range by acquiring privately held land surrounding the site and an analysis of alternative approaches that do not require expansion of the training range.

(D) If an expansion of the training range is recommended pursuant to subparagraph (C), the following information:

(i) An assessment of the economic impact on local communities of such acquisition.

(ii) An assessment of the environmental impact of expanding the Pinon Canyon Maneuver Site.

(iii) An estimate of the costs associated with the potential expansion, including land acquisition, range improvements, installation of utilities, environmental restoration, and other environmental activities in connection with the acquisition.

(iv) An assessment of options for compensating local communities for the loss of property tax revenue as a result of the expansion of Pinon Canyon Maneuver Site.

(v) An assessment of whether the acquisition of additional land at the Pinon Canyon Maneuver Site can be carried out by the Secretary solely through transactions, including land exchanges and the lease or purchase of easements, with willing sellers of the privately held land.

(c) REPORT ON EXPANSION OF ARMY TRAINING RANGES.—

(1) IN GENERAL.—Not later than February 1, 2007, the Secretary of the Army shall submit to the congressional defense committees a report containing an assessment of the training ranges operated by the Army to support major Army units.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) The size, description, and mission essential training tasks supported by each such Army training range during fiscal year 2003.

(B) A description of the projected changes in training range requirements, including the size, characteristics, and attributes for mission essential training of each range and the extent to which any changes in requirements are a result of the 2005 round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) The projected deficit or surplus of training land at each such range, and a description of the Army's plan to address that projected deficit or surplus of land as well as the upgrade of range attributes at each existing training range.

(D) A description of the Army's prioritization process and investment strategy to address the potential expansion or upgrade of training ranges.

(E) An analysis of alternatives to the expansion of Army ranges to include an assessment of the joint use of ranges operated by other services.

SEC. 2829. USE OF RENEWABLE ENERGY TO MEET ELECTRICITY NEEDS.

It shall be the goal of the Department of Defense to ensure that the Department—

(1) produces or procures not less than 25 percent of the total quantity of electric energy it consumes within its facilities and in its activities during fiscal year 2025 and each fiscal year thereafter from renewable energy sources (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)); and

(2) produces or procures such renewable energy when it is life-cycle cost effective to do so (as defined in section 708 of Executive Order 13123 (42 U.S.C. 8251 note; relating to greening the Government through efficient energy management)).

SEC. 2830. NAMING OF NAVY AND MARINE CORPS RESERVE CENTER AT ROCK ISLAND, ILLINOIS, IN HONOR OF LANE EVANS, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

DESIGNATION.—The Navy and Marine Corps Reserve Center at Rock Island Arsenal, Illinois, shall be known and designated as the ''Lane Evans Navy and Marine Corps Reserve Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to the Navy and Marine Corps Reserve Center at Rock Island Arsenal shall be deemed to be a reference to the Lane Evans Navy and Marine Corps Reserve Center.

Subtitle C—Base Closure and Realignment

SEC. 2831. DEFENSE ECONOMIC ADJUSTMENT PROGRAM: RESEARCH AND TECHNICAL ASSISTANCE.

Section 2391 of title 10, United States Code, is amended by inserting after subsection (b) the following new subsection:

''(c) RESEARCH AND TECHNICAL ASSISTANCE.—(1) The Secretary of Defense may make grants, conclude cooperative agreements, and enter into contracts in order to conduct research and technical assistance in support of activities under this section or Executive Order 12788.

''(2) A grant, cooperative agreement, or contract under this subsection may be with or to a Federal agency, a State or local government, or any private entity.''.

SEC. 2832. EXTENSION OF ELIGIBILITY FOR COMMUNITY PLANNING ASSISTANCE RELATED TO CERTAIN MILITARY FACILITIES NOT UNDER DEPARTMENT OF DEFENSE JURISDICTION.

Section 2391(d)(1) of title 10, United States Code, is amended by striking the period at the end and inserting the following: '', except that for purposes of subsection (b)(1)(D), a 'military installation' may also include a military facility owned and operated by a State, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam even though such facility is not under the jurisdiction of the Department of Defense, if the facility is subject to significant use for training by the armed forces.''.

SEC. 2833. MODIFICATION OF DEPOSIT REQUIREMENTS IN CONNECTION WITH LEASE PROCEEDS RECEIVED AT MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (5), by inserting after ''lease under subsection (f)'' the following: ''at a military installation to be closed or realigned under a base closure law, the date of approval of which is before January 1, 2005,''; and

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

''(6) Money rentals received by the United States from a lease under subsection (f) at a military installation to be closed or realigned under a base closure law, the date of approval of which is on or after January 1, 2005, shall be deposited into the account established under section 2906A(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 2834. REPORT ON AIR FORCE AND AIR NATIONAL GUARD BASES AFFECTED BY 2005 ROUND OF DEFENSE BASE CLOSURE AND REALIGNMENT.

(a) REPORT.—Not later than January 1, 2007, the Secretary of the Air Force shall submit to Congress a report on planning by the Department of the Air Force for future roles and missions for active and Air National Guard personnel and installations affected by decisions of the 2005 round of defense base closure and realignment.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the capabilities, characteristics, and capacity of the facilities, infrastructure, and authorized personnel at each affected base;

(2) a description of the planning process used by the Air Force to determine future roles and missions at active and Air National Guard bases affected by the decisions of the 2005 round of defense base closure and realignment, including an analysis of alternatives for installations to support each future role or mission;

(3) a description of the future roles and missions under consideration for each active and Air National Guard base and an explanation of the criteria and decision-making process to make final decisions about future roles and missions for each base; and

(4) a timeline for decisions on the final determination of future roles and missions for each active and Air National Guard base affected by the decisions of the 2005 round of defense base closure and realignment.

(c) BASES COVERED.—The report required under subsection (a) shall include information on each active and Air National Guard base at which the number of aircraft, weapon systems, or functions is proposed to be reduced or eliminated and to any installation that was considered as a potential receiving location for the realignment of aircraft, weapons systems, or functions.

Subtitle D—Land Conveyances

SEC. 2841. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 80 acres at Radford Army Ammunition Plant, New River Unit, Virginia, for the purpose of permitting the Commonwealth to establish on the property a cemetery operated by the Commonwealth for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—(A) The Secretary may require the Commonwealth to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Commonwealth in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Commonwealth.

(B) The authority of the Secretary to require the Commonwealth to cover administrative costs related to the conveyance does not include costs related to any environmental remediation required for the property.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATIONS TO LAND CONVEYANCE AUTHORITY, ENGINEERING PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONSTRUCTION OF SECURITY BARRIER.—Section 2836 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1314), as amended by section 2846 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3527), is further amended—

(1) in subsection (b)(4), by striking ''$3,880,000'' and inserting ''$4,880,000''; and

(2) in subsection (d)—

(A) in paragraph (1), by inserting after ''Virginia,'' the following: ''and the construction of a security barrier, as applicable,''; and

(B) in paragraph (2), by inserting after ''Building 191'' the following: ''and the construction of a security barrier, as applicable''.

(b) AUTHORITY TO ENTER INTO ALTERNATIVE AGREEMENT FOR DESIGN AND CONSTRUCTION OF FAIRFAX COUNTY PARKWAY PORTION.—Such section 2836 is further amended—

(1) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

''(1) except as provided in subsection (f), design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground (in this section referred to as the 'Parkway portion');''; and

(B) in paragraph (2), by inserting after ''C514'' the following: '', RW–214 (in this section referred to as 'Parkway project')'';

(2) by redesignating subsection (f) as subsection (g);

(3) by inserting after subsection (e) the following new subsection:

''(f) ALTERNATE AGREEMENT FOR CONSTRUCTION OF ROAD.—(1) The Secretary of the Army may, in connection with the conveyance authorized under subsection (a), enter into an agreement with the Commonwealth providing for the design and construction by the Department of the Army or the United States Department of Transportation of the Parkway portion and other portions of the Fairfax County Parkway off the Engineer Proving Ground that are necessary to complete the Parkway project (in this subsection referred to as the 'alternate agreement') if the Secretary determines that the alternate agreement is in the best interests of the United States to support the permanent relocation of additional military and civilian personnel at Fort Belvoir pursuant to decisions made as part of the 2005 round of defense base closure and realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) If the Secretary of Defense certifies that the Parkway portion is important to the national defense pursuant to section 210 of title 23, United States Code, the Secretary of the Army may enter into an agreement with the Secretary of Transportation to carry out the alternate agreement under the Defense Access Road Program.

''(3) The Commonwealth shall pay to the Secretary of the Army the costs of the design and construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground designed and constructed under the alternate agreement. The Secretary shall apply such payment to the design and construction provided for in the alternate agreement.

''(4) The Secretary may carry out environmental restoration activities on real property under the jurisdiction of the Secretary in support of the construction of the Parkway portion with funds appropriated for that purpose.

''(5) The alternate agreement shall be subject to the following conditions:

''(A) The Commonwealth shall acquire and retain all necessary right, title, and interest in any real property not under the jurisdiction of the Secretary that is necessary for construction of the Parkway portion or for construction of any other portions of the Fairfax County Parkway off the Engineer Proving Ground that will be constructed under the alternate agreement, and shall grant to the United States all necessary access to and use of such property for such construction.

''(B) With respect to activities related to the construction of any portion of the Fairfax County Parkway off the Engineer Proving Ground that is not owned by the Federal Government, the Secretary of the Army shall not be considered an owner or operator for purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

''(C) The Secretary shall receive consideration from the Commonwealth as required in subsections (b)(2), (b)(3), and (b)(4) and shall carry out the acceptance and disposition of funds in accordance with subsection (d).

''(6) The design of the Parkway portion under the alternate agreement shall be subject to the approval of the Secretary and the Commonwealth in accordance with the Virginia Department of Transportation Approved Plan, dated June 15, 2004, Project #R000–029–249, PE–108, C–514, RW–214. For each phase of the design and construction of the Parkway portion under the alternate agreement, the Secretary may—

''(A) accept funds from the Commonwealth; or

''(B) transfer funds received from the Commonwealth to the United States Department of Transportation.

''(7) Upon completion of the construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground required under the alternate agreement, the Secretary shall carry out the conveyance under subsection (a). As a condition of such conveyance carried out under the alternate agreement, the Secretary shall receive a written commitment, in a form satisfactory to the Secretary, that the Commonwealth agrees to accept all responsibility for the costs of operation and maintenance of the Parkway portion upon conveyance to the Commonwealth of such real property.''; and

(4) in subsection (g), as redesignated by paragraph (2), by inserting ''or the alternate agreement authorized under subsection (f)'' after ''conveyance under subsection (a)''.

SEC. 2843. LAND CONVEYANCES, OMAHA, NEBRASKA.

(a) CONVEYANCES AUTHORIZED.—

(1) ARMY CONVEYANCE.—The Secretary of the Army may convey to the Metropolitan Community College Area, a public community college located in Omaha, Nebraska (in this section referred to as the ''College'') all right, title, and interest of the United States in and to three parcels of real property under the control of the Army Reserve, including any improvements thereon, consisting of approximately 5.42 acres on the Fort Omaha campus at the College, for educational purposes.

(2) NAVY CONVEYANCE.—The Secretary of the Navy may convey to the College all right, title, and interest of the United States in and to a parcel of real property under the control of the Navy Reserve and Marine Corps Reserve, including any improvements thereon, consisting of approximately 6.57 acres on the Fort Omaha campus at the College, for educational purposes.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for each conveyance under subsection (a), the College shall provide the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary concerned.

(2) REDUCED TUITION RATES.—The Secretary concerned may accept as in-kind consideration under paragraph (1) reduced tuition rates for military personnel at the College.

(c) PAYMENT OF COSTS OF CONVEYANCES.—

(1) PAYMENT REQUIRED.—The Secretary concerned shall require the College to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary to carry out a conveyance under subsection (a), including survey costs, related to the conveyance. If amounts are collected from the College in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the College.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received under paragraph (1) as reimbursement for costs incurred by the Secretary concerned to carry out a conveyance under subsection (a) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretaries concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. RICKENBACKER AIRPORT, COLUMBUS, OHIO.

The project numbered 4651 in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1434) is amended by striking ''Grading, paving'' and all that follows through ''Airport'' and inserting ''Grading, paving, roads, and the transfer of rail-to-truck for the intermodal facility at Rickenbacker Airport, Columbus, Ohio''.

SEC. 2852. HIGHWAY PROJECTS, DETROIT, MICHIGAN.

(a) HIGH PRIORITY PROJECT.—The table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1256) is amended in the item numbered 4333 (119 Stat. 1422) by striking ''Plan and construct, land acquisition, Detroit West Riverfront Greenway'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

(b) TRANSPORTATION IMPROVEMENT PROJECT.—The table contained in section 1934(c) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1485) is amended in the item numbered 196 (119 Stat. 1495) by striking ''Detroit Riverfront Conservancy, West Riverfront Walkway, Greenway and Adjacent Land Acquisition, from Riverfront Towers to Ambassador Bridge, Detroit'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

SEC. 2853. FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.

(a) DEFINITIONS.—In this section:

(1) The term ''Barrier'' means the Fox Point Hurricane Barrier, Providence, Rhode Island.

(2) The term ''City'' means the city of Providence, Rhode Island.

(3) The term ''Secretary'' means the Secretary of the Army, acting through the Chief of Engineers.

(b) RESPONSIBILITY FOR BARRIER.—Not later than 2 years after the date of enactment of this Act, the Secretary shall assume responsibility for the annual operation and maintenance of the Barrier.

(c) REQUIRED STRUCTURES.—

(1) IN GENERAL.—The City, in coordination with the Secretary, shall identify any land and structures required for the continued operation and maintenance, repair, replacement, rehabilitation, and structural integrity of the Barrier.

(2) CONVEYANCE.—The City shall convey to the Secretary, by quitclaim deed and without consideration, all rights, title, and interests of the City in and to the land and structures identified under paragraph (1).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such funds as are necessary for each fiscal year to operate and maintain the

Barrier (including repair, replacement, and rehabilitation).

SEC. 2854. LAND CONVEYANCE, HOPKINTON, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Town of Hopkinton, New Hampshire (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 90 acres located at a site in Hopkinton, New Hampshire, known as the ''Kast Hill'' property for the purpose of permitting the Town to use the existing sand and gravel resources on the property and to ensure perpetual conservation of the property.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for the conveyance under subsection (a), the Town shall, subject to paragraph (2), provide to the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary.

(2) WAIVER OF PAYMENT OF CONSIDERATION.—The Secretary may waive the requirement for consideration under paragraph (1) if the Secretary determines that the Town will not use the existing sand and gravel resources to generate revenue.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PROHIBITION ON RECONVEYANCE OF LAND.—The Town may not reconvey any of the land acquired from the United States under subsection (a) without the prior approval of the Secretary.

(e) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Town to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Town in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Town.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance of real property under subsection (a) as the Secretary consider appropriate to protect the interests of the United States.

SEC. 2855. FEDERAL FUNDING FOR FIXED GUIDEWAY PROJECTS.

The Federal Transit Administration's Dear Colleague letter dated April 29, 2005 (C–05–05), which requires fixed guideway projects to achieve a ''medium'' cost-effectiveness rating for the Federal Transit Administration to recommend such projects for funding, shall not apply to the Northstar Corridor Commuter Rail Project in Minnesota.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,333,311,000, to be allocated as follows:

(1) For weapons activities, $6,455,389,000.

(2) For defense nuclear nonproliferation activities, $1,726,213,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $356,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out new plant projects for the National Nuclear Security Administration as follows:

(1) For readiness in technical base and facilities, the following new plant projects:

Project 07–D–140, Readiness in Technical Base and Facilities Program, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive liquid waste treatment facility upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $14,828,000.

(2) For facilities and infrastructure recapitalization, the following new plant project:

Project 07–D–253, Technical Area 1 heating systems modernization, Sandia National Laboratories, Albuquerque, New Mexico, $14,500,000.

(3) For defense nuclear nonproliferation, the following new plant project:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, Richland, Washington, $4,220,000.

(4) For naval reactors, the following new plant project:

Project 07–D–190, Materials Research Technology Complex, project engineering and design, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs necessary for national security in the amount of $5,430,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other defense activities in carrying out programs necessary for national security in the amount of $624,530,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $333,080,000.

Subtitle B—Other Matters

SEC. 3111. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

Subtitle A of title XLVIII of the Atomic Energy Defense Act (50 U.S.C. 2781 et seq.) is amended by adding at the end the following new section:

"SEC. 4804. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

''(a) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not enter into an arrangement described in subsection (b) until 30 days after the date on which the Secretary notifies the congressional defense committees in writing of the proposed arrangement.

''(b) COVERED ARRANGEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an arrangement referred to in subsection (a) is any alternative financing arrangement, third party financing arrangement, public-private partnership, privatization arrangement, private capital arrangement, or other financing arrangement that—

''(A) is entered into in connection with a project conducted using funds authorized to be appropriated to the Department of Energy to carry out programs necessary for national security; and

''(B) involves a contractor or Federal agency obtaining and charging to the Department of Energy as an allowable cost under a contract the use of office space, facilities, or other real property assets with a value of at least $5,000,000.

''(2) EXCEPTION.—An arrangement referred to in subsection (a) does not include an arrangement that—

''(A) involves the Department of Energy or a contractor acquiring or entering into a capital lease for office space, facilities, or other real property assets; or

''(B) is entered into in connection with a capital improvement project undertaken as part of an energy savings performance contract under section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287).''.

SEC. 3112. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 50 U.S.C. 2569) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

''(f) INTERNATIONAL PARTICIPATION IN PROGRAM.—(1) In order to achieve international participation in the program under subsection (b), the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the programs described in paragraph (2)(B).

''(2)(A) Notwithstanding section 3302 of title 31, United States Code, and subject to paragraphs (3) and (4), the Secretary of Energy may retain and utilize for purposes of the programs described in subparagraph (B) any amounts contributed by a person, government, or organization under an agreement under paragraph (1) without further appropriation and without fiscal year limitation.

''(B) The programs described in this subparagraph are the following programs within the Global Threat Reduction Initiative:

''(i) The International Radiological Threat Reduction program.

''(ii) The Emerging Threats and Gap Materials program.

''(iii) The Reduced Enrichment for Research and Test Reactors program.

''(iv) The Russian Research Reactor Fuel Return program.

''(v) The Global Research Reactor Security program.

''(vi) The Kazakhstan Spent Fuel program.

''(3) The Secretary of Energy may not utilize under paragraph (2) any amount contributed under an agreement under paragraph (1) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

''(4) If any amount contributed under paragraph (1) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

''(5) Not later than 30 days after the receipt of any amount contributed under paragraph (1), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

''(6) Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

''(A) a statement of any amounts received under this subsection, including the source of each such amount; and

''(B) a statement of any amounts utilized under this subsection, including the purposes for which such amounts were utilized.

''(7) The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.''.

SEC. 3113. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE SECOND LINE OF DEFENSE CORE PROGRAM.

(a) INTERNATIONAL CONTRIBUTIONS AUTHORIZED.—In order to achieve international participation in the Second Line of Defense Core Program administered by the National Nuclear Security Administration, the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the program.

(b) UTILIZATION OF CONTRIBUTIONS.—Notwithstanding section 3302 of title 31, United States Code, and subject to subsections (c) and (d), the Secretary of Energy may retain and utilize for purposes of the program any amounts contributed by a person, government, or organization under an agreement under subsection (a) without further appropriation and without fiscal year limitation.

(c) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not utilize under subsection (b) any amount contributed under an agreement under subsection (a) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

(d) RETURN OF UNUTILIZED AMOUNTS.—If any amount contributed under subsection (a) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

(e) NOTIFICATION REQUIREMENT.—Not later than 30 days after the receipt of any amount contributed under subsection (a), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

(f) ANNUAL REPORT.—Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

(1) a statement of any amounts received under this section, including the source of each such amount; and

(2) a statement of any amounts utilized under this section, including the purposes for which such amounts were utilized.

(g) TERMINATION.—The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.

SEC. 3114. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C. 2453 note) is amended by striking ''2011'' both places it appears and inserting ''2013''.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

SEC. 3116. EXTENSION OF DEADLINE FOR TRANSFER OF LANDS TO LOS ALAMOS COUNTY, NEW MEXICO, AND OF LANDS IN TRUST FOR THE PUEBLO OF SAN ILDEFONSO.

Section 632 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119; 111 Stat. 2523; 42 U.S.C. 2391 note) is amended—

(1) in subsection (d)(2), by striking ''10 years after the date of enactment of this Act'' and inserting ''November 26, 2012''; and

(2) in subsection (g)(3)(B), by striking ''the end of the 10-year period beginning on the date of enactment of this Act'' and inserting ''November 26, 2012''.

SEC. 3117. LIMITATIONS ON AVAILABILITY OF FUNDS FOR WASTE TREATMENT AND IMMOBILIZATION PLANT.

Of the amount authorized to be appropriated under section 3102 for defense environmental cleanup activities and available for the Waste Treatment and Immobilization Plant—

(1) not more than 30 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the Defense Contract Management Agency has certified the earned value management system used to track and report costs of the Waste Treatment and Immobilization Plant; and

(2) not more than 60 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the final seismic and ground motion criteria have been approved by the Secretary and that the contracting officer of the Waste Treatment and Immobilization Plant Project has formally directed that the final criteria be used for the final design of the Pretreatment Facility and the High-Level Waste Facility of the Waste Treatment and Immobilization Plant.

SEC. 3118. LIMITATION ON AVAILABILITY OF FUNDS FOR IMPLEMENTATION OF THE RUSSIAN SURPLUS FISSILE MATERIALS DISPOSITION PROGRAM.

(a) LIMITATION.—(1) Except as provided in subsection (b), none of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for the implementation of the Russian Surplus Fissile Materials Disposition Program (in this section referred to as the ''Program'') until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees written recommendations regarding whether and in what manner the Program should proceed.

(2) The recommendations submitted under paragraph (1) shall include—

(A) a description of the disposition method the Government of Russia has agreed to use;

(B) a description of the assistance the United States Government plans to provide under the Program;

(C) an estimate of the total cost and schedule of such assistance;

(D) an explanation of how parallelism is to be defined for purposes of the Program and whether such parallelism can be achieved if the United States mixed-oxide (MOX) plutonium disposition program continues on the current planned schedule without further delays.

(b) EXCEPTION.—The limitation under subsection (a) does not apply to the obligation of funds to continue research and development associated with the Gas Turbine-Modular Helium Reactor (GT–MHR).

SEC. 3119. LIMITATION ON AVAILABILITY OF FUNDS FOR CONSTRUCTION OF MOX FUEL FABRICATION FACILITY.

None of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for construction project 99–D–143, the Mixed-Oxide (MOX) Fuel Fabrication Facility, until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees—

(1) an independent cost estimate for the United States Surplus Fissile Materials Disposition Program and facilities; and

(2) a written certification that the Department of Energy intends to use the MOX Fuel Fabrication Facility for United States plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition Program.

SEC. 3120. TECHNICAL CORRECTION RELATED TO AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2006.

Effective as of January 6, 2006, and as if included therein as enacted, section 3101(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3537) is amended by striking ''$9,196,456'' and inserting ''$9,196,456,000''.

SEC. 3121. EDUCATION OF FUTURE NUCLEAR ENGINEERS.

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

(1) The Department of Defense and the United States depend on the specialized expertise of nuclear engineers who support the development and sustainment of technologies including naval reactors, strategic weapons, and nuclear power plants.

(2) Experts estimate that over 25 percent of the approximately 58,000 workers in the nuclear power industry in the United States will be eligible to retire within 5 years, representing both a huge loss of institutional memory and a potential national security crisis.

(3) This shortfall of workers is exacerbated by reductions to the University Reactor Infrastructure and Education Assistance program, which trains civilian nuclear scientists and engineers. The defense and civilian nuclear industries are interdependent on a limited number of educational institutions to produce their workforce. A reduction in nuclear scientists and engineers trained in the civilian sector may result in a further loss of qualified personnel for defense-related research and engineering.

(4) The Department of Defense's successful Science, Math and Research for Transformation (SMART) scholarship-for-service program serves as a good model for a targeted scholarship or fellowship program designed to educate future scientists at the postsecondary and postgraduate levels.

(b) REPORT ON EDUCATION OF FUTURE NUCLEAR ENGINEERS.—

(1) STUDY.—The Secretary of Energy shall study the feasibility and merit of establishing a targeted scholarship or fellowship program to educate future nuclear engineers at the postsecondary and postgraduate levels.

(2) REPORT REQUIRED.—The President shall submit to the congressional defense committees, together with the budget request submitted for fiscal year 2008, a report on the study conducted by the Secretary of Energy under paragraph (1).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. TRANSFER OF GOVERNMENT-FURNISHED URANIUM STORED AT SEQUOYAH FUELS CORPORATION, GORE, OKLAHOMA.

(a) TRANSPORT AND DISPOSAL.—Not later than March 31, 2007, the Secretary of the Army shall, subject to subsection (c), transport to an authorized disposal facility for appropriate disposal all of the Federal Government-furnished uranium in the chemical and physical form in which it is stored at the Sequoyah Fuels Corporation site in Gore, Oklahoma.

(b) SOURCE OF FUNDS.—Funds authorized to be appropriated by section 301(1) for the Army for operation and maintenance may be used for the transport and disposal required under subsection (a).

(c) LIABILITY.—The Secretary may only transport uranium under subsection (a) after receiving from Sequoyah Fuels Corporation a written agreement satisfactory to the Secretary that provides that—

(1) the United States assumes no liability, legal or otherwise, of Sequoyah Fuels Corporation by transporting such uranium; and

(2) the Sequoyah Fuels Corporation waives any and all claims it may have against the United States related to the transported uranium.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. COMPLETION OF EQUITY FINALIZATION PROCESS FOR NAVAL PETROLEUM RESERVE NUMBERED 1.

Section 3412(g) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 7420 note) is amended—

(1) by inserting ''(1)'' after ''(g)''; and

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

''(2)(A) In light of the unique role that the independent petroleum engineer who is retained pursuant to paragraph (b)(2) performs in the process of finalizing equity interests, and the importance to the United States taxpayer of timely completion of the equity finalization process, the independent petroleum engineer's 'Shallow Oil Zone Provisional Recommendation of Equity Participation,' which was presented to the equity finalization teams for the Department of Energy and Chevron U.S.A. Inc. on October 1 and 2, 2002, shall become the final equity recommendation of the independent petroleum engineer, as that term is used in the Protocol on NPR–1 Equity Finalization Implementation Process, July 8, 1996, for the Shallow Oil Zone unless the Department of Energy and Chevron U.S.A. Inc. agree in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to either party for any cost or expense incurred or for any loss or damage sustained—

''(i) as a result of the manner in which services are performed by the independent petroleum engineer in accordance with its contract with the Department of Energy to support the equity determination process;

''(ii) as a result of the failure of the independent petroleum engineer in good faith to perform any service or make any determination or computation, unless caused by its gross negligence; or

''(iii) as a result of the reliance by either party on any computation, determination, estimate or evaluation made by the independent petroleum engineer unless caused by the its gross negligence or willful misconduct.

''(B) If Chevron U.S.A. Inc. agrees in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to Chevron U.S.A. Inc. or the Department of Energy for any cost or expense incurred or for any loss or damage described in clauses (i) through (iii) of subparagraph (A), the Department of Energy shall agree to the same not later than such date.''.

DEPARTMENT OF DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

On Thursday, June 22, 2006, the Senate passed S. 2767, as follows:

S. 2767

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

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Sec. 1418. Submittal to Congress of Department of Defense supplemental and cost of war execution reports.
Sec. 1419. Limitation on availability of funds for certain purposes relating to Iraq.

SEC. 2. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $3,457,329,000.
(2) For missiles, $1,428,859,000.
(3) For weapons and tracked combat vehicles, $2,849,743,000.
(4) For ammunition, $2,036,785,000.
(5) For other procurement, $7,729,602,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,704,155,000.
(2) For weapons, including missiles and torpedoes, $2,587,020,000.
(3) For shipbuilding and conversion, $12,058,553,000.
(4) For other procurement, $5,045,516,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,300,213,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $809,943,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $12,004,096,000.
(2) For missiles, $4,224,145,000.
(3) For ammunition, $1,076,749,000.
(4) For other procurement, $15,434,586,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,980,498,000.

Subtitle B—Army Programs

SEC. 111. LIMITATION ON AVAILABILITY OF FUNDS FOR THE JOINT NETWORK NODE.

(a) LIMITATION.—Of the amount authorized to be appropriated by section 101(5) for other procurement for the Army and available for purposes of the procurement of the Joint Network Node, not more than 50 percent of such amount may be available for such purposes until the Secretary of the Army submits to the congressional defense committees a report on the strategy of the Army for the convergence of the Joint Network Node, the Warfighter Information Network—Tactical, and the Mounted Battle Command On-the-Move communications programs.

(b) ELEMENTS.—The report described in subsection (a) shall include a description of the acquisition plan required for the convergence described in that subsection, including the implementation plan, schedule, and funding of such acquisition plan.

(c) DEADLINE.—The report described in subsection (a) shall be submitted under that subsection, if at all, not later than March 15, 2007.

SEC. 112. COMPTROLLER GENERAL REPORT ON THE CONTRACT FOR THE FUTURE COMBAT SYSTEMS PROGRAM.

(a) REPORT REQUIRED.—Not later than March 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the Future Combat Systems.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the responsibilities of the lead systems integrator in managing the Future Combat Systems program under the contract for the Future Combat Systems, and an assessment of the manner in which such responsibilities differ from the typical responsibilities of a lead systems integrator under acquisition contracts of the Department of Defense.

(2) A description and assessment of the responsibilities of the Army in managing the Future Combat Systems program, including oversight of the activities of the lead systems integrator and the decisions made by the lead systems integrator.

(3) An assessment of the manner in which the Army—

(A) ensures that the lead systems integrator meets goals for the Future Combat Systems in a timely manner; and

(B) evaluates the extent to which such goals are met.

(4) An identification of the mechanisms in place to ensure the protection of the interests of the United States in the Future Combat Systems program.

(5) An identification of the mechanisms in place to mitigate organizational conflicts of interests with respect to competition on Future Combat Systems technologies and equipment under subcontracts under the Future Combat Systems program.

SEC. 113. REPORTS ON ARMY MODULARITY INITIATIVE.

(a) REPORT BY SECRETARY OF THE ARMY.—

(1) REPORT REQUIRED.—Not later than March 15, 2007, the Secretary of the Army shall submit to the congressional defense committees a report on the modularity initiative of the Army.

(2) ELEMENTS.—The report required by this subsection shall include the following:

(A) A description of the manner in which the Army distinguishes costs under the modularity initiative from costs of modernization and reset.

(B) An identification, by line item, of the amount of funds expended to date on the modularity initiative.

(C) An identification, by line item, of the amount of funds the Army has budgeted and programmed to date on the modularity initiative.

(D) A detailed description on how modularity equipment will be allocated to the regular components and reserve components of the Armed Forces by 2011, and a description of any anticipated shortfalls in such allocation.

(E) A plan for further testing and evaluation of modular designs, and a summary of any lessons learned to date from modular brigades that have been established, deployed to Iraq, or both.

(b) ANNUAL COMPTROLLER GENERAL REPORTS.—

(1) REPORTS REQUIRED.—The Comptroller General of the United States shall submit to the congressional defense committees each year, not later than 45 days after the date on which the budget of the President is submitted to Congress for a fiscal year under section 1105 of title 31, United States Code, a report on the assessment of the Comptroller General on the following:

(A) The progress of the Army in equipping and manning modular units in the regular components and reserve components of the Armed Forces.

(B) The use of funds by the Army for the modularity initiative.

(C) The progress of the Army in conducting further testing and evaluations of designs under the modularity initiative.

(2) FIRST REPORT.—The first report required under this subsection shall be submitted in conjunction with the budget for fiscal year 2008.

SEC. 114. REPLACEMENT EQUIPMENT.

(a) PRIORITY.—Priority for the distribution of new and combat serviceable equipment, with associated support and test equipment for acting and reserve component forces, shall be given to units scheduled for mission deployment, employment first, or both regardless of component.

(b) ALLOCATION.—In the amounts authorized to be appropriated by section 101(5) for the procurement of replacement equipment, subject to subsection (a), priority for the distribution of Army National Guard equipment described in subsection (a) may be given to States that have experienced a major disaster, as determined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121–5206), and may require replacement equipment to respond to future emergencies/disasters only after distribution of new and combat serviceable equipment has been made in accordance with subsection (a).

Subtitle C—Navy Programs

SEC. 121. CVN–21 CLASS AIRCRAFT CARRIER PROCUREMENT.

(a) AVAILABILITY OF FUNDS FOR CVN–21 CLASS AIRCRAFT CARRIERS.—Amounts authorized to be appropriated to Shipbuilding and Conversion, Navy, for purposes of the construction of CVN–21 class aircraft carriers shall be available in the fiscal year for which authorized to be appropriated and the succeeding three fiscal years.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $834,100,000 shall be available for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–78, CVN–79, and CVN–80.

(c) CONTRACT AUTHORITY.—

(1) ADVANCE PROCUREMENT.—The Secretary of the Navy may enter into a contract during fiscal year 2007 for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–79 and CVN–80.

(2) CONSTRUCTION.—In the fiscal year immediately following the last fiscal year of the contract for advance procurement for a CVN–21 class aircraft carrier referred to in paragraph (1), the Secretary may enter into a contract for the construction of such aircraft carrier to be funded in the fiscal year of such contract for construction and the succeeding three fiscal years.

(d) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (b) shall provide that any obligation of the United States to make a payment under the contract for any subsequent fiscal year is subject to the availability of appropriations for that purpose for such subsequent fiscal year.

SEC. 122. CONSTRUCTION OF FIRST TWO VESSELS UNDER THE NEXT-GENERATION DESTROYER PROGRAM.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 may be available for the construction of the first two vessels under the next-generation destroyer program.

(b) CONTRACT AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy may in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of each of the first two vessels under the next-generation destroyer program.

(2) LIMITATION.—Not more than one contract described in paragraph (1) may be awarded under that paragraph to a single surface-combatant shipyard.

(3) DURATION ON PROCUREMENT.—Each contract under paragraph (1) shall contemplate funding for the procurement of a vessel under such contract in fiscal years 2007 and 2008.

(4) CONDITION ON OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2007 is subject to the availability of appropriations for that purpose for such fiscal year.

SEC. 123. MODIFICATION OF LIMITATION ON TOTAL COST OF PROCUREMENT OF CVN–77 AIRCRAFT CARRIER.

Section 122(f)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1650) is amended by striking ''$4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan)'' and inserting ''$6,057,000,000''.

Subtitle D—Air Force Programs

SEC. 141. PROCUREMENT OF JOINT PRIMARY AIRCRAFT TRAINING SYSTEM AIRCRAFT AFTER FISCAL YEAR 2006.

Any Joint Primary Aircraft Training System (JPATS) aircraft procured after fiscal year 2006 shall be procured through a contract under part 15 of the Federal Acquisition Regulation (FAR), relating to acquisition of items by negotiated contract (48 C.F.R. 15.000 et seq.), rather than through a contract under part 12 of the Federal Acquisition Regulation, relating to acquisition of commercial items (48 C.F.R. 12.000 et seq.).

SEC. 142. PROHIBITION ON RETIREMENT OF C–130E/H TACTICAL AIRLIFT AIRCRAFT.

The Secretary of the Air Force shall not retire any C–130E/H tactical airlift aircraft of the Air Force in fiscal year 2007.

SEC. 143. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of KC–135E aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 29 such aircraft.

SEC. 144. LIMITATION ON RETIREMENT OF B–52H BOMBER AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of B–52H bomber aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 18 such aircraft.

SEC. 145. RETIREMENT OF B–52H BOMBER AIRCRAFT.

(a) LIMITATION ON RETIREMENT PENDING REPORT ON BOMBER FORCE STRUCTURE.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for retiring or dismantling any of the 93 B–52H bomber aircraft in service in the Air Force as of June 1, 2006, until 30 days after the Secretary of the Air Force transmits to the Committees on Armed Services of the Senate and the House of Representatives a report on the bomber force structure of the Air Force meeting the requirements of subsection (b).

(b) ELEMENTS.—

(1) IN GENERAL.—A report under subsection (a) shall set forth the following:

(A) The plan of the Air Force for the modernization of the B–52H bomber aircraft fleet.

(B) The plans of the Air Force for the modernization of the balance of the bomber force structure.

(C) The amount and type of bombers in the bomber force structure that is appropriate to meet the requirements of the national security strategy of the United States.

(D) A justification of the cost and projected savings of any reductions to the B–52H bomber aircraft fleet as a result of the retirement or dismantlement of the B–52H bomber aircraft covered by the report.

(E) The life expectancy of each bomber aircraft to remain in the bomber force structure.

(F) The date by which any new bomber aircraft must reach initial operational capability and the capabilities of the bomber force structure that would be replaced or superseded by any new bomber aircraft.

(2) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this subsection, the term ''amount and type of bomber force structure'' means the number of B–2 bomber aircraft, B–52H bomber aircraft, and B–1 bomber aircraft that are required to carry out the national security strategy of the United States.

(c) PREPARATION OF REPORT.—A report under this section shall be prepared and submitted by the Institute of Defense Analysis to the Secretary of the Air Force for transmittal by the Secretary in accordance with subsection (a).

SEC. 146. FUNDING FOR PROCUREMENT OF F–22A FIGHTER AIRCRAFT.

(a) PROHIBITION ON USE OF INCREMENTAL FUNDING.—The Secretary of the Air Force shall not use incremental funding for the procurement of F–22A fighter aircraft.

(b) MULTIYEAR PROCUREMENT.—The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of not more than 60 F–22A fighter aircraft.

SEC. 147. MULTIYEAR PROCUREMENT OF F–119 ENGINES FOR F–22A FIGHTER AIRCRAFT.

The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of the following:

(1) Not more than 120 F–119 engines for F–22A fighter aircraft.

(2) Not more than 13 spare F–119 engines for F–22A fighter aircraft.

SEC. 148. MULTI-SPECTRAL IMAGING CAPABILITIES.

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

(1) The budget of the President for fiscal year 2007, as submitted to Congress under section 1105(a) of title 31, United States Code, and the current Future-Years Defense Program adopts an Air Force plan to retire the remaining fleet of U–2 aircraft by 2011.

(2) This retirement would eliminate the multi-spectral capability provided by the electro-optical/infrared (EO/IR) Senior Year Electro-optical Reconnaissance System (SYERS–2) high-altitude imaging system.

(3) The system referred to in paragraph (2) provides high-resolution, long-range, day-and-night image intelligence.

(4) The infrared capabilities of the system referred to in paragraph (2) can defeat enemy efforts to use camouflage or concealment, as well as provide images through poor visibility and smoke.

(5) Although the Air Force has previously recognized the military value of Senior Year Electro-optical Reconnaissance System sensors, the Air Force has no plans to migrate this capability to any platform remaining in the fleet.

(6) The Air Force could integrate such capabilities onto the Global Hawk platform to retain this capability for combatant commanders.

(7) The Nation risks a loss of an important intelligence gathering capability if this capability is not transferred to another platform.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Air Force should investigate ways to retain the multi-spectral imaging capabilities provided by the Senior Year Electro-optical Reconnaissance System high-altitude imaging system after the retirement of the U–2 aircraft fleet.

(c) REPORT REQUIREMENT.—The Secretary of the Air Force shall submit to the congressional defense committees, at the same time the budget of the President for fiscal year 2008 is submitted to Congress under section 1105(a) of title 31, United States Code, a plan for migrating the capabilities provided by the Senior Year Electro-optical Reconnaissance System high-altitude imaging system from the U–2 aircraft to the Global Hawk platform before the retirement of the U–2 aircraft fleet in 2011.

SEC. 149. MINUTEMAN III INTERCONTINENTAL BALLISTIC MISSILES.

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

(1) In the Joint Explanatory Statement of the Committee of Conference on H.R. 1815, the National Defense Authorization Act for Fiscal Year 2006, the conferees state that the policy of the United States ''is to deploy a force of 500 ICBMs''. The conferees further note ''that unanticipated strategic developments may compel the United States to make changes to this force structure in the future.''.

(2) The Quadrennial Defense Review (QDR) conducted under section 118 of title 10, United States Code, in 2005 finds that maintaining a robust nuclear deterrent ''remains a keystone of United States national power''. However, notwithstanding that finding and without providing any specific justification for the recommendation, the Quadrennial Defense Review recommends reducing the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) from 500 to 450 beginning in fiscal year 2007. The Quadrennial Defense Review also fails to identify what unanticipated strategic developments compelled the United States to reduce the Intercontinental Ballistic Missile force structure.

(3) The commander of the Strategic Command, General James Cartwright, testified before the Committee on Armed Services of the Senate that the reduction in deployment of Minuteman III Intercontinental Ballistic Missiles is required so that the 50 missiles withdrawn from the deployed force could be used for test assets and spares to extend the life of the Minuteman III Intercontinental Ballistic Missile well into the future. If spares are not modernized, the Air Force may not have sufficient replacement missiles to sustain the force size.

(b) MODERNIZATION OF INTERCONTINENTAL BALLISTIC MISSILES REQUIRED.—The Air Force shall modernize Minuteman III Intercontinental Ballistic Missiles in the United States inventory as required to maintain a sufficient supply of launch test assets and spares to sustain the deployed force of such missiles through 2030.

(c) LIMITATION ON TERMINATION OF MODERNIZATION PROGRAM PENDING REPORT.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for the termination of any Minuteman III ICBM modernization program, or for the withdrawal of any Minuteman III Intercontinental Ballistic Missile from the active force, until 30 days after the Secretary of Defense submits to the congressional defense committees a report setting forth the following:

(1) A detailed strategic justification for the proposal to reduce the Minuteman III Intercontinental Ballistic Missile force from 500 to 450 missiles, including an analysis of the effects of the reduction on the ability of the United States to assure allies and dissuade potential competitors.

(2) A detailed analysis of the strategic ramifications of continuing to equip a portion of the Minuteman III Intercontinental Ballistic Missile force with multiple independent warheads rather than single warheads as recommended by past reviews of the United States nuclear posture.

(3) An assessment of the test assets and spares required to maintain a force of 500 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(4) An assessment of the test assets and spares required to maintain a force of 450 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(5) An inventory of currently available Minuteman III Intercontinental Ballistic Missile test assets and spares.

(6) A plan to sustain and complete the modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles, a test plan, and an analysis of the funding required to carry out modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles.

(7) An assessment of whether halting upgrades to the Minuteman III Intercontinental Ballistic Missiles withdrawn from the deployed force would compromise the ability of those missiles to serve as test assets.

(8) A description of the plan of the Department of Defense for extending the life of the Minuteman III Intercontinental Ballistic Missile force beyond fiscal year 2030.

(d) REMOTE VISUAL ASSESSMENT.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $5,000,000 may be available for ICBM Security Modernization (PE #0604851) for Remote Visual Assessment for security for silos for intercontinental ballistic missiles (ICBMs).

(3) OFFSET.—The amount authorized to be appropriated by section 103(2) for procurement of missiles for the Air Force is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts available for the Evolved Expendable Launch Vehicle.

(e) ICBM MODERNIZATION PROGRAM DEFINED.—In this section, the term ''ICBM Modernization program'' means each of the following for the Minuteman III Intercontinental Ballistic Missile:

(1) The Guidance Replacement Program (GRP).

(2) The Propulsion Replacement Program (PRP).

(3) The Propulsion System Rocket Engine (PSRE) program.

(4) The Safety Enhanced Reentry Vehicle (SERV) program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $11,151,009,000.

(2) For the Navy, $17,451,823,000.

(3) For the Air Force, $24,400,857,000.

(4) For Defense-wide activities, $21,160,459,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $11,468,959,000 shall be available for science and technology projects.

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

SEC. 203. AMOUNT FOR DEVELOPMENT AND VALIDATION OF WARFIGHTER RAPID AWARENESS PROCESSING TECHNOLOGY.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FOR THE NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $4,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $4,000,000 may be available for the development, validation, and demonstration of warfighter rapid awareness processing technology for distributed operations within the Marine Corps Landing Force Technology program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $4,000,000, due to unexpended obligations, if available.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. INDEPENDENT ESTIMATE OF COSTS OF THE FUTURE COMBAT SYSTEMS.

(a) LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN ACTIVITIES.—Of the amount authorized to be appropriated by this title and available for the Future Combat Systems (FCS) for purposes of system of systems engineering and program management for the Future Combat Systems, an amount equal to $500,000,000 of such amount may not be obligated and expended for such purposes until the Secretary of Defense submits to the congressional defense committees the report required by subsection (b)(4).

(b) INDEPENDENT ESTIMATE REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the preparation of an independent estimate of the anticipated costs of systems development and demonstration with respect to the Future Combat Systems.

(2) CONDUCT OF ESTIMATE.—The estimate required by this subsection shall be prepared by a federally funded research and development center selected by the Secretary for purposes of this subsection.

(3) MATTERS TO BE ADDRESSED.—The independent estimate prepared under this subsection shall address costs of research, development, test, and evaluation, and costs of procurement, for—

(A) the system development and demonstration phase of the core Future Combat Systems;

(B) the Future Combat Systems technologies to be incorporated into the equipment of the current force of the Army (often referred to as ''spinouts'');

(C) the installation kits for the incorporation of such technologies into such equipment;

(D) the systems treated as complementary systems for the Future Combat Systems;

(E) science and technology initiatives that support the Future Combat Systems program; and

(F) any pass-through charges anticipated to be assessed by the lead systems integrator of the Future Combat Systems and its major subcontractors.

(4) SUBMITTAL TO CONGRESS.—Upon completion of the independent estimate required by this subsection, the Secretary shall submit to the congressional defense committees a report on the estimate.

(5) DEADLINE FOR SUBMITTAL.—The report described in paragraph (4) shall be submitted not later than the date of the submittal to Congress of the budget of the President for fiscal year 2008 (as submitted to Congress under section 1105(a) of title 31, United States Code).

(c) PASS-THROUGH CHARGE DEFINED.—In this section, the term ''pass-through charge'' has the meaning given that term in section 805(c)(5) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3373).

SEC. 212. FUNDING OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAMS.

(a) EXTENSION OF FUNDING OBJECTIVE.—Subsection (b) of section 212 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2501 note) is amended by striking ''through 2009'' and inserting ''through 2012''.

(b) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—Such section is further amended by adding at the end the following new subsection:

''(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—(1) If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection, the Secretary of Defense shall submit to the congressional defense committees—

''(A) a detailed, prioritized list, including estimates of required funding, of highly-rated, peer-reviewed science and technology projects received by the Department through competitive solicitations and broad agency announcements which—

''(i) are not funded solely due to lack of resources, but

''(ii) represent science and technology opportunities that support the research and development programs and goals of the military departments and the Defense Agencies; and

''(B) a report, in both classified and unclassified form, containing an analysis and evaluation of international research and technology capabilities, including an identification of any technology areas in which the United States will not have global technical leadership within the next five years, in each of the technology areas described in the following plans:

''(i) The most current Joint Warfighting Science and Technology Plan required by section 270 of the National Defense Authorization Act for Fiscal Year 1997 (10 U.S.C. 2501 note).

''(ii) The Defense Technology Area Plan of the Department of Defense.

''(iii) The Basic Research Plan of the Department of Defense.

''(2)(A) The list required by paragraph (1)(A) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted together with the Department of Defense budget justification materials submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.

''(B) The report required by paragraph (1)(B) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted not later than the six months after the submittal of the Department of Defense budget justification materials that are submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.''.

SEC. 213. HYPERSONICS DEVELOPMENT.

(a) ESTABLISHMENT OF JOINT TECHNOLOGY OFFICE ON HYPERSONICS.—The Secretary of Defense shall establish within the Office of the Secretary of Defense a joint technology office on hypersonics. The office shall carry out the program required under subsection (b), and shall have such other responsibilities relating to hypersonics as the Secretary shall specify.

(b) PROGRAM ON HYPERSONICS.—The joint technology office established under subsection (a) shall carry out a program for the development of hypersonics for defense purposes.

(c) RESPONSIBILITIES.—In carrying out the program required by subsection (b), the joint technology office established under subsection (a) shall do the following:

(1) Coordinate and integrate the research, development, test, and evaluation programs and system demonstration programs of the Department of Defense on hypersonics.

(2) Undertake appropriate actions to ensure—

(A) close and continuous integration of the programs on hypersonics of the military departments with the programs on hypersonics of the Defense Agencies; and

(B) coordination of the programs referred to in subparagraph (A) with the programs on hypersonics of the National Aeronautics and Space Administration.

(3) Approve demonstration programs on hypersonic systems.

(4) Ensure that any demonstration program on hypersonic systems that is carried out in any year after its approval under paragraph (3) is carried out only if certified under subsection (e) as being consistent with the roadmap under subsection (d).

(d) ROADMAP.—

(1) ROADMAP REQUIRED.—The joint technology office established under subsection (a) shall, in coordination with the Joint Staff and the National Aeronautics and Space Administration, develop a roadmap for the hypersonics programs of the Department of Defense.

(2) ELEMENTS.—The roadmap shall include the following matters:

(A) Short-term, mid-term, and long-term goals for the Department of Defense on hypersonics which shall be consistent with the missions and anticipated requirements of the Department over the applicable period.

(B) Acquisition transition plans for hypersonics.

(C) Anticipated mission requirements for hypersonics.

(D) A schedule for meeting such goals, including the activities and funding anticipated to be required for meeting such goals.

(3) SUBMITTAL TO CONGRESS.—The Secretary shall submit the roadmap to the congressional defense committees at the same time as the submittal to Congress of the budget for fiscal year 2008 (as submitted pursuant to section 1105 of title 31, United States Code).

(e) ANNUAL REVIEW AND CERTIFICATION OF FUNDING.—

(1) ANNUAL REVIEW.—The joint technology office established under subsection (a) shall

conduct on an annual basis a review of the funding available for research, development, test, and evaluation and demonstration programs of the Department of Defense on hypersonics in order to determine whether or not such funding and programs are consistent with the roadmap developed under subsection (d).

(2) CERTIFICATION.—The joint technology office shall, as a result of each review under paragraph (1), certify to the Secretary whether or not the funding and programs subject to such review are consistent with the roadmap developed under subsection (d).

(3) TERMINATION.—The requirements of this subsection shall terminate after the submittal to Congress of the budget for fiscal year 2012 pursuant to section 1105 of title 31, United States Code.

(f) REPORTS TO CONGRESS.—If, as a result of a review under subsection (e), funding or a program on hypersonics is certified under that subsection not to be consistent with the roadmap developed under subsection (d), the Secretary shall submit to Congress a report on such funding or program, as the case may be, together with a statement of the actions to be taken to make such funding or program, as the case may be, consistent with the roadmap.

(g) HYPERSONICS DEFINED.—In this section, the term ''hypersonics'' means aircraft and missiles capable of travelling at speeds in excess of Mach 5.

SEC. 214. TRIDENT SEA-LAUNCHED BALLISTIC MISSILES.

(a) LIMITATION ON AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), none of the funds authorized to be appropriated by this Act for the Conventional Trident Modification (CTM) program may be obligated or expended for the development or modification of the Trident D–5 sea-launched ballistic missile until 30 days after the date on which the report required by subsection (b) is submitted to the congressional defense committees.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to amounts authorized to be appropriated by section 201(2) for research, development, test, and evaluation, Navy, and available for Advanced Conventional Strike Capability (PE #64327N) in an amount not to exceed $32,000,000.

(b) REPORT.—

(1) REPORT REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of State, submit to the congressional defense committees a report setting forth a proposal to replace nuclear warheads on twenty-four Trident D–5 sea-launched ballistic missiles with conventional kinetic warheads for deployment on submarines that carry Trident sea-launched ballistic missiles.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of the types of scenarios, types of targets, and circumstances in which a conventional sea-launched ballistic missile would be used.

(B) A discussion of the weapon systems or weapons, whether current or planned, that could be used as an alternative for each of the scenarios, target types, and circumstances set forth under subparagraph (A), and a statement of any reason why each is not a suitable alternative to a conventional sea-launched ballistic missile.

(C) A description of the command and control arrangements for conventional sea-launched ballistic missiles, including launch authority and the use of Permissive Action Links (PALs).

(D) An assessment of the capabilities of other countries to detect and track the launch of a conventional or nuclear sea-launched ballistic missile.

(E) An assessment of the capabilities of other countries to discriminate between the launch of a nuclear sea-launched ballistic missile and a conventional sea-launched ballistic missile, other than in a testing scenario.

(F) An assessment of the notification and other protocols that would have to be in place prior to using any conventional sea-launched ballistic missile and a plan for entering into such protocols.

(G) An assessment of the adequacy of the intelligence that would be needed to support an attack involving conventional sea-launched ballistic missiles.

(H) A description of the total program cost, including the procurement costs of additional D–5 missiles, of the conventional Trident sea-launched ballistic missile program, by fiscal year.

(I) An analysis and assessment of the implications for ballistic missile proliferation if the United States decides to go forward with the conventional Trident sea-launched ballistic missile program or any other conventional long range ballistic missile program.

(J) An analysis and assessment of the implications for the United States missile defense system if other countries utilize long range conventional ballistic missiles.

(K) An analysis of any problems created by the ambiguity that results from the use of the same ballistic missile for both conventional and nuclear warheads.

(L) An analysis and assessment of the methods that other countries might use to resolve the ambiguities associated with a nuclear or conventional sea-launched ballistic missile.

(M) An analysis, by the Secretary of State, of the international, treaty, and other concerns that would be associated with the use of a conventional sea-launched ballistic missile and recommendations for measures to mitigate or eliminate such concerns.

(N) A joint statement by the Secretary of Defense and the Secretary of State on how to ensure that the use of a conventional sea-launched ballistic missile will not result in an intentional, inadvertent, mistaken, or accidental reciprocal or responsive launch of a nuclear strike by any other country.

(c) AVAILABILITY OF FUNDS FOR REPORT.—Of the amounts authorized to be appropriated by this Act (other than the amounts covered by the limitation in subsection (a)), $20,000,000 may be available to prepare the report required by subsection (b).

SEC. 215. ARROW BALLISTIC MISSILE DEFENSE SYSTEM.

Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities and available for ballistic missile defense—

(1) $65,000,000 may be available for co-production of the Arrow ballistic missile defense system; and

(2) $63,702,000 may be available for the Arrow System Improvement Program.

SEC. 216. HIGH ENERGY LASER LOW ASPECT TARGET TRACKING.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,000,000.

(b) AVAILABILITY OF AMOUNT.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $5,000,000 may be available for the Department of Defense High Energy Laser Test Facility for High Energy Laser Low Aspect Target Tracking (HEL–LATT) test series done jointly with the Navy.

(2) CONSTRUCTION WITH OTHER AMOUNTS.—The amount available under paragraph (1) for the purpose set forth in that paragraph is in addition to any amounts available under this Act for that purpose.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $5,000,000, due to unexpended obligations, if available.

SEC. 217. ADVANCED ALUMINUM AEROSTRUCTURES INITIATIVE.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $2,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $2,000,000 may be available for Aerospace Technology Development and Demonstration (PE #603211F) for the Advanced Aluminum Aerostructures Initiative (A3I).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $2,000,000, due to unexpended obligations, if available.

SEC. 218. LEGGED MOBILITY ROBOTIC RESEARCH.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $1,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $1,000,000 may be available for Combat Vehicle and Automotive Technology (PE #602601A) for legged mobility robotic research for military applications.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $1,000,000, due to unexpended obligations, if available

SEC. 219. WIDEBAND DIGITAL AIRBORNE ELECTRONIC SENSING ARRAY.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $3,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $3,000,000 may be available for Wideband Digital Airborne Electronic Sensing Array (PE #0602204F).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $3,000,000, due to unexpended obligations, if available.

SEC. 220. SCIENCE AND TECHNOLOGY.

(a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103F for University Research Initiatives.

(d) COMPUTER SCIENCE AND CYBERSECURITY.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601101E for the Defense Advanced Research Projects Agency University Research Program in Computer Science and Cybersecurity.

(e) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $5,000,000 may be available for program element PE 0601120D8Z for the SMART National Defense Education Program.

(f) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations, if available.

Subtitle C—Missile Defense Programs

SEC. 231. AVAILABILITY OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR FIELDING BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal year 2008 for the use of the Department of Defense for research, development, test, and evaluation and available for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 232. POLICY OF THE UNITED STATES ON PRIORITIES IN THE DEVELOPMENT, TESTING, AND FIELDING OF MISSILE DEFENSE CAPABILITIES.

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

(1) In response to the threat posed by ballistic missiles, President George W. Bush in December 2002 directed the Secretary of Defense to proceed with the fielding of an initial set of missile defense capabilities in 2004 and 2005.

(2) According to assessments by the intelligence community of the United States, North Korea tested in 2005 a new solid propellant short-range ballistic missile and is likely developing intermediate-range and intercontinental ballistic missile capabilities that could someday reach as far as the United States with a nuclear payload.

(3) According to assessments by the intelligence community of the United States, Iran continued in 2005 to test its medium range ballistic missile, and the danger that Iran will acquire a nuclear weapon and integrate it with a ballistic missile Iran already possesses is a reason for immediate concern.

(b) POLICY.—It is the policy of the United States that the Department of Defense accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the ground-based midcourse defense system, the Aegis ballistic missile defense system, the Patriot PAC–3 system, the Terminal High Altitude Area Defense system, and the sensors necessary to support such systems.

SEC. 233. ONE-YEAR EXTENSION OF COMPTROLLER GENERAL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE PROGRAMS.

Section 232(g) of the National Defense Authorization Act for Fiscal Year 2002 (10 U.S.C. 2431 note) is amended—

(1) in paragraph (1), by striking ''through 2007'' and inserting ''through 2008''; and

(2) in paragraph (2), by striking ''through 2008'' and inserting ''through 2009''.

SEC. 234. SUBMITTAL OF PLANS FOR TEST AND EVALUATION OF THE OPERATIONAL CAPABILITY OF THE BALLISTIC MISSILE DEFENSE SYSTEM.

Section 234(a) of the National Defense Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3174; 10 U.S.C. 2431 note) is amended by adding at the end the following new paragraph:

''(3) SUBMITTAL TO CONGRESS.—Each plan prepared under this subsection and approved by the Director of Operational Test and Evaluation shall be submitted to the congressional defense committees not later than 30 days after the date of the approval of such plan by the Director.''.

SEC. 235. ANNUAL REPORTS ON TRANSITION OF BALLISTIC MISSILE DEFENSE PROGRAMS TO THE MILITARY DEPARTMENTS.

(a) REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter through 2013, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the plans of the Department of Defense for the transition of missile defense programs from the Missile Defense Agency to the military departments.

(b) SCOPE OF REPORTS.—Each report required by subsection (a) shall cover the period covered by the future-years defense program that is submitted under section 221 of title 10, United States Code, in the year in which such report is submitted.

(c) ELEMENTS.—Each report required by subsection (a) shall include the following:

(1) An identification of—

(A) the missile defense programs planned to be transitioned from the Missile Defense Agency to the military departments; and

(B) the missile defense programs, if any, not planned for transition to the military departments.

(2) The schedule for transition of each missile defense program planned to be transitioned to a military department, and an explanation of such schedule.

(3) A description of the status of the plans and agreements of the Missile Defense Agency and the military departments on the transition of missile defense programs to the military departments.

(4) An identification of the entity (whether the Missile Defense Agency, a military department, or both) that will be responsible for funding each missile defense program to be transitioned to a military department, and at what date.

(5) A description of the type of funds that will be used (whether funds for research, development, test, and evaluation, procurement, military construction, or operation and maintenance) for each missile defense program to be transitioned to a military department.

(6) An explanation of the number of systems planned for procurement for each missile defense program to be transitioned to a military department, and the schedule for procurement of each such system.

SEC. 236. TESTING AND OPERATIONS FOR MISSILE DEFENSE.

(a) ADDITIONAL AMOUNT FOR MISSILE DEFENSE AGENCY.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, the amount that is available for the Missile Defense Agency is hereby increased by $45,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities and available for the Missile Defense Agency, as increased by subsection (a), $45,000,000 may be available for Ballistic Missile Defense Midcourse Defense Segment (PE #63882C)—

(1) to accelerate the ability to conduct concurrent test and missile defense operations; and

(2) to increase the pace of realistic flight testing of the ground-based midcourse defense system.

(c) SUPPLEMENT.—Amounts available under subsection (b) for the program element referred to in that subsection are in addition to any other amounts available in this Act for that program element.

(d) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations.

Subtitle D—Other Matters

SEC. 251. EXTENSION OF REQUIREMENT FOR GLOBAL RESEARCH WATCH PROGRAM.

Section 2365(f) of title 10, United States Code, is amended by striking ''September 30, 2006'' and inserting ''September 30, 2011''.

SEC. 252. EXPANSION AND EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXPANSION.—

(1) IN GENERAL.—Subsection (a) of section 2374a of title 10, United States Code, is amended—

(A) by striking ''Director of the Defense Advanced Research Projects Agency'' and inserting ''Director of Defense Research and Engineering and the Service Acquisition Executives of the military departments''; and

(B) by striking ''a program'' and inserting ''programs''.

(2) CONFORMING AMENDMENTS.—(A) Subsection (b) of such section is amended by striking ''The program'' and inserting ''Any program''.

(B) Subsection (d) of such section is amended—

(i) by striking ''The program'' and inserting ''A program''; and

(ii) by striking ''the Director'' and inserting ''an official referred to in that subsection''.

(b) EXTENSION.—Subsection (f) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2011''.

(c) MODIFICATION OF REPORTING REQUIREMENT.—Subsection (e) of such section is amended to read as follows:

''(e) ANNUAL REPORT.—(1) Not later than March 1 each year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the activities undertaken during the preceding fiscal year under the authority in subsection (a).

''(2) The report for a fiscal year under this subsection shall include the following:

''(A) A description of the proposed goals of the competitions established under each program under subsection (a), including the areas of research, technology development, or prototype development to be promoted by such competitions and the relationship of such areas to the military missions of the Department of Defense.

''(B) An analyses of why the utilization of the authority in subsection (a) was the preferable method of achieving the goals described in subparagraph (A) as opposed to other authorities available to the Department, such as contracts, grants, and cooperative agreements.

''(C) The total amount of cash prizes awarded under each program, including a description of the manner in which the amounts of cash prizes awarded and claimed were allocated among the accounts of the Department for recording as obligations and expenditures.

''(D) The methods used for the solicitation and evaluation of submissions under each program, together with an assessment of the effectiveness of such methods.

''(E) A description of the resources, including personnel and funding, used in the execution of each program, together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the Department for recording as obligations and expenditures.

''(F) A description of any plans to transition the technologies or prototypes developed as a result of each program into an acquisition program of the Department.''.

SEC. 253. POLICIES AND PRACTICES ON TEST AND EVALUATION TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REPORTS ON CERTAIN DETERMINATIONS TO PROCEED BEYOND LOW-RATE INITIAL PRODUCTION.—Section 2399(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

''(5) If, before a final decision is made within the Department of Defense to proceed with a major defense acquisition program beyond low-rate initial production, a decision is made within the Department to proceed to operational use of the program or allocate funds available for procurement for the program, the Director shall submit to the Secretary of Defense and the congressional defense committees the report with respect to the program under paragraph (2) as soon as practicable after the decision under this paragraph is made.''.

(b) REVIEW AND REVISION OF POLICIES AND PRACTICES.—

(1) REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics and the Director of Operational Test and Evaluation shall review Department of Defense policies and practices on test and evaluation in order to—

(A) reaffirm the test and evaluation principles that guide traditional acquisition programs; and

(B) determine how best to apply such principles to emerging acquisition approaches.

(2) REVISED GUIDANCE.—If the Under Secretary determines as a result of the review under paragraph (1) that a revision of the policies and practices referred to in that paragraph is necessary in light of emerging approaches to acquisitions, the Under Secretary and the Director shall jointly issue new or revised guidance for the Department of Defense on test and evaluation to address that determination.

(c) ISSUES TO BE ADDRESSED.—In carrying out subsection (b), the Under Secretary shall address policies and practices on test and evaluation in order to—

(1) ensure the performance of test and evaluation activities with regard to—

(A) items that are acquired pursuant to the authority for rapid acquisition and deployment of items in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(B) programs that are conducted pursuant to the authority for spiral development in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2603; 10 U.S.C. 2430 note), or other authority for the conduct of incremental acquisition programs;

(C) systems that are acquired pursuant to time-certain development programs; and

(D) equipment that is not subject to the operational test and evaluation requirements in section 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purpose of ensuring the safety and survivability of such equipment and personnel using such equipment; and

(2) ensure the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for the purpose of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(d) FUNDING MATTERS.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources developed pursuant to section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified as a result of activities under subsection (b); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(e) REPORT TO CONGRESS.—Not later than nine months after the date of the enactment of this Act, the Under Secretary shall submit to the congressional defense committees a report on the review conducted under paragraph (1) of subsection (b), including any new or revised guidance issued pursuant to paragraph (2) of that subsection.

(f) TIME-CERTAIN DEVELOPMENT PROGRAM DEFINED.—In this section, the term ''time-certain development program'' means a development program that is assigned a specific length of time in which milestone events will be accomplished by contract, which length of time may be not more than 6 years from milestone B to initial operational capability.

SEC. 254. DEVELOPMENT OF THE PROPULSION SYSTEM FOR THE JOINT STRIKE FIGHTER.

(a) IN GENERAL.—The Secretary of Defense shall provide for the development of the propulsion system for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'') by a means elected by the Secretary from among the following:

(1) Through the continuing development and sustainment of two interchangeable propulsion systems for the F–35 fighter aircraft by two separate contractors throughout the life cycle of the aircraft.

(2) Through a one-time firm fixed price contract for a selected propulsion system for the F–35 fighter aircraft for the life cycle of the aircraft following the Initial Service Release of the F–35 fighter aircraft propulsion system in fiscal year 2008.

(b) NOTICE OF CHANGE IN DEVELOPMENT.—The Secretary may not carry out any modification of the procurement program for the F–35 fighter aircraft that would result in the development of the propulsion system for such aircraft in a manner other than as elected by the Secretary under subsection (a) until the Secretary notifies the congressional defense committees of such modification.

SEC. 255. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) COST ANALYSES.—

(1) ANALYSES REQUIRED.—The Secretary of Defense (acting through the cost analysis improvement group of the Office of the Secretary of Defense), a federally funded research and development center (FFRDC) selected by the Secretary for purposes of this section, and the Comptroller General of the United States shall each perform three detailed and comprehensive cost analyses of the engine program for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'').

(2) ELEMENTS.—Each official or entity performing cost analyses under paragraph (1) shall perform a cost analysis of each of the following:

(A) An alternative under which the F–35 fighter aircraft is capable of using the F135 engine only.

(B) An alternative under which the F–35 fighter aircraft is capable of using either the F135 engine or the F136 engine.

(C) Any other alternative, whether secured through a competitive or sole-source bidding process, that would reduce cost, improve program schedule, and improve performance and reliability of the F–35 fighter aircraft program.

(b) REPORTS.—

(1) REPORTS REQUIRED.—Not later than March 15, 2007, the Secretary, the federally funded research and development center selected under subsection (a), and the Comptroller General shall each submit to the congressional defense committees a report on the three independent cost analyses performed by such official or entity under subsection (a).

(2) REPORT ELEMENTS.—Each report under paragraph (1) shall include the following:

(A) A statement of the key assumptions utilized in performing each cost analysis covered by such report.

(B) A discussion of the methodology and techniques utilized in performing each cost analysis.

(C) For each alternative under subsection (a)(2)—

(i) a comparison of the life-cycle costs, including costs in current and constant dollars and a net-present-value analysis, with the other alternatives under that subsection; and

(ii) an estimate of—

(I) the supply, maintenance, and other operations manpower required to support such alternative;

(II) the number of flight hours required to achieve engine maturity, and the year in which engine maturity is anticipated to be achieved; and

(III) the total number of engines anticipated to be procured over the lifetime of the F–35 fighter aircraft program.

(D) A discussion of the acquisition strategies used for the acquisition of engines for other tactical fighter aircraft, including the F–15, F–16, F–18, and F–22 fighter aircraft, and an assessment of the experience in terms of cost, schedule, and performance under the acquisition programs for such engines.

(E) A comparison in terms of performance, savings, maintainability, reliability, and technical innovation of the acquisition programs for engines for tactical fighter aircraft carried out on a sole-source basis with the acquisition programs for tactical fighter aircraft carried out on a competitive basis.

(F) Such conclusions and recommendations in light of the cost analyses as the official or entity submitting such report considers appropriate.

(3) CERTIFICATION OF FFRDC AND COMPTROLLER GENERAL.—In submitting the report required by this subsection, the federally funded research and development center and the Comptroller General shall each also submit a certification as to whether the federally funded research and development center or the Comptroller General, as the case may be, had access to sufficient information to enable the federally funded research and development center or the Comptroller General, as the case may be, to make informed judgments on the matters required to be included in the report.

(c) LIFE-CYCLE COSTS DEFINED.—In this section, the term ''life-cycle costs'' includes—

(1) the elements of costs that would be considered for a life-cycle cost analysis for a major defense acquisition program, such as procurement of engines, procurement of spare engines, and procurement of engine components and parts; and

(2) good-faith estimates of routine engine costs, such as performance upgrades and component improvement, that historically have occurred in tactical fighter engine programs.

SEC. 256. SENSE OF SENATE ON TECHNOLOGY SHARING OF JOINT STRIKE FIGHTER TECHNOLOGY.

It is the sense of the Senate that the Secretary of Defense should share technology with regard to the Joint Strike Fighter between the United States Government and the Government of the United Kingdom consistent with the national security interests of both nations.

SEC. 257. REPORT ON BIOMETRICS PROGRAMS OF THE DEPARTMENT OF DEFENSE.

(a) REPORT.—The Secretary of Defense shall submit to Congress, at the same time as the submittal of the budget of the President for fiscal year 2008 (as submitted under section 1105(a) of title 31, United States Code) a report on the biometrics programs of the Department of Defense.

(b) ELEMENTS.—The report shall address the following:

(1) Whether the Department should modify the current executive agent management structure for the biometrics programs.

(2) The requirements for the biometrics programs to meet needs throughout the Department of Defense.

(3) A description of programs currently fielded to meet requirements in Iraq and Afghanistan.

(4) An assessment of the adequacy of fielded programs to meet operational requirements.

(5) An assessment of programmatic or capability gaps in meeting future requirements.

(6) The actions being taken within the Executive Branch to coordinate and integrate requirements, programs, and resources among the departments and agencies of the Executive Branch with a role in using or developing biometrics capabilities.

(c) BIOMETRICS DEFINED.—In this section, the term ''biometrics'' means an identity management program or system that utilizes distinct personal attributes, including DNA, facial features, irises, retinas, signatures, or voices, to identify individuals.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

(1) For the Army, $24,795,580,000.

(2) For the Navy, $31,130,784,000.

(3) For the Marine Corps, $3,905,262,000.

(4) For the Air Force, $31,251,107,000.

(5) For Defense-wide activities, $20,106,756,000.

(6) For the Army Reserve, $2,139,702,000.

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

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

(9) For the Air Force Reserve, $2,575,100,000.

(10) For the Army National Guard, $4,857,728,000.

(11) For the Air National Guard, $5,318,717,000.

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

(13) For Environmental Restoration, Army, $463,794,000.

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

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

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

(17) For Environmental Restoration, Formerly Used Defense Sites, $282,790,000.

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

(19) For Cooperative Threat Reduction programs, $372,128,000.

(20) For Overseas Humanitarian Disaster and Civic Aid, $63,204,000.

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, $1,364,498,000.

(2) For the National Defense Sealift Fund, $1,071,932,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, $20,915,321,000, of which—

(1) $20,381,863,000 is for Operation and Maintenance;

(2) $135,603,000 is for Research, Development, Test, and Evaluation; and

(3) $397,855,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—

(1) IN GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,277,304,000, of which—

(A) $1,046,290,000 is for Operation and Maintenance; and

(B) $231,014,000 is for Research, Development, Test, and Evaluation.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $926,890,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance; and

(2) $1,400,000 is for Procurement.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. LIMITATION ON AVAILABILITY OF FUNDS FOR THE ARMY LOGISTICS MODERNIZATION PROGRAM.

Of the funds authorized to be appropriated for the Department of Defense by this division and available for the Army Logistics Modernization Program (LMP), not more than $6,900,000 may be obligated or expended for the development, fielding, or operation of the program until the Chairman of the Defense Business Systems Modernization Committee certifies to the congressional defense committees each of the following:

(1) That the program is essential to the national security of the United States or to the efficient management of the Department of Defense.

(2) That there is no alternative to the system under the program which will provide equal or greater capability at a lower cost.

(3) That the estimated costs, and the proposed schedule and performance parameters, for the program and system are reasonable.

(4) That the management structure for the program is adequate to manage and control program costs.

SEC. 312. AVAILABILITY OF FUNDS FOR EXHIBITS FOR THE NATIONAL MUSEUMS OF THE ARMED FORCES.

(a) NATIONAL MUSEUM OF THE UNITED STATES ARMY.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $3,000,000 may be available to the Secretary of the Army for education and training purposes to contract with the Army Historical Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Army.

(b) NATIONAL MUSEUM OF THE UNITED STATES NAVY.—Of the amounts authorized to be appropriated by section 301(2) for operation and maintenance for the Navy, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the Naval Historical Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Navy.

(c) NATIONAL MUSEUM OF THE MARINE CORPS AND HERITAGE CENTER.—Of the amounts authorized to be appropriated by section 301(3) for operation and maintenance for the Marine Corps, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract

with the United States Marine Corps Heritage Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the Marine Corps and Heritage Center.

(d) NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE.—Of the amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force, $3,000,000 may be available to the Secretary of the Air Force for education and training purposes to contract with the Air Force Museum Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Air Force.

(e) REIMBURSEMENT.—

(1) AUTHORITY TO ACCEPT REIMBURSEMENT.—During any fiscal year after fiscal year 2006, the Secretary of a military department may accept from any non-profit entity authorized to support the national museum of the applicable Armed Force amounts to reimburse such Secretary for amounts obligated and expended by such Secretary from amounts available to such Secretary under this section.

(2) TREATMENT.—Amounts accepted as reimbursement under paragraph (1) shall be credited to the account that was used to cover the costs incurred by the Secretary of the military department concerned under this section. Amounts so credited shall be merged with amounts in such account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

SEC. 313. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN THE DEPARTMENT OF DEFENSE.

(a) LIMITATION.—The Secretary of Defense may not obligate or expend any funds for the purpose of any financial management improvement activity relating to the preparation, processing, or auditing of financial statements until the Secretary submits to the congressional defense committees a written determination that each activity proposed to be funded is—

(1) consistent with the financial management improvement plan of the Department of Defense required by section 376(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 190–163; 119 Stat. 3213); and

(2) likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to an activity directed exclusively at assessing the adequacy of internal controls and remediating any inadequacy identified pursuant to such assessment.

SEC. 314. LIMITATION ON AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS FOR THE MANAGEMENT HEADQUARTERS OF THE DEFENSE INFORMATION SYSTEMS AGENCY.

Of the amount authorized to be appropriated by this title and available for purposes of the operation and maintenance of the management headquarters of the Defense Information Systems Agency, not more than 50 percent may be available for such purposes until the Secretary of Defense submits to Congress the report on the acquisition strategy of the Department of Defense for commercial satellite communications services required by section 818(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–136; 119 Stat. 3385).

SEC. 315. EXPANSION OF JUNIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

(a) IN GENERAL.—The Secretaries of the military departments shall take appropriate actions to increase the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized under chapter 102 of title 10, United States Code.

(b) EXPANSION TARGETS.—In increasing under subsection (a) the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized, the Secretaries of the military departments shall seek to organize units at an additional number of institutions as follows:

(1) In the case of Army units, 15 institutions.

(2) In the case of Navy units, 10 institutions.

(3) In the case of Marine Corps units, 15 institutions.

(4) In the case of Air Force units, 10 institutions.

SEC. 316. INFANTRY COMBAT EQUIPMENT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $2,500,000 may be available for Infantry Combat Equipment (ICE).

SEC. 317. INDIVIDUAL FIRST AID KIT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $1,500,000 may be available for the Individual First Aid Kit (IFAK).

SEC. 318. READING FOR THE BLIND AND DYSLEXIC PROGRAM OF THE DEPARTMENT OF DEFENSE.

(a) DEFENSE DEPENDENTS.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for defense dependents of elementary and secondary school age in the continental United States and overseas.

(b) SEVERELY WOUNDED OR INJURED MEMBERS OF THE ARMED FORCES.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for severely wounded or injured members of the Armed Forces.

SEC. 319. MILITARY TRAINING INFRASTRUCTURE IMPROVEMENTS AT VIRGINIA MILITARY INSTITUTE.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $2,900,000 may be available to the Virginia Military Institute for military training infrastructure improvements to provide adequate field training of all Armed Forces Reserve Officer Training Corps.

SEC. 320. ENVIRONMENTAL DOCUMENTATION FOR BEDDOWN OF F–22A AIRCRAFT AT HOLLOMAN AIR FORCE BASE, NEW MEXICO.

The Secretary of the Air Force shall prepare environmental documentation per the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for the beddown of F–22A aircraft at Holloman Air Force Base, New Mexico, as replacements for the retiring F–117A aircraft.

Subtitle C—Environmental Provisions

SEC. 331. RESPONSE PLAN FOR REMEDIATION OF MILITARY MUNITIONS.

(a) PERFORMANCE GOALS FOR REMEDIATION.—The Department of Defense shall set the following remediation goals:

(1) To complete, by not later than September 30, 2007, preliminary assessments of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(2) To complete, by not later than September 30, 2010, site inspections of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(3) To achieve, by not later than September 30, 2009, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all military installations closed or realigned as part of a round of defense base closure and realignment occurring prior to the 2005 round.

(4) To achieve, by a time certain established by the Secretary, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges) and all military installations realigned or closed under the 2005 round of defense base closure and realignment.

(b) RESPONSE PLAN REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a comprehensive plan for addressing the remediation of unexploded ordnance, discarded military munitions, and munitions constituents at current and former defense sites (other than operational ranges).

(2) CONTENT.—The plan required by paragraph (1) shall include—

(A) a schedule, including interim goals, for achieving the goals described in paragraphs (1) through (3) of subsection (a), based upon the Munitions Response Site Prioritization Protocol established by the Department of Defense;

(B) such interim goals as the Secretary determines feasible for efficiently achieving the goal required under paragraph (4) of such subsection; and

(C) an estimate of the funding required to achieve the goals established pursuant to such subsection and the interim goals established pursuant to subparagraphs (A) and (B).

(3) UPDATES.—(A) The Secretary shall, not later than March 15 of 2008, 2009, and 2010, submit to the congressional defense committees an update of the plan required under paragraph (1). Each update may be included in the report on environmental restoration activities submitted to Congress under section 2706(a) of title 10, United States Code, that is submitted in the year in which such update is submitted.

(B) The Secretary may include in an update submitted under subparagraph (A) any adjustment to the remediation goals established under subsection (a) that the Secretary determines necessary to respond to unforeseen circumstances.

(c) REPORT ON REUSE STANDARDS AND PRINCIPLES.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the efforts of the Department of Defense to achieve agreement with relevant regulatory agencies on appropriate reuse standards or principles, including—

(1) a description of any standards or principles that have been agreed upon; and

(2) a discussion of any issues that remain in disagreement (including the impact that any such disagreement is likely to have on the ability of the Department of Defense to carry out the plan).

(d) DEFINITIONS.—In this section, the terms ''unexploded ordnance'', ''discarded military munitions'', ''munitions constituents'', ''operational range'', and ''defense site'' have

the meaning given such terms in section 2710(e) of title 10, United States Code.

(e) CONFORMING REPEAL.—Section 313 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1051; 10 U.S.C. 2706 note) is repealed.

SEC. 332. EXTENSION OF AUTHORITY TO GRANT EXEMPTIONS TO CERTAIN REQUIREMENTS.

(a) AMENDMENT TO TOXIC SUBSTANCES CONTROL ACT.—Section 6(e)(3) of the Toxic Substances Control Act (15 U.S.C. 2605(e)(3)) is amended—

(1) in subparagraph (A), by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraphs (B), (C), and (D)'';

(2) in subparagraph (B), by striking ''but not more than 1 year from the date it is granted'' and inserting ''but not more than 1 year from the date it is granted, except as provided in subparagraph (D)''; and

(3) by adding at the end the following new subparagraph:

''(D) The Administrator may grant an exemption pursuant to subparagraph (B) for a period of up to 3 years for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the customs territory of the United States of polychlorinated biphenyls generated by or under the control of the Department of Defense for purposes of their disposal, treatment, or storage in the customs territory of the United States.''.

(b) SUNSET DATE.—The amendments made by subsection (a) shall cease to have effect on September 30, 2012. The termination of the authority to grant exemptions pursuant to such amendments shall not effect the validity of any exemption granted prior to such date.

(c) REPORT.—Not later than March 1, 2011, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Environment and Public Works of the Senate and the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives a report on the status of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States. The report shall address, at a minimum—

(1) the remaining volume of such polychlorinated biphenyls that may require transportation into the customs territory of the United States for disposal, treatment, or storage; and

(2) the efforts that have been made by the Department of Defense and other Federal agencies to reduce such volume by—

(A) reducing the volume of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States; or

(B) developing alternative options for the disposal, treatment, or storage of such polychlorinated biphenyls.

SEC. 333. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF MUNITIONS.

(a) IDENTIFICATION OF DISPOSAL SITES.—

(1) HISTORICAL REVIEW.—The Secretary of Defense, in cooperation with the Commandant of the Coast Guard, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other relevant Federal agencies, shall conduct a historical review of available records to determine the number, size, and probable locations of sites where the Armed Forces disposed of military munitions in coastal waters. The historical review shall, to the extent possible, identify the types of munitions at individual sites.

(2) INTERIM REPORTS.—The Secretary of Defense shall periodically, but no less often than annually, release any new information obtained during the historical review conducted under paragraph (1). The Secretary may withhold from public release the exact nature and locations of munitions the potential unauthorized retrieval of which could pose a significant threat to the national defense or public safety.

(3) INCLUSION OF INFORMATION IN ANNUAL REPORT ON ENVIRONMENTAL RESTORATION ACTIVITIES.—The Secretary shall include the information obtained pursuant to the review conducted under paragraph (1) in the annual report on environmental restoration activities submitted to Congress under section 2706 of title 10, United States Code.

(4) FINAL REPORT.—The Secretary shall complete the historical review required under paragraph (1) and submit a final report on the findings of such review in the annual report on environmental restoration activities submitted to Congress for fiscal year 2009.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) IDENTIFICATION OF HAZARDS.—The Secretary of Defense shall provide available information to the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for coastal waters that identify known or potential hazards posed by disposed military munitions to private activities, including commercial shipping and fishing operations.

(2) CONTINUATION OF INFORMATION ACTIVITIES.—The Secretary of Defense shall continue activities to inform potentially affected users of the ocean environment, particularly fishing operations, of the possible hazards from contact with disposed military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary of Defense shall continue to conduct research on the effects on the ocean environment and those who use it of military munitions disposed of in coastal waters.

(2) SCOPE.—Research under paragraph (1) shall include—

(A) the sampling and analysis of ocean waters and sea beds at or adjacent to military munitions disposal sites selected pursuant to paragraph (3) to determine whether the disposed military munitions have caused or are causing contamination of such waters or sea beds;

(B) investigation into the long-term effects of seawater exposure on disposed military munitions, particularly effects on chemical munitions;

(C) investigation into the impacts any such contamination may have on the ocean environment and those who use it, including public health risks;

(D) investigation into the feasibility of removing or otherwise remediating the military munitions; and

(E) the development of effective safety measures for dealing with such military munitions.

(3) RESEARCH CRITERIA.—In conducting the research required by this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at representative sites, taking into account factors such as depth, water temperature, nature of the military munitions present, and relative proximity to onshore populations. In conducting such research, the Secretary shall select at least two representative sites each in the areas of the Atlantic coast, the Pacific coast (including Alaska), and the Hawaiian Islands.

(4) AUTHORITY TO MAKE GRANTS AND ENTER INTO COOPERATIVE AGREEMENTS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities.

(d) MONITORING.—If the historical review required by subsection (a) or the research required by subsection (c) indicates that contamination is being released into the ocean waters from disposed military munitions at a particular site or that the site poses a significant public health or safety risk, the Secretary shall institute appropriate monitoring mechanisms at that site and report to the congressional defense committees on any additional measures that may be necessary to address the release or risk, as applicable.

(e) DEFINITIONS.—In this section:

(1) The term ''coastal waters'' means that part of the ocean extending from the coast line of the United States to the outer boundary of the outer Continental Shelf.

(2) The term ''coast line'' has the meaning given that term in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

(3) The term ''outer Continental Shelf'' has the meaning given that term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

SEC. 334. CLARIFICATION OF MULTI-YEAR AUTHORITY TO USE BASE CLOSURE FUNDS TO FUND COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This two-year limitation does not apply to agreements funded through the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established by sections 2906 and 2906A, respectively, of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 335. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—(1) Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account.

(2) The payment under paragraph (1) is to reimburse the Environmental Protection Agency for its costs incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington.

(3) The reimbursement described in paragraph (2) is provided for in the interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the Moses Lake Wellfield Superfund Site in March 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

(c) USE OF FUNDS.—The Environmental Protection Agency shall use the amount transferred under subsection (a) to pay costs incurred by the Agency at the Moses Lake Wellfield Superfund Site.

Subtitle D—Reports

SEC. 351. COMPTROLLER GENERAL REPORT ON READINESS OF THE GROUND FORCES OF THE ARMY AND THE MARINE CORPS.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the readiness

of the active component and reserve component ground forces of the Army and the Marine Corps.

(2) ONE OR MORE REPORTS.—In complying with the requirements of this section, the Comptroller General may submit a single report addressing all the elements specified in subsection (b) or two or more reports addressing any combination of such elements. If the Comptroller General submits more than one report under this section, all such reports shall be submitted not later than the date specified in paragraph (1).

(b) ELEMENTS.—The elements specified in this subsection include the following:

(1) An analysis of the current readiness status of each of the active component and reserve component ground forces of the Army and the Marine Corps, including a description of any major deficiency identified, an analysis of the trends in readiness of such forces during not less than the ten years preceding the report, and a comparison of the current readiness indicators of such ground forces with historical patterns.

(2) An assessment of the ability of the Army and the Marine Corps to provide trained and ready forces for ongoing operations as well as other commitments assigned to the Army and the Marine Corps in defense planning documents.

(3) An analysis of the availability of equipment for training by units of the Army and the Marine Corps in the United States in configurations comparable to the equipment being used by units of the Army and the Marine Corps, as applicable, in ongoing operations.

(4) An analysis of the current and projected requirement for repair or replacement of equipment of the Army and the Marine Corps due to ongoing operations, and the impact of such required repair or replacement of equipment on the availability of equipment for training.

(5) An assessment of the current personnel tempo of Army and Marine Corps forces, including—

(A) a comparison of such tempos to historical trends;

(B) an identification of particular occupational specialties that are experiencing unusually high or low deployment rates; and

(C) an analysis of retention rates in the occupational specialties identified under subparagraph (B).

(6) An assessment of the efforts of the Army and the Marine Corps to mitigate the impact of high operational tempos, including cross-leveling of personnel and equipment or cross training of personnel or units for new or additional mission requirements.

(7) A description of the current policy of the Army and the Marine Corps with respect to the mobilization of reserve component personnel, together with an analysis of the number of reserve component personnel in each of the Army and the Marine Corps that are projected to be available for deployment under such policy.

(c) FORM OF REPORT.—Any report submitted under subsection (a) shall be submitted in both classified and unclassified form.

SEC. 352. NATIONAL ACADEMY OF SCIENCES STUDY ON HUMAN EXPOSURE TO CONTAMINATED DRINKING WATER AT CAMP LEJEUNE, NORTH CAROLINA.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Navy shall enter into an agreement with the National Academy of Sciences to conduct a comprehensive review and evaluation of the available scientific and medical evidence regarding associations between pre-natal, child, and adult exposure to drinking water contaminated with trichloroethylene (TCE) and tetrachloroethylene (PCE) at Camp Lejeune, North Carolina, as well as other pre-natal, child, and adult exposures to levels of trichloroethylene and tetrachloroethylene similar to those experienced at Camp Lejeune, and birth defects or diseases and any other adverse health effects.

(2) ELEMENTS.—In conducting the review and evaluation, the Academy shall review and summarize the scientific and medical evidence and assess the strength of that evidence in establishing a link or association between exposure to trichloroethylene and tetrachloroethylene and each birth defect or disease suspected to be associated with such exposure. For each birth defect or disease reviewed, the Academy shall determine, to the extent practicable with available scientific and medical data, whether—

(A) a statistical association with such contaminant exposures exists; and

(B) there exist plausible biological mechanisms or other evidence of a causal relationship between contaminant exposures and the birth defect or disease.

(3) SCOPE OF REVIEW.—In conducting the review and evaluation, the Academy shall include a review and evaluation of—

(A) the toxicologic and epidemiologic literature on adverse health effects of trichloroethylene and tetrachloroethylene, including epidemiologic and risk assessment reports from government agencies;

(B) recent literature reviews by the National Research Council, Institute of Medicine, and other groups;

(C) the completed and on-going Agency for Toxic Substances Disease Registry (ATSDR) studies on potential trichloroethylene and tetrachloroethylene exposure at Camp Lejeune; and

(D) published meta-analyses.

(4) PEER REVIEW.—The Academy shall obtain the peer review of the report prepared as a result of the review and evaluation under applicable Academy procedures.

(5) SUBMITTAL.—The Academy shall submit the report prepared as a result of the review and evaluation to the Secretary and Congress not later than 18 months after entering into the agreement for the review and evaluation under paragraph (1).

(b) NOTICE ON EXPOSURE.—

(1) NOTICE REQUIRED.—Upon completion of the current epidemiological study by the Agency for Toxic Substances Disease Registry, known as the Exposure to Volatile Organic Compounds in Drinking Water and Specific Birth Defects and Childhood Cancers, United States Marine Corps Base Camp Lejeune, North Carolina, the Commandant of the Marine Corps shall take appropriate actions, including the use of national media such as newspapers, television, and the Internet, to notify former Camp Lejeune residents and employees who may have been exposed to drinking water impacted by trichloroethylene and tetrachloroethylene of the results of the study.

(2) ELEMENTS.—The information provided by the Commandant of the Marine Corps under paragraph (1) shall be prepared in conjunction with the Agency for Toxic Substances Disease Registry and shall include a description of sources of additional information relating to such exposure, including, but not be limited to, the following:

(A) A description of the events resulting in exposure to contaminated drinking water at Camp Lejeune.

(B) A description of the duration and extent of the contamination of drinking water at Camp Lejeune.

(C) The known and suspected health effects of exposure to the drinking water impacted by trichloroethylene and tetrachloroethylene at Camp Lejeune.

SEC. 353. REPORT ON AERIAL TRAINING AIRSPACE REQUIREMENTS OF THE DEPARTMENT OF DEFENSE.

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

(1) Access to and use of available and unfettered aerial training airspace is critical for preserving aircrew warfighting proficiency and the ability to test, evaluate, and improve capabilities of both personnel and equipment within the most realistic training environments possible.

(2) The growth of civilian and commercial aviation traffic and the rapid expansion of commercial and general air traffic lanes across the continental United States has left few remaining areas of the country available for realistic air combat training or expansion of existing training areas.

(3) Many Military Operating Areas (MOAs) originally established in what was once open and uncongested airspace are now encroached upon by a heavy volume of commercial and general air traffic, making training more difficult and potentially hazardous.

(4) Some aerial training areas in the upper great plains, western States, and Gulf coast remain largely free from encroachment and available for increased use, expansion, and preservation for the future.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Department of Defense should—

(1) establish a policy to identify military aerial training areas that are projected to remain viable and free from encroachment well into the 21st century;

(2) determine aerial training airspace requirements to meet future training and airspace requirements of current and next generation military aircraft; and

(3) undertake all necessary actions in a timely manner, including coordination with the Federal Aviation Administration, to preserve and, if necessary, expand those areas of airspace to meet present and future training requirements.

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a proposed plan to preserve and, if necessary, expand available aerial training airspace to meet the projected needs of the Department of Defense for such airspace through 2025.

SEC. 354. REPORT ON ACTIONS TO REDUCE DEPARTMENT OF DEFENSE CONSUMPTION OF PETROLEUM-BASED FUEL.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions taken, and to be taken, by the Department of Defense to reduce the consumption by the Department of petroleum-based fuel.

(b) ELEMENTS.—The report shall include the status of implementation by the Department of the requirements of the following:

(1) The Energy Policy Act of 2005 (Public Law 109–58).

(2) The Energy Policy Act of 1992. (Public Law 102–486)

(3) Executive Order 13123.

(4) Executive Order 13149.

(5) Any other law, regulation, or directive relating to the consumption by the Department of petroleum-based fuel.

SEC. 355. REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.

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

(1) The National Guard continues to provide invaluable resources to meet national security, homeland defense, and civil emergency mission requirements.

(2) Current military operations, transnational threats, and domestic emergencies will increase the use of the National Guard for both military support to civilian authorities and to execute the military strategy of the United States.

(3) To meet the demand for certain types of equipment for continuing United States military operations, the Army has required Army National Guard Units to leave behind many items for use by follow-on forces.

(4) The Governors of every State and 2 Territories expressed concern in February 2006 that units returning from deployment overseas without adequate equipment would have trouble carrying out their homeland security and domestic disaster duties.

(5) The Department of Defense estimates that it has directed the Army National Guard to leave overseas more than 75,000 items valued at approximately $1,760,000,000 to support Operation Enduring Freedom and Operation Iraqi Freedom.

(6) Department of Defense Directive 1225.6 requires a replacement and tracking plan be developed within 90 days for equipment of the reserve components of the Armed Forces that is transferred to the active components of the Armed Forces.

(7) In October 2005, the Government Accountability Office found that the Department of Defense can only account for about 45 percent of such equipment and has not developed a plan to replace such equipment.

(8) The Government Accountability Office also found that without a completed and implemented plan to replace all National Guard equipment left overseas, Army National Guard units will likely face growing equipment shortages and challenges in regaining readiness for future missions.

(b) REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.—

(1) IN GENERAL.—Chapter 1007 of title 10, United States Code, is amended by inserting after section 10208 the following new section:

"§ 10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units

"(a) REPORT REQUIRED ON WITHDRAWAL OR DIVERSION OF EQUIPMENT.—Not later than 90 days after withdrawing or diverting equipment from a unit of the Reserve to a unit of the Reserve being ordered to active duty under section 12301, 12302, or 12304 of this title, or to a unit or units of a regular component of the armed forces, for purposes of the discharge of the mission of such unit or units, the Secretary concerned shall submit to the Secretary of Defense a status report on the withdrawal or diversion of equipment.

"(b) ELEMENTS.—Each status report under subsection (a) on equipment withdrawn or diverted shall include the following:

"(1) A plan to recapitalize or replace such equipment within the unit from which withdrawn or diverted.

"(2) If such equipment is to remain in a theater of operations while the unit from which withdrawn or diverted returns to the United States, a plan to provide such unit with recapitalized or replacement equipment appropriate to ensure the continuation of the readiness training of such unit.

"(3) A signed memorandum of understanding between the active or reserve component to which withdrawn or diverted and the reserve component from which withdrawn or diverted that specifies—

"(A) how such equipment will be tracked; and

"(B) when such equipment will be returned to the component from which withdrawn or diverted.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10208 the following new item:

"10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units.".

SEC. 356. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 357. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 358. REPORT ON VEHICLE-BASED ACTIVE PROTECTION SYSTEMS FOR CERTAIN BATTLEFIELD THREATS.

(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall enter into a contract with an appropriate entity independent of the United States Government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protection systems for defense against both chemical energy and kinetic energy top-attack and direct fire threats, including anti-tank missiles and rocket propelled grenades, mortars, and other similar battlefield threats.

(b) REPORT.—

(1) REPORT REQUIRED.—The contract required by subsection (a) shall require the entity entering in to such contract to submit to the Secretary of Defense, and to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, a report on the assessment required by that subsection.

(2) ELEMENTS.—The report required under paragraph (1) shall include—

(A) a detailed comparative analysis and assessment of the technical approaches covered by the assessment under subsection (a), including the feasibility, military utility, cost, and potential short-term and long-term development and deployment schedule of such approaches; and

(B) any other elements specified by the Secretary in the contract under subsection (a).

SEC. 359. REPORT ON HIGH ALTITUDE AVIATION TRAINING SITE, EAGLE COUNTY, COLORADO.

(a) REPORT REQUIRED.—Not later than December 15, 2006, the Secretary of the Army shall submit to the congressional defense committees a report on the High Altitude Aviation Training Site (HAATS) in Eagle County, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the type of high altitude aviation training being conducted at the High Altitude Aviation Training Site, including the number of pilots who receive such training on an annual basis and the types of aircraft used in such training.

(2) A description of the number and type of helicopters required at the High Altitude Aviation Training Site to provide the high altitude aviation training needed to sustain the war strategies contained in the 2006 Quadrennial Defense Review, assuming that priority is afforded in the provision of such training to commanders, instructor pilots, aviation safety officers, and deploying units.

(3) A thorough evaluation of accident rates for deployed helicopter pilots of the Army who receive high altitude aviation training at the High Altitude Aviation Training Site, and accident rates for deployed Army helicopter pilots who did not receive such training, including the following:

(A) An estimate (set forth as a range) of the number of accidents attributable to power management.

(B) The number of accidents occurring in a combat environment.

(C) The number of accidents occurring in a non-combat environment.

(4) An evaluation of the inventory and availability of Army aircraft for purposes of establishing an appropriate schedule for the assignment of a CH–47 aircraft to the High Altitude Aviation Training Site, if the Chief of Staff of the Army determines there is value in conducting such training at the HAATS.

(5) A description of the status of any efforts to ensure that all helicopter aircrews deployed to the area of responsibility of the Central Command (CENTCOM AOR) are qualified in mountain flight and power management prior to deployment, including the locations where such training occurred, with particular focus on the status of such efforts with respect to aircrews to be deployed in support of Operation Enduring Freedom.

(c) TRACKING SYSTEM.—The Secretary shall implement a system for tracking those pilots

that have attended a school with an established program of instruction for high altitude aviation operations training. The system should, if practical, utilize an existing system that permits the query of pilot flight experience and training.

SEC. 360. REPORT ON AIR FORCE SAFETY REQUIREMENTS FOR AIR FORCE FLIGHT TRAINING OPERATIONS AT PUEBLO MEMORIAL AIRPORT, COLORADO.

(a) REPORT REQUIRED.—Not later than February 15, 2007, the Secretary of the Air Force shall submit to the congressional defense committees a report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the Air Force flying operations at Pueblo Memorial Airport.

(2) An assessment of the impact of Air Force operations at Pueblo Memorial Airport on non-Air Force activities at the airport.

(3) A description of the requirements necessary at Pueblo Memorial Airport to ensure safe Air Force flying operations, including continuous availability of fire protection, crash rescue, and other emergency response capabilities.

(4) An assessment of the necessity of providing for a continuous fire-fighting capability at Pueblo Memorial Airport.

(5) A description and analysis of alternatives for Air Force flying operations at Pueblo Memorial Airport, including the cost and availability of such alternatives.

(6) An assessment of whether Air Force funding is required to assist the City of Pueblo, Colorado, in meeting Air Force requirements for safe Air Force flight operations at Pueblo Memorial Airport, and if required, the Air Force plan to provide the funds to the city.

SEC. 360A. REPORT ON USE OF ALTERNATIVE FUELS BY THE DEPARTMENT OF DEFENSE.

(a) STUDY.—The Secretary of Defense shall conduct a study on the use of alternative fuels by the Armed Forces and the Defense Agencies, including any measures that can be taken to increase the use of such fuels by the Department of Defense and the Defense Agencies.

(b) ELEMENTS.—The study shall address each matter set forth in paragraphs (1) through (7) of section 357(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3207) with respect to alternative fuels (rather than to the fuels specified in such paragraphs).

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study conducted under this section.

(2) MANNER OF SUBMITTAL.—The report required by this subsection may be incorporated into, or provided as an annex to, the study required by section 357(c) of the National Defense Authorization Act for Fiscal Year 2006.

(d) ALTERNATIVE FUELS DEFINED.—In this section, the term ''alternative fuels'' means biofuels, biodiesel, renewable diesel, ethanol that contain less than 85 percent ethyl alcohol, and cellulosic ethanol.

Subtitle E—Workplace and Depot Issues

SEC. 361. MINIMUM CAPITAL INVESTMENT LEVELS FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.

(a) MINIMUM INVESTMENT LEVELS.—Section 2208 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(s) MINIMUM CAPITAL INVESTMENT FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.—(1) Each public depot that is serviced by a working capital fund shall invest in its capital budget each fiscal year an amount equal to not less than six percent of the actual total revenue of the public depot for the previous fiscal year.

''(2) The Secretary of Defense may waive the requirement in paragraph (1) with respect to a particular public depot for a fiscal year if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees of the reasons for the waiver.

''(3)(A) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the level of capital investment at each public depot serviced by working capital funds as of the end of the previous fiscal year.

''(B) Each report under this paragraph shall include the following:

''(i) A specification of the statutory, regulatory, or operational impediments, if any, to achieving the requirement in paragraph (1) with respect to each public depot described in that paragraph.

''(ii) A description of the benchmarks established by each public depot and working capital fund for capital investment and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

''(iii) If the requirement set out in paragraph (1) is not met for any public depot in the previous fiscal year, a statement of the reasons why and a plan of actions to meet the requirement for such public depot in the fiscal year beginning in the year in which such report is submitted.

''(4) In this subsection, the terms 'total revenue' and 'capital budget' have the meaning given such terms in Department of Defense Financial Management Regulation 7000.14–R of June 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 362. PERMANENT EXCLUSION OF CERTAIN CONTRACT EXPENDITURES FROM PERCENTAGE LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking ''entered into during fiscal years 2003 through 2009''.

SEC. 363. ADDITIONAL EXCEPTION TO PROHIBITION ON CONTRACTOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) A contract for the performance of firefighting functions to—

''(A) fight wildland fires such as range or forest fires; and

''(B) perform wildland fire management, including the conduct of hazardous fuels treatments to reduce wildland fire risks (including prescribed fire and mechanical treatments).''.

SEC. 364. TEMPORARY SECURITY GUARD SERVICES FOR CERTAIN WORK CAUSED BY REALIGNMENT OF MILITARY INSTALLATIONS UNDER THE BASE CLOSURE LAWS.

(a) AUTHORITY FOR TEMPORARY SERVICES.—Notwithstanding section 2465 of title 10, United States Code, the Secretary of the military department concerned may, for a period not to exceed one year at any single military installation, contract for security guard services at military installations approved for realignment under a base closure law when such services are required for the safe and secure relocation of either of the following:

(1) Military munitions and munitions-related equipment.

(2) High-value items in temporary storage areas.

(b) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given such term in section 101(a)(17) of title 10, United States Code.

(2) The term ''military munitions'' has the meaning given such term in section 101(e)(4) of title 10, United States Code.

(c) EXPIRATION.—The authority to enter into a contract under subsection (a) shall expire on September 15, 2011.

Subtitle F—Other Matters

SEC. 371. RECYCLING OF MILITARY MUNITIONS.

(a) IN GENERAL.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 4690. Sale of recyclable munitions materials

''(a) AUTHORITY FOR PROGRAM.—(1) The Secretary of the Army may carry out a program to—

''(A) sell recyclable munitions materials resulting from the demilitarization of conventional military munitions; and

''(B) use the proceeds of sale for reclamation, recycling, and reuse of conventional military munitions.

''(2) The program authorized by this section may be known as the 'Military Munitions Recycling Program'.

''(b) GEOGRAPHIC LIMITATION.—The program authorized by subsection (a) may only be carried out in the United States and its possessions.

''(c) METHOD OF SALE.—(1) Except as provided in paragraph (2), the Secretary shall use competitive procedures to sell recyclable munitions materials under the program authorized by this section.

''(2) The Secretary may use procedures other than competitive procedures to sell recyclable munitions materials under the program authorized by this section in any case in which the Secretary determines there is only one potential buyer of the items being offered for sale.

''(3) The provisions of title 40 concerning disposal of property are not applicable to sales of materials under the program authorized by this section.

''(d) USE OF PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under the program authorized by this section shall be credited to the Ammunition Demilitarization Account within the Procurement of Ammunition, Army, Account.

''(2) Amounts credited to the Ammunition Demilitarization Account under paragraph (1) shall be available solely for purposes of reclamation, recycling, and reuse of conventional military munitions, including for research and development for such purposes and for the procurement of equipment for such purposes.

''(3) Funds credited to the Ammunition Demilitarization Account under paragraph (1) in a fiscal year shall be available for obligation under paragraph (2) during the fiscal year in which the funds are so credited and for three fiscal years thereafter.

''(4) Funds credited to the Ammunition Demilitarization Account under paragraph (1) that are not obligated under paragraph (2) within the period of availability under paragraph (3) shall, at the end of such period, be deposited into the Treasury as miscellaneous receipts.

''(e) REGULATIONS.—The Secretary shall prescribe regulations on the operation of the program authorized by this section. The regulations shall be consistent with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and any regulations prescribed thereunder.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 443 of such title is amended by adding at the end the following new item:

''4690. Sale of recyclable munitions materials.''.

SEC. 372. INCENTIVES CLAUSES IN CHEMICAL DEMILITARIZATION CONTRACTS.

(a) IN GENERAL.—

(1) AUTHORITY TO INCLUDE CLAUSES IN CONTRACTS.—The Secretary of Defense may, for the purpose specified in paragraph (2), authorize the inclusion of an incentives clause in any contract for the destruction of the United States stockpile of lethal chemical agents and munitions carried out pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521).

(2) PURPOSE.—The purpose of a clause referred to in paragraph (1) is to provide the contractor for a chemical demilitarization facility an incentive to accelerate the safe elimination of the United States chemical weapons stockpile and to reduce the total cost of the Chemical Demilitarization Program by providing incentive payments for the early completion of destruction operations and the closure of such facility.

(b) INCENTIVES CLAUSES.—

(1) IN GENERAL.—An incentives clause under this section shall permit the contractor for the chemical demilitarization facility concerned the opportunity to earn incentive payments for the completion of destruction operations and facility closure activities within target incentive ranges specified in such clause.

(2) LIMITATION ON INCENTIVE PAYMENTS.—The maximum incentive payment under an incentives clause with respect to a chemical demilitarization facility may not exceed amounts as follows:

(A) In the case of an incentive payment for the completion of destruction operations within the target incentive range specified in such clause, $110,000,000.

(B) In the case of an incentive payment for the completion of facility closure activities within the target incentive range specified in such clause, $55,000,000.

(3) TARGET RANGES.—An incentives clause in a contract under this section shall specify the target incentive ranges of costs for completion of destruction operations and facility closure activities, respectively, as jointly agreed upon by the contracting officer and the contractor concerned. An incentives clause shall require a proportionate reduction in the maximum incentive payment amounts in the event that the contractor exceeds an agreed-upon target cost if such excess costs are the responsibility of the contractor.

(4) CALCULATION OF INCENTIVE PAYMENTS.—The amount of the incentive payment earned by a contractor for a chemical demilitarization facility under an incentives clause under this section shall be based upon a determination by the Secretary on how early in the target incentive range specified in such clause destruction operations or facility closure activities, as the case may be, are completed.

(5) CONSISTENCY WITH EXISTING OBLIGATIONS.—The provisions of any incentives clause under this section shall be consistent with the obligation of the Secretary of Defense under section 1412(c)(1)(A) of the Department of Defense Authorization Act, 1986 to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions.

(6) ADDITIONAL TERMS AND CONDITIONS.—In negotiating the inclusion of an incentives clause in a contract under this section, the Secretary may include in such clause such additional terms and conditions as the Secretary considers appropriate.

(c) ADDITIONAL LIMITATION ON PAYMENTS.—

(1) PAYMENT CONDITIONAL ON PERFORMANCE.—No payment may be made under an incentives clause under this section unless the Secretary determines that the contractor concerned has satisfactorily performed its duties under such incentives clause.

(2) PAYMENT CONTINGENT ON APPROPRIATIONS.—An incentives clause under this section shall specify that the obligation of the Government to make payment under such incentives clause is subject to the availability of appropriations for that purpose. Amounts appropriated for Chemical Agents and Munitions Destruction, Defense, shall be available for payments under incentives clauses under this section.

SEC. 373. EXTENSION OF DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT PROGRAM.

(a) TERMINATION AT END OF CONTINGENCY OPERATION.—Subsection (c) of section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1449), as amended by section 341 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1857), is further amended by striking ''terminate on September 30, 2006'' and inserting ''terminate with respect to a contingency operation on the date that is 60 days after the date on which the Secretary determines that the contingency operation has ended''.

(b) APPLICATION TO OTHER CONTINGENCY OPERATIONS.—Such section is further amended—

(1) in subsection (a), by striking ''Operation Iraqi Freedom and Operation Enduring Freedom'' and inserting ''a contingency operation''; and

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

''(g) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given that term in section 101(a)(13) of title 10, United States Code. The term includes Operation Iraqi Freedom and Operation Enduring Freedom.''.

(c) EXTENSION TO HOSPITALIZED MEMBERS.—Subsection (a) of such section is further amended—

(1) by striking ''As soon as possible after the date of the enactment of this Act, the'' and inserting ''The''; and

(2) by adding at the end the following new sentence: ''As soon as possible after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007, the Secretary shall extend such telecommunications benefit to members of the Armed Forces who, although no longer covered by the preceding sentence, are hospitalized as a result of wounds or other injuries incurred while serving in direct support of a contingency operation.''.

(d) REPORT ON IMPLEMENTATION OF MODIFIED BENEFITS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing the status of the efforts of the Department of Defense to implement the modifications of the Department of Defense telecommunications benefit required by section 344 of the National Defense Authorization Act for Fiscal Year 2004 that result from the amendments made by this section.

SEC. 374. EXTENSION OF AVAILABILITY OF FUNDS FOR COMMEMORATION OF SUCCESS OF THE ARMED FORCES IN OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

Section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3214) is amended by striking ''fiscal year 2006'' and inserting ''fiscal years 2006 and 2007''.

SEC. 375. ENERGY EFFICIENCY IN WEAPONS PLATFORMS.

(a) POLICY.—It shall be the policy of the Department of Defense to improve the fuel efficiency of weapons platforms, consistent with mission requirements, in order to—

(1) enhance platform performance;

(2) reduce the size of the fuel logistics systems;

(3) reduce the burden high fuel consumption places on agility;

(4) reduce operating costs; and

(5) dampen the financial impact of volatile oil prices.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the progress of the Department of Defense in implementing the policy established by subsection (a).

(2) ELEMENTS.—The report shall include the following:

(A) An assessment of the feasibility of designating a senior Department of Defense official to be responsible for implementing the policy established by subsection (a).

(B) A summary of the recommendations made as of the time of the report by—

(i) the Energy Security Integrated Product Team established by the Secretary of Defense in April 2006;

(ii) the Defense Science Board Task Force on Department of Defense Energy Strategy established by the Under Secretary of Defense for Acquisition, Technology and Logistics on May 2, 2006; and

(iii) the January 2001 Defense Science Board Task Force report on Improving Fuel Efficiency of Weapons Platforms.

(C) For each recommendation summarized under subparagraph (B)—

(i) the steps that the Department has taken to implement such recommendation;

(ii) any additional steps the Department plans to take to implement such recommendation; and

(iii) for any recommendation that the Department does not plan to implement, the reasons for the decision not to implement such recommendation.

(D) An assessment of the extent to which the research, development, acquisition, and logistics guidance and directives of the Department for weapons platforms are appropriately designed to address the policy established by subsection (a).

(E) An assessment of the extent to which such guidance and directives are being carried out in the research, development, acquisition, and logistics programs of the Department.

(F) A description of any additional actions that, in the view of the Secretary, may be needed to implement the policy established by subsection (a).

SEC. 376. CHEMICAL DEMILITARIZATION PROGRAM CONTRACTING AUTHORITY.

(a) MULTIYEAR CONTRACTING AUTHORITY.—The Secretary of Defense may carry out responsibilities under section 1412(a) of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521(a)) through multiyear contracts entered into before the date of the enactment of this Act.

(b) AVAILABILITY OF FUNDS.—Contracts entered into under subsection (a) shall be funded through annual appropriations for the destruction of chemical agents and munitions.

SEC. 377. UTILIZATION OF FUEL CELLS AS BACK-UP POWER SYSTEMS IN DEPARTMENT OF DEFENSE OPERATIONS.

The Secretary of Defense shall consider the utilization of fuel cells as replacements for current back-up power systems in a variety of Department of Defense operations and activities, including in telecommunications networks, perimeter security, and remote facilities, in order to increase the operational longevity of back-up power systems and stand-by power systems in such operations and activities.

SEC. 378. PREPOSITIONING OF DEPARTMENT OF DEFENSE ASSETS TO IMPROVE SUPPORT TO CIVILIAN AUTHORITIES.

(a) PREPOSITIONING AUTHORIZED.—The Secretary of Defense may provide for the prepositioning of prepackaged or preidentified basic response assets, such as medical supplies, food and water, and communications equipment, in order to improve Department of Defense support to civilian authorities.

(b) REIMBURSEMENT.—To the extent required by section 1535 of title 31, United States Code (popularly known as the ''Economy Act''), or other applicable law, the Secretary shall require reimbursement of the Department of Defense for costs incurred in the prepositioning of basic response assets under subsection (a).

(c) LIMITATION.—Basic response assets may not be prepositioned under subsection (a) if the prepositioning of such assets will adversely affect the military preparedness of the United States.

(d) PROCEDURES AND GUIDELINES.—The Secretary may develop procedures and guidelines applicable to the prepositioning of basic response assets under this section.

SEC. 379. RECOVERY AND AVAILABILITY TO CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND FIREARMS SAFETY OF CERTAIN FIREARMS, AMMUNITION, AND PARTS.

(a) IN GENERAL.—Subchapter II of chapter 407 of title 36, United States Code, is amended by inserting after the item relating to section 40728 the following new section:

''§ 40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries

''(a) RECOVERY.—The Secretary of the Army may recover from any country to which a grant of rifles, ammunition, repair parts, or other supplies described in section 40731(a) of this title is made under section 505 of the Foreign Assistance Act of 1961 (22 U.S.C. 2314) any such rifles, ammunition, repair parts, or supplies that are excess to the needs of such country.

''(b) COST OF RECOVERY.—(1) Except as provided in paragraph (2), the cost of recovery of any rifles, ammunition, repair parts, or supplies under subsection (a) shall be treated as incremental direct costs incurred in providing logistical support to the corporation for which reimbursement shall be required as provided in section 40727(a) of this title.

''(2) The Secretary may require the corporation to pay costs of recovery described in paragraph (1) in advance of incurring such costs. Amounts so paid shall not be subject to the provisions of section 3302 of title 31, but shall be administered in accordance with the last sentence of section 40727(a) of this title.

''(c) AVAILABILITY.—Any rifles, ammunition, repair parts, or supplies recovered under subsection (a) shall be available for transfer to the corporation in accordance with the provisions of section 40728 of this title under such additional terms and conditions as the Secretary shall prescribe for purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 407 of such title is amended by inserting after the item relating to section 40728 the following new item:

''40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries.''.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.
(2) The Navy, 340,700.
(3) The Marine Corps, 180,000.
(4) The Air Force, 334,200.

SEC. 402. REPEAL OF REQUIREMENT FOR PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 691.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

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

(1) The Army National Guard of the United States, 350,000.
(2) The Army Reserve, 200,000.
(3) The Navy Reserve, 71,300.
(4) The Marine Corps Reserve, 39,600.
(5) The Air National Guard of the United States, 107,000.
(6) The Air Force Reserve, 74,900.
(7) The Coast Guard Reserve, 10,000.

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

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

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

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,441.
(2) The Army Reserve, 15,416.
(3) The Navy Reserve, 12,564.
(4) The Marine Corps Reserve, 2,261.
(5) The Air National Guard of the United States, 13,206.
(6) The Air Force Reserve, 2,707.

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 7,912.
(2) For the Army National Guard of the United States, 26,050.
(3) For the Air Force Reserve, 10,124.
(4) For the Air National Guard of the United States, 23,255.

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

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.
(B) For the Air National Guard of the United States, 350.

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

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

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

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

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

(1) The Army National Guard of the United States, 17,000.
(2) The Army Reserve, 13,000.
(3) The Navy Reserve, 6,200.
(4) The Marine Corps Reserve, 3,000.
(5) The Air National Guard of the United States, 16,000.
(6) The Air Force Reserve, 14,000.

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $112,043,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

Section 528 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(e) MILITARY STATUS.—An officer of the Armed Forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or by any officer or employee of the Department of Defense, except as directed by the Secretary or the Secretary's designee concerning reassignment from such position; and

''(2) shall not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(f) EFFECT OF APPOINTMENT.—Except as provided in subsection (e), the appointment of an officer of the Armed Forces to a position covered by this section shall not affect the status, position, rank, or grade of such officer in the Armed Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

''(g) MILITARY PAY AND ALLOWANCES.—(1) An officer of the Armed Forces on active duty who is appointed to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances, and shall not receive the pay prescribed for such position.

''(2) Funds from which pay and allowances under paragraph (1) are paid shall be reimbursed from the following:

''(A) Funds available to the Director of the Central Intelligence Agency, for positions within the Central Intelligence Agency.

''(B) Funds available to the Director of National Intelligence, for positions within the Office of the Director of National Intelligence.''.

SEC. 502. EXTENSION OF TEMPORARY REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION FOR CERTAIN ACTIVE-DUTY LIST OFFICERS IN GRADES OF FIRST LIEUTENANT AND LIEUTENANT (JUNIOR GRADE).

Section 619(a)(1)(B) of title 10, United States Code, is amended by striking ''October 1, 2005'' and inserting ''October 1, 2008''.

SEC. 503. EXTENSION OF AGE LIMITS FOR ACTIVE-DUTY GENERAL AND FLAG OFFICERS.

(a) RESTATEMENT AND MODIFICATION OF CURRENT AGE LIMITS.—Section 1251 of title 10, United States Code, is amended to read as follows:

''§ 1251. Regular commissioned officers; exceptions

''(a) AGE LIMITS FOR GENERAL AND FLAG OFFICERS.—(1) Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps serving in a grade at or above brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 64 years of age.

''(2) Notwithstanding paragraph (1), the Secretary of Defense may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 66 years of age.

''(3) Notwithstanding paragraphs (1) and (2), the President may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(b) AGE LIMITS FOR OTHER OFFICERS.—Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps other than an officer covered by section 1252 of this title or a commissioned warrant officer) serving in a grade below brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 62 years of age.

''(c) DEFERRED RETIREMENT OF HEALTH PROFESSIONS OFFICERS.—(1) The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

''(2) For purposes of this subsection, a health professions officer is—

''(A) a medical officer;

''(B) a dental officer; or

''(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

''(d) DEFERRED RETIREMENT OF CHAPLAINS.—The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

''(e) LIMITATION ON DEFERRAL OF RETIREMENTS.—(1) Except as provided in paragraph (2), a deferment under subsection (c) or (d) may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(2) The Secretary of the military department concerned may extend a deferment under subsection (c) or (d) beyond the day referred to in paragraph (1) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of such title is amended by striking the item relating to section 1251 and inserting the following new item:

''1251. Regular commissioned officers; exceptions.''.

SEC. 504. MODIFICATION OF AUTHORITIES ON SENIOR MEMBERS OF THE JUDGE ADVOCATE GENERAL'S CORPS.

(a) DEPARTMENT OF THE ARMY.—

(1) GRADE OF JUDGE ADVOCATE GENERAL.—Subsection (a) of section 3037 of title 10, United States Code, is amended by striking the third sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(2) REDESIGNATION OF ASSISTANT JUDGE ADVOCATE GENERAL AS DEPUTY JUDGE ADVOCATE GENERAL.—Such section is further amended—

(A) in subsection (a), by striking ''Assistant Judge Advocate General'' each place it appears and inserting ''Deputy Judge Advocate General''; and

(B) in subsection (d), by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(3) CONFORMING AND CLERICAL AMENDMENTS.—(A) The heading of such section is amended by striking ''**Assistant Judge Advocate General**'' and inserting ''**Deputy Judge Advocate General**''.

(B) The table of sections at the beginning of chapter 305 of such title is amended in the item relating to section 3037 by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(b) GRADE OF JUDGE ADVOCATE GENERAL OF THE NAVY.—Section 5148(b) of such title is amended in subsection by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of vice admiral or lieutenant general, as appropriate.''.

(c) GRADE OF JUDGE ADVOCATE GENERAL OF THE AIR FORCE.—Section 8037(a) of such title is amended by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(d) EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER STRENGTH AND DISTRIBUTION LIMITATIONS.—Section 525(b) of such title is amended by adding at the end the following new paragraph:

''(9) An officer while serving as the Judge Advocate General of the Army, the Judge Advocate General of the Navy, or the Judge Advocate General of the Air Force is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral under paragraph (1) or (2), as applicable.''.

SEC. 505. REQUIREMENT FOR SIGNIFICANT JOINT EXPERIENCE FOR OFFICERS APPOINTED AS SURGEON GENERAL OF THE ARMY, NAVY, AND AIR FORCE.

(a) RESTATEMENT AND STANDARDIZATION OF AUTHORITIES ON SURGEON GENERAL OF THE ARMY.—

(1) IN GENERAL.—Chapter 305 of title 10, United States Code, is amended by inserting after section 3036 the following new section:

''§ 3036a. Surgeon General: appointment; grade

''(a) SURGEON GENERAL.—There is a Surgeon General of the Army who is appointed by the President, by and with the advice and consent of the Senate, from officers in any corps of the Army Medical Department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) TERM OF OFFICE.—An officer appointed as Surgeon General normally holds office for four years.

''(d) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Army requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Army.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) CONFORMING AMENDMENT.—Section 3036(b) of such title is amended in the flush matter following paragraph (2) by striking the second sentence.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 305 of such title is amended by inserting after the item relating to section 3036 the following new item:

''3036a. Surgeon General: appointment; grade.''.

(b) SURGEON GENERAL OF THE NAVY.—

(1) IN GENERAL.—Section 5137 of such title is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT AS CHIEF.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Navy requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Navy.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) TECHNICAL AMENDMENTS.—Such section is further amended—

(A) in subsection (a), by inserting ''CHIEF.—'' after ''(a)''; and

(B) in subsection (c), as redesignated by paragraph (1)(A) of this subsection, by inserting ''DEPUTY CHIEF.—'' after ''(c)''.

(c) SURGEON GENERAL OF THE AIR FORCE.—The text of section 8036 of such title is amended to read as follows:

''(a) SURGEON GENERAL.—There is a Surgeon General of the Air Force who is appointed by the President, by and with the advice and consent of the Senate, from officers of the Air Force who are in the Air Force medical department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Air Force requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Air Force.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008, and shall apply with respect to appointments to the position of Surgeon General of the Army, Surgeon General of the Navy, and Surgeon General of the Air Force that are made on or after that date.

SEC. 506. GRADE AND EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER DISTRIBUTION AND STRENGTH LIMITATIONS OF OFFICER SERVING AS ATTENDING PHYSICIAN TO THE CONGRESS.

(a) GRADE.—

(1) REGULAR OFFICER.—(A) Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 722. Attending Physician to the Congress: grade

''A general officer serving as Attending Physician to the Congress, while so serving, holds the grade of major general. A flag officer serving as Attending Physician to the Congress, while so serving, holds the grade of rear admiral.''.

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

''722. Attending Physician to the Congress: grade.''.

(2) RESERVE OFFICER.—(A) Section 12210 of such title is amended by striking ''who holds'' and all that follows and inserting ''holds the reserve grade of major general or rear admiral, as appropriate.''.

(B) The heading of such section is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade''.

(C) The table of sections at the beginning of chapter 1205 of such title is amended by striking the item relating to section 12210 and inserting the following new item:

''12210. Attending Physician to the Congress: reserve grade.''.

(b) DISTRIBUTION LIMITATIONS.—Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) An officer while serving as Attending Physician to the Congress is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above brigadier general or rear admiral (lower half) under subsection (a).''.

(c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section 526 of such title is amended by adding at the end the following new subsection:

''(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE CONGRESS.—The limitations of this section do not apply to the general or flag officer who is serving as Attending Physician to the Congress.''.

SEC. 507. DISCRETIONARY SEPARATION AND RETIREMENT OF CHIEF WARRANT OFFICERS, W–4, TWICE FAILING SELECTION FOR PROMOTION.

(a) IN GENERAL.—Section 580(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting '', except as provided in paragraph (5),'' after ''shall'';

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) In the case of a warrant officer described in paragraph (1) who is in the grade of chief warrant officer, W–4, the retirement or separation of such member under this subsection shall be subject to the discretion of the Secretary concerned.''.

(b) ELIGIBILITY FOR PROMOTION.—Paragraph (6) of such section, as redesignated by subsection (a)(2) of this section, is further amended—

(1) by striking ''A warrant officer'' and inserting ''(A) Except as provided in subparagraph (B), a warrant officer''; and

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

''(B) A warrant officer who is retained on active duty pursuant to an exercise of the authority in paragraph (5) is eligible for further consideration for promotion while remaining on active duty.''.

SEC. 508. INCREASED MANDATORY RETIREMENT AGES FOR RESERVE OFFICERS.

(a) MAJOR GENERALS AND REAR ADMIRALS.—

(1) INCREASED AGE.—Section 14511 of title 10, United States Code, is amended by striking ''62 years'' and inserting ''64 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14511. Separation at age 64: major generals and rear admirals''.

(b) BRIGADIER GENERALS AND REAR ADMIRALS (LOWER HALF).—

(1) INCREASED AGE.—Section 14510 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14510. Separation at age 62: brigadier generals and rear admirals (lower half)''.

(c) OFFICERS BELOW BRIGADIER GENERAL OR REAR ADMIRAL (LOWER HALF).—

(1) INCREASED AGE.—Section 14509 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half)''.

(d) CERTAIN OTHER OFFICERS.—

(1) INCREASED AGE.—Section 14512 of such title is amended by striking ''64 years'' both places it appears and inserting ''66 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14512. Separation at age 66: officers holding certain offices''.

(e) CONFORMING AMENDMENTS.—Section 14508 of such title is amended—

(1) in subsection (c), by striking ''60 years'' and inserting ''62 years''; and

(2) in subsection (d), by striking ''62 years'' and inserting ''64 years''.

(f) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1407 of such title is amended by striking the items relating to sections 14509, 14510, 14511, and 14512 and inserting the following new items:

''14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half).

''14510. Separation at age 62: brigadier generals and rear admirals (lower half).

''14511. Separation at age 64: major generals and rear admirals.

''14512. Separation at age 66: officers holding certain offices.''.

SEC. 509. MODIFICATION OF QUALIFICATIONS FOR LEADERSHIP OF THE NAVAL POSTGRADUATE SCHOOL.

Section 7042(a) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by inserting ''active-duty or retired'' after ''An'';

(B) by inserting ''or Marine Corps'' after ''Navy'';

(C) by inserting ''or colonel, respectively'' after ''captain''; and

(D) by inserting ''or assigned'' after ''detailed'';

(2) in paragraph (2), by inserting ''and the Commandant of the Marine Corps'' after ''Operations''; and

(3) in paragraph (4)(A)—

(A) by inserting ''(unless such individual is a retired officer of the Navy or Marine Corps in a grade not below the grade of captain or colonel, respectively)'' after ''in the case of a civilian'';

(B) by inserting ''active-duty or retired'' after ''in the case of an''; and

(C) by inserting ''or Marine Corps'' after ''Navy''.

Part II—Officer Promotion Policy

SEC. 515. PROMOTIONS.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a)(1) of section 624 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Subsection (d) of such section is amended—

(A) in paragraph (1), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''; and

(B) in paragraph (2), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''.

(4) ADDITIONAL BASIS FOR DELAY OF APPOINTMENT.—Subsection (d)(1) of such section is further amended—

(A) in subparagraph (C), by striking ''or'' at the end;

(B) in subparagraph (D), by striking the period at the end and inserting ''; or'';

(C) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(D) in the flush matter following subparagraph (E), as inserted by subparagraph (C) of this paragraph—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Subsection (d)(2) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to such grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to such grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to such grade''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a) of section 14308 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Section 14311 of such title is amended—

(A) in subsection (a)(1), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''; and

(B) in subsection (b), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''.

(4) ADDITIONAL BASIS FOR ORIGINAL DELAY OF APPOINTMENT.—Section 14311(a) of such title is further amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

''(E) Substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(B) in paragraph (2)—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Section 14311(b) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to the higher grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to the higher grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to the higher grade''.

(c) DEADLINE FOR UNIFORM REGULATIONS ON DELAY OF PROMOTIONS.—The Secretary of Defense shall prescribe the regulations required by section 624(d) of title 10, United States Code (as amended by subsection (a)(3) of this section), and the regulations required by section 14311 of title 10, United States Code (as amended by subsection (b)(3) of this section), not later than March 1, 2008.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to officers on promotion lists established on or after that date.

SEC. 516. CONSIDERATION OF ADVERSE INFORMATION BY PROMOTION SELECTION BOARDS IN RECOMMENDATIONS ON OFFICERS TO BE PROMOTED.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 616(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 615 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14108(b) of such title is amended—

(1) in the heading, by striking ''MAJORITY REQUIRED'' and inserting ''ACTIONS REQUIRED'';

(2) in paragraph (1), by striking ''and'' at the end;

(3) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 14107 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 517. EXPANDED AUTHORITY FOR REMOVAL FROM REPORTS OF SELECTION BOARDS OF OFFICERS RECOMMENDED FOR PROMOTION TO GRADES BELOW GENERAL AND FLAG GRADES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 618(d) of title 10, United States Code, is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14111(b) of such title is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 518. CLARIFICATION OF NONDISCLOSURE REQUIREMENTS APPLICABLE TO PROMOTION SELECTION BOARD PROCEEDINGS.

(a) SELECTION BOARD PROCEEDINGS FOR ACTIVE DUTY OFFICERS.—Subsection (f) of section 618 of title 10, United States Code, is amended to read as follows:

''(f)(1) Proceedings of a selection board convened under section 611 of this title shall not be disclosed to any person not a member of the board.

''(2) Discussions and deliberations of a selection board described in paragraph (1), and any written or documentary records thereof, shall—

''(A) be immune from legal process;

''(B) not be admitted as evidence; and

''(C) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(b) SELECTION BOARD PROCEEDINGS FOR RESERVE OFFICERS.—

(1) IN GENERAL.—Section 14104 of such title is amended to read as follows:

''§ 14104. Nondisclosure of board proceedings

''(a) IN GENERAL.—The proceedings of a selection board convened under section 14101 of this title shall not be disclosed to any person not a member of the board.

''(b) DISCUSSIONS AND DELIBERATIONS.—Discussions and deliberations of a selection board described in subsection (a), and any written or documentary records thereof, shall—

''(1) be immune from legal process;

''(2) not be admitted as evidence; and

''(3) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1403 of such title is amended by striking the item relating to section 14104 and inserting the following new item:

''14104. Nondisclosure of board proceedings.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the proceedings of any promotion selection board, whether convened before, on, or after such date.

SEC. 519. SPECIAL SELECTION BOARD AUTHORITIES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) BOARDS FOR ADMINISTRATIVE ERROR AVAILABLE ONLY TO OFFICERS IN OR ABOVE PROMOTION ZONE.—Subsection (a)(1) of section 628 of title 10, United States Code, is amended by inserting ''from in or above the promotion zone'' after ''for selection for promotion''.

(2) ACTIONS TREATABLE AS MATERIAL UNFAIRNESS.—Subsection (b)(1)(A) of such section is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—Section 14502(b)(1)(A) of such title is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 520. REMOVAL FROM PROMOTION LISTS OF OFFICERS RETURNED TO THE PRESIDENT BY THE SENATE.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 629 of title 10, United States Code, is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c)(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in paragraph (1) of subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 14310 of such title is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c) REMOVAL FOLLOWING RETURN BY THE SENATE TO THE PRESIDENT.—(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 2007.

(2) APPLICABILITY TO CERTAIN OFFICERS.—The amendments made by this section shall not apply to any officer on the active-duty list or reserve active status list whose name is on a promotion list or report of a selection board on the date of the enactment of this Act. Any officer whose name is on a promotion list as of the date of the enactment of this Act following the return of the officer's nomination to the President by the Senate and who is eligible as of that date for retirement for years of service shall be retired not later than October 1, 2008.

SEC. 521. REPORT ON JOINT OFFICER PROMOTION BOARDS.

(a) REPORT REQUIRED.—Not later than June 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and House of Representatives a report on the desirability and feasibility of conducting joint officer promotion selection boards.

(b) ELEMENTS.—The report under subsection (a) shall include—

(1) a discussion of the limitations in existing officer career paths and promotion procedures that might warrant the conduct of joint officer promotion selection boards;

(2) an identification of the requirements for officers for which joint officer promotion selection boards would be advantageous;

(3) recommendations on methods to demonstrate how joint officer promotion selection boards might be structured, and an evaluation of the feasibility of such methods; and

(4) any proposals for legislative action that the Secretary considers appropriate.

Part III—Joint Officer Management Requirements

SEC. 526. MODIFICATION AND ENHANCEMENT OF GENERAL AUTHORITIES ON MANAGEMENT OF JOINT QUALIFIED OFFICERS.

(a) REDESIGNATION OF APPLICABILITY OF POLICIES TOWARD JOINT QUALIFICATION.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking the last sentence and inserting the following new sentence: ''For purposes of this chapter, officers to be managed by such policies, procedures, and practices are referred to as 'joint qualified'.''.

(b) NUMBERS AND DESIGNATION.—Subsection (b) of such section is amended—

(1) in the heading, by striking ''SELECTION'' and inserting ''DESIGNATION'';

(2) in paragraph (1), by striking ''of officers with the joint specialty'' and inserting ''and levels of joint qualified officers'';

(3) in paragraph (2)—

(A) by striking ''selected for the joint specialty'' and inserting ''designated as joint qualified officers''; and

(B) by striking the second and third sentences and inserting the following new sentence: ''Officers considered for joint qualification shall—

''(A) meet criteria prescribed by the Secretary of Defense; and

''(B) be those officers who are serving in the grade of captain or, in the case of the Navy, lieutenant, or a higher grade.''; and

(4) in paragraph (3)—

(A) by striking ''select officers for the joint specialty'' and inserting ''designate officers as joint qualified officers''; and

(B) by striking ''the Deputy Secretary of Defense'' and inserting ''the Under Secretary of Defense for Personnel and Readiness''.

(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—(1) An officer may not be designated as a joint qualified officer until the officer—

''(A)(i) successfully completes an appropriate program at a joint professional military education school; and

''(ii) successfully completes a full tour of duty in a joint duty assignment (as described in section 664(f) of this title (other than in paragraph (2) of such section)); or

''(B) under regulations and policy prescribed by the Secretary of Defense, successfully demonstrates a mastery of knowledge, skills, and abilities in joint matters.

''(2)(A) In the case of an officer who has completed two full tours of duty in a joint duty assignment (as described in section 664(f) of this title) and demonstrates a mastery of knowledge, skills, and abilities on joint matters, the Secretary of Defense may waive the requirement that the officer have successfully completed a program of education referred to in paragraph (1)(A)(i) if the Secretary determines that the types of joint duty experiences completed by the officer have been of sufficient breadth to prepare the officer adequately for the highest level of joint qualification.

''(B) The authority of the Secretary of Defense to grant a waiver under subparagraph (A) may be delegated only to the Under Secretary of Defense for Personnel and Readiness.

''(C)(i) A waiver under subparagraph (A) may be granted only on a case-by-case basis.

''(ii) A waiver under subparagraph (A) may be granted only under circumstances justifying variation from the requirements of paragraph (1) for designation of an officer for the highest level of joint qualification as specified by the Secretary of Defense.

''(iii) In the case of a general or flag officer, a waiver under subparagraph (A) may be granted only under circumstances described in clause (ii) and circumstances in which the waiver is necessary to meet a critical need of the Armed Forces, as determined by the Chairman of the Joint Chiefs of Staff.

''(iv) In the case of officers in grades below brigadier general or rear admiral (lower half), the total number of waivers granted under subparagraph (A) for officers in the same pay grade during a fiscal year may not exceed 10 percent of the total number of officers in that pay grade selected for the highest level of joint qualification during that fiscal year.

''(D) There may not be more than 32 general and flag officers on active duty at the same time who were selected for the joint specialty or highest level of joint qualification while holding a general or flag officer grade and for whom a waiver was granted under subparagraph (A).''.

(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—Subsection (d) of such section is amended to read as follows:

''(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1) The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above major or, in the case of the Navy, lieutenant commander are filled at any time by officers who have the highest level of joint qualification.

''(2) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall designate an appropriate number of joint duty assignment positions as critical joint duty assignment positions. A position may be designated as a critical joint duty assignment position only if the duties and responsibilities of the position make it important that the occupant be particularly trained in, and oriented toward, joint matters.

''(3)(A) Except as provided in subparagraph (B), a position designated under paragraph (2) may be held only by an officer who has the highest level of joint qualification.

''(B) The Secretary of Defense may waive the requirement in subparagraph (A) with respect to the assignment of an officer to a position designated under paragraph (1). Any such waiver shall be granted on a case-by-case basis. The authority of the Secretary to grant such a waiver may be delegated only to the Chairman of the Joint Chiefs of Staff.

''(4) The Secretary of Defense shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.''.

(e) CAREER GUIDELINES.—Subsection (e) of such section is amended by striking ''officers with the joint specialty'' and inserting ''officers who are joint qualified officers''.

(f) TREATMENT OF CERTAIN SERVICE.—Subsection (f) of such section is amended by striking ''(including section 619(e)(1) of this title)''.

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 38 of such title is amended by striking the item relating to section 661 and inserting the following new item:

''661. Management policies for joint qualified officers.''.

SEC. 527. MODIFICATION OF PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''and'' after the semicolon; and

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) officers who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.''.

SEC. 528. APPLICABILITY OF JOINT DUTY ASSIGNMENT REQUIREMENTS LIMITED TO GRADUATES OF NATIONAL DEFENSE UNIVERSITY SCHOOLS.

(a) APPLICABILITY.—Section 663 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(B) in paragraph (2), by striking ''a joint professional military education school'' and inserting ''a school referred to in paragraph (1)''.

(b) DEFINITION.—Such section is further amended by adding at the end the following new subsection:

''(c) SCHOOL WITHIN THE NATIONAL DEFENSE UNIVERSITY.—For purposes of this section, a school within the National Defense University includes a school as follows:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Joint Advanced Warfighting School.

''(4) The Joint Forces Staff College.''.

SEC. 529. MODIFICATION OF DEFINITIONS RELATING TO JOINTNESS.

(a) MODIFICATION OF DEFINITION OF ''JOINT MATTERS''.—Subsection (a) of section 668 of title 10, United States Code, is amended to read as follows:

''(a) JOINT MATTERS.—In this chapter, the term 'joint matters' means matters involving the integrated use of military forces relating to national military strategy, strategic and contingency planning, and command and control of operations under unified command that may be conducted under unified action on land, sea, or air, in space, or in the information environment with participants from multiple armed forces, the armed forces and other departments and agencies of the United States Government, the armed forces and the military forces or agencies of other countries, the armed forces and nongovernmental persons or entities, or any combination thereof.''.

(b) MODIFICATION OF DEFINITION OF ''JOINT DUTY ASSIGNMENT''.—Paragraph (1) of subsection (b) of such section is amended by striking ''and shall exclude'' and all that follows and inserting a period.

(c) RESTATEMENT OF DEFINITION OF ''CRITICAL OCCUPATIONAL SPECIALTY''.—

(1) IN GENERAL.—Section 668 of such title is further amended by adding at the end the following new subsection:

''(d) CRITICAL OCCUPATIONAL SPECIALTY.—In this chapter, the term 'critical occupational specialty' means a military occupational specialty within a combat arm of the Army, or an equivalent arm of the Navy, Air Force, and Marine Corps, that is designated by the Secretary of Defense as a critical occupational specialty because such combat arm is experiencing a severe shortage of trained officers in that military occupational specialty.''.

(2) CONFORMING AMENDMENTS.—The following provisions of such title are each amended by striking ''under section 661(c)(2) of this title'':

(A) Section 664(c)(2).

(B) Section 667(3).

SEC. 530. CONDITION ON APPOINTMENT OF COMMISSIONED OFFICERS TO POSITION OF DIRECTOR OF NATIONAL INTELLIGENCE OR DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

(a) CONDITION.—

(1) IN GENERAL.—Chapter 32 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency

''As a condition of appointment to the position of Director of National Intelligence or Director of the Central Intelligence Agency, an officer shall acknowledge that upon termination of service in such position the officer shall be retired in accordance with section 1253 of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 32 of such title is amended by adding at the end the following new item:

''529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(b) RETIREMENT.—

(1) IN GENERAL.—Chapter 63 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency

''Upon termination of the appointment of an officer to the position of Director of National Intelligence or Director of the Central Intelligence Agency, the Secretary of the military department concerned shall retire the officer under any provision of this title under which the officer is eligible to retire.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of

such title is amended by adding at the end the following new item:

''1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to appointments of commissioned officers of the Armed Forces to the position of Director of National Intelligence or Director of the Central Intelligence Agency on or after that date.

Subtitle B—Reserve Component Personnel Matters

SEC. 531. ENHANCED FLEXIBILITY IN THE MANAGEMENT OF RESERVE COMPONENT PERSONNEL.

(a) CLARIFICATION OF DEFINITION OF ''ACTIVE GUARD AND RESERVE DUTY'' UNDER TITLE 10, UNITED STATES CODE.—Section 101(d)(6)(A) of title 10, United States Code, is amended—

(1) by striking ''or full-time National Guard duty'' the first place it appears;

(2) by striking ''to active duty or'' and inserting ''to'';

(3) by striking ''Guard, pursuant'' and inserting ''Guard pursuant''; and

(4) by inserting a comma before ''for a period''.

(b) EXPANSION OF ACTIVE GUARD AND RESERVE DUTY TO INCLUDE SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Section 12310 of title 10, United States Code, is amended—

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

(2) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ACTIVE GUARD AND RESERVE DUTY.—The Secretary concerned may order a Reserve ordered to or retained on active duty under section 12301(d) of this title to perform active Guard and Reserve duty.

''(b) ADDITIONAL DUTIES.—A Reserve on active duty as described in subsection (a) who is performing active Guard and Reserve duty pursuant to an order under that subsection may be assigned additional duties (to the extent such duties do not interfere with the performance by the Reserve of active Guard and Reserve duty under that subsection) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the reserve components.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the same armed force; or

''(B) a joint forces unit that includes—

''(i) one or more reserve component units; or

''(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands on reserve component matters.

''(4) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.

''(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—A Reserve ordered to active duty under subsection (a) shall be ordered in his reserve grade. While so serving, he continues to be eligible for promotion as a Reserve, if he is otherwise qualified.''; and

(3) in paragraph (1) of subsection (d), as so redesignated—

(A) by striking ''Notwithstanding subsection (b), a Reserve'' and inserting ''A Reserve''; and

(B) by striking ''functions'' and inserting ''duty''.

(c) EXPANSION OF DUTIES OF MILITARY TECHNICIANS (DUAL STATUS).—

(1) GENERAL DUTIES.—Section 10216(a)(1)(C) of such title is amended by striking ''administration and'' and inserting ''organizing, administering, instructing, or''.

(2) SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Chapter 1007 of such title is amended by inserting after section 10216 the following new section:

''§ 10216a. Military technicians (dual status): additional duties

''A military technician (dual status) who is employed under section 3101 of title 5 may perform additional duties (to the extent such duties do not interfere with the performance by the military technician of duties assigned under section 10216(a)(1)(C) of this title) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the reserve components.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the same armed force; or

''(B) a joint forces unit that includes—

''(i) one or more reserve component units; or

''(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands on reserve component matters.

''(4) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.

''(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—A Reserve ordered to active duty under subsection (a) shall be ordered in his reserve grade. While so serving, he continues to be eligible for promotion as a Reserve, if he is otherwise qualified.''; and

(3) in paragraph (1) of subsection (d), as so redesignated—

(A) by striking ''Notwithstanding subsection (b), a Reserve'' and inserting ''A Reserve''; and

(B) by striking ''functions'' and inserting ''duty''.

(c) EXPANSION OF DUTIES OF MILITARY TECHNICIANS (DUAL STATUS).—

(1) GENERAL DUTIES.—Section 10216(a)(1)(C) of such title is amended by striking ''administration and'' and inserting ''organizing, administering, instructing, or''.

(2) SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Chapter 1007 of such title is amended by inserting after section 10216 the following new section:

''§ 10216a. Military technicians (dual status): additional duties

''A military technician (dual status) who is employed under section 3101 of title 5 may perform additional duties (to the extent such duties do not interfere with the performance by the military technician of duties assigned under section 10216(a)(1)(C) of this title) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the military technician's unit.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the military technician's armed force; or

''(B) a joint forces unit that includes—

''(i) one or more units of the military technician's reserve component; or

''(ii) a member of the military technician's reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10216 the following new item:

''10216a. Military technicians (dual status): additional duties.''.

(d) ORDER OF NATIONAL GUARD MEMBERS TO PERFORM NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY AND ADDITIONAL DUTIES.—

(1) DEFINITION OF ''NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY''.—Section 101 of title 32, United States Code, is amended by adding at the end the following:

''(20)(A) 'National Guard active Guard and Reserve duty' means full-time National Guard duty performed by a member of the National Guard pursuant to an order to full-time National Guard duty, for a period of 180 consecutive days or more for the purpose of organizing, administering, recruiting, instructing, or training the reserve components.

''(B) Such term does not include the following:

''(i) Duty performed as a member of the Reserve Forces Policy Board under section 10301 of title 10.

''(ii) Duty performed as a property and fiscal officer under section 708 of this title.

''(iii) Duty performed for the purpose of interdiction and counter-drug activities for which funds have been provided under section 112 of this title.

''(iv) Duty performed as a general or flag officer.

''(v) Service as a State director of the Selective Service System under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)).''.

(2) ORDER TO PERFORM DUTY.—Chapter 3 of such title is amended by adding at the end the following new section:

''§ 328. National Guard active Guard and Reserve duty; additional duties

''(a) AUTHORITY TO ORDER TO DUTY.—The Governor of his State or Territory or Puerto Rico, or commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform National Guard active Guard and Reserve duty.

''(b) NATURE OF DUTY.—(1) A member of the National Guard may be ordered to perform duty under subsection (a)—

''(A) without his consent, but with the pay and allowances provided by law; or

''(B) with his consent, either with or without pay and allowances.

''(2) Duty without pay shall be considered for all purposes as if it were duty with pay.

''(c) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following additional duties (to the extent such duties do not interfere with the performance by the member of National Guard active Guard and Reserve duty under that subsection) as follows:

''(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

''(2) Support of Federal training operations or Federal training missions assigned in whole or in part to the member's unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

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

''328. National Guard active Guard and Reserve duty; additional duties.''.

(e) EXPANSION OF DUTIES OF NATIONAL GUARD TECHNICIANS.—Section 709(a) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

(B) by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) the performance of additional duties (to the extent such duties do not interfere with the performance by the technician of duties under paragraphs (1) and (2)) as follows:

''(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

''(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

''(C) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

SEC. 532. EXPANSION OF ACTIVITIES AUTHORIZED FOR RESERVES UNDER WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Subsection (d) of section 12310 of title 10, United States Code, as redesignated and amended by section 531(b) of this Act, is further amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting ''in the United States, Canada, or the United Mexican States'' after ''title)''; and

(ii) by striking ''or'' at the end;

(B) in subparagraph (B)—

(i) by inserting '', Canada, or the United Mexican States'' after ''United States''; and

(ii) by striking the period at the end and inserting a semicolon; and

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

''(C) the intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property; or

''(D) a natural or manmade disaster in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property.''; and

(2) by striking paragraph (3) and inserting the following new paragraph (3):

''(3)(A) A Reserve may perform duties described in subparagraph (A), (B), or (C) of paragraph (1)—

''(i) only while assigned to a reserve component civil support team; and

''(ii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(B) A Reserve may perform the duties described in paragraph (1)(D)—

''(i) only while assigned to a reserve component civil support team;

''(ii) only with the approval of the Secretary of Defense; and

''(iii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(C) Any duties described in paragraph (1) that are performed in Canada or the United Mexican States may occur, with consultation of the Secretary of State, at any distance beyond the borders of the United States with such country as is agreed to by appropriate authorities in such country.''.

(b) DEFINITION OF ''UNITED STATES''.—Such subsection is further amended by adding at the end the following new paragraph:

''(7) In this subsection, the term 'United States' means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.''.

(c) CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) in the heading, by inserting '', TERRORIST ATTACK, AND NATURAL OR MANMADE DISASTER'' after ''MASS DESTRUCTION'';

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''civil support team''; and

(3) in paragraph (6)(B), by striking ''paragraph (3)(B)'' and inserting ''that paragraph''.

SEC. 533. MODIFICATION OF AUTHORITIES RELATING TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL REEMPLOYMENT.—Subsection (e) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), as amended by section 516 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3237), is further amended by adding at the end the following new paragraph:

''(3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.''.

(b) FINAL REPORT.—Subsection (f)(2) of such section 513 is amended by striking ''one year'' and inserting ''18 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The amendment made by subsection (a) shall apply to members of the Commission on the National Guard and Reserves appointed on or after that date.

SEC. 534. PILOT PROGRAM ON REINTEGRATION OF MEMBERS OF THE NATIONAL GUARD INTO CIVILIAN LIFE AFTER DEPLOYMENT.

(a) PILOT PROGRAM REQUIRED.—The Secretary of the Army shall carry out a pilot program to assess the feasibility and advisability of utilizing the mechanisms specified in this section to facilitate the reintegration of members of the National Guard into civilian life after their return from deployment overseas.

(b) LIMITATION ON LOCATION.—The pilot program required by subsection (a) may only be carried out in a State that has a National Guard brigade that is returning from deployment overseas during the period of the pilot program.

(c) PROGRAM ELEMENTS.—The mechanisms under the pilot program required by subsection (a) shall include the following:

(1) INITIAL REINTEGRATION TRAINING.—Training (to be known as ''initial reintegration training'') of members of the National Guard described in subsection (a) to facilitate the reintegration of such members with their families and communities after their return from deployment as described in that subsection. Such training shall be conducted immediately after the return of such members from such deployment. Participation in such training shall be voluntary.

(2) 30-DAY REINTEGRATION TRAINING.—Training (to be known as ''30-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in identifying the signs and symptoms of combat stress. Such training shall be conducted approximately 30 days after provision of training under paragraph (1). Participation in such training shall be voluntary.

(3) 60-DAY REINTEGRATION TRAINING.—Training (to be known as ''60-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in matters relating to combat stress, including chemical dependency, anger management, and gambling abuse. Such training shall be conducted approximately 30 days after provision of training under paragraph (2). Participation in such training shall be voluntary.

(4) 90-DAY REINTEGRATION TRAINING.—Training (to be known as ''90-day reintegration training'') of members of the National Guard described in subsection (a) to ensure a thorough physical and mental health assessment of such members after deployment as described in that subsection. Such training shall be conducted approximately 30 days after provision of training under paragraph (3). Participation in such training shall be voluntary.

(5) EDUCATIONAL MATERIALS.—The development and distribution of educational materials for families of members of the National Guard described in subsection (a), and for the communities in which such members and families reside, on matters relating to the reintegration of such members into civilian life after their return from deployment overseas.

(d) REPORT.—Not later than one year after the commencement of the pilot program required by subsection (a), the Secretary shall submit to the congressional defense committees a report on the pilot program. The report shall include—

(1) a description of the activities undertaken under the pilot program;

(2) an assessment of the effectiveness of such mechanisms in facilitating the reintegration of members of the National Guard into civilian life after their return from deployment overseas; and

(3) such recommendations for legislative or administrative action as the Secretary considers appropriate in light of the pilot program.

(e) FUNDING.—Of the amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard, $6,663,000 may be available for the pilot program required by subsection (a).

Subtitle C—Military Justice and Related Matters

SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE TO MEMBERS OF THE ARMED FORCES ORDERED TO ACTIVE DUTY OVERSEAS IN INACTIVE DUTY FOR TRAINING STATUS.

Not later than March 1, 2007, the Secretaries of the military departments shall prescribe regulations, or amend current regulations, in order to provide that officers and enlisted personnel of the Armed Forces who are ordered to active duty at locations overseas in an inactive duty for training status are subject to the jurisdiction of the Uniform Code of Military Justice, pursuant to the provisions of section 802(a)(3) of title 10, United States Code (article 2(a)(3) of the Uniform Code of Military Justice), continuously from the commencement of execution of such orders to the conclusion of such orders.

SEC. 552. CLARIFICATION OF APPLICATION OF UNIFORM CODE OF MILITARY JUSTICE DURING A TIME OF WAR.

Paragraph (10) of section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by striking ''war'' and inserting ''declared war or a contingency operation''.

Subtitle D—Education and Training Matters

SEC. 561. DETAIL OF COMMISSIONED OFFICERS AS STUDENTS AT MEDICAL SCHOOLS.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2004 the following new section:

''§ 2004a. Detail of commissioned officers as students at medical schools

''(a) DETAIL AUTHORIZED.—The Secretary of each military department may detail commissioned officers of the Armed Forces as students at accredited medical schools or schools of osteopathy located in the United States for a period of training leading to the degree of doctor of medicine. No more than 25 officers from each military department may commence such training in any single fiscal year.

''(b) ELIGIBILITY FOR DETAIL.—To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

''(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade 0–3 or below as of the time the training is to begin; and

''(2) sign an agreement that unless sooner separated the officer will—

''(A) complete the educational course of medical training;

''(B) accept transfer or detail as a medical officer within the military department concerned when the officer's training is completed; and

''(C) agree to serve on active duty following completion of training for a period of two years for each year or part thereof of the officer's medical training under subsection (a).

''(c) SELECTION OF OFFICERS FOR DETAIL.—Officers detailed for medical training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned.

''(d) RELATION OF SERVICE OBLIGATIONS TO OTHER SERVICE OBLIGATIONS.—Any service obligation incurred by an officer under an agreement entered into under subsection (b) shall be in addition to any service obligation incurred by the officer under any other provision of law or agreement.

''(e) EXPENSES.—Expenses incident to the detail of officers under this section shall be paid from any funds appropriated for the military department concerned.

''(f) FAILURE TO COMPLETE PROGRAM.—(1) An officer who is dropped from a program of medical training to which detailed under subsection (a) for deficiency in conduct or studies, or for other reasons, may be required to perform active duty in an appropriate military capacity in accordance with the active duty obligation imposed on the officer under regulations issued by the Secretary of Defense for purposes of this section.

''(2) In no case shall an officer be required to serve on active duty under this subsection for any period in excess of one year for each year or part thereof the officer participated in the program.

''(g) LIMITATION ON DETAILS.—(1) No agreement detailing an officer of the Armed Forces to an accredited medical school or school of osteopathy may be entered into during any period in which the President is authorized by law to induct persons into the Armed Forces involuntarily.

''(2) Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the Armed Forces.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2004 the following new item:

''2004a. Detail of commissioned officers as students at medical schools.''.

SEC. 562. EXPANSION OF ELIGIBILITY TO PROVIDE JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION.

(a) ELIGIBILITY OF RETIRED MEMBERS OF NATIONAL GUARD AND RESERVES.—Section 2031 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) Instead of, or in addition to, the detailing of active duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers, noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program retired officers and noncommissioned officers who qualify for retired pay for non-regular service under section 12731 of this title (other than those who qualify for age under subsection (a)(1) of such section) whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

''(1) The Secretary shall pay to the institution an amount equal to one-half of the amount paid to the member by the institution for any period up to a maximum of one-half of the difference between the retired or retainer pay for an active duty officer or noncommissioned offer of the same grade and years of service for such period and the active duty pay and allowances which the member would have received for such period if on active duty. Amounts may be paid with respect to members under this subsection after such members reach the age of 60. Payments by the Secretary under this paragraph shall be made from funds appropriated for that purpose.

''(2) Notwithstanding any other provision of law, such a member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.''.

(b) CLARIFICATION OF STATUS OF RETIRED MEMBERS CURRENTLY PROVIDING INSTRUCTION.—Subsection (d) of such section is amended in the matter preceding paragraph (1) by striking ''and noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve'' and inserting '', noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve who are drawing retired or retained pay''.

SEC. 563. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT UNDER EDUCATION LOAN REPAYMENT FOR OFFICERS IN SPECIFIED HEALTH PROFESSIONS.

(a) INCREASE IN MAXIMUM AMOUNT.—Section 2173(e)(2) of title 10, United States Code, is amended by striking ''$22,000'' and inserting ''$60,000''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect agreements entered into under section 2173 of title 10, United States Code, on or after that date.

(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.

SEC. 564. INCREASE IN BENEFITS UNDER HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) STIPEND.—Section 2121(d) of title 10, United States Code, is amended—

(1) by striking ''the rate of $579 per month'' and inserting ''in an amount not to exceed $30,000 per year''; and

(2) by striking ''That rate'' and inserting ''The maximum amount of the stipend''.

(b) ANNUAL GRANT.—Section 2127(e) of such title is amended—

(1) by striking ''$15,000'' and inserting ''in an amount not to exceed $45,000''; and

(2) by striking ''The amount'' and inserting ''The maximum amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

(d) PROHIBITION ON ADJUSTMENTS IN 2007.—No adjustment under subsection (d) of section 2122 of title 10, United States Code, in the maximum amount of the stipend payable under such section 2122, and no adjustment under subsection (e) of section 2127 of such title in the maximum amount of the annual grant payable under such section 2127, shall be made in 2007.

SEC. 565. REPORT ON HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the health professions scholarship and financial assistance program for active service under subchapter I of chapter 105 of title 10, United States Code.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An assessment of the success of each military department in achieving its recruiting goals under the health professions scholarship and financial assistance program for active service during each of fiscal years 2000 through 2006.

(2) If any military department failed to achieve its recruiting goals under the program during any fiscal year covered by paragraph (1), an explanation of the failure of the military department to achieve such goal during such fiscal year.

(3) An assessment of the adequacy of the stipend authorized by section 2121(d) of title 10, United States Code, in meeting the objectives of the program.

(4) Such recommendations for legislative or administrative action as the Secretary

considers appropriate to enhance the effectiveness of the program in meeting the annual recruiting goals of the military departments for medical personnel covered by the program.

SEC. 566. EXPANSION OF INSTRUCTION AVAILABLE AT THE NAVAL POSTGRADUATE SCHOOL FOR ENLISTED MEMBERS OF THE ARMED FORCES.

(a) CERTIFICATE PROGRAMS AND COURSES.—Subparagraph (C) of subsection (a)(2) of section 7045 of title 10, United States Code, is amended by striking ''Navy or Marine Corps'' and inserting ''armed forces''.

(b) GRADUATE LEVEL INSTRUCTION.—Such subsection is further amended—

(1) by redesignating subparagraph (D) as subparagraph (E);

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D)(i) The Secretary may, pursuant to regulations prescribed by the Secretary, permit an eligible enlisted member of the armed forces to receive graduate level instruction at the Naval Postgraduate School in a program leading to a master's degree in a technical, analytical, or engineering curricula.

''(ii) To be eligible for instruction under this subparagraph, an enlisted member shall hold a baccalaureate degree granted by an institution of higher education.

''(iii) Instruction shall be provided under this subparagraph on a space-available basis.

''(iv) An enlisted member who successfully completes a course of instruction under this subparagraph may be awarded a master's degree under section 7048 of this title.

''(v) The regulations prescribed under clause (i) may include criteria for eligibility of enlisted members for instruction under this subparagraph and obligations for further service in the armed forces by enlisted members relating to receipt of such instruction.''; and

(3) in subparagraph (E), as so redesignated, by striking ''and (C)'' and inserting ''(C), and (D)''.

(c) CONFORMING AMENDMENT.—Subsection (b)(2) of such section is amended by striking ''(a)(2)(D)'' and inserting ''(a)(2)(E)''.

(d) REPEAL OF CERTAIN REQUIREMENTS ON INSTRUCTION.—Section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended by striking subsections (c) and (d).

SEC. 567. MODIFICATION OF ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.

(a) CLARIFICATION OF SCOPE OF ACTIONS.—Section 527 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1468; 10 U.S.C. 4331 note) is amended—

(1) in subsection (a)—

(A) in the subsection caption, by inserting ''SEXUAL'' before ''VIOLENCE''; and

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''personnel of'' and inserting ''cadets at'';

(ii) in subparagraph (B), by striking ''personnel of'' and inserting ''midshipmen at''; and

(iii) in subparagraph (C), by striking ''personnel of'' and inserting ''cadets at'';

(2) by inserting ''sexual'' before ''violence'' each place it appears; and

(3) by striking ''academy personnel'' each place it appears and inserting ''cadets or midshipmen''.

(b) ASSESSMENTS OF ACADEMY POLICIES.—

(1) ADMINISTRATION OF ASSESSMENTS.—Subsection (b) of such section is further amended—

(A) in paragraph (1)—

(i) by striking ''to conduct'' and inserting ''to provide''; and

(ii) by inserting ''(to be administered by the Department of Defense)'' after ''an assessment''; and

(B) in paragraph (2), by striking ''shall conduct'' and inserting ''shall provide for the conduct of''.

(2) SCHEDULE FOR ASSESSMENTS.—Such subsection is further amended—

(A) in the subsection caption, by striking ''ANNUAL ASSESSMENT'' and inserting ''ASSESSMENTS REQUIRED'';

(B) in paragraph (1), by inserting ''specified in paragraph (2)'' after ''each program year''; and

(C) in paragraph (2), by striking ''2007, and 2008'' and inserting ''2008, and 2010''.

(c) REPORTS ON ACTIVITIES ON CAMPUS.—Subsection (c) of such section is further amended—

(1) in the subsection caption, by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in paragraph (1), by striking ''2007, and 2008'' and inserting ''2008, and 2010'';

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''The annual report'' and inserting ''The report''; and

(B) in subparagraph (D), by striking ''each of the subsequent academy program years'' and inserting ''each other academy program year covered by this subsection''; and

(4) in paragraphs (3) and (4), by striking ''the annual'' and inserting ''each''.

(d) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.''.

SEC. 568. DEPARTMENT OF DEFENSE POLICY ON SERVICE ACADEMY AND ROTC GRADUATES SEEKING TO PARTICIPATE IN PROFESSIONAL SPORTS BEFORE COMPLETION OF THEIR ACTIVE-DUTY SERVICE OBLIGATIONS.

(a) POLICY REQUIRED.—

(1) IN GENERAL.—Not later than July 1, 2007, the Secretary of Defense shall prescribe the policy of the Department of Defense on—

(A) whether to authorize graduates of the service academies and the Reserve Officers' Training Corps to participate in professional sports before the completion of their obligations for service on active duty as commissioned officers; and

(B) if so, the obligations for service on active duty as commissioned officers of such graduates who participate in professional sports before the satisfaction of the obligations referred to in subparagraph (A).

(2) REVIEW OF CURRENT POLICIES.—In prescribing the policy, the Secretary shall review current policies, practices, and regulations of the military departments on the obligations for service on active duty as commissioned officers of graduates of the service academies and the Reserve Officers' Training Corps, including policies on authorized leaves of absence and policies under excess leave programs.

(3) CONSIDERATIONS.—In prescribing the policy, the Secretary shall take into account the following:

(A) The compatibility of participation in professional sports (including training for professional sports) with service on active duty in the Armed Forces or as a member of a reserve component of the Armed Forces.

(B) The benefits for the Armed Forces of waiving obligations for service on active duty for cadets, midshipmen, and commissioned officers in order to permit such individuals to participate in professional sports.

(C) The manner in which the military departments have resolved issues relating to the participation of personnel in professional sports, including the extent of and any reasons for, differences in the resolution of such issues by such departments.

(D) The recoupment of the costs of education provided by the service academies or under the Reserve Officers' Training Corps program if graduates of the service academies or the Reserve Officers' Training Corps, as the case may be, do not complete the period of obligated service to which they have agreed by reason of participation in professional sports.

(E) Any other matters that the Secretary considers appropriate.

(b) ELEMENTS OF POLICY.—The policy prescribed under subsection (a) shall address the following matters:

(1) The eligibility of graduates of the service academies and the Reserve Officers' Training Corps for a reduction in the obligated length of service on active duty as a commissioned officer otherwise required of such graduates on the basis of their participation in professional sports.

(2) Criteria for the treatment of an individual as a participant or potential participant in professional sports.

(3) The effect on obligations for service on active duty as a commissioned officer of any unsatisfied obligations under prior enlistment contracts or other forms of advanced education assistance.

(4) Any authorized variations in the policy that are warranted by the distinctive requirements of a particular Armed Force.

(5) The eligibility of individuals for medical discharge or disability benefits as a result of injuries incurred while participating in professional sports.

(6) A prospective effective date for the policy and for the application of the policy to individuals serving on such effective date as a commissioned officer, cadet, or midshipman.

(c) APPLICATION OF POLICY TO ARMED FORCES.—Not later than December 1, 2007, the Secretary of each military department shall prescribe regulations, or modify current regulations, in order to implement the policy prescribed by the Secretary of Defense under subsection (a) with respect to the Armed Forces under the jurisdiction of such Secretary.

SEC. 569. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps program as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

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

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

SEC. 570. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTOR QUALIFICATIONS.

(a) IN GENERAL.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2033. Instructor qualifications

''(a) IN GENERAL.—In order for a retired officer or noncommissioned officer to be employed as an instructor in the program, the officer must be certified by the Secretary of the military department concerned as a qualified instructor in leadership, wellness and fitness, civics, and other courses related to the content of the program, according to the qualifications set forth in subsection (b)(2) or (c)(2), as appropriate.

''(b) SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Senior military instructors shall be retired officers of the armed forces and shall serve as instructional leaders who oversee the program.

''(2) QUALIFICATIONS.—A senior military instructor shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of a baccalaureate degree from an institution of higher learning.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.

''(c) NON-SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Non-senior military instructors shall be retired noncommissioned officers of the armed forces and shall serve as instructional leaders and teach independently of, but share program responsibilities with, senior military instructors.

''(2) QUALIFICATIONS.—A non-senior military instructor shall demonstrate a depth of experience, proficiency, and expertise in coaching, mentoring, and practical arts in executing the program, and shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of an associates degree from an institution of higher learning within 5 years of employment.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.''.

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

''2033. Instructor qualifications.''.

SEC. 570A. MODIFICATION OF TIME LIMIT FOR USE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.

(a) MODIFICATION.—Section 16164(a) of title 10, United States Code, is amended by striking ''this chapter while serving—'' and all that follows and inserting ''this chapter—

''(1) while the member is serving—

''(A) in the Selected Reserve of the Ready Reserve, in the case of a member called or ordered to active service while serving in the Selected Reserve; or

''(B) in the Ready Reserve, in the case of a member ordered to active duty while serving in the Ready Reserve (other than the Selected Reserve); and

''(2) in the case of a person who separates from the Selected Reserve of the Ready Reserve after completion of a period of active service described in section 16163 of this title and completion of a service contract under other than dishonorable conditions, during the 10-year period beginning on the date on which the person separates from the Selected Reserve.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 16165(a) of such title is amended to read as follows:

''(2) when the member separates from the Ready Reserve as provided in section 16164(a)(1) of this title, or upon completion of the period provided for in section 16164(a)(2) of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375), to which such amendments relate.

Subtitle E—Defense Dependents Education Matters

SEC. 571. FUNDING FOR ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) FUNDING FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b); and

(2) $10,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(b) of that Act.

(b) TREATMENT OF FUNDING FOR NOTIFICATION PURPOSES.—The funding provided under subsection (a) for fiscal year 2007 shall be treated as funding for that fiscal year for purposes of the notification of local educational agencies required by section 572(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3272).

(c) TRANSITION OF MILITARY DEPENDENTS FROM MILITARY TO CIVILIAN SCHOOLS.—

(1) IN GENERAL.—The Secretary of Defense shall work collaboratively with the Secretary of Education in any efforts to ease the transition of dependents of members of the Armed Forces from attendance in Department of Defense dependent schools to civilian schools in systems operated by local educational agencies.

(2) UTILIZATION OF EXISTING RESOURCES.—In working with the Secretary of Education under paragraph (1), the Secretary of Defense may utilize funds authorized to be appropriated for operation and maintenance for Defense-wide activities to share expertise and experience of the Department of Defense Education Activity with local educational agencies as dependents of members of the Armed Forces make the transition from attendance at Department of Defense dependent schools to attendance at civilian schools in systems operated by such local educational agencies, including such transitions resulting from defense base closure and realignment, global rebasing, and force restructuring.

(3) DEFINITIONS.—In this subsection:

(A) The term ''expertise and experience'', with respect to the Department of Defense Education Activity, means resources of such activity relating to—

(i) academic strategies which result in increased academic achievement;

(ii) curriculum development consultation and materials;

(iii) teacher training resources and materials;

(iv) access to virtual and distance learning technology capabilities and related applications for teachers; and

(v) such other services as the Secretary of Defense considers appropriate to improve the academic achievement of such students.

(B) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(4) EXPIRATION.—The authority of the Secretary of the Defense under this subsection shall expire on September 30, 2011.

SEC. 572. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

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

SEC. 573. PLAN TO ASSIST LOCAL EDUCATIONAL AGENCIES EXPERIENCING GROWTH IN ENROLLMENT DUE TO FORCE STRUCTURE CHANGES, RELOCATION OF MILITARY UNITS, OR BRAC.

(a) PLAN REQUIRED.—Not later than January 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan to provide assistance to local educational agencies that experience growth in the enrollment of military dependent students as a result of any of the following events:

(1) Force structure changes.

(2) The relocation of a military unit.

(3) The closure or realignment of military installations pursuant to defense base closure and realignment under the base closure laws.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An identification, current as of the date of the report, of the total number of military dependent students who are anticipated to be arriving at or departing from military installations as a result of any event described in subsection (a), including—

(A) an identification of the military installations affected by such arrivals and departures;

(B) an estimate of the number of such students arriving at or departing from each such installation; and

(C) the anticipated schedule of such arrivals and departures.

(2) Such recommendations as the Office of Economic Adjustment of the Department of Defense considers appropriate for means of assisting affected local educational agencies in accommodating increases in enrollment of military dependent students as a result of any such event.

(3) A plan for outreach to be conducted to affected local educational agencies, commanders of military installations, and members of the Armed Forces and civilian personnel of the Department of Defense regarding information on the assistance to be provided under the plan under subsection (a).

(c) UPDATE.—Not later than July 1, 2007, and every six months thereafter through January 1, 2011, the Secretary shall submit to the congressional defense committees an update of the report required by subsection (a). Each update shall include an update of each matter required under subsection (b) current as of the date of such update.

(d) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given that term in section 101 of title 10, United States Code.

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

(3) The term ''military dependent students'' refers to—

(A) elementary and secondary school students who are dependents of members of the Armed Forces; and

(B) elementary and secondary school students who are dependents of civilian employees of the Department of Defense.

SEC. 574. PILOT PROGRAM ON PARENT EDUCATION TO PROMOTE EARLY CHILDHOOD EDUCATION FOR DEPENDENT CHILDREN AFFECTED BY MILITARY DEPLOYMENT OR RELOCATION OF MILITARY UNITS.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program on the provision of educational and support tools to the parents of preschool-age children—

(1) whose parent or parents serve as members of the Armed Forces on active duty (including members of the Selected Reserve on active duty pursuant to a call or order to active duty of 180 days or more); and

(2) who are affected by the deployment of their parent or parents or the relocation of the military unit of which their parent or parents are a member.

(b) PURPOSE.—The purpose of the pilot program is to develop models for improving the capability of military child and youth programs on or near military installations to provide assistance to military parents with young children through a program of activities focusing on the unique needs of children described in subsection (a).

(c) DURATION OF PROGRAM.—The pilot program shall commence on October 1, 2007, and shall conclude on September 30, 2010.

(d) SCOPE OF PROGRAM.—The pilot program shall utilize one or more models (demonstrated through research) of universal access of parents of children described in subsection (a) to assistance under the pilot program in order to achieve the following goals:

(1) The identification and mitigation of specific risk factors for such children related to military life.

(2) The maximization of the educational readiness of such children.

(e) LOCATIONS.—

(1) IN GENERAL.—The pilot program shall be carried out at military installations selected by the Secretary for purposes of this section from among military installations whose military personnel are experiencing significant transition or deployment or which are undergoing transition as a result of the relocation or activation of military units or activities relating to defense base closure and realignment.

(2) SELECTION OF CERTAIN INSTALLATIONS.—At least one of the installations selected by the Secretary under paragraph (1) shall be an installation that permits the meaningful evaluation of a model under subsection (d) that provides outreach to parents in families with a parent who is a member of the National Guard or Reserve, which families live more than 40 miles from the installation so selected.

(f) GOALS OF PARTICIPATING INSTALLATIONS.—Appropriate personnel at each military installation selected for participation in the pilot program shall develop goals, and specific outcome measures with respect to such goals, for the conduct of the pilot program at such installation.

(g) EVALUATION.—

(1) EVALUATION REQUIRED.—Upon completion of the pilot program at a military installation, the personnel referred to in subsection (f) at such installation shall conduct an evaluation and assessment of the success of the pilot program at such installation in meeting the goals developed under that subsection.

(2) REPORT.—Upon completion of the evaluations under paragraph (1) for all military installations participating in the pilot program, the Secretary of Defense shall submit to the congressional defense committees a report on such evaluations. The report shall describe the results of such evaluations, and may include such recommendations for legislative or administrative action as the Secretary considers appropriate in light of such evaluations, including recommendations for the continuation of the pilot program.

(h) GUIDELINES.—The Secretary shall issue guidelines applicable to the pilot program, including guidelines on the goals to be developed under subsection (f), specific outcome measures, and guidelines on the selection of curriculum and the conduct of developmental screening under the pilot program.

(i) FUNDING.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $1,500,000 shall be available to carry out the pilot program in fiscal year 2007.

Subtitle F—Other Matters

SEC. 581. ADMINISTRATION OF OATHS.

(a) IN GENERAL.—Section 502 of title 10, United States Code, is amended by striking the flush matter at the end and inserting the following new flush matter:

''This oath may be taken before the President, the Vice President, the Secretary of Defense, any commissioned officer of any armed force, or any other person designated under regulations prescribed by the Secretary of Defense.''.

(b) CONFORMING AMENDMENT.—Section 1031 of such title is amended by striking ''Any commissioned officer'' and all that follows through ''on active duty,'' and inserting ''The President, the Vice President, the Secretary of Defense, any commissioned officer of an armed force, or any other person designated under regulations prescribed by the Secretary of Defense''.

SEC. 582. MILITARY ID CARDS FOR RETIREE DEPENDENTS WHO ARE PERMANENTLY DISABLED.

(a) IN GENERAL.—Subsection (a) of section 1060b of title 10, United States Code, is amended to read as follows:

''(a) ISSUANCE OF PERMANENT ID CARD.—(1) In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent as follows:

''(A) A retiree dependent who has attained 75 years of age.

''(B) A retiree dependent who is permanently disabled.

''(2) A permanent ID card shall be issued to a retiree dependent under paragraph (1)(A) upon the expiration, after the retiree dependent attains 75 years of age, of any earlier, renewable military card or, if earlier, upon the request of the retiree dependent after attaining age 75.''.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 1060b. Military ID cards: dependents and survivors of retirees''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of such title is amended by striking the item relating to section 1060b and inserting the following new item:

''1060b. Military ID cards: dependents and survivors of retirees.''.

SEC. 583. MILITARY VOTING MATTERS.

(a) REPEAL OF PERIODIC INSPECTOR GENERAL INSTALLATION VISITS FOR ASSESSMENT OF VOTING ASSISTANCE PROGRAMS.—Section 1566 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to Congress a report containing the assessment of the Comptroller General with respect to the following:

(1) The programs and activities undertaken by the Department of Defense to facilitate voter registration, transmittal of ballots to absentee voters, and voting utilizing electronic means of communication (such as electronic mail and fax transmission) for military and civilian personnel covered by the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(2) The progress of the Department of Defense and the Election Assistance Commission in developing a secure, deployable system for Internet-based electronic voting pursuant to the amendment made by section 567 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1919).

(c) USE OF ELECTRONIC VOTING TECHNOLOGY.—

(1) CONTINUATION OF INTERIM VOTING ASSISTANCE SYSTEM.—The Secretary of Defense shall continue the Interim Voting Assistance System (IVAS) ballot request program with respect to all absent uniformed services voters (as defined under section 107(1) of the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))), overseas employees of the Department of Defense, and the dependents of such voters and employees, for the general election and all elections through December 31, 2006.

(2) REPORTS.—

(A) IN GENERAL.—Not later than 30 days after the date of the regularly scheduled general election for Federal office for November 2006, the Secretary of Defense shall submit to the congressional defense committees a report setting forth—

(i) an assessment of the success of the implementation of the Interim Voting Assistance System ballot request program carried out under paragraph (1);

(ii) recommendations for continuation of the Interim Voting Assistance System and for improvements to that system; and

(iii) an assessment of available technologies and other means of achieving enhanced use of electronic and Internet-based capabilities under the Interim Voting Assistance System.

(B) FUTURE ELECTIONS.—Not later than May 15, 2007, the Secretary of Defense shall submit to the congressional defense committees a report detailing plans for expanding the use of electronic voting technology for

individuals covered under the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.) for elections through November 30, 2010.

SEC. 584. PRESENTATION OF MEDAL OF HONOR FLAG TO PRIMARY NEXT OF KIN OF MEDAL OF HONOR RECIPIENTS.

(a) ARMY RECIPIENTS.—Section 3755 of title 10, United States Code, is amended—

(1) by inserting ''(a) PRESENTATION TO MEDAL OF HONOR RECIPIENTS.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(b) NAVY AND MARINE CORPS RECIPIENTS.—Section 6257 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(c) AIR FORCE RECIPIENTS.—Section 8755 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(d) COAST GUARD RECIPIENTS.—Section 505 of title 14, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Homeland Security in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

SEC. 585. MODIFICATION OF EFFECTIVE PERIOD OF AUTHORITY TO PRESENT RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Subsection (d) of section 2261 of title 10, United States Code, is amended to read as follows:

''(d) EFFECTIVE PERIOD.—The authority under this section shall be in effect during the period of any war or national emergency declared by the President or Congress.''.

SEC. 586. MILITARY SEVERELY INJURED CENTER.

(a) CENTER REQUIRED.—In support of the comprehensive policy on the provision of assistance to severely wounded or injured servicemembers required by section 563 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3269; 10 U.S.C. 113 note), the Secretary of Defense shall establish within the Department of Defense a center to augment and support the programs and activities of the military departments for the provision of such assistance, including the programs of the military departments referred to in subsection (c).

(b) DESIGNATION.—The center established under subsection (a) shall be known as the ''Military Severely Injured Center'' (in this section referred to as the ''Center'').

(c) PROGRAMS OF THE MILITARY DEPARTMENTS.—The programs of the military departments referred to in this subsection are as follows:

(1) The Army Wounded Warrior Support Program.

(2) The Navy Safe Harbor Program.

(3) The Palace HART Program of the Air Force.

(4) The Marine for Life Injured Support Program of the Marine Corps.

(d) ACTIVITIES OF CENTER.—

(1) IN GENERAL.—The Center shall carry out such programs and activities to augment and support the programs and activities of the military departments for the provision of assistance through individual case management to severely wounded or injured servicemembers and their families as the Secretary of Defense, in consultation with the Secretaries of the military departments and the heads of other appropriate departments and agencies of the Federal Government (including the Department of Labor and the Department of Veterans Affairs), shall assign the Center.

(2) DATABASE.—The activities of the Center under this subsection shall include the establishment and maintenance of a central database of information for purposes of tracking severely wounded or injured servicemembers.

(e) RESOURCES.—The Secretary of Defense shall allocate to the Center such personnel and other resources as the Secretary of Defense, in consultation with the Secretaries of the military departments, considers appropriate in order to permit the Center to carry out effectively the programs and activities assigned to the Center under subsection (d).

SEC. 587. SENSE OF SENATE ON NOTICE TO CONGRESS OF RECOGNITION OF MEMBERS OF THE ARMED FORCES FOR EXTRAORDINARY ACTS OF BRAVERY, HEROISM, AND ACHIEVEMENT.

It is the sense of the Senate that the Secretary of Defense or the Secretary of the military department concerned should, upon awarding a medal to a member of the Armed Forces or otherwise commending or recognizing a member of the Armed Forces for an act of extraordinary heroism, bravery, achievement, or other distinction, notify the Committee on Armed Services of the Senate and House of Representatives, the Senators from the State in which such member resides, and the Member of the House of Representatives from the district in which such member resides of such extraordinary award, commendation, or recognition.

SEC. 588. REPORT ON PROVISION OF ELECTRONIC COPY OF MILITARY RECORDS ON DISCHARGE OR RELEASE OF MEMBERS FROM THE ARMED FORCES.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the feasibility and advisability of providing an electronic copy of military records (including all military service, medical, and other military records) to members of the Armed Forces on their discharge or release from the Armed Forces.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An estimate of the costs of the provision of military records as described in subsection (a).

(2) An assessment of providing military records as described in that subsection through the distribution of a portable, readily accessible medium (such as a computer disk or other similar medium) containing such records.

(3) A description and assessment of the mechanisms required to ensure the privacy of members of the Armed Forces in providing military records as described in that subsection.

(4) An assessment of the benefits to the members of the Armed Forces of receiving their military records as described in that subsection.

(5) If the Secretary determines that providing military records to members of the Armed Forces as described in that subsection is feasible and advisable, a plan (including a schedule) for providing such records to members of the Armed Forces as so described in order to ensure that each member of the Armed Forces is provided such records upon discharge or release from the Armed Forces.

(6) Any other matter to relating to the provision of military records as described in that subsection that the Secretary considers appropriate.

SEC. 589. PURPLE HEART AWARD ELIGIBILITY.

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

(1) The Purple Heart is the oldest military decoration in the world in present use.

(2) The Purple Heart was established on August 7, 1782, during the Revolutionary War, when General George Washington issued an order establishing the Honorary Badge of Distinction, otherwise known as the Badge of Military Merit.

(3) The award of the Purple Heart ceased with the end of the Revolutionary War, but was revived in 1932, the 200th anniversary of George Washington's birth, out of respect for his memory and military achievements by War Department General Orders No. 3, dated February 22, 1932.

(4) The criteria for the award was originally announced in War Department Circular dated February 22, 1932, and revised by Presidential Executive Order 9277, dated December 3, 1942; Executive Order 10409, dated February 12, 1952; Executive Order 11016, dated April 25, 1962; and Executive Order 12464, dated February 23, 1984.

(5) The Purple Heart is awarded in the name of the President of the United States as Commander in Chief to members of the Armed Forces who qualify under criteria set forth by Presidential Executive Order.

(b) DETERMINATION.—As part of the review and report required in subsection (d), the President shall make a determination on expanding eligibility to all deceased servicemembers held as a prisoner of war after December 7, 1941, and who meet the criteria establishing eligibility for the prisoner-of-war medal under section 1128 of title 10, but who do not meet the criteria establishing eligibility for the Purple Heart.

(c) REQUIREMENTS.—In making the determination described in subsection (b), the President shall take into consideration—

(1) the brutal treatment endured by thousands of POWs incarcerated by enemy forces;

(2) that many service members died due to starvation, abuse, the deliberate withholding of medical treatment for injury or disease, or other causes which do not currently meet the criteria for award of the Purple Heart;

(3) the views of veteran organizations, including the Military Order of the Purple Heart;

(4) the importance and gravity that has been assigned to determining all available facts prior to a decision to award the Purple Heart; and

(5) the views of the Secretary of Defense and the Joint Chiefs of Staff.

(d) REPORT.—Not later than March 1, 2007, the President shall provide the Committees on Armed Services of the Senate and House of Representatives a report on the advisability of modifying the criteria for the award of the Purple Heart to authorize the award of the Purple Heart to military members who die in captivity under unknown circumstances or as a result of conditions and treatment which currently do not qualify the decedent for award of the Purple Heart; and for military members who survive captivity as prisoners of war, but die thereafter as a result of disease or disability incurred during captivity.

SEC. 590. COMPREHENSIVE REVIEW ON PROCEDURES OF THE DEPARTMENT OF DEFENSE ON MORTUARY AFFAIRS.

(a) REPORT.—As soon as practicable after the completion of the comprehensive review of the procedures of the Department of Defense on mortuary affairs, the Secretary of Defense shall submit to the congressional defense committees a report on the review.

(b) ADDITIONAL ELEMENTS.—In conducting the comprehensive review described in subsection (a), the Secretary shall also address, in addition to any other matters covered by the review, the following:

(1) The utilization of additional or increased refrigeration (including icing) in combat theaters in order to enhance preservation of remains.

(2) The relocation of refrigeration assets further forward in the field.

(3) Specific time standards for the movement of remains from combat units.

(4) The forward location of autopsy and embalming operations.

(5) Any other matters that the Secretary considers appropriate in order to speed the return of remains to the United States in a non-decomposed state.

(c) ADDITIONAL ELEMENT OF POLICY ON CASUALTY ASSISTANCE TO SURVIVORS OF MILITARY DECEDENTS.—Section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3267; 10 U.S.C. 1475 note) is amended by adding at the end the following new paragraph:

''(12) The process by which the Department of Defense, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and on the disposition and transportation of the remains of such decedents, which process shall—

''(A) provide for the provision of such briefings by fully qualified Department personnel;

''(B) ensure briefings take place as soon as possible after death and updates are provided in a timely manner when new information becomes available;

''(C) ensure that—

''(i) such briefings and updates relate the most complete and accurate information available at the time of such briefings or updates, as the case may be; and

''(ii) incomplete or unverified information is identified as such during the course of such briefings or updates; and

''(D) include procedures by which such survivors shall, upon request, receive updates or supplemental information on such briefings or updates from qualified Department personnel.''.

SEC. 591. REPORT ON OMISSION OF SOCIAL SECURITY NUMBERS ON MILITARY IDENTIFICATION CARDS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the assessment of the Secretary of the feasibility of utilizing military identification cards that do not contain, display or exhibit the Social Security Number of the individual identified by such military identification card.

(b) MILITARY IDENTIFICATION CARD DEFINED.—In this section, the term ''military identification card'' has the meaning given the term ''military ID card'' in section 1060b(b)(1) of title 10, United States Code.

SEC. 592. FUNERAL CEREMONIES FOR VETERANS.

(a) SUPPORT FOR CEREMONIES BY DETAILS CONSISTING SOLELY OF MEMBERS OF VETERANS AND OTHER ORGANIZATIONS.—

(1) SUPPORT OF CEREMONIES.—Section 1491 of title 10, United States Code, is amended—

(A) by redesignating subsections (e), (f), (g), and (h) as subsections (f), (g), (h), and (i), respectively; and

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

''(e) SUPPORT FOR FUNERAL HONORS DETAILS COMPOSED OF MEMBERS OF VETERANS ORGANIZATIONS.—(1) Subject to such regulations and procedures as the Secretary of Defense may prescribe, the Secretary of the military department of which a veteran was a member may support the conduct of funeral honors for such veteran that are provided solely by members of veterans organizations or other organizations referred to in subsection (b)(2).

''(2) The provision of support under this subsection is subject to the availability of appropriations for that purpose.

''(3) The support provided under this subsection may include the following:

''(A) Reimbursement for costs incurred by organizations referred to in paragraph (1) in providing funeral honors, including costs of transportation, meals, and similar costs.

''(B) Payment to members of such organizations providing such funeral honors of the daily stipend prescribed under subsection (d)(2).''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (d)(2), by inserting ''and subsection (e)'' after ''paragraph (1)(A)''; and

(B) in paragraph (1) of section (f), as redesignated by subsection (a)(1) of this section, by inserting ''(other than a requirement in subsection (e)'' after ''pursuant to this section''.

(b) USE OF EXCESS M–1 RIFLES FOR CEREMONIAL AND OTHER PURPOSES.—Section 4683 of such title is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

''(3) Rifles loaned or donated under paragraph (1) may be used by an eligible designee for funeral ceremonies of a member or former member of the armed forces and for other ceremonial purposes.'';

(2) in subsection (c), by inserting after ''accountability'' the following: '', provided that such conditions do not unduly hamper eligible designees from participating in funeral ceremonies of a member or former member of the armed forces or other ceremonies'';

(3) in subsection (d)—

(A) in paragraph (2), by striking ''; or'' and inserting ''or fire department;'';

(B) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) any other member in good standing of an organization described in paragraphs (1), (2), or (3).''; and

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

''(e) ELIGIBLE DESIGNEE DEFINED.—In this section, the term 'eligible designee' means a designee of an eligible organization who—

''(1) is a spouse, son, daughter, nephew, niece, or other family relation of a member or former member of the armed forces;

''(2) is at least 18 years of age; and

''(3) has successfully completed a formal firearm training program or a hunting safety program.''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) JANUARY 1, 2007, INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.2 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

MONTHLY BASIC PAY

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O–7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O–6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O–5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O–4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O–3[3]	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O–2[3]	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O–1[3]	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2] ...	$0.00	$0.00	$0.00	$0.00	$0.00

MONTHLY BASIC PAY—Continued

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 8	Over 10	Over 12	Over 14	Over 16
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O–7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O–6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O–5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O–4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O–3[3]	4,833.30	4,982.70	5,228.40	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2] ...	$0.00	$13,659.00	$13,725.90	$14,011.20	$14,508.60
O–9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O–8	10,900.80	11,319.00	11,598.30	11,598.30	11,598.30
O–7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O–6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O–5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O–10[2] ...	$14,508.60	$15,234.00	$15,234.00	$15,995.70	$15,995.70
O–9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O–8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O–7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O–6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O–5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O–10[2] ...	$16,795.50	$16,795.50			
O–9	14,819.10	14,819.10			
O–8	12,185.70	12,185.70			
O–7	10,493.70	10,493.70			
O–6	9,216.30	9,216.30			
O–5	7,373.10	7,373.10			
O–4	6,252.30	6,252.30			
O–3[3]	5,355.90	5,355.90			
O–2[3]	3,936.60	3,936.60			
O–1[3]	3,106.50	3,106.50			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades O–7 through O–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is calculated to be $17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E ..	$0.00	$0.00	$0.00	$4,392.00	$4,602.00
O–2E ..	0.00	0.00	0.00	3,857.40	3,936.60
O–1E ..	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E ..	$4,833.00	$4,982.70	$5,228.40	$5,435.40	$5,554.20
O–2E ..	4,062.00	4,273.50	4,437.00	4,558.80	4,558.80
O–1E ..	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 18	Over 20	Over 22	Over 24	Over 26
	Over 28	Over 30	Over 32	Over 34	Over 36
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
O–3E ..	$5,715.90	$5,715.90			
O–2E ..	4,558.80	4,558.80			
O–1E ..	3,857.40	3,857.40			

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40
W–3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W–2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W–1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W–3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W–2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W–1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,049.50	$6,356.40	$6,585.00	$6,838.20
W–4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W–3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W–2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W–1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W–5	$6,838.20	$7,180.20	$7,180.20	$7,539.30	$7,539.30
W–4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W–3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W–2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W–1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W–5	$7,916.40	$7,916.40			
W–4	6,337.80	6,337.80			
W–3	5,450.10	5,450.10			
W–2	4,589.50	4,589.40			
W–1	4,170.00	4,170.00			

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E–6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E–5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E–4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E–3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	[3]1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$4,110.60	$4,203.90	$4,321.20	$4,459.50
E–8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E–7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E–6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10

ENLISTED MEMBERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 8	Over 10	Over 12	Over 14	Over 16
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$4,598.40	$4,821.60	$5,010.30	$5,209.20	$5,512.80
E–8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E–7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E–9 [2]	$5,512.80	$5,788.50	$5,788.50	$6,078.00	$6,078.00
E–8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E–7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E–9 [2]	$6,381.90	$6,381.90			
E–8	4,799.10	4,799.10			
E–7	4,204.20	4,204.20			
E–6	3,133.50	3,133.50			
E–5	2,630.10	2,630.10			
E–4	2,062.80	2,062.80			
E–3	1,729.20	1,729.20			
E–2	1,458.90	1,458.90			
E–1	1,301.40	1,301.40			

[1] Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, basic pay for this grade is $6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $1,203.90.

SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR GENERAL AND FLAG OFFICER GRADES.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007, and shall apply with respect to months beginning on or after that date.

SEC. 603. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in this subsection (including the prohibition as it relates to a member of the National Guard while not in Federal service) shall apply to—

''(A) any work or study performed on or after September 7, 1962; and

''(B) any claim based on such work or study arising after that date.''.

SEC. 604. ONE-YEAR EXTENSION OF PROHIBITION AGAINST REQUIRING CERTAIN INJURED MEMBERS TO PAY FOR MEALS PROVIDED BY MILITARY TREATMENT FACILITIES.

(a) EXTENSION.—Section 402(h)(3) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPORT ON ADMINISTRATION OF PROHIBITION.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the administration of section 402(h)(3) of title 37, United States Code (as amended by subsection (a)). The report shall include—

(1) a description and assessment of the mechanisms used by the military departments to implement the prohibition contained in such section; and

(2) such recommendations as the Secretary considers appropriate regarding making such prohibition permanent.

SEC. 605. ADDITIONAL HOUSING ALLOWANCE FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2)(A) Under regulations prescribed by the Secretary of Defense and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, the Secretary concerned may authorize payment of a housing allowance to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing under subsection (b) or the overseas basic allowance for housing under subsection (c), whichever applies to that location, for members of the regular components at that location in the same grade without dependents.

''(B) A member may concurrently receive a basic allowance for housing under paragraph (1) and a housing allowance under this paragraph, but may not receive the portion of the allowance, if any, authorized under section 404 of this title for lodging expenses if a housing allowance is authorized to be paid under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to months beginning on or after that date.

SEC. 606. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) A member of the uniformed services who is the spouse of a deceased member described in paragraph (2) may be paid a basic allowance for housing as provided for in that paragraph. An allowance paid under this paragraph is in addition to any other pay and allowances to which the member of the uniformed services is entitled under any other provision of law.''; and

(3) in paragraph (4), as so redesignated, by striking ''(2)'' and inserting ''(2) or (3)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to deaths occurring on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(f)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY UNITS.—Section 323(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) INCENTIVE BONUS FOR TRANSFER BETWEEN THE ARMED FORCES.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2009''.

SEC. 615. INCREASE IN SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

INCREASE IN SPECIAL PAY.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to written agreements entered into under section 302g of title 37, United States Code, on or after that date.

SEC. 616. EXPANSION AND ENHANCEMENT OF ACCESSION BONUS AUTHORITIES FOR CERTAIN OFFICERS IN HEALTH CARE SPECIALITIES.

(a) INCREASE IN ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(2) of title 37, United States Code, is amended by striking ''$30,000'' and inserting ''$200,000''.

(b) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302j the following new section:

''§ 302k. Special pay: accession bonus for medical officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited school of medicine or osteopathy in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in medicine or osteopathy; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a doctor or osteopath in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Medical Corps of the Army or the Navy or as an officer of the Air Force designated as a medical officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a doctor or osteopath, as the case may be, or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(c) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, as amended by subsection (b), is further amended by inserting after section 302k the following new section:

''§ 302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited dental school in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in dentistry; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a dentist in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Dental Corps of the

Army or the Navy or as an officer of the Air Force designated as a dental officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a dentist or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) COORDINATION WITH OTHER ACCESSION BONUS AUTHORITY.—A person eligible to execute an agreement under both subsection (a) and section 302h of this title shall elect which authority to execute the agreement under. A person may not execute an agreement under both subsection (a) and such section 302h.

''(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by inserting after the item relating to section 302j the following new item:

''302k. Special pay: accession bonus for medical officers in critically short wartime specialties.

''302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 617. INCREASE IN NUCLEAR CAREER ACCESSION BONUS FOR NUCLEAR-QUALIFIED OFFICERS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to agreements under section 312b of title 37, United States Code, entered into on or after that date.

SEC. 618. MODIFICATION OF CERTAIN AUTHORITIES APPLICABLE TO THE TARGETED SHAPING OF THE ARMED FORCES.

(a) VOLUNTARY SEPARATION PAY AND BENEFITS.

(1) INCREASE IN MAXIMUM AMOUNT OF PAY.—Subsection (f) of section 1175a of title 10, United States Code, is amended by striking ''two times'' and inserting ''four times''.

(2) EXTENSION OF AUTHORITY.—Subsection (k)(1) of such section is amended by striking ''December 31, 2008'' and inserting ''December 31, 2012''.

(3) REPEAL OF LIMITATION ON APPLICABILITY.—Subsection (b) of section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310; 10 U.S.C. 1175a note) is repealed.

(b) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Section 638(a)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(c) ENHANCED AUTHORITY FOR SELECTIVE EARLY RETIREMENT AND EARLY DISCHARGES.—

(1) RENEWAL OF AUTHORITY.—Subsection (a) of section 638a of title 10, United States Code, is amended by inserting ''and during the period beginning on October 1, 2006, and ending on December 31, 2012,'' after ''December 31, 2001,''.

(2) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Subsection (c)(1) of such section is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(3) RELAXATION OF LIMITATION ON SELECTIVE EARLY DISCHARGE.—Subsection (d)(2) of such section is amended—

(A) in subparagraph (A), by inserting before the semicolon the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''; and

(B) in subparagraph (B), by inserting before the period the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''.

(d) INCREASE IN AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

SEC. 619. EXTENSION OF PILOT PROGRAM ON CONTRIBUTIONS TO THRIFT SAVINGS PLAN FOR INITIAL ENLISTEES IN THE ARMY.

(a) EXTENSION.—Subsection (a) of section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking ''During fiscal year 2006'' and inserting ''During the period beginning on January 6, 2006, and ending on December 31, 2008''.

(b) REPORT DATE.—Subsection (d)(1) of such section is amended by striking ''February 1, 2007'' and inserting ''February 1, 2008''.

SEC. 620. ACCESSION BONUS FOR MEMBERS OF THE ARMED FORCES APPOINTED AS COMMISSIONED OFFICERS AFTER COMPLETING OFFICER CANDIDATE SCHOOL.

(a) ACCESSION BONUS AUTHORIZED.—

(1) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 329. Special pay: accession bonus for officer candidates

''(a) ACCESSION BONUS AUTHORIZED.—Under regulations prescribed by the Secretary concerned, a person who, during the period beginning on October 1, 2006, and ending on December 31, 2007, executes a written agreement described in subsection (b) may, upon acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount not to exceed $8,000 determined by the Secretary concerned.

''(b) AGREEMENT.—A written agreement described in this subsection is a written agreement by a person—

''(1) to complete officer candidate school;

''(2) to accept a commission or appointment as an officer of the armed forces; and

''(3) to serve on active duty as a commissioned officer for a period specified in such agreement.

''(c) PAYMENT METHOD.—Upon acceptance of a written agreement under subsection (a) by the Secretary concerned, the total amount of the accession bonus payable under the agreement becomes fixed. The agreement shall specify whether the accession bonus will be paid in a lump sum or installments.

''(d) REPAYMENT.—A person who, having received all or part of the bonus under a written agreement under subsection (a), does not complete the total period of active duty as a commissioned officer as specified in such agreement shall be subject to the repayment provisions of section 303a(e) of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by adding at the end the following new item:

''329. Special pay: accession bonus for officer candidates.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2006.

(b) AUTHORITY FOR PAYMENT OF BONUS UNDER EARLIER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of the Army may pay a bonus to a person who, during the period beginning on April 1, 2005, and ending on April 6, 2006, executed an agreement to enlist for the purpose of attending officer candidate school and receive a bonus under section 309 of title 37, United States Code, and who has completed the terms of the agreement required for payment of the bonus.

(2) LIMITATION ON AMOUNT.—The amount of the bonus payable to a person under this subsection may not exceed $8,000.

(3) CONSTRUCTION WITH ENLISTMENT BONUS.—The bonus payable under this subsection is in addition to a bonus payable under section 309 of title 37, United States Code, or any other provision of law.

SEC. 621. ENHANCEMENT OF BONUS TO ENCOURAGE MEMBERS OF THE ARMY TO REFER OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

(a) INDIVIDUALS ELIGIBLE FOR BONUS.—Subsection (a) of section 645 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''a member of the Army, whether in the regular component of the Army or in the Army National Guard or Army Reserve,'' and inserting ''an individual referred to in paragraph (2)''; and

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

''(2) INDIVIDUALS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following individuals are eligible for a referral bonus under this section:

''(A) A member in the regular component of the Army.

''(B) A member of the Army National Guard.

''(C) A member of the Army Reserve.

''(D) A member of the Army in a retired status, including a member under 60 years of age who, but for age, would be eligible for retired pay.

''(E) A civilian employee of the Department of the Army.''.

(b) AMOUNT OF BONUS.—Subsection (d) of such section is amended to read as follows:

''(d) AMOUNT OF BONUS.—The amount of the bonus payable for a referral under subsection (a) may not exceed $2,000. The amount shall be payable in two lump sums as provided in subsection (e).''.

(c) PAYMENT OF BONUS.—Subsection (e) of such section is amended to read as follows:

''(e) PAYMENT.—A bonus payable for a referral of a person under subsection (a) shall be paid as follows:

''(1) Not more than $1,000 shall be paid upon the commencement of basic training by the person referred.

''(2) Not more than $1,000 shall be paid upon the completion of basic training and individual advanced training by the person referred.''.

(d) COORDINATION WITH RECEIPT OF RETIRED PAY.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection (g):

''(g) COORDINATION WITH RECEIPT OF RETIRED PAY.—A bonus paid under this section to a member of the Army in a retired status is in addition to any compensation to such member is entitled under title 10, 37, or 38, United States Code, or under any other provision of law.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to bonuses payable under section 645 of the National Defense Authorization Act for Fiscal Year 2006, as amended by this section, on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXPANSION OF PAYMENT OF REPLACEMENT VALUE OF PERSONAL PROPERTY DAMAGED DURING TRANSPORT AT GOVERNMENT EXPENSE.

(a) COVERAGE OF PROPERTY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.—Subsection (a) of section 2636a of title 10, United States Code, is amended by inserting ''or civilian employees of the Department of Defense'' after ''members of the armed forces''.

(b) REQUIREMENT FOR PAYMENT.—Effective March 1, 2008, such subsection is further amended by striking ''may include'' and inserting ''shall include''.

(c) REQUIREMENT FOR DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—Subsection (b) of such section is amended by striking ''may be deducted'' and inserting ''shall be deducted''.

(d) CERTIFICATION ON FAMILIES FIRST PROGRAM.—The Secretary of Defense shall submit to the congressional defense committees a report containing the certifications of the Secretary on the following matters with respect to the program of the Department of Defense known as ''Families First'':

(1) Whether there is an alternative to the system under the program that would provide equal or greater capability at less cost.

(2) Whether the estimates on costs, and the anticipated schedule and performance parameters, for the program and system are reasonable.

(3) Whether the management structure for the program is adequate to manage and control program costs.

(e) COMPTROLLER GENERAL REPORTS ON FAMILIES FIRST PROGRAM.—

(1) REVIEW.—The Comptroller General of the United States shall conduct a review and assessment of the progress of the Department of Defense in implementing the Families First program.

(2) ELEMENTS.—In conducting the review and assessment required by paragraph (1), the Comptroller General shall—

(A) assess the progress of the Department in achieving the goals of the Families First program, including progress in the development and deployment of the Defense Personal Property System;

(B) assess the organization, staffing, resources, and capabilities of the Defense Personal Property System Project Management Office established on April 7, 2006;

(C) evaluate the growth in cost of the program since the previous assessment of the program by the Comptroller General, and estimate the current annual cost of the Defense Personal Property System and each component of that system; and

(D) assess the feasibility of implementing processes and procedures, pending the satisfactory development of the Defense Personal Property System, which would achieve the goals of the program of providing improved personal property management services to members of the Armed Forces.

(3) REPORTS.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives reports as follows:

(A) An interim report on the review and assessment required by paragraph (1) not later than December 1, 2006.

(B) A final report on the review and assessment by not later than June 1, 2007.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MODIFICATION OF DEPARTMENT OF DEFENSE CONTRIBUTIONS TO MILITARY RETIREMENT FUND AND GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.—

(1) DETERMINATION OF CONTRIBUTIONS.—Section 1465 of title 10, United States Code, is amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A)(ii)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', except that amounts expected to be paid to members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(ii) in subparagraph (B)(ii)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting ''other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section,'' after ''full-time National Guard duty,''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(2) PAYMENTS.—Section 1466(a) of such title is amended—

(A) in paragraph (1)(B)—

(i) by striking ''(other than active duty for training)'';

(ii) by striking ''(other than full-time National Guard duty for training only)''; and

(iii) by inserting before the period at the end the following: '', except that amounts accrued for that month by members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(B) in paragraph (2)(B)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(b) DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.—

(1) EXCLUSION OF CADETS AND MIDSHIPMEN FROM TREATMENT ON ACTIVE DUTY.—Section 1111(b) of such title is amended by adding at the end the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the United States Coast Guard Academy, or a midshipman at the United States Naval Academy.''.

(2) DETERMINATION OF CONTRIBUTIONS.—Section 1115 of such title is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in paragraph (2)(B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''other than members on full-time National Guard duty other than for training)''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the semicolon the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''(other than members on full-time National Guard duty other than for training)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 642. REPEAL OF REQUIREMENT OF REDUCTION OF SBP SURVIVOR ANNUITIES BY DEPENDENCY AND INDEMNITY COMPENSATION.

(a) REPEAL.—

(1) IN GENERAL.—Subchapter II of chapter 73 of title 10, United States Code, is amended as follows:

(A) In section 1450, by striking subsection (c).

(B) In section 1451(c)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—Such subchapter is further amended as follows:

(A) In section 1450—

(i) by striking subsection (e); and

(ii) by striking subsection (k).

(B) In section 1451(g)(1), by striking subparagraph (C).

(C) In section 1452—

(i) in subsection (f)(2), by striking ''does not apply—'' and all that follows and inserting ''does not apply in the case of a deduction made through administrative error.''; and

(ii) by striking subsection (g).

(D) In section 1455(c), by striking '', 1450(k)(2),''.

(b) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person

for any period before the effective date provided under subsection (e) by reason of the amendments made by subsection (a).

(c) RETURN OF SBP PREMIUMS PREVIOUSLY REFUNDED TO SBP RECIPIENTS.—

(1) RETURN OF CERTAIN REFUNDED AMOUNTS REQUIRED.—Under regulations prescribed by the Secretary of Defense, a surviving spouse who is or has been in receipt of an annuity under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, that is in effect before the effective date provided under subsection (e) and that is adjusted by reason of the amendments made by subsection (a) and who has received a refund of retired pay under section 1450(e) of title 10, United States Code (as in effect on the day before the effective date provided under subsection (e)), shall be required to repay such refund to the United States.

(2) TERMS AND CONDITIONS.—A surviving spouse repaying a refund to the United States under this subsection shall not be required to pay the United States any interest that would otherwise accrue or have accrued on any balance of such refund while such balance remains unpaid to the United States under this subsection. The amount repayable to the United States shall be repayable in a lump sum or over a period of years (not to exceed 10 years) agreed to by the surviving spouse or specified by the Secretary of Defense, in the absence of such an agreement.

(3) WAIVER OF REPAYMENT.—The Secretary of Defense may waive the repayment of a refund under this subsection if the Secretary determines that—

(A) hardship or other circumstances make repayment of such refund unwarranted;

(B) repayment of such refund would otherwise not be in the best interests of the United States.

(d) RECONSIDERATION OF OPTIONAL ANNUITY.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by adding at the end the following new sentences: ''The surviving spouse, however, may elect to terminate an annuity under this subparagraph in accordance with regulations prescribed by the Secretary concerned. Upon such an election, payment of an annuity to dependent children under this subparagraph shall terminate effective on the first day of the first month that begins after the date on which the Secretary concerned receives notice of the election, and, beginning on that day, an annuity shall be paid to the surviving spouse under paragraph (1) instead.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted.

SEC. 643. EFFECTIVE DATE OF PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452(j) of title 10, United States Code, is amended by striking ''October 1, 2008'' and inserting ''October 1, 2006''.

SEC. 644. EXPANSION OF CONDITIONS FOR DIRECT PAYMENT OF DIVISIBLE RETIRED PAY.

(a) REPEAL OF CERTAIN CONDITION.—Section 1408(d) of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act.

(2) PROHIBITION ON RETROACTIVE PAYMENTS.—No payment may be made under section 1408(d) of title 10, United States Code, to or for the benefit of any person covered by paragraph (2) of such section (as in effect on the day before the effective date specified in paragraph (1)) for any period before such effective date.

SEC. 645. AUTHORITY FOR COST OF LIVING ADJUSTMENTS OF RETIRED PAY TREATED AS DIVISIBLE PROPERTY.

(a) IN GENERAL.—Section 1408 of title 10, United States Code, is amended—

(1) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively; and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) COST OF LIVING ADJUSTMENTS OF DIVISIBLE PROPERTY.—A court order under subsection (a)(2)(C) may provide for the adjustment of the amount, if expressed in dollars, payable from the disposable retired pay of a member at the same time and in the same manner as retired pay is adjusted to reflect changes in the Consumer Price Index under section 1401a of this title.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to court orders that become effective after the end of the 90-day period beginning on the date of enactment of this Act.

SEC. 646. NOTICE AND COPY TO MEMBERS OF COURT ORDERS ON PAYMENT OF RETIRED PAY.

(a) WAIVER OF NOTICE.—Subsection (g) of section 1408 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''A person''; and

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

''(2) A member may waive receipt of notice on a court order otherwise required by paragraph (1). The waiver shall take such form and include such requirements as the Secretary concerned may prescribe.''.

(b) COPY OF COURT ORDER UPON REQUEST.—Such subsection is further amended—

(1) in paragraph (1), as designated by subsection (a)(1) of this section, by striking ''(together with a copy of such order)''; and

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

''(3) Upon the request of a member, written notice of a court order under paragraph (1) shall include a copy of the court order.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act, and shall apply with respect to court orders received on or after such date.

SEC. 647. RETENTION OF ASSISTIVE TECHNOLOGY AND DEVICES BY CERTAIN MEMBERS OF THE ARMED FORCES AFTER SEPARATION FROM SERVICE.

(a) RETENTION AUTHORIZED.—Chapter 58 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1154. Retention of assistive technology and devices provided before separation

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of Defense, a member of the armed forces who is provided an assistive technology or assistive technology device while a member of the armed forces for a severe or debilitating illness or injury incurred or aggravated by such member on active duty may retain such assistive technology or assistive technology device after separation from the armed forces.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology' and 'assistive technology device' have the meaning given such terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 58 of such title is amended by adding at the end the following new item:

''1154. Retention of assistive technology and devices provided before separation.''.

SEC. 648. RENAMING OF DEATH GRATUITY PAYABLE FOR DEATHS OF MEMBERS OF THE ARMED FORCES AS FALLEN HERO COMPENSATION.

(a) IN GENERAL.—Subchapter II of chapter 75 of title 10, United States Code, is amended as follows:

(1) In section 1475(a), by striking ''have a death gratuity paid'' and inserting ''have fallen hero compensation paid''.

(2) In section 1476(a)—

(A) in paragraph (1), by striking ''a death gratuity'' and inserting ''fallen hero compensation''; and

(B) in paragraph (2), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(3) In section 1477(a), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(4) In section 1478(a), by striking ''The death gratuity'' and inserting ''The amount of fallen hero compensation''.

(5) In section 1479(1), by striking ''the death gratuity'' and inserting ''fallen hero compensation''.

(6) In section 1489—

(A) in subsection (a), by striking ''a gratuity'' in the matter preceding paragraph (1) and inserting ''fallen hero compensation''; and

(B) in subsection (b)(2), by inserting ''or other assistance'' after ''lesser death gratuity''.

(b) CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENTS.—Such subchapter is further amended by striking ''**Death Gratuity:**'' each place it appears in the heading of sections 1475 through 1480 and 1489 and inserting ''**Fallen Hero Compensation:**''.

(2) TABLE OF SECTIONS.—The table of sections at the beginning of such subchapter is amended by striking ''Death gratuity:'' in the items relating to sections 1474 through 1480 and 1489 and inserting ''Fallen hero compensation:''.

(c) GENERAL REFERENCES.—Any reference to a death gratuity payable under subchapter II of chapter 75 of title 10, United States Code, in any law, regulation, document, paper, or other record of the United States shall be deemed to be a reference to fallen hero compensation payable under such subchapter, as amended by this section.

SEC. 649. EFFECTIVE DATE OF TERMINATION OF PHASE-IN OF CONCURRENT RECEIPT FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES RATED AS TOTAL BY VIRTUE OF UNEMPLOYABILITY.

(a) IN GENERAL.—Section 1414(a)(1) of title 10, United States Code, is amended by striking ''100 percent'' the first place it appears and all that follows and inserting ''100 percent and in the case of a qualified retiree receiving veterans' disability compensation at the rate payable for a 100 percent disability by reason of a determination of individual unemployability, payment of retired pay to such veteran is subject to subsection (c) only during the period beginning on January 1, 2004, and ending on December 31, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on December 31, 2004.

SEC. 650. DETERMINATION OF RETIRED PAY BASE OF GENERAL AND FLAG OFFICERS BASED ON RATES OF BASIC PAY PROVIDED BY LAW.

(a) DETERMINATION OF RETIRED PAY BASE.—

(1) IN GENERAL.—Chapter 71 of title 10, United States Code, is amended by inserting after section 1407 the following new section:

"§ 1407a. Retired pay base: members who were general or flag officers

''Notwithstanding any other provision of law, if the determination of the retired pay base or retainer pay base under section 1406 or 1407 of this title with respect to a person who was a commissioned officer in pay grades O–7 through O–10 involves a rate or rates of basic pay that were subject to a reduction under section 203(a)(2) of title 37, such determination shall be made utilizing such rate or rates of basic pay in effect as provided by law rather than such rate or rates as so reduced under section 203(a)(2) of title 37.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 71 of such title is amended by inserting after the item relating to section 1407 the following new item:

''1407a. Retired pay base: members who were general or flag officers.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to the computation of retired pay for members of the Armed Forces who retire on or after that date.

SEC. 651. INAPPLICABILITY OF RETIRED PAY MULTIPLIER MAXIMUM PERCENTAGE TO SERVICE OF MEMBERS OF THE ARMED FORCES IN EXCESS OF 30 YEARS.

(a) IN GENERAL.—Paragraph (3) of section 1409(b) of title 10, United States Code, is amended to read as follows:

''(3) 30 YEARS OF SERVICE.—

''(A) RETIREMENT BEFORE JANUARY 1, 2007.—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

''(B) RETIREMENT AFTER DECEMBER 31, 2006.—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

''(i) 75 percent; and

''(ii) the product (stated as a percentage) of—

''(I) 2½; and

''(II) the member's years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service in any service, regardless of when served, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.''.

(b) RETIRED PAY FOR NON-REGULAR SERVICE.—Section 12739(c) of such title is amended—

(1) by striking ''The total amount'' and inserting ''(1) Except as provided in paragraph (2), the total amount''; and

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

''(2) In the case of a person who retires after December 31, 2006, with more than 30 years of service credited to that person under section 12733 of this title, the total amount of the monthly retired pay computed under subsections (a) and (b) may not exceed the sum of—

''(A) 75 percent of the retired pay base upon which the computation is based; and

''(B) the product of—

''(i) the retired pay base upon which the computation is based; and

''(ii) 2½ percent of the years of service credited to that person under section 12733 of this title for service, regardless of when served, under conditions authorized for purposes of this paragraph during a period designated by the Secretary of Defense for purposes of this paragraph.''.

SEC. 652. MODIFICATION OF ELIGIBILITY FOR COMMENCEMENT OF AUTHORITY FOR OPTIONAL ANNUITIES FOR DEPENDENTS UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by striking ''who dies after November 23, 2003'' and inserting ''who dies after October 7, 2001''.

(b) APPLICABILITY.—Any annuity payable to a dependent child under subchapter II of chapter 73 of title 10, United States Code, by reason of the amendment made by subsection (a) shall be payable only for months beginning on or after the date of the enactment of this Act.

SEC. 653. COMMENCEMENT OF RECEIPT OF NON-REGULAR SERVICE RETIRED PAY BY MEMBERS OF THE READY RESERVE ON ACTIVE FEDERAL STATUS OR ACTIVE DUTY FOR SIGNIFICANT PERIODS.

(a) REDUCED ELIGIBILITY AGE.—Section 12731 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

''(1) has attained the eligibility age applicable under subsection (f) to that person;''; and

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

''(f)(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

''(2)(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after September 11, 2001, the eligibility age for purposes of subsection (a)(1) shall be reduced below 60 years of age by three months for each aggregate of 90 days on which such person so performs in any fiscal year after such date, subject to subparagraph (C). A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

''(B)(i) Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of this title or under section 12301(d) of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.

''(ii) Active service described in this subparagraph is service under a call to active service authorized by the President or the Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

''(C) The eligibility age for purposes of subsection (a)(1) may not be reduced below 50 years of age for any person under subparagraph (A).''.

(b) CONTINUATION OF AGE 60 AS MINIMUM AGE FOR ELIGIBILITY OF NON-REGULAR SERVICE RETIREES FOR HEALTH CARE.—Section 1074(b) of such title is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) Paragraph (1) does not apply to a member or former member entitled to retired pay for non-regular service under chapter 1223 of this title who is under 60 years of age.''.

(c) ADMINISTRATION OF RELATED PROVISIONS OF LAW OR POLICY.—With respect to any provision of law, or of any policy, regulation, or directive of the executive branch that refers to a member or former member of the uniformed services as being eligible for, or entitled to, retired pay under chapter 1223 of title 10, United States Code, but for the fact that the member or former member is under 60 years of age, such provision shall be carried out with respect to that member or former member by substituting for the reference to being 60 years of age a reference to having attained the eligibility age applicable under subsection (f) of section 12731 of title 10, United States Code (as added by subsection (a)), to such member or former member for qualification for such retired pay under subsection (a) of such section.

(d) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to applications for retired pay that are submitted under section 12731(a) of title 10, United States Code, on or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 661. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE ARMY EVACUATED FROM A COMBAT ZONE FOR INPATIENT CARE.

(a) AUDIT REQUIRED.—

(1) IN GENERAL.—The Secretary of the Army shall conduct a complete audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the audit conducted under paragraph (1).

(3) REPORT ELEMENTS.—The report under paragraph (2) shall include the following:

(A) A list of each member of the Army described in paragraph (1) identified (in a manner that protects the privacy of members so listed) by—

(i) date of wound or injury on which inclusion of such member on the list is based; and

(ii) grade and unit designation as of such date.

(B) For each member so listed, a statement of any underpayment of each of any pay, allowance, or other monetary benefit to which such member was entitled during the period beginning on the date of such wound or injury and ending on April 30, 2006, including basic pay, hazardous duty pay, imminent danger pay, basic allowance for housing, basic allowance for subsistence, any family separation allowance, any tax exclusion for combat duty, and any other pay, allowance, or monetary benefit to which such member was entitled during such period.

(C) For each member so listed, a statement of any disbursements made to correct underpayments made to such member as identified under subparagraph (B).

(D) For each member so listed, a statement of any debts to the United States collected or pending collection from such member.

(E) For each member so listed, a statement of any reimbursements or debt relief granted to such member for a debt identified under subparagraph (D).

(F) For each member so listed who has applied to the United States for a relief of debt—

(i) a description of the nature of the debt for which relief was applied; and

(ii) a description of the disposition of the application, including, if granted, the date of disbursement for relief granted, and, if denied, the reasons for the denial.

(G) For each member so listed, a report of any referral of such member to a collection or credit agency.

(4) FORM.—The report under paragraph (2) shall be in unclassified form, but may include a classified annex.

(b) ASSISTANCE WITH PAY OR ACCOUNT DIFFICULTIES.—

(1) CALL ASSISTANCE CENTER.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall establish within the Department of Defense an assistance center, accessible by toll-free telephone call, through which a covered member of the Armed Forces, or the primary next of kin of such a member in the case of such a member who dies, may secure assistance in resolving difficulties relating to the military pay or accounts of such member.

(2) REQUESTS FOR ASSISTANCE.—A request for assistance under paragraph (1) may be made—

(A) by a covered member of the Armed Forces; or

(B) by the primary next of kin on behalf of, or with respect to, a covered member of the Armed Forces.

(3) RESPONSE TO REQUESTS FOR ASSISTANCE.—The Secretary shall ensure that, in providing assistance under paragraph (1) to a covered member of the Armed Forces or next of kin of such a member, personnel of the assistance center established under that paragraph—

(A) provide an initial response to the request for assistance under paragraph (2) not later than 10 days after receipt of such request; and

(B) provide a final response to the request for assistance under that paragraph not later than 30 days after receipt of such request.

(4) COVERED MEMBER OF THE ARMED FORCES DEFINED.—In this subsection, the term ''covered member of the Armed Forces'' means a member of the Armed Forces wounded or injured in a combat zone who is evacuated from a theater of operations for inpatient care.

SEC. 662. PILOT PROGRAM ON TROOPS TO NURSE TEACHERS.

(a) PILOT PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall, in coordination with the Secretary of Health and Human Services and the Secretary of Education, conduct a pilot program to assess the feasibility and potential benefits of a program to—

(A) assist nurse corps officers described in subsection (c) in achieving necessary qualifications to become nurse educators and in securing employment as nurse educators at accredited schools of nursing;

(B) provide scholarships to nurse corps officers described in subsection (c) in return for continuing service in the Selected Reserve or other forms of public service; and

(C) help alleviate the national shortage of nurse educators and registered nurses.

(2) DURATION.—Except as provided in subsection (h), the pilot program shall be conducted during the period beginning on January 1, 2007, and ending on December 31, 2012. A nurse corps officer may not enter into an agreement to participate in the pilot program after December 31, 2012.

(3) REGULATIONS.—The pilot program shall be conducted under regulations prescribed by the Secretary of Defense in consultation with the Secretary of Health and Human Services and the Secretary of Education.

(b) DESIGNATION.—The pilot program required by subsection (a) shall be known as the ''Troops to Nurse Teachers Pilot Program'' (in this section referred to as the ''Program'').

(c) NURSE CORPS OFFICERS.—A nurse corps officer described in this subsection is any commissioned officer of the Armed Forces qualified and designated as an officer in a Nurse Corps of the Armed Forces who is—

(1) serving in a reserve component of the Armed Forces;

(2) honorably discharged from the Armed Forces; or

(3) a retired member of the Armed Forces.

(d) SELECTION OF PARTICIPANTS IN PROGRAM.—

(1) APPLICATION.—An eligible nurse corps officer seeking to participate in the Program shall submit to the Secretary of Defense an application therefor. The application shall be in such form, and contain such information, as the Secretary may require.

(2) SELECTION.—The Secretary shall select participants in the Program from among qualified nurse corps officers submitting applications therefor under paragraph (1).

(e) PARTICIPANT AGREEMENT.—

(1) IN GENERAL.—A nurse corps officer selected under subsection (d) to participate in the Program shall enter into an agreement with the Secretary of Defense relating to participation in the Program.

(2) ELEMENTS.—The agreement of a nurse corps officer under the program shall, at the election of the Secretary for purposes of the Program and as appropriate with respect to that status of such nurse corps officer—

(A) require such nurse corps officer, within such time as the Secretary may require, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than one year; or

(B) require such nurse corps officer—

(i) within such time as the Secretary may require, to successfully complete a program leading to a master's degree or doctoral degree in a nursing field from an accredited school of nursing or to a doctoral degree in a related field from an accredited institution of higher education;

(ii) to serve in the Selected Reserve or some other form of public service under terms and conditions established by the Secretary; and

(iii) upon completion of such program and service, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than 3 years.

(f) ASSISTANCE.—

(1) TRANSITION ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(A) assistance as follows:

(A) Career placement assistance in securing full-time employment as a nurse educator at an accredited school of nursing.

(B) A stipend in an amount not to exceed $5,000 for transition to employment referred to in paragraph (1), and for educational training for such employment, for a period not to exceed two years after entry by such participant into an agreement under subsection (e).

(2) SCHOLARSHIP ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(B) scholarship assistance to pursue a degree described in subsection (e)(2)(B)(i) in an amount not to exceed $30,000 annually for a period of not more than four years.

(g) TREATMENT OF ASSISTANCE.—A stipend or scholarship provided under subsection (f) shall not be taken into account in determining the eligibility of a participant in the Program for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(h) ADMINISTRATION AFTER INITIAL PERIOD.—

(1) IN GENERAL.—The termination of the Program on December 31, 2012, under subsection (a)(2) shall not terminate the entitlement to assistance under the Program of any nurse corps officer entering into an agreement to participate in the Program under subsection (e) that continues in force after that date.

(2) ADMINISTRATION.—The Secretary of Education shall undertake any administration of the Program that is required after December 31, 2012, including responsibility for any funding necessary to provide assistance under the Program after that date.

(i) REPORT.—

(1) IN GENERAL.—Not later than three years after the commencement of the Program, the Secretary of Defense shall, in consultation with the Secretary of Health and Human Services and the Secretary of Education, submit to Congress a report on the Program.

(2) ELEMENTS.—The report shall—

(A) describe the activities undertaken under the Program; and

(B) include an assessment of the effectiveness of the Program in—

(i) facilitating the development of nurse educators;

(ii) encouraging service in the Selected Reserve and other forms of public service; and

(iii) helping alleviate the national shortage of nurse educators and registered nurses.

(j) DEFINITIONS.—In this section:

(1) NURSE EDUCATOR.—The term ''nurse educator'' means a registered nurse who—

(A) is a member of the nursing faculty at an accredited school of nursing;

(B) holds a graduate degree in nursing from an accredited school of nursing or a doctoral degree in a related field from an accredited institution of higher education;

(C) holds a valid, unrestricted license to practice nursing from a State; and

(D) has successfully completed additional course work in education and demonstrates competency in an advanced practice area of nursing.

(2) SCHOOL OF NURSING.—The term ''school of nursing'' means a school of nursing (as that term is defined in section 801 of the Public Health Service Act (42 U.S.C. 296)) that is accredited (as that term is defined in section 801(6) of the Public Health Service Act).

(k) FUNDING.—From amounts authorized to be appropriated for the Department of Defense, $5,000,000 may be available for the Program.

SEC. 663. EXPANSION AND ENHANCEMENT OF AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS OF THE ARMED FORCES.

(a) MEMBERS OF THE ARMY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Army'' and all that follows through ''in an active status'' and inserting ''a member of the Army (including a member on active duty or a member of a reserve component in an active status), a retired member of the Army, or a former member of the Army''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Army covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3322; 10 U.S.C. 4837 note) is repealed.

(b) MEMBERS OF THE NAVY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Section 6161 of title 10, United

States Code, is amended by striking ''a member of the Navy'' and all that follows through ''in an active status'' and inserting ''a member of the Navy (including a member on active duty or a member of a reserve component in an active status), a retired member of the Navy , or a former member of the Navy''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Navy covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(b) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3323; 10 U.S.C. 6161 note) is repealed.

(c) MEMBERS OF THE AIR FORCE.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Air Force'' and all that follows through ''in an active status'' and inserting ''a member of the Air Force (including a member on active duty or a member of a reserve component in an active status), a retired member of the Air Force, or a former member of the Air Force''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Air Force covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3324; 10 U.S.C. 9837 note) is repealed.

(d) DEADLINE FOR REGULATIONS.—The Secretary of Defense shall prescribe the regulations required for purposes of sections 4837, 6161, and 9837 of title 10, United States Code, as amended by this section, not later than March 1, 2007.

SEC. 664. EXCEPTION FOR NOTICE TO CONSUMER REPORTING AGENCIES REGARDING DEBTS OR ERRONEOUS PAYMENTS PENDING A DECISION TO WAIVE, REMIT, OR CANCEL.

(a) EXCEPTION.—Section 2780(b) of title 10, United States Code, is amended—

(1) by striking ''The Secretary'' and inserting ''(1) Except as provided in paragraph (2), the Secretary''; and

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

''(2) No disclosure shall be made under paragraph (1) with respect to an indebtedness while a decision regarding waiver of collection is pending under section 2774 of this title, or a decision regarding remission or cancellation is pending under section 4837, 6161, or 9837 of this title, unless the Secretary concerned (as defined in section 101(5) of title 37), or the designee of such Secretary, determines that disclosure under that paragraph pending such decision is in the best interests of the United States.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2007.

(2) APPLICATION TO PRIOR ACTIONS.—Paragraph (2) of section 2780(b) of title 10, United States Code (as added by subsection (a)), shall not be construed to apply to or invalidate any action taken under such section before March 1, 2007.

(c) REPORT.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in section 2780(b) of title 10, United States Code, including—

(1) the total number of members of the Armed Forces who have been reported to consumer reporting agencies under such section;

(2) the circumstances under which such authority has been exercised, or waived (as provided in paragraph (2) of such section (as amended by subsection (a))), and by whom;

(3) the cost of contracts for collection services to recover indebtedness owed to the United States that is delinquent;

(4) an evaluation of whether or not such contracts, and the practice of reporting military debtors to collection agencies, has been effective in reducing indebtedness to the United States; and

(5) such recommendations as the Secretary considers appropriate regarding the continuing use of such authority with respect to members of the Armed Forces.

SEC. 665. ENHANCEMENT OF AUTHORITY TO WAIVE CLAIMS FOR OVERPAYMENT OF PAY AND ALLOWANCES.

(a) CLARIFICATION OF PAY AND ALLOWANCES.—Subsection (a) of section 2774 of title 10, United States Code, is amended in the matter preceding paragraph (1) by inserting ''(including any bonus or special or incentive pay)'' after ''pay or allowances''.

(b) WAIVER BY SECRETARIES CONCERNED.—Paragraph (2) of such subsection is amended—

(1) in the matter preceding subparagraph (A), by inserting ''or the designee of such Secretary'' after ''title 37,''; and

(2) in subparagraph (A), by striking ''$1,500'' and inserting ''$10,000''.

(c) TIME FOR WAIVER.—Subsection (b)(2) of such section is amended by striking ''three years'' and inserting ''five years''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007.

(e) DEADLINE FOR REVISED STANDARDS.—The Director of the Office of Management and Budget and the Secretary of Defense shall prescribe any modifications to the standards under section 2774 of title 10, United States Code, that are required or authorized by reason of the amendments made by this section not later than March 1, 2007.

SEC. 666. TERMS OF CONSUMER CREDIT EXTENDED TO SERVICEMEMBER OR SERVICEMEMBER'S DEPENDENT.

(a) TERMS OF CONSUMER CREDIT.—Title II of the Servicemembers Civil Relief Act (50 U.S.C. App. 521 et seq.) is amended by adding at the end the following new section:

''SEC. 208. TERMS OF CONSUMER CREDIT.

''(a) INTEREST.—A creditor who extends consumer credit to a servicemember or a servicemember's dependent shall not require the servicemember or the servicemember's dependent to pay interest with respect to the extension of such credit, except as—

''(1) agreed to under the terms of the credit agreement or promissory note;

''(2) authorized by applicable State or Federal law; and

''(3) not specifically prohibited by this section.

''(b) ANNUAL PERCENTAGE RATE.—A creditor described in subsection (a) shall not impose an annual percentage rate greater than 36 percent with respect to the consumer credit extended to a servicemember or a servicemember's dependent.

''(c) MANDATORY LOAN DISCLOSURES.—

''(1) INFORMATION REQUIRED.—With respect to any extension of consumer credit to a servicemember or a servicemember's dependent, a creditor shall provide to the servicemember or the servicemember's dependent the following information in writing, at or before the issuance of the credit:

''(A) A statement of the annual percentage rate applicable to the extension of credit.

''(B) Any disclosures required under the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(C) A clear description of the payment obligations of the servicemember or the servicemember's dependent, as applicable.

''(2) TERMS.—Such disclosures shall be presented in accordance with terms prescribed by the regulations issued by the Board of Governors of the Federal Reserve System to implement the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(d) LIMITATION.—A creditor described in subsection (a) shall not automatically renew, repay, refinance, or consolidate with the proceeds of other credit extended by the same creditor any consumer credit extended to a servicemember or a servicemember's dependent without—

''(1) executing new loan documentation signed by the servicemember or the servicemember's dependent, as applicable; and

''(2) providing the loan disclosures described in subsection (c) to the servicemember or the servicemember's dependent.

''(e) PREEMPTION.—Except as provided in subsection (f)(2), this section preempts any State or Federal law, rule, or regulation, including any State usury law, to the extent that such laws, rules, or regulations are inconsistent with this section, except that this section shall not preempt any such law, rule, or regulation that provides additional protection to a servicemember or a servicemember's dependent.

''(f) PENALTIES.—

''(1) MISDEMEANOR.—Any creditor who knowingly violates this section shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

''(2) PRESERVATION OF OTHER REMEDIES.—The remedies and rights provided under this section are in addition to and do not preclude any remedy otherwise available under law to the person claiming relief under this section, including any award for consequential and punitive damages.

''(g) DEFINITION.—For purposes of this section, the term 'interest' includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to the extension of consumer credit.''.

(b) CLERICAL AMENDMENT.—The table of contents of the Servicemembers Civil Relief Act (50 U.S.C. App. 501) is amended by inserting after the item relating to section 207 the following new item:

''Sec. 208. Terms of consumer credit''.

SEC. 667. JOINT FAMILY SUPPORT ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing assistance to families of members of the Armed Forces.

(b) LOCATIONS.—

(1) IN GENERAL.—The Secretary shall carry out the program for at least six regions of the country through sites established by the Secretary for purposes of the program in such regions.

(2) LOCATION OF CERTAIN SITES.—At least three of the sites established under paragraph (1) shall be located in an area that it geographically isolated from military installations.

(c) FUNCTIONS.—The Secretary shall provide assistance to families of the members of the Armed Forces under the program by providing at each site established for purposes of the program under subsection (b) the following:

(1) Financial, material, and other assistance to families of members of the Armed Forces.

(2) Mobile support services to families of members of the Armed Forces.

(3) Sponsorship of volunteers and family support professionals for the delivery of support services to families of members of the Armed Forces.

(4) Coordination of family assistance programs and activities provided by Military OneSource, Military Family Life Consultants, counselors, the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and non-profit entities.

(5) Facilitation of discussion on military family assistance programs, activities, and initiatives between and among the organizations, agencies, and entities referred to in paragraph (4).

(d) RESOURCES.—

(1) IN GENERAL.—The Secretary shall provide personnel and other resources necessary for the implementation and operation of the program at each site established under subsection (b).

(2) ACCEPTANCE OF CERTAIN SERVICES.—In providing resources under paragraph (1), the Secretary may accept and utilize the services of non-Federal Government volunteers and non-profit entities.

(e) PROCEDURES.—The Secretary shall establish procedures for the operation of each site established under subsection (b) and for the provision of assistance to families of members of the Armed Forces at such site.

(f) IMPLEMENTATION PLAN.—

(1) PLAN REQUIRED.—Not later than 30 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report setting forth a plan for the implementation of the program.

(2) ELEMENTS.—The plan required under paragraph (1) shall include the following:

(A) A description of the actions taken to select and establish sites for the program under subsection (b).

(B) A description of the procedures established under subsection (d).

(C) A review of proposed actions to be taken under the program to improve coordination on family assistance program and activities between and among the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and non-profit entities.

(g) REPORT.—

(1) IN GENERAL.—Not later than 270 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report on the program.

(2) ELEMENTS.—The report shall include the following:

(A) A description of the program, including each site established for purposes of the program, the procedures established under subsection (d) for operations at each such site, and the assistance provided through each such site for families of members of the Armed Forces.

(B) An assessment of the effectiveness of the program in providing assistance to families of members of the Armed Forces.

(C) An assessment of the advisability of extending the program or making it permanent.

(h) ASSISTANCE TO NON-PROFIT ENTITIES PROVIDING ASSISTANCE TO MILITARY FAMILIES.—The Secretary may provide financial, material, and other assistance to non-profit entities in order to facilitate the provision by such entities of assistance to geographically isolated families of members of the Armed Forces.

(i) SUNSET.—The program required by this section, and the authority to provide assistance under subsection (h), shall cease upon the date that is three years after the first obligation of amounts for the program.

(j) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 may be available for the program required by this section and the provision of assistance under subsection (h).

SEC. 668. IMPROVEMENT OF MANAGEMENT OF ARMED FORCES RETIREMENT HOME.

(a) REDESIGNATION OF CHIEF OPERATING OFFICER AS CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—Section 1515 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 415) is amended—

(A) by striking ''Chief Operating Officer'' each place it appears and inserting ''Chief Executive Officer''; and

(B) in subsection (e)(1), by striking ''Chief Operating Officer's'' and inserting ''Chief Executive Officer's''.

(2) CONFORMING AMENDMENTS.—Such Act is further amended by striking ''Chief Operating Officer'' each place it appears in a provision as follows and inserting ''Chief Executive Officer'':

(A) Section 1511 (24 U.S.C. 411).

(B) Section 1512 (24 U.S.C. 412).

(C) Section 1513(a) (24 U.S.C. 413(a)).

(D) Section 1514(c)(1) (24 U.S.C. 414(c)(1)).

(E) Section 1516(b) (24 U.S.C. 416(b)).

(F) Section 1517 (24 U.S.C. 417).

(G) Section 1518(c) (24 U.S.C. 418(c)).

(H) Section 1519(c) (24 U.S.C. 419(c)).

(I) Section 1521(a) (24 U.S.C. 421(a)).

(J) Section 1522 (24 U.S.C. 422).

(K) Section 1523(b) (24 U.S.C. 423(b)).

(L) Section 1531 (24 U.S.C. 431).

(3) CLERICAL AMENDMENTS.—(A) The heading of section 1515 of such Act is amended to read as follows:

''SEC. 1515. CHIEF EXECUTIVE OFFICER.''.

(B) The table of contents for such Act is amended by striking the item relating to section 1515 and inserting the following new item:

''Sec. 1515. Chief Executive Officer.''.

(4) REFERENCES.—Any reference in any law, regulation, document, record, or other paper of the United States to the Chief Operating Officer of the Armed Forces Retirement Home shall be considered to be a reference to the Chief Executive Officer of the Armed Forces Retirement Home.

(b) DIRECTOR AND DEPUTY DIRECTOR OF FACILITIES.—

(1) MILITARY DIRECTOR.—Subsection (b)(1) of section 1517 of such Act (24 U.S.C. 417) is amended by striking ''a civilian with experience as a continuing care retirement community professional or''.

(2) CIVILIAN DEPUTY DIRECTOR.—Subsection (d)(1)(A) of such section is amended by striking ''or a member'' and all that follows and inserting ''; and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act, and shall apply with respect to any vacancy that occur in the position of Director or Deputy Director of a facility of the Armed Forces Retirement Home that occurs on or after that date.

(c) CLARIFICATION OF MEMBERSHIP ON LOCAL BOARD OF TRUSTEES.—Section 1516(c)(1)(H) of such Act (24 U.S.C. 416(c)(1)(K)) is amended by inserting before the period at the end the following: '', who shall be a member of the Armed Forces serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half)''.

Subtitle F—Transition Assistance for Members of the National Guard and Reserve Returning From Deployment in Operation Iraqi Freedom or Operation Enduring Freedom

SEC. 681. SHORT TITLE.

This subtitle may be cited as the ''Heroes at Home Act of 2006''.

SEC. 682. SPECIAL WORKING GROUP ON TRANSITION TO CIVILIAN EMPLOYMENT OF MEMBERS OF THE NATIONAL GUARD AND RESERVE RETURNING FROM DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) WORKING GROUP REQUIRED.—The Secretary of Defense shall establish within the Department of Defense a working group to identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in transitioning to civilian employment on their return from such deployment.

(b) MEMBERS.—The working group established under subsection (a) shall include a balance of individuals appointed by the Secretary of Defense from among the following:

(1) Personnel of the Department of Defense.

(2) With the concurrence of the Secretary of Veterans Affairs, personnel of the Department of Veterans Affairs.

(3) With the concurrence of the Secretary of Labor, personnel of the Department of Labor.

(c) RESPONSIBILITIES.—The working group established under subsection (a) shall—

(1) identify and assess the needs of members of the National Guard and Reserve described in subsection (a) in transitioning to civilian employment on their return from deployment as described in that subsection, including the needs of—

(A) members who were self-employed before deployment and seek to return to such employment after deployment;

(B) members who were students before deployment and seek to return to school or commence employment after deployment;

(C) members who have experienced multiple recent deployments; and

(D) members who have been wounded or injured during deployment; and

(2) develop recommendations on means of improving assistance to members of the National Guard and Reserve described in subsection (a) in meeting the needs identified in paragraph (1) on their return from deployment as described in subsection (a).

(d) CONSULTATION.—In carrying out its responsibilities under subsection (c), the working group established under subsection (a) shall consult with the following:

(1) Appropriate personnel of the Small Business Administration.

(2) Representatives of employers who employ members of the National Guard and Reserve described in subsection (a) on their return to civilian employment as described in that subsection.

(3) Representatives of employee assistance organizations.

(4) Representatives of associations of employers.

(5) Representatives of organizations that assist wounded or injured members of the National Guard and Reserves in finding or sustaining employment.

(6) Representatives of such other public or private organizations and entities as the working group considers appropriate.

(e) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act,

the working group established under subsection (a) shall submit to the Secretary of Defense and Congress a report on its activities under subsection (c).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the identification and assessment required under subsection (c)(1).

(B) The recommendations developed under subsection (c)(2), including recommendations on the following:

(i) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the employment and transition needs of members of the National Guard and Reserve described in subsection (a) upon their return from deployment as described in that subsection.

(ii) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the needs of family members of such members.

(iii) The improvement of collaboration between the pubic and private sectors in order to ensure the successful transition of such members into civilian employment upon their return from such deployment.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make the report under paragraph (1) available to the public, including through the Internet website of the Department of Defense.

(f) TERMINATION.—

(1) IN GENERAL.—The working group established under subsection (a) shall terminate on the date that is two years after the date of the enactment of this Act.

(2) INTERIM DUTIES.—During the period beginning on the date of the submittal of the report required by subsection (e) and the termination of the working group under paragraph (1), the working group shall serve as an advisory board to the Office for Employers and Employment Assistance Organizations under section 683.

(g) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 683. OFFICE FOR EMPLOYERS AND EMPLOYMENT ASSISTANCE ORGANIZATIONS.

(a) DESIGNATION OF OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall designate an office within the Department of Defense to assist employers, employment assistance organizations, and associations of employers in facilitating the successful transition to civilian employment of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) NAME.—The office designated under this subsection shall be known as the ''Office for Employers and Employment Assistance Organizations'' (in this section referred to as the ''Office'').

(3) HEAD.—The Secretary shall designate an individual to act as the head of the Office.

(4) INTEGRATION.—In designating the Office, the Secretary shall ensure close communication between the Office and the military departments, including the commands of the reserve components of the Armed Forces.

(b) FUNCTIONS.—The Office shall have the following functions:

(1) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful transition to civilian employment of members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection.

(2) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful adjustment of family members of the National Guard and Reserve to the deployment and return from deployment of members of the National Guard and Reserve as described in that subsection.

(c) RESOURCES TO BE PROVIDED.—

(1) IN GENERAL.—In carrying out the functions specified in subsection (b), the Office shall provide employers, employment assistance organizations, and associations of employers resources, services, and assistance that include the following:

(A) Guidelines on best practices and effective strategies.

(B) Education on the physical and mental health conditions that can and may be experienced by members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection in transitioning to civilian employment, including Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI), including education on—

(i) the detection of warning signs of such conditions;

(ii) the medical, mental health, and employment services available to such members, including materials on services offered by the Department of Defense, the Department of Veterans Affairs (including through the vet center program under section 1712A of title 38, United States Code), the Department of Labor, military support programs, and community mental health clinics; and

(iii) the mechanisms for referring such members for services described in clause (ii) and for other medical and mental health screening and care when appropriate.

(C) Education on the range and types of potential physical and mental health effects of deployment and post-deployment adjustment on family members of members of the National Guard and Reserve described in subsection (a), including education on—

(i) the detection of warning signs of such effects on family members of members of the National Guard and Reserves;

(ii) the medical, mental health, and employment services available to such family members, including materials on such services as described in subparagraph (B)(ii); and

(iii) mechanisms for referring such family members for services described in clause (ii) and for medical and mental health screening and care when appropriate.

(D) Education on mechanisms, strategies, and resources for accommodating and employing wounded or injured members of the National Guard and Reserves in work settings.

(2) PROVISION OF RESOURCES.—The Office shall make resources, services, and assistance available under this subsection through such mechanisms as the head of the Office considers appropriate, including the Internet, video conferencing, telephone services, workshops, trainings, presentations, group forums, and other mechanisms.

(d) PERSONNEL AND OTHER RESOURCES.—The Secretary of Defense shall assign to the Office such personnel, funding, and other resources as are required to ensure the effective discharge by the Office of the functions under subsection (b).

(e) REPORTS ON ACTIVITIES.—

(1) ANNUAL REPORT BY OFFICE.—Not later than one year after the designation of the Office, and annually thereafter, the head of the Office, in consultation with the working group established pursuant to section 682 (while in effect), shall submit to the Secretary of Defense a written report on the progress and outcomes of the Office during the one-year period ending on the date of such report.

(2) TRANSMITTAL TO CONGRESS.—Not later than 60 days after receipt of a report under paragraph (1), the Secretary shall transmit such report to the Committees on Armed Services of the Senate and the House of Representatives, together with—

(A) such comments on such report, and such assessment of the effectiveness of the Office, as the Secretary considers appropriate; and

(B) such recommendations on means of improving the effectiveness of the Office as the Secretary considers appropriate.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under paragraph (2) available to the public, including through the Internet website of the Office.

(f) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 684. ADDITIONAL RESPONSIBILITIES OF DEPARTMENT OF DEFENSE TASK FORCE ON MENTAL HEALTH RELATING TO MENTAL HEALTH OF MEMBERS OF THE NATIONAL GUARD AND RESERVE DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) ADDITIONAL RESPONSIBILITIES.—Section 723 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3348) is amended—

(1) by redesignating subsections (d), (e), (f), and (g) as subsections (e), (f), (g), and (h), respectively; and

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

''(d) ASSESSMENT OF MENTAL HEALTH NEEDS OF MEMBERS OF NATIONAL GUARD AND RESERVE DEPLOYED IN OIF OR OEF.—

''(1) IN GENERAL.—In addition to the activities required under subsection (c), the task force shall, not later than 12 months after the date of the enactment of the Heroes at Home Act of 2006, submit to the Secretary a report containing an assessment and recommendations on the needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(2) ELEMENTS.—The assessment and recommendations required by paragraph (1) shall include the following:

''(A) An assessment of the specific needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(B) An identification of mental health conditions and disorders (including Post Traumatic Stress Disorder (PTSD), suicide attempts, and suicide) occurring among members of the National Guard and Reserve who undergo multiple deployments in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(C) Recommendations on mechanisms for improving the mental health services available to members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom, including such members who undergo multiple deployments in such operations, upon their return from such deployment.''.

(b) REPORT.—Subsection (f) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) in the subsection heading, by striking ''REPORT'' and inserting ''REPORTS'';

(2) by striking paragraph (1) and inserting the following new paragraph (1):

''(1) IN GENERAL.—The report submitted to the Secretary under each of subsections (c) and (d) shall include—

''(A) a description of the activities of the task force under such subsection;

''(B) the assessment and recommendations required by such subsection; and

''(C) such other matters relating to the activities of the task force under such subsection as the task force considers appropriate.''; and

(3) in paragraph (2)—

(A) by striking ''the report under paragraph (1)'' and inserting ''a report under paragraph (1)''; and

(B) by striking ''the report as'' and inserting ''such report as''.

(c) PLAN MATTERS.—Subsection (g) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by striking ''the report from the task force under subsection (e)(1)'' and inserting ''a report from the task force under subsection (f)(1)''; and

(2) by inserting ''contained in such report'' after ''the task force'' the second place it appears.

(d) TERMINATION.—Subsection (h) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by inserting ''with respect to the assessment and recommendations required by subsection (d)'' after ''the task force''; and

(2) by striking ''subsection (e)(2)'' and inserting ''subsection (f)(2)''.

SEC. 685. GRANTS ON ASSISTANCE IN COMMUNITY-BASED SETTINGS FOR MEMBERS OF THE NATIONAL GUARD AND RESERVE AND THEIR FAMILIES AFTER DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) IN GENERAL.—The Secretary of Defense may award grants to eligible entities to carry out demonstration projects to assess the feasibility and advisability of utilizing community-based settings for the provision of assistance to members of the National Guard and Reserve who serve in Operation Iraqi Freedom or Operation Enduring Freedom, and their families, after the return of such members from deployment in Operation Iraqi Freedom or Operation Enduring Freedom, as the case may be, including—

(1) services to improve the reuniting of such members of the National Guard and Reserve and their families;

(2) education to increase awareness of the physical and mental health conditions that members of the National Guard and Reserve can and may experience on their return from such deployment, including education on—

(A) Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI); and

(B) mechanisms for the referral of such members of the National Guard and Reserve for medical and mental health screening and care when necessary; and

(3) education to increase awareness of the physical and mental health conditions that family members of such members of the National Guard and Reserve can and may experience on the return of such members from such deployment, including education on—

(A) depression, anxiety, and relationship problems; and

(B) mechanisms for medical and mental health screening and care when appropriate.

(b) ELIGIBLE ENTITIES.—An entity eligible for the award of a grant under this section is any public or private non-profit organization, such as a community mental health clinic, family support organization, military support organization, law enforcement agency, community college, or public school.

(c) APPLICATION.—An eligible entity seeking a grant under this section shall submit to the Secretary of Defense an application therefor in such manner, and containing such information, as the Secretary may require for purposes of this section, including a description of how such entity will work with the Department of Defense, the Department of Veterans Affairs, State health agencies, other appropriate Federal, State, and local agencies, family support organizations, and other community organization in undertaking activities described in subsection (a).

(d) ANNUAL REPORTS BY GRANT RECIPIENTS.—An entity awarded a grant under this section shall submit to the Secretary of Defense on an annual basis a report on the activities undertaken by such entity during the preceding year utilizing amounts under the grant. Each report shall include such information as the Secretary shall specify for purposes of this subsection.

(e) ANNUAL REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall submit to Congress a report on activities undertaken under the grants awarded under this section. The report shall include recommendations for legislative, programmatic, or administrative action to improve or enhance activities under the grants awarded under this section.

(2) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under this subsection available to the public.

SEC. 686. LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, conduct a longitudinal study on the effects of traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom. The duration of the longitudinal study shall be 15 years.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The long-term physical and mental health effects of traumatic brain injuries incurred by members of the Armed Forces during service in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) The health care, mental health care, and rehabilitation needs of such members for such injuries after the completion of inpatient treatment through the Department of Defense, the Department of Veterans Affairs, or both.

(3) The type and availability of long-term care rehabilitation programs and services within and outside the Department of Defense and the Department of Veterans Affairs for such members for such injuries, including community-based programs and services and in-home programs and services.

(c) REPORTS.—

(1) PERIODIC AND FINAL REPORTS.—After the third, seventh, eleventh, and fifteenth years of the study required by subsection (a), the Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, submit to Congress a comprehensive report on the results of the study during the preceding years. Each report shall include the following:

(A) Current information on the cumulative outcomes of the study.

(B) Such recommendations as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate based on the outcomes of the study, including recommendations for legislative, programmatic, or administrative action to improve long-term care and rehabilitation programs and services for members of the Armed Forces with traumatic brain injuries.

(2) AVAILABILITY TO PUBLIC.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly take appropriate actions to make each report under this subsection available to the public.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $5,000,000.

(B) For each of fiscal years 2008 through 2021, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

SEC. 687. TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) TRAUMATIC BRAIN INJURY FAMILY CAREGIVER PANEL.—

(1) ESTABLISHMENT.—The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, establish within the Department of Defense a panel to develop coordinated, uniform, and consistent training curricula to be used in training family members in the provision of care and assistance to members and former members of the Armed Forces for traumatic brain injuries incurred during service in the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) DESIGNATION OF PANEL.—The panel established under paragraph (1) shall be known as the ''Traumatic Brain Injury Family Caregiver Panel''.

(3) MEMBERS.—The Traumatic Brain Injury Family Caregiver Panel established under paragraph (1) shall consist of 15 members appointed by the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, equally represented from among—

(A) physicians, nurses, rehabilitation therapists, and other individuals with an expertise in caring for and assisting individuals with traumatic brain injury, including those who specialize in caring for and assisting individuals with traumatic brain injury incurred in war;

(B) representatives of family caregivers or family caregiver associations;

(C) Department of Defense and Department of Veterans Affairs health and medical personnel with expertise in traumatic brain injury, and Department of Defense personnel and readiness representatives with expertise in traumatic brain injury;

(D) psychologists or other individuals with expertise in the mental health treatment and care of individuals with traumatic brain injury;

(E) experts in the development of training curricula; and

(F) any other individuals the Secretary considers appropriate.

(b) DEVELOPMENT OF CURRICULA.—

(1) IN GENERAL.—The Traumatic Brain Injury Family Caregiver Panel shall develop training curricula to be utilized during the provision of training to family members of members and former members of the Armed

Forces described in subsection (a) on techniques, strategies, and skills for care and assistance for such members and former members with the traumatic brain injuries described in that subsection.

(2) SCOPE OF CURRICULA.—The curricula shall—

(A) be based on empirical research and validated techniques; and

(B) shall provide for training that permits recipients to tailor caregiving to the unique circumstances of the member or former member of the Armed Forces receiving care.

(3) PARTICULAR REQUIREMENTS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall—

(A) specify appropriate training commensurate with the severity of traumatic brain injury; and

(B) identify appropriate care and assistance to be provided for the degree of severity of traumatic brain injury for caregivers of various levels of skill and capability.

(4) USE OF EXISTING MATERIALS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall utilize and enhance any existing training curricula, materials, and resources applicable to such curricula as the Panel considers appropriate.

(5) DEADLINE FOR DEVELOPMENT.—The Traumatic Brain Injury Family Caregiver Panel shall develop the curricula not later than one year after the date of the enactment of this Act.

(c) DISSEMINATION OF CURRICULA.—

(1) IN GENERAL.—The Secretary of Defense shall, in consultation with the Traumatic Brain Injury Family Caregiver Panel, develop mechanisms for the dissemination of the curricula developed under subsection (b) to health care professionals referred to in paragraph (2) who treat or otherwise work with members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom. In developing such mechanisms, the Secretary may utilize and enhance existing mechanisms, including the Military Severely Injured Center.

(2) HEALTH CARE PROFESSIONALS.—The health care professionals referred to in this paragraph are the following:

(A) Personnel at military medical treatment facilities.

(B) Personnel at the polytrauma centers of the Department of Veterans Affairs.

(C) Personnel and care managers at the Military Severely Injured Center.

(D) Such other health care professionals of the Department of Defense as the Secretary considers appropriate.

(E) Such other health care professionals of the Department of Veterans Affairs as the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, considers appropriate.

(3) PROVISION OF TRAINING TO FAMILY CAREGIVERS.—

(A) IN GENERAL.—Health care professionals referred to in paragraph (2) who are trained in the curricula developed under subsection (b) shall provide training to family members of members and former members of the Armed Forces who incur traumatic brain injuries during service in the Operation Iraqi Freedom or Operation Enduring Freedom in the care and assistance to be provided for such injuries.

(B) TIMING OF TRAINING.—Training under this paragraph shall, to the extent practicable, be provided to family members while the member or former member concerned is undergoing treatment at a facility of the Department of Defense or Department of Veterans Affairs, as applicable, in order to ensure that such family members receive practice on the provision of such care and assistance under the guidance of qualified health professionals.

(C) PARTICULARIZED TRAINING.—Training provided under this paragraph to family members of a particular member or former member shall be tailored to the particular care needs of such member or former member and the particular caregiving needs of such family members.

(4) QUALITY ASSURANCE.—The Secretary shall develop mechanisms to ensure quality in the provision of training under this section to health care professionals referred to in paragraph (2) and in the provision of such training under paragraph (4) by such health care professionals.

(5) REPORT.—Not later than one year after the development of the curricula required by subsection (b), and annually thereafter, the Traumatic Brain Injury Family Caregiver Training Panel shall submit to the Secretary of Defense and the Secretary of Veterans Affairs, and to Congress, a report on the following:

(A) The actions undertaken under this subsection.

(B) The results of the tracking of outcomes based on training developed and provided under this section.

(C) Recommendations for the improvement of training developed and provided under this section.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $1,000,000.

(B) For each of fiscal years 2008 through 2011, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $1,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

TITLE VII—HEALTH CARE

Subtitle A—Benefits Matters

SEC. 701. IMPROVED PROCEDURES FOR CANCER SCREENING FOR WOMEN.

(a) PRIMARY AND PREVENTIVE HEALTH CARE SERVICES AUTHORITY.—Section 1074d of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''The services described in paragraphs (1) and (2) of subsection (b) shall be provided under such procedures and at such intervals as the Secretary of Defense shall prescribe.''; and

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following new paragraphs:

''(1) Cervical cancer screening.

''(2) Breast cancer screening.''.

(b) TRICARE PROGRAM.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of cervical cancer screenings and breast cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms'' and inserting ''cervical and breast cancer screenings''.

SEC. 702. NATIONAL MAIL-ORDER PHARMACY PROGRAM.

(a) AVAILABILITY OF REFILLS OF MAINTENANCE-TYPE MEDICATIONS SOLELY THROUGH PROGRAM.—

(1) IN GENERAL.—Subsection (a)(2) of section 1074g of title 10, United States Code, is amended—

(A) in subparagraph (E), by striking ''Pharmaceutical agents'' and inserting ''Except as provided in subparagraph (F), pharmaceutical agents''; and

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

''(F)(i) Effective April 1, 2007, refills of maintenance medications shall, except as provided under clause (ii), be available to eligible covered beneficiaries solely through the national mail-order pharmacy program referred to in subparagraph (E)(iii).

''(ii) Under such regulations as the Secretary may prescribe under this subparagraph, refills of a maintenance medication may be available to covered eligible beneficiaries through means other than the national mail-order pharmacy program if clinical requirements make it advisable that such medication be available to such beneficiaries through such other means.

''(iii) The Secretary shall specify the pharmaceutical agents constituting maintenance medications for purposes of this subparagraph.''.

(2) CONFORMING AMENDMENT.—Subsection (f)(1) of such section is amended by striking ''subsection (a)(2)(E)'' and inserting ''subparagraphs (E) and (F) of subsection (a)(2)''.

(b) PROHIBITION ON COPAYMENTS FOR CERTAIN PHARMACEUTICALS AVAILABLE THROUGH PROGRAM.—Subsection (a)(6) of such section is amended by adding at the end the following new subparagraph:

''(C) In establishing the cost-sharing requirements, the Secretary may not impose any copayment or cost-sharing requirement with respect to the following:

''(i) Refills of generic medications.

''(ii) Brand name medications determined by a physician to be medically necessary.''.

SEC. 703. AVAILABILITY UNDER TRICARE OF ANESTHESIA FOR CHILDREN IN CONNECTION WITH DENTAL PROCEDURES FOR WHICH DENTAL ANESTHESIA IS INAPPROPRIATE.

Section 1079(a)(1) of title 10, United States Code, is amended by inserting before the period at the end the following: '', except that, pursuant to such regulations as the Secretary of Defense may prescribe, hospitalization and professional services may be provided in connection with the anesthesia of a child under the age of six years for a dental procedure which, as determined by a qualified dental specialist, is necessary''.

SEC. 704. TRICARE COVERAGE FOR FORENSIC EXAMINATIONS FOLLOWING SEXUAL ASSAULTS AND DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(17) Forensic examinations following a sexual assault or domestic violence may be provided.''.

SEC. 705. PROHIBITION ON INCREASE IN FISCAL YEAR 2007 IN ENROLLMENT FEES FOR COVERAGE UNDER TRICARE PRIME.

(a) PROHIBITION.—Fees charged for enrollment in TRICARE Prime may not be increased during fiscal year 2007.

(b) TRICARE PRIME DEFINED.—In this section, the term ''TRICARE Prime'' means the managed care option of the TRICARE program.

SEC. 706. LIMITATION ON FISCAL YEAR 2007 INCREASE IN PREMIUMS FOR COVERAGE UNDER TRICARE OF MEMBERS OF RESERVE COMPONENTS WHO COMMIT TO CONTINUED SERVICE IN SELECTED RESERVE AFTER RELEASE FROM ACTIVE DUTY.

Any premium charged under subsection (d) of section 1076d of title 10, United States Code, for coverage under TRICARE of members of reserve components who commit to continued service in the Selected Reserve after release from active duty, as authorized by subsection (a) of such section, may not be increased during fiscal year 2007 by an amount which exceeds 2.2 percent of such premium as of September 30, 2006.

SEC. 707. TEMPORARY PROHIBITION ON INCREASE IN COPAYMENTS UNDER RETAIL PHARMACY SYSTEM OF PHARMACY BENEFITS PROGRAM.

Subsection (a)(6) of section 1074g of title 10, United States Code, as amended by section 702(b) of this Act, is further amended by adding at the end the following new subparagraph:

''(D) During the period beginning on October 1, 2006, and ending on September 31, 2007, the cost sharing requirements established under this paragraph for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) may not exceed amounts as follows:

''(i) In the case of generic agents, $3.

''(ii) In the case of formulary agents, $9.

''(iii) In the case of nonformulary agents, $22.''.

SEC. 708. EXPANSION OF ELIGIBILITY OF MEMBERS OF THE SELECTED RESERVE FOR COVERAGE UNDER TRICARE.

(a) IN GENERAL.—Subsection (a) of section 1076b of title 10, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) is an employee of a business with 20 or fewer employees.''.

(b) PREMIUMS.—Subsection (e)(2) of such section is amended by adding at the end the following new subparagraph:

''(C) For members eligible under paragraph (4) of subsection (a), the amount equal to 75 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

Subtitle B—Planning, Programming, and Management

SEC. 721. TREATMENT OF TRICARE RETAIL PHARMACY NETWORK UNDER FEDERAL PROCUREMENT OF PHARMACEUTICALS.

Section 1074g of title 10, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) TRICARE RETAIL PHARMACY NETWORK.—The TRICARE Retail Pharmacy Network under the TRICARE program shall be treated as an element of the Department of Defense for purposes of the procurement of drugs by Federal agencies under section 8126 of title 38 in connection with the provision by pharmacies in the Network of pharmaceutical services to eligible covered beneficiaries under this section.''.

SEC. 722. RELATIONSHIP BETWEEN THE TRICARE PROGRAM AND EMPLOYER-SPONSORED GROUP HEALTH CARE PLANS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097b the following new section:

''§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

''(a) IN GENERAL.—(1) The TRICARE program is the secondary payer for any health care services provided by an employer to a TRICARE eligible employee of such employer, and the spouse of such employee, through any group health plan offered by such employer.

''(2) An employer shall provide that a TRICARE eligible employee of such employer, and the spouse of such employee, is entitled to benefits and services under the group health plan offered by such employer in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(3) An employer of a TRICARE eligible employee may not establish any condition applicable to the participation of the employee in a group health plan offered by such employer in connection with the entitlement of the employee for health care services under the TRICARE program, including any condition on—

''(A) the eligibility of the employee for participation in the plan; or

''(B) benefits or services available to the employee under the plan.

''(b) PROHIBITION ON INCENTIVES FOR TRICARE ELIGIBLE EMPLOYEES NOT TO ENROLL OR TO DISENROLL IN GROUP HEALTH PLANS.—(1) An employer may not offer a TRICARE eligible employee any financial or other benefit (including health services coverage that is supplemental to health services coverage under the TRICARE program) not to enroll, or to disenroll, in the group health plan offered by the employer in order to ensure that the TRICARE program, rather than the plan, is the primary payer for health care services received by the employee.

''(2)(A) An employer who violates the prohibition in paragraph (1) shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each violation.

''(B) Any amounts collected under this paragraph shall be credited to the appropriation available for the TRICARE program for the fiscal year in which such amounts are collected.

''(3)(A) Except as provided in subparagraph (B), the provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a), other than subsections (a) and (b) of such section 1128A, which provisions relate to procedures for the imposition of civil money penalties for certain violations of the Social Security Act, shall apply to the imposition of penalties under paragraph (2).

''(B) The Secretary of Defense may provide in the regulations prescribed under this section for the application to the imposition of penalties under paragraph (2) of procedural requirements specified in such regulations rather than the procedural requirements referred to in subparagraph (A). Any procedural requirements under such regulations shall be comparable to the procedural requirements referred to in subparagraph (A).

''(c) ELECTION OF TRICARE ELIGIBLE EMPLOYEES TO PARTICIPATE IN GROUP HEALTH PLAN.—A TRICARE eligible employee shall have the opportunity to elect to participate in the group health plan offered by the employer of the employee and receive primary coverage for health care services under the plan in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(d) INAPPLICABILITY TO CERTAIN EMPLOYERS.—The provisions of this section do not apply to any employer who has fewer than 20 employees.

''(e) RETENTION OF ELIGIBILITY FOR COVERAGE UNDER TRICARE.—Nothing in this section, including an election made by a TRICARE eligible employee under subsection (c), shall be construed to effect, modify, or terminate the eligibility of a TRICARE eligible employee or spouse of such employee for health care or dental services under this chapter in accordance with the other provisions of this chapter.

''(f) COLLECTION OF INFORMATION.—(1) To improve the administration of this section, the Secretary of Defense may utilize the authorities on collection of information set forth in paragraphs (1) and (2) of section 1095(k) of this title, including the authority in the second sentence of paragraph (2) of such section.

''(2) Information obtained pursuant to the use of the authorities in paragraph (1) may not be disclosed for any purpose of than to carry out the purpose of this section.

''(g) OUTREACH.—The Secretary of Defense shall, in coordination with the other administering Secretaries, conduct outreach to inform covered beneficiaries who are entitled to health care benefits under the TRICARE program of the rights and responsibilities of such beneficiaries and employers under this section.

''(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations relating to the administration and enforcement of this section. The regulations shall be prescribed in consultation with the other administering Secretaries and the Attorney General, as appropriate.

''(i) DEFINITIONS.—In this section:

''(1) The term 'employer' includes a State or unit of local government.

''(2) The term 'group health plan' means a group health plan (as that term is defined in section 5000(b)(1) of the Internal Revenue Code of 1986 without regard to section 5000(d) of the Internal Revenue Code of 1986).

''(3) The term 'primary payer' means a group health plan that provides a benefit that would be primary under section 1079(j)(1) or 1086(g) of this title.

''(4) The term 'secondary payer' means a plan or program whose medical benefits are payable only after a primary payer has provided medical benefits in accordance with applicable law and the plan of the primary payer.

''(5) The term 'TRICARE eligible employee' means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

''(j) EFFECTIVE DATE.—This section shall take effect on January 1, 2008.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097b the following new item:

''1097c. TRICARE program: relationship with employer-sponsored group health plans.''.

SEC. 723. ENROLLMENT IN THE TRICARE PROGRAM.

(a) SYSTEM OF ENROLLMENT REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097c, as added by section 722(a) of this Act, the following new section:

''§ 1097d. TRICARE program: system of enrollment

''(a) ESTABLISHMENT OF SYSTEM.—Not later than October 1, 2007, the Secretary of Defense shall establish a universal system for enrollment of all beneficiaries who obtain health care services from military medical treatment facilities or civilian health care providers under the TRICARE program (in this section referred to as 'participating beneficiaries').

''(b) PURPOSES OF SYSTEM.—The purposes of the system required by subsection (a) shall be as follows:

''(1) To ensure the efficient administration of benefits under the TRICARE program, including the Standard option of TRICARE.

''(2) To ensure that the geographic distribution of healthcare providers under the TRICARE program meets the needs of participating beneficiaries for ready access to health care services under the program.

''(3) To promote the implementation of disease management and chronic care management programs authorized by the National

Defense Authorization Act for Fiscal Year 2007 and other provisions of law.

''(c) ELEMENTS.—The system required by subsection (a) shall be subject to the following:

''(1) Enrollment is required for all benefits options under the TRICARE program.

''(2) A one-time enrollment fee (in the amount of $25, in the case of an individual enrolling in self only coverage, or $40, in the case of an individual enrolling in self and family coverage) may be collected for all participating beneficiaries who utilize the Standard option of TRICARE, except that such enrollment fee may not be collected from the following:

''(A) Dependents of members of the armed forces on active duty.

''(B) Dependents of Reserves on extended active duty pursuant to a call or order to active duty of 30 days or more.

''(C) Participating beneficiaries who are also eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

''(D) Participating beneficiaries enrolled in TRICARE Reserve Select under section 1076d of this title.

''(3) Enrollment in the system may occur at any time.

''(4) Enrollment in the system shall be by a variety of means utilizing a standard format.

''(d) ADMINISTRATION.—The Secretary shall provide for the administration of the system in each region of the TRICARE program by the TRICARE Regional Director for such region.

''(e) HEALTH RISK ASSESSMENT.—(1) The Secretary of Defense shall provide to each participating beneficiary who enrolls in the system required by subsection (a) a health risk assessment not later than 120 days after the date of the enrollment of such participating beneficiary in the system.

''(2) The Secretary shall provide health risk assessments under paragraph (1) by any means that the Secretary considers appropriate for purposes of this section.

''(f) CONSEQUENCES OF LACK OF PAYMENT OF ENROLLMENT FEE.—(1) In the case of any participating beneficiary who is subject to the payment of an enrollment fee under the authority in subsection (c)(2), payment of the enrollment fee shall, except as provided in paragraph (2), be a condition for receipt of benefits under the TRICARE program.

''(2) The Secretary of Defense may waive the applicability of paragraph (1) to any participating beneficiary or class of participating beneficiaries if the Secretary determines that the waiver is in the best interests of the United States.

''(g) COMMUNICATIONS AND OUTREACH WITH ENROLLEES.—(1) The Secretary of Defense shall, on a periodic basis but not less often than annually, provide to participating beneficiaries who are enrolled in the system required by subsection (a) information on current matters relating to the TRICARE program, including information on benefits available under the TRICARE program and information on preventive health care services and other practices intended to promote health and wellness among such participating beneficiaries.

''(2) The Secretary shall, on a periodic basis, conduct surveys or otherwise collect information on participating beneficiaries enrolled in the system with respect to the following:

''(A) The satisfaction of such beneficiaries who are participants in the option of the TRICARE program known as TRICARE Standard with the nature and scope of, and access to, health care services under that option.

''(B) Other health care insurance, if any, that is available to such beneficiaries.

''(C) Any other matters that the Secretary considers appropriate to improve health care benefits and access to health care services under the TRICARE program.

''(h) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the other administering Secretaries.''.

(b) COMPTROLLER GENERAL REPORT ON SYSTEM.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the system of enrollment required by section 1097d of title 10, United States Code (as added by subsection (a)). The report shall include the following:

(1) An assessment of the progress made toward implementation of the system.

(2) A description and assessment of the integration of the system with the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the system by October 1, 2007.

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 1099 of title 10, United States Code, is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of such title is amended—

(1) by inserting after the item relating to section 1097c, as added by section 722(b) of this Act, the following new item:

''1097d. TRICARE program: system of enrollment.'';

and

(2) by striking the item relating to section 1099.

SEC. 724. INCENTIVE PAYMENTS FOR THE PROVISION OF SERVICES UNDER THE TRICARE PROGRAM IN MEDICALLY UNDERSERVED AREAS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097d, as added by section 723(a) of this Act, the following new section:

''§ 1097e. TRICARE program: incentive payments for provision of services in medically underserved areas

''(a) INCENTIVE PAYMENTS AUTHORIZED.—(1) Commencing with the calendar quarter beginning on January 1, 2008, the Secretary of Defense, after consultation with the other administering Secretaries, shall make incentive payments under this section to physicians participating in the TRICARE program in a medically underserved area.

''(2) Incentive payments payable under this section shall be paid with respect to physician professional services furnished in medically underserved areas.

''(3) The incentive payment payable under this section with respect to a physician professional service is in addition to any other amounts payable for such service under the TRICARE program.

''(b) MEDICALLY UNDERSERVED AREA.—For purposes of this section, a medically underserved area is either of the following:

''(1) A primary care scarcity county (with respect to a primary care physician) or specialist care scarcity county (with respect to any other physician) identified by the Secretary of Health and Human Services under section 1833(u)(4) of the Social Security Act (42 U.S.C. 1395l(u)(4)).

''(2) A health professional shortage area identified by the Secretary of Health and Human Services under section 1833(m)(1) of the Social Security Act (42 U.S.C. 1395l(m)(1)).

''(c) AMOUNT OF INCENTIVE PAYMENT.—The amount of the incentive payment payable under subsection (a) with respect to a physician professional service is as follows:

''(1) In the case of a service furnished by a primary care physician in a primary care scarcity county or a service furnished by any other physician in a specialist care scarcity county covered by subsection (b)(1), an amount equal to 5 percent of the amount payable for the service under the TRICARE program.

''(2) In the case of a service furnished in an area covered by subsection (b)(2), an amount equal to 10 percent of the amount payable for the service under the TRICARE program.

''(3) In the case of a service provided in a location that is covered by both paragraphs (1) and (2) of subsection (b), an amount equal to 15 percent of the amount payable for the service under the TRICARE program.

''(d) LOCATION OF PROVISION OF SERVICE.—(1) For purposes of identifying the location in which a physician professional service is furnished for purposes of this section, the Secretary of Defense shall use the 5-digit postal ZIP code system.

''(2) If the 5-digit postal ZIP code for an area covers more than one county, the dominant county (as determined by the United States Postal Service or otherwise) shall be used to determine whether the postal ZIP code is in a scarcity county covered by subsection (b)(1).

''(e) FREQUENCY OF PAYMENT.—Incentive payments payable under this section shall be paid on a quarterly basis for incentive payments accrued during the previous calendar quarter.

''(f) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title, as amended by section 723(d)(1) of this Act, is further amended by inserting after the item relating to section 1097d the following new item:

''1097e. TRICARE program: incentive payments for provision of services in medically underserved areas.''.

SEC. 725. STANDARDIZATION OF CLAIMS PROCESSING UNDER TRICARE PROGRAM AND MEDICARE PROGRAM.

(a) IN GENERAL.—Effective October 1, 2007, the claims processing requirements under the TRICARE program on the matters described in subsection (b) shall be identical to the claims processing requirements under the Medicare program on such matters.

(b) COVERED MATTERS.—The matters described in this subsection are as follows:

(1) The utilization of single or multiple provider identification numbers for purposes of the payment of health care claims by Department of Defense contractors.

(2) The documentation required to substantiate medical necessity for items and services that are covered under both the TRICARE program and the Medicare program.

(c) IMMEDIATE COLLECTION FROM THIRD-PARTY PAYERS.—

(1) POLICY REQUIRED.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe in regulations a policy for the collection of amounts from third-party payers as authorized by section 1095 of title 10, United States Code, immediately upon the presentation of claims for health care services to the Department of Defense.

(2) OVERPAYMENT.—The policy required by subsection (a) shall include mechanisms for the recoupment by third-party payers of amounts overpaid to the United States under the policy.

(d) ANNUAL REPORTS ON CLAIMS PROCESSING STANDARDIZATION.—

(1) IN GENERAL.—Not later than October 1, 2007, and annually thereafter, the Secretary

of Defense shall submit to the congressional defense committees a report setting forth a complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each claims processing requirement listed in such report, a business case that justifies maintaining such requirement under the TRICARE program as a different claims processing requirement than that required under the Medicare program.

(e) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

(2) The term ''Medicare program'' means the program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(3) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 726. REQUIREMENTS FOR SUPPORT OF MILITARY TREATMENT FACILITIES BY CIVILIAN CONTRACTORS UNDER TRICARE.

(a) ANNUAL INTEGRATED REGIONAL REQUIREMENTS ON SUPPORT.—The Regional Director of each region under the TRICARE program shall develop each year integrated, comprehensive requirements for the support of military treatment facilities in such region that is provided by contract civilian health care and administrative personnel under the TRICARE program.

(b) PURPOSES.—The purposes of the requirements established under subsection (a) shall be as follows:

(1) To ensure consistent standards of quality in the support of military treatment facilities by contract civilian health care personnel under the TRICARE program.

(2) To identify targeted, actionable opportunities throughout each region of the TRICARE program for the most efficient delivery of health care and support of military treatment facilities.

(3) To ensure the most effective use of various available contracting methods in securing support of military treatment facilities by civilian personnel under the TRICARE program, including resource-sharing and clinical support agreements, direct contracting, and venture capital investments.

(4) To achieve savings targets for each region under the TRICARE program.

(c) FACILITATION AND ENHANCEMENT OF CONTRACTOR SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to facilitate and enhance the support of military treatment facilities under the TRICARE program in order to assure maximum quality and productivity.

(2) ACTIONS.—In taking actions under paragraph (1), the Secretary shall—

(A) ensure approval by a Regional Director of all proposals for the support of military treatment facilities in the region concerned in accordance with the most current requirements established by such Regional Director under subsection (a);

(B) ensure the availability of adequate and sustainable funding support for projects which produce a return on investment to the military treatment facilities;

(C) ensure that a portion of any return on investment is returned to the military treatment facility to which such savings are attributable;

(D) require consistent standards of quality for contract civilian health care personnel providing support of military treatment facilities under the TRICARE program, including—

(i) consistent credentialing requirements among military treatment facilities; and

(ii) accreditation of health care staffing firms by the Joint Commission on the Accreditation of Health Care Organization Health Care Staffing Standards;

(E) remove financial disincentives for military treatment facilities and civilian contractors to initiate and sustain agreements for the support of military treatment facilities by such contractors under the TRICARE program;

(F) provide for a consistent process across all regions of the TRICARE program for developing cost benefit analyses of agreements for the support of military treatment facilities by civilian contractors under the TRICARE program based on actual cost and utilization data within each region of the TRICARE program; and

(G) provide for a system for tracking the performance of each project for support of military treatment facilities by a civilian contractor under the TRICARE program.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1 each year, the Secretary shall submit to the congressional defense committees a report on the support of military treatment facilities by civilian contractors under the TRICARE program during the preceding fiscal year.

(2) ELEMENTS.—Each report shall set forth, for the fiscal year covered by such report, the following:

(A) The status of the support of military health treatment facilities that is provided by contract civilian health care personnel under the TRICARE program in each region of the TRICARE program.

(B) An assessment of the compliance of such support with regional requirements under subsection (a).

(C) The number and type of agreements for the support of military treatment facilities by contract civilian health care personnel.

(D) The standards of quality in effect under the requirements under subsection (a).

(E) The savings anticipated, and any savings achieved, as a result of the implementation of the requirements under subsection (a).

SEC. 727. UNIFORM STANDARDS FOR ACCESS TO HEALTH CARE SERVICES FOR WOUNDED OR INJURED SERVICEMEMBERS.

(a) UNIFORM STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations uniform standards for the access of wounded or injured members of the Armed Forces to health care services through the military health care system.

(b) MATTERS COVERED BY STANDARDS.—The standards required by subsection (a) shall establish uniform policy with respect to the following:

(1) The access of wounded or injured members of the Armed Forces to emergency care.

(2) The access of such members to surgical services.

(3) Waiting times for referrals and consultations of such members by medical personnel, dental personnel, mental health specialists, and rehabilitative service specialists, including personnel and specialists with expertise in prosthetics and the in treatment of head, vision, and spinal cord injuries.

(4) Waiting times of such members for acute care and for routine follow-up care.

(c) REFERRAL TO PROVIDERS OUTSIDE MILITARY HEALTH CARE SYSTEM.—To the extent practicable, the Secretary shall require in the standards under subsection (a) that the standards be met through whatever means or mechanisms possible, including through the referral of members described in that subsection to health care providers outside the military health care system.

(d) TRACKING OF PERFORMANCE.—The standards required by subsection (a) shall require each Secretary concerned to establish mechanisms for tracking the performance of the military health care system under the jurisdiction of such Secretary in meeting the requirements for access of wounded or injured members of the Armed Forces to health care services set forth in such standards.

(e) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' has the meaning given that term in section 101(a) of title 10, United States Code.

SEC. 728. DISEASE AND CHRONIC CARE MANAGEMENT.

(a) PROGRAM REQUIRED.—Not later than October 1, 2007, the Secretary of Defense shall establish and implement throughout the military health care system a fully-integrated program on disease and chronic care management that provides, to the extent practicable, uniform policies and practices, and regional execution of such policies and practices, on disease management and chronic care management throughout that system, including both military hospitals and clinics and civilian healthcare providers.

(b) PURPOSES OF PROGRAM.—The purposes of the program required by subsection (a) are as follows:

(1) To facilitate the improvement of the health status of individuals under care in the military health care system.

(2) To ensure the availability of effective health care services in that system for individuals with diseases and other chronic conditions.

(3) To ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions.

(c) ELEMENTS.—The program required by subsection (a) shall meet the following requirements:

(1) Based on uniform policies prescribed by the Secretary under subsection (a), the program shall, at a minimum, address the following chronic diseases and conditions:

(A) Diabetes.

(B) Cancer.

(C) Heart disease.

(D) Asthma.

(E) Chronic obstructive pulmonary disorder.

(F) Depression and anxiety disorders.

(2) The program shall meet nationally-recognized accreditation standards for disease and chronic care management.

(3) The program shall include specific outcome measures and objectives on disease and chronic care management.

(4) The program shall include strategies for disease and chronic care management for all beneficiaries, including beneficiaries eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), for whom the TRICARE program is not the primary payer for health care benefits.

(5) Activities under the program shall conform to applicable laws and regulations relating to the confidentiality of health care information.

(d) DESIGN OF CERTAIN PORTIONS OF PROGRAM.—As part of the program required under subsection (a), the Secretary may contract for the design of a disease and chronic care management program for the military health care system.

(e) ACTIONS TO FACILITATE PROGRAM.—In order to facilitate the carrying out of the program required by subsection (a), the Secretary shall—

(1) require a comprehensive analysis of the disease and chronic care management opportunities within each region of the TRICARE program, including within military treatment facilities and through contractors under the TRICARE program;

(2) ensure continuous, adequate funding of disease and chronic care management activities throughout the military health care system in order to achieve maximum health outcomes and cost avoidance;

(3) eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors of the Department of Defense in the disease and chronic care management activities of the Department;

(4) ensure that appropriate clinical and claims data, including pharmacy utilization data, is available for use in implementing the program;

(5) ensure outreach to eligible beneficiaries, who, on the basis of their clinical conditions, are candidates for the program utilizing print and electronic media, telephone, and personal interaction; and

(6) provide a system for monitoring improvements in health status and clinical outcomes under the program and savings associated with the program.

(f) COMPTROLLER GENERAL REPORT.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the program required by subsection (a). The report shall include the following:

(1) An assessment of the progress made toward implementation of the program.

(2) A description and assessment of the integration of disease and chronic care management strategies in the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the program by October 1, 2007.

(g) SECRETARY OF DEFENSE REPORTS.—

(1) IN GENERAL.—Not later than January 1, 2008, and every year thereafter, the Secretary shall submit to the congressional defense committees a report on the program required by subsection (a).

(2) REPORT ELEMENTS.—Each report required by this subsection shall include the following:

(A) An assessment of the program during the one-year period ending on the date of such report.

(B) A description and assessment of improvements in health status and clinical outcomes.

(C) A description of the savings and return on investment associated with the program.

(D) A description of an investment strategy to assure the sustainment of the disease and chronic care management programs of the Department of Defense.

SEC. 729. POST-DEPLOYMENT HEALTH ASSESSMENTS FOR MEMBERS OF THE ARMED FORCES RETURNING FROM DEPLOYMENT IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe in regulations requirements applicable to the conduct of post-deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation.

(b) GENERAL REQUIREMENTS.—The regulations prescribed under subsection (a) shall require the following:

(1) That a health assessment be conducted on each member of the Armed Forces returning from deployment in support of a contingency operation within such time after the return of such member from deployment as the Secretary shall specify in the regulations.

(2) That each health assessment be conducted by a healthcare provider having such qualifications as the Secretary shall specify in the regulations.

(3) That each health assessment assess such health-related matters as the Secretary shall specify in the regulations, including an assessment of mental health (including Traumatic Brain Injury (TBI)) for referral of a member for further evaluation relating to mental health (including evaluation of the effects of combat or operational stress).

(4) That the results of each health assessment be stored in a centralized data base maintained by the Secretary under this section.

(c) ASSESSMENTS OF MENTAL HEALTH.—

(1) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—The regulations prescribed under subsection (a) shall include—

(A) criteria to be utilized by healthcare providers in determining whether to refer a member of the Armed Forces for further evaluation relating to mental health (including Traumatic Brain Injury);

(B) mechanisms to ensure that healthcare providers are trained in the application of such criteria in making such determinations; and

(C) mechanisms for oversight to ensure that healthcare providers apply such criteria consistently.

(2) AVAILABILITY OF REFERRAL.—Under the regulations, a copy of a referral of a member for further evaluation relating to mental health shall be—

(A) provided to the member;

(B) placed in the healthcare record of the member that is maintained by the Department of Defense; and

(C) provided to the healthcare manager of the member.

(3) TRACKING MECHANISMS.—The regulations shall include mechanisms to ensure that a member who receives a referral for further evaluation relating to mental health receives such evaluation and obtains such care and services as are warranted.

(4) QUALITY ASSURANCE.—The regulations shall include a requirement that the Department address, as part of the deployment health assessment quality assurance program of the Department, the following:

(A) The types of healthcare providers conducting post-deployment health assessments.

(B) The training received by such providers applicable to the conduct of such assessments, including training on assessments and referrals relating to mental health.

(C) The guidance available to such providers on how to apply the criteria prescribed under paragraph (1)(A) in determining whether to make a referral for further evaluation of a member of the Armed Forces relating to mental health.

(D) The effectiveness of the tracking mechanisms required under paragraph (3) in ensuring that members who receive referrals for further evaluations relating to mental health receive such evaluations and obtain such care and services as are warranted.

(d) COMPTROLLER GENERAL REPORTS ON IMPLEMENTATION OF REQUIREMENTS.—

(1) STUDY ON IMPLEMENTATION.—The Comptroller General of the United States shall carry out a study of the implementation of the requirements prescribed under this section.

(2) PERIODIC EVALUATION OF MENTAL HEALTH ASSESSMENT PROCESSES.—The Comptroller General shall, on a periodic basis, evaluate the following:

(A) The compliance of the Department of Defense and healthcare providers with the requirements under this section applicable to the assessment and referral of members of the Armed Forces relating to mental health.

(B) The effectiveness of the processes under such requirements in addressing the mental health care needs of members returning from deployments overseas.

(3) REPORTS.—(A) Not later than March 1, 2007, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study carried out under paragraph (1).

(B) Upon completion of an evaluation under paragraph (2), the Comptroller General shall submit to the committees of Congress referred to in subparagraph (A) a report on such evaluation.

(e) CONTINGENCY OPERATION DEFINED.—In this section, the term ''contingency operation'' has the meaning given that term in section 101(a)(13) of title 10, United States Code.

SEC. 730. MENTAL HEALTH SELF-ASSESSMENT PROGRAM.

(a) FINDING.—Congress finds that the Mental Health Self-Assessment Program (MHSAP) of the Department of Defense is vital to the overall health and well-being of deploying members of the Armed Forces and their families because that program provides—

(1) a non-threatening, voluntary, anonymous self-assessment of mental health that is effective in helping to detect mental health and substance abuse conditions;

(2) awareness regarding warning signs of such conditions; and

(3) information and outreach to members of the Armed Forces (including members of the National Guard and Reserves) and their families on specific services available for such conditions.

(b) EXPANSION OF PROGRAM.—The Secretary of Defense shall, acting through the Office of Health Affairs of the Department of Defense, take appropriate actions to expand the Mental Health Self-Assessment Program in order to achieve the following:

(1) The continuous availability of the assessment under the program to members and former members of the Armed Forces in order to ensure the long-term availability of the diagnostic mechanisms of the assessment to detect mental health conditions that may emerge over time.

(2) The availability of programs and services under the program to address the mental health of dependent children of members of the Armed Forces who have been deployed or mobilized.

(c) OUTREACH.—The Secretary shall develop and implement a plan to conduct outreach and other appropriate activities to expand and enhance awareness of the Mental Health Self-Assessment Program, and the programs and services available under that program, among members of the Armed Forces (including members of the National Guard and Reserves) and their families.

(d) REPORTS.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the actions undertaken under this section during the one-year period ending on the date of such report.

SEC. 731. ADDITIONAL AUTHORIZED OPTION PERIODS FOR EXTENSION OF CURRENT CONTRACTS UNDER TRICARE.

(a) ADDITIONAL NUMBER OF AUTHORIZED PERIODS.—

(1) IN GENERAL.—The Secretary of Defense, after consulting with the other administering Secretaries, may extend any contract for the delivery of health care entered into under section 1097 of title 10, United States Code, that is in force on the date of the enactment of this Act by one year, and upon expiration of such extension by one additional year, if the Secretary determines that such extension—

(A) is in the best interests of the United States; and

(B) will—

(i) facilitate the effective administration of the TRICARE program; or

(ii) ensure continuity in the delivery of health care under the TRICARE program.

(2) LIMITATION ON NUMBER OF EXTENSIONS.—The total number of one-year extensions of a contract that may be granted under paragraph (1) may not exceed 2 extensions.

(3) NOTICE AND WAIT.—The Secretary may not commence the exercise of the authority in paragraph (1) until 30 days after the date on which the Secretary submits to the congressional defense committees a report setting forth the minimum level of performance by an incumbent contractor under a contract covered by such paragraph that will be required by the Secretary in order to be eligible for an extension authorized by such paragraph.

(4) DEFINITIONS.—In this subsection, the terms ''administering Secretaries'' and ''TRICARE program'' have the meaning given such terms in section 1072 of title 10, United States Code.

(b) REPORT ON CONTRACTING MECHANISMS FOR HEALTH CARE SERVICE SUPPORT CONTRACTS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on contracting mechanisms under consideration for future contracts for health care service support under section 1097 of title 10, United States Code. The report shall include an assessment of the advantages and disadvantages for the Department of Defense (including the potential for stimulating competition and the effect on health care beneficiaries of the Department) of providing in such contracts for a single term of 5 years, with a single optional period of extension of an additional 5 years if performance under such contract is rated as ''excellent''.

SEC. 732. MILITARY VACCINATION MATTERS.

(a) ADDITIONAL ELEMENT FOR COMPTROLLER GENERAL STUDY AND REPORT ON VACCINE HEALTHCARE CENTERS.—Section 736(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3356) is amended by adding at the end the following new paragraph:

''(10) The feasibility and advisability of transferring direct responsibility for the Centers from the Army Medical Command to the Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Force Protection and Readiness.''.

(b) RESPONSE TO MEDICAL NEEDS ARISING FROM MANDATORY MILITARY VACCINATIONS.—

(1) IN GENERAL.—The Secretary of Defense shall maintain a joint military medical center of excellence focusing on the medical needs arising from mandatory military vaccinations.

(2) ELEMENTS.—The joint military medical center of excellence under paragraph (1) shall consist of the following:

(A) The Vaccine Healthcare Centers of the Department of Defense, which shall be the principal elements of the center.

(B) Any other elements that the Secretary considers appropriate.

(3) AUTHORIZED ACTIVITIES.—In acting as the principal elements of the joint military medical center under paragraph (1), the Vaccine Healthcare Centers referred to in paragraph (2)(A) may carry out the following:

(A) Medical assistance and care to individuals receiving mandatory military vaccines and their dependents, including long-term case management for adverse events where necessary.

(B) Evaluations to identify and treat potential and actual health effects from vaccines before and after their use in the field.

(C) The development and sustainment of a long-term vaccine safety and efficacy registry.

(D) Support for an expert clinical advisory board for case reviews related to disability assessment questions.

(E) Long-term and short-term studies to identify unanticipated benefits and adverse events from vaccines.

(F) Educational outreach for immunization providers and those required to receive immunizations.

(G) The development, dissemination, and validation of educational materials for Department of Defense healthcare workers relating to vaccine safety, efficacy, and acceptability.

(c) LIMITATION ON RESTRUCTURING OF VACCINE HEALTHCARE CENTERS.—

(1) LIMITATION.—The Secretary of Defense may not downsize or otherwise restructure the Vaccine Healthcare Centers of the Department of Defense until the Secretary submits to Congress a report setting forth a plan for meeting the immunization needs of the Armed Forces during the 10-year period beginning on the date of the submittal of the report.

(2) REPORT ELEMENTS.—The report submitted under paragraph (1) shall include the following:

(A) An assessment of the potential biological threats to members of the Armed Forces that are addressable by vaccine.

(B) An assessment of the distance and time required to travel to a Vaccine Healthcare Center by members of the Armed Forces who have severe reactions to a mandatory military vaccine.

(C) An identification of the most effective mechanisms for ensuring the provision services by the Vaccine Healthcare Centers to both military medical professionals and members of the Armed Forces.

(D) An assessment of current military and civilian expertise with respect to mass adult immunization programs, including case management under such programs for rare adverse reactions to immunizations.

(E) An organizational structure for each military department to ensure support of the Vaccine Healthcare Centers in the provision of services to members of the Armed Forces.

SEC. 733. ENHANCED MENTAL HEALTH SCREENING AND SERVICES FOR MEMBERS OF THE ARMED FORCES.

(a) REQUIRED ELEMENTS OF ASSESSMENTS.—Each pre-deployment mental health assessment of a member of the Armed Forces, shall include the following:

(1) A mental health history of the member, with emphasis on mental health status during the 12-month period ending on the date of the assessment and a review of military service during that period.

(2) An assessment of the current treatment of the member, and any use of psychotropic medications by the member, for a mental health condition or disorder.

(3) An assessment of any behavior of the member identified by the member's commanding officer that could indicate the presence of a mental health condition.

(4) Information provided by the member (through a checklist or other means) on the presence of any serious mental illness or any symptoms indicating a mental health condition or disorder.

(b) REFERRAL FOR FURTHER EVALUATION.—Each member of the Armed Forces who is determined during a pre-deployment or post-deployment mental health assessment to have, or have symptoms or indicators for, a mental health condition or disorder shall be referred to a qualified health care professional with experience in the evaluation and diagnosis of mental health conditions.

(c) REFERRAL OF MEMBERS DEPLOYED IN CONTINGENCY OR COMBAT OPERATIONS.—Any member of the Armed Forces called or ordered to active duty in support of contingency or combat operations who requests access to mental health care services any time before, during, or after deployment shall be provided access to such services—

(1) not later than 72 hours after the making of such request; or

(2) at the earliest practicable time thereafter.

(d) MINIMUM MENTAL HEALTH STANDARDS FOR DEPLOYMENT.—

(1) STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations minimum standards for mental health for the eligibility of a member of the Armed Forces for deployment to a combat operation or contingency operation.

(2) ELEMENTS.—The standards required by paragraph (1) shall include the following:

(A) A specification of the mental health conditions, treatment for such conditions, and receipt of psychotropic medications for such conditions that preclude deployment of a member of the Armed Forces to a combat operation or contingency operation, or to a specified type of such operation.

(B) Guidelines for the deployability and treatment of members of the Armed Forces diagnosed with a severe mental illness or Post Traumatic Stress Disorder (PTSD).

(3) UTILIZATION.—The Secretary shall take appropriate actions to ensure the utilization of the standards prescribed under paragraph (1) in the making of determinations regarding the deployability of members of the Armed Forces to a combat operation or contingency operation.

(e) MONITORING OF CERTAIN INDIVIDUALS.—The Secretary of Defense shall develop a plan, to be implemented throughout the Department of Defense, for monitoring the mental health of each member of the Armed Forces who, after deployment to a combat operation or contingency operation, is known—

(1) to have a mental health condition or disorder; or

(2) to be receiving treatment, including psychotropic medications, for a mental health condition or disorder.

(f) IMPLEMENTATION.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House or Representatives a report on the actions taken to implement the requirements of this section.

SEC. 734. EDUCATION, TRAINING, AND SUPERVISION OF PERSONNEL PROVIDING SPECIAL EDUCATION SERVICES UNDER EXTENDED BENEFITS UNDER TRICARE.

Section 1079(d)(2) of title 10, United States Code is amended by adding at the end the following: ''The regulations shall include the following:

''(A) Requirements for education, training, and supervision of individuals providing special education services known as Applied Behavioral Analysis under this subsection that are in addition to any other education, training, and supervision requirements applicable to Board Certified Behavior Analysts or Board Certified Associate Behavior Analysts or are otherwise applicable to personnel providing such services under applicable State law.

''(B) Metrics to identify and measure the availability and distribution of individuals of various expertise in Applied Behavioral Analysis in order to evaluate and assure the availability of qualified personnel to meet needs for Applied Behavioral Analysis under this subsection.''.

Subtitle C—Studies and Reports

SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND TREATMENT OF POST TRAUMATIC STRESS DISORDER AND OTHER MENTAL HEALTH CONDITIONS.

(a) PILOT PROJECTS REQUIRED.—The Secretary of Defense shall carry out not less than three pilot projects to evaluate the efficacy of various approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder (PTSD) and other mental health conditions.

(b) DURATION.—The requirement to carry out pilot projects under this section shall commence on October 1, 2007. Any pilot projects carried out under this section shall cease on September 30, 2008.

(c) PILOT PROJECT REQUIREMENTS.—

(1) MOBILIZATION-DEMOBILIZATION FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at a military medical facility at a large military installation at which the mobilization or demobilization of members of the Armed Forces occurs.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed to evaluate and produce effective diagnostic and treatment approaches for use by primary care providers in the military health care system in order to improve the capability of such providers to diagnose and treat Post Traumatic Stress Disorder in a manner that avoids the referral of patients to specialty care by a psychiatrist or other mental health professional.

(2) NATIONAL GUARD OR RESERVE FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at the location of a National Guard or Reserve unit or units that are located more than 40 miles from a military medical facility and whose personnel are served primarily by civilian community health resources.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed—

(i) to evaluate approaches for providing evidence-based clinical information on Post Traumatic Stress Disorder to civilian primary care providers; and

(ii) to develop educational materials and other tools for use by members of the National Guard or Reserve who come into contact with other members of the National Guard or Reserve who may suffer from Post Traumatic Stress Disorder in order to encourage and facilitate early reporting and referral for treatment.

(3) INTERNET-BASED DIAGNOSIS AND TREATMENT.—One of the pilot projects under this section shall be designed to evaluate—

(A) Internet-based automated tools available to military and civilian health care providers for the early diagnosis and treatment of Post Traumatic Stress Disorder, and for tracking patients who suffer from Post Traumatic Stress Disorder; and

(B) Internet-based tools available to family members of members of the Armed Forces in order to assist such family members in the identification of the emergence of Post Traumatic Stress Disorder.

(d) EVALUATION OF PILOT PROJECTS.—The Secretary shall evaluate each pilot project carried out under this section in order to assess the effectiveness of the approaches taken under such pilot project—

(1) to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the regular components of the Armed Forces, and among members of the National Guard and Reserves, who have returned from deployment; and

(2) to provide outreach to the family members of the members of the Armed Forces described in paragraph (1) on Post Traumatic Stress Disorder and other mental health conditions among such members of the Armed Forces.

(e) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—Not later than December 31, 2008, the Secretary shall submit to the congressional defense committees a report on the pilot projects carried out under this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of each pilot project carried out under this section.

(B) An assessment of the effectiveness of the approaches taken under each pilot project to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces.

(C) Any recommendations for legislative or administrative action that the Secretary considers appropriate in light of the pilot projects, including recommendations on—

(i) the training of health care providers in the military and civilian health care systems on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions; and

(ii) the provision of outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserves who have returned from deployment.

(D) A plan, in light of the pilot projects, for the improvement of the health care services provided to members of the Armed Forces in order to better assure the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces, including a specific plan for outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserve who have returned from deployment in order to facilitate and enhance the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among such members of the National Guard and Reserves.

(f) FUNDING.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 303(a) for the Defense Health Program, $10,000,000 shall be available for pilot projects under this section.

(2) AVAILABILITY.—The amount available under paragraph (1) shall remain available until expended.

SEC. 742. ANNUAL REPORTS ON CERTAIN MEDICAL MALPRACTICE CASES.

(a) ANNUAL REPORTS TO SECRETARY OF DEFENSE.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1, 2007, and annually thereafter, each Secretary of a military department shall submit to the Secretary of Defense a report on the following:

(A) Each case (other than a case involving the treatment of a member of the Armed Forces on active duty) during the preceding calendar year in which—

(i) a complaint or claim was made of medical malpractice committed in a medical treatment facility of such military department or by a health care provider of or employed by such military department; and

(ii) either—

(I) a judgment was entered against the United States in the amount of $1,000,000 or more; or

(II) an award, compromise, or settlement was entered into by the United States requiring payment by the United States in the amount of $1,000,000 or more.

(B) Each case during the preceding calendar year in which the death of, or serious personal injury to, a member of the Armed Forces on active duty occurred as a result of medical malpractice while the member was a patient in a medical treatment facility of such military department or under the care of a health care provider of or employed by such military department.

(2) REQUIRED INFORMATION.—The information required in a report under paragraph (1) on a case covered by such paragraph shall include the following:

(A) A description of the medical malpractice involved.

(B) A description of the actions, if any, taken with respect to the continued practice in the military health care system of the health care professionals involved.

(b) TRANSMITTAL OF REPORTS TO CONGRESS.—

(1) TRANSMITTAL REQUIRED.—Not later than April 1, 2007, and annually thereafter, the Secretary of Defense shall transmit to the congressional defense committees the reports submitted to the Secretary by the Secretaries of the military departments in such year.

(2) TRANSMITTAL MATTERS.—In transmitting reports for a year under paragraph (1), the Secretary may include with such reports the following:

(A) Any information or recommendations with respect to the matters covered by such reports that the Secretary considers appropriate.

(B) A summary of the actions taken during the year to address medical malpractice in the military health care system.

(c) DISCLOSURE OF INFORMATION.—In submitting or transmitting reports under this section, the Secretaries of the military departments and the Secretary of Defense shall ensure that the information contained in such reports is suitable for disclosure to the public, taking into account the provisions of law as follows:

(1) Section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act'').

(2) Laws relating to the protection and confidentiality of medical quality assurance records, including the provisions of section 1102 of title 10, United States Code.

(3) Any other laws relating to the protection and confidentiality of medical records.

SEC. 743. COMPTROLLER GENERAL STUDY ON DEPARTMENT OF DEFENSE PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the Department of Defense pharmacy benefits program required by section 1074g of title 10, United States Code.

(b) ELEMENTS.—The study required by subsection (a) shall include an examination of the following:

(1) The cost of the Department of Defense pharmacy benefits program since the inception of the program.

(2) The relative costs of various options under the program.

(3) The copayment structure under the program.

(4) The effectiveness of the rebate system under the program as a way of passing on discounts received by the Federal Government in the purchase of pharmaceutical agents.

(5) The uniform formulary under the program, including the success of the formulary in achieving savings anticipated through use of the formulary.

(6) Various alternative means of purchasing pharmaceutical agents more efficiently for availability under the program.

(7) The composition and decision-making processes of the Pharmacy and Therapeutics Committee.

(8) The composition of the Beneficiary Advisory Panel and its history as an advisory panel under the program (including the frequency of the acceptance of its recommendations by the Secretary of Defense).

(9) Quality assurance mechanisms under the program.

(10) The role of the program in support of the disease and chronic care management programs of the Department of Defense.

(11) Mechanisms for customer service and customer feedback under the program.

(12) Beneficiary satisfaction with the program.

(c) RESPONSE TO CERTAIN FINDINGS.—

(1) PHARMACY AND THERAPEUTICS COMMITTEE.—The Pharmacy and Therapeutics Committee shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(7); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and decision-making processes of the Committee as the Committee considers appropriate in light of such results in order to improve the efficiency of such processes.

(2) BENEFICIARY ADVISORY PANEL.—The Beneficiary Advisory Panel shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(8); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and advisory functions of the Panel as the Panel considers appropriate in light of such results in order to—

(i) ensure the independence and consumer focus of the Panel;

(ii) ensure the participation of the Panel as an advisory board throughout implementation of the Department of Defense pharmacy benefits program; and

(iii) achieve more effective communication between the Secretary and the Panel.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the study required by subsection (a). The report shall include such recommendations as the Comptroller General considers appropriate for legislative or administrative action to improve the Department of Defense pharmacy benefits program in light of the study.

SEC. 744. COMPTROLLER GENERAL AUDITS OF DEPARTMENT OF DEFENSE HEALTH CARE COSTS AND COST-SAVING MEASURES.

(a) GENERAL AUDIT REQUIRED.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the health care costs and cost-saving measures of the Department of Defense in accordance with this subsection. The Comptroller General shall conduct the audit in conjunction with the Department of Defense initiative to manage future medical benefits available through the Department known as ''Sustain the Benefit''.

(2) ELEMENTS.—The audit required by paragraph (1) shall examine the following:

(A) The basis for the calculation by the Department of Defense of the portion of the costs of health care benefits provided by the Department to beneficiaries that were paid by such beneficiaries in each of 1995 and 2005, including—

(i) a comparison of the cost to the Department of providing such benefits in each of 1995 and 2005;

(ii) the explanation for any increases in the costs of the Department of providing such benefits between 1995 and 2005; and

(iii) a comparison of the amounts paid, by category of beneficiaries, for health care benefits in 1995 with the amounts paid, by category of beneficiaries, for such benefits in 2005.

(B) The calculations and assumptions utilized by the Department in estimating the savings anticipated through the implementation of proposed increases in cost-sharing for health care benefits beginning in 2007.

(C) The average annual rate of increase, based on inflation, of medical costs for the Department under the Defense Health Program.

(D) The annual rate of growth in the cost of the Defense Health Program that is attributable to inflation in the cost of medical services over the last five years and how such rate of growth compares with annual rates of increases in health care premiums under the Federal Employee Health Benefit Program and other health care programs as well as rates of growth of other health care cost indices over that time.

(E) The assumptions utilized by the Department in estimating savings associated with adjustments in copayments for pharmaceuticals.

(F) The costs of the administration of the Defense Health Program and the TRICARE program for all categories of beneficiaries.

(c) AUDIT OF TRICARE RESERVE SELECT PROGRAM.—

(1) IN GENERAL.—In addition to the audit required by subsection (a), the Comptroller General shall conduct an audit of the costs of the Department of Defense in implementing the TRICARE Reserve Select Program.

(2) ELEMENTS.—The audit required by paragraph (1) shall include an examination of the following:

(A) A comparison of the annual premium amounts established by the Department of Defense for the TRICARE Reserve Select Program with the actual costs of the Department in providing benefits under that program in fiscal years 2004 and 2005.

(B) The rate of inflation of health care costs of the Department during fiscal years 2004 and 2005, and a comparison of that rate of inflation with the annual increase in premiums under the TRICARE Reserve Select Program in January 2006.

(C) A comparison of the financial and health-care utilization assumptions utilized by the Department in establishing premiums under the TRICARE Reserve Select Program with actual experiences under that program in the first year of the implementation of that program.

(3) TRICARE RESERVE SELECT PROGRAM DEFINED.—In this section, the term ''TRICARE Reserve Select Program'' means the program carried out under section 1074d of title 10, United States Code.

(d) USE OF INDEPENDENT EXPERTS.—Notwithstanding any other provision of law, in conducting the audits required by this section, the Comptroller General may engage the services of appropriate independent experts, including actuaries.

(e) REPORT.—Not later than April 1, 2007, the Comptroller General shall submit to the congressional defense committees a report on the audits conducted under this section. The report shall include—

(1) the findings of the Comptroller General as a result of the audits; and

(2) such recommendations as the Comptroller General considers appropriate in light of such findings to ensure maximum efficiency in the administration of the health care benefits programs of the Department of Defense.

SEC. 745. REVIEW OF DEPARTMENT OF DEFENSE MEDICAL QUALITY IMPROVEMENT PROGRAM.

(a) REVIEW REQUIRED.—The Secretary of Defense shall enter into a contract with the Institute of Medicine of the National Academy of Sciences, or another similarly qualified independent academic medical organization, for the purpose of conducting an independent review of the Department of Defense medical quality improvement program.

(b) ELEMENTS.—The review required pursuant to subsection (a) shall include the following:

(1) An assessment of the methods used by the Department of Defense to monitor medical quality in services provided in military hospitals and clinics and in services provided in civilian hospitals and providers under the military health care system.

(2) An assessment of the transparency and public reporting mechanisms of the Department on medical quality.

(3) An assessment of how the Department incorporates medical quality into performance measures for military and civilian health care providers within the military health care system.

(4) An assessment of the patient safety programs of the Department.

(5) A description of the extent to which the Department seeks to address particular medical errors, and an assessment of the adequacy of such efforts.

(6) An assessment of accountability within the military health care system for preventable negative outcomes involving negligence.

(7) An assessment of the performance of the health care safety and quality measures of the Department.

(8) An assessment of the collaboration of the Department with national initiatives to develop evidence-based quality measures and intervention strategies, especially the initiatives of the Agency for Health Care Research and Quality within the Department of Health and Human Services.

(9) A comparison of the methods, mechanisms, and programs and activities referred to in paragraphs (1) through (8) with similar methods, mechanisms, programs, and activities used in other public and private health care systems and organizations.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the review required pursuant to subsection (a).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the review required pursuant to subsection (a).

(B) A discussion of recent highlights in the accomplishments of the Department of Defense medical quality assurance program.

(C) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of the program.

SEC. 746. STUDY OF HEALTH EFFECTS OF EXPOSURE TO DEPLETED URANIUM.

(a) STUDY.—The Secretary of Defense, in consultation with the Secretary for Veterans Affairs and the Secretary of Health and Human Services, shall conduct a comprehensive study of the health effects of exposure to depleted uranium munitions on uranium-exposed soldiers and on children of uranium-exposed soldiers who were born after the exposure of the uranium-exposed soldiers to depleted uranium.

(b) URANIUM-EXPOSED SOLDIERS.—In this section, the term ''uranium-exposed soldiers'' means a member or former member of the Armed Forces who handled, came in contact with, or had the likelihood of contact with depleted uranium munitions while on

active duty, including members and former members who—

(1) were exposed to smoke from fires resulting from the burning of vehicles containing depleted uranium munitions or fires at depots at which depleted uranium munitions were stored;

(2) worked within environments containing depleted uranium dust or residues from depleted uranium munitions;

(3) were within a structure or vehicle while it was struck by a depleted uranium munition;

(4) climbed on or entered equipment or structures struck by a depleted uranium munition; or

(5) were medical personnel who provided initial treatment to members of the Armed Forces described in paragraph (1), (2), (3), or (4).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Defense shall submit a report to Congress on the results of the study described in subsection (a).

Subtitle D—Other Matters

SEC. 761. EXTENSION OF LIMITATION ON CONVERSION OF MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

Section 744(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3360; 10 U.S.C. 129c note) is amended—

(1) by inserting ''in a fiscal year'' before ''until'';

(2) by inserting ''with respect to that fiscal year'' after ''House of Representatives''; and

(3) by striking the last sentence and inserting the following new sentences: ''The certification with respect to fiscal year 2007 may not be submitted before June 30, 2006. The certification with respect to any fiscal year after fiscal year 2007 shall be submitted at the same time the budget of the President for such fiscal year is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.''.

SEC. 762. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-Up Agency (in this section referred to as the ''Agency'') of the Institute of Medicine of the National Academy of Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—Of the funds available to the Defense Health Program, the Secretary of Defense may make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study and shipment of data and specimens to the Medical Follow-Up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that year. The Secretary of Defense is authorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—Of the funds available to the Defense Health Program, the Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-Up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007 from amounts available from the Department of Defense for that year.

SEC. 763. SENSE OF SENATE ON THE TRANSFORMATIONAL MEDICAL TECHNOLOGY INITIATIVE OF THE DEPARTMENT OF DEFENSE.

(a) FINDINGS.—The Senate finds the following:

(1) The most recent Quadrennial Defense Review and other studies have identified the need to develop broad-spectrum medical countermeasures against the threat of genetically engineered bioterror agents.

(2) The Transformational Medical Technology Initiative of the Department of Defense implements cutting edge transformational medical technologies and applies them to address the challenges of known, emerging, and bioengineered threats.

(3) The Transformational Medical Technology Initiative is designed to provide such technologies in a much shorter timeframe, and at lower cost, than is required with traditional approaches.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Transformational Medical Technology Initiative is an important effort to provide needed capability within the Department of Defense to field effective broad-spectrum countermeasures against a significant array of current and future biological threats; and

(2) innovative technological approaches to achieve broad-spectrum medical countermeasures are a necessary component of the capacity of the Department to provide chemical-biological defense and force protection capabilities for the Armed Forces.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. ADDITIONAL CERTIFICATION REQUIREMENTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ADDITIONAL CERTIFICATION REQUIREMENTS.—Subsection (a) of section 2366a of title 10, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) redesignating paragraph (7) as paragraph (10); and

(3) by inserting after paragraph (6) the following new paragraphs:

''(7) the program is needed to meet validated requirements consistent with the national military strategy;

''(8) reasonable estimates have been developed to execute the product development and production plan under the program;

''(9) funding is available to execute the product development and production plan under the program consistent with the estimates described in paragraph (8) for the program; and''.

(b) WAIVER FOR NATIONAL SECURITY.—Subsection (c) of such section is amended by striking ''(5), or (6)'' and inserting ''(5), (6), (7), (8), or (9)''.

SEC. 802. EXTENSION AND ENHANCEMENT OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) PRIORITY FOR PROPOSALS FROM CERTAIN BUSINESSES.—Paragraph (5) of subsection (b) of section 2359b of title 10, United States Code, is amended to read as follows:

''(5) The Under Secretary—

''(A) may establish procedures to ensure that the Challenge Program does not become an avenue for the repetitive submission of proposals that have been previously reviewed and found not to have merit; and

''(B) may establish procedures to ensure that the Challenge Program establishes appropriate priorities for proposals from businesses that are not major contractors with the Department of Defense.''.

(b) EXTENSION.—Subsection (j) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2012''.

SEC. 803. BASELINE DESCRIPTION AND UNIT COST REPORTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) SPECIFICATION OF ORIGINAL BASELINE ESTIMATE.—Section 2435(d)(1) of title 10, United States Code, is amended by inserting after ''with respect to the program under subsection (a)'' the following: ''in preparation for entry into system development and demonstration, or at program initiation, whichever occurs later''.

(b) REPORTS TO CONGRESS ON CERTAIN COST INCREASES.—Section 2433(e)(1) of such title is amended by adding at the end the following new subparagraph:

''(C) If the Secretary concerned determines that the program acquisition unit cost or procurement unit cost of a major defense acquisition program has increased by a percentage equal to or greater than the significant cost growth threshold for the program and a Selected Acquisition Report has been submitted to Congress under subparagraph (A) or (B), each subsequent quarterly or comprehensive annual Selected Acquisition Report shall include the information required by subsection (g). No further report on increases in the program acquisition unit cost or procurement unit cost shall be required under subsection (c) or (d) unless the program manager has reasonable cause to believe that the program acquisition unit cost or procurement unit cost has increased by a percentage equal to or greater than the critical cost growth threshold.''.

SEC. 804. MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.

(a) REPORTS AND INFORMATION ON PROGRAM COST AND PERFORMANCE.—

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144 the following new chapter:

''CHAPTER 144A—MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS

''Sec.
''2445a. Major automated information system program defined.

''2445b. Cost, schedule, and performance information.
''2445c. Reports: quarterly reports; reports on program changes.
''2445d. Construction with other reporting requirements.

''§ 2445a. Major automated information system program defined

''(a) IN GENERAL.—In this chapter, the term 'major automated information system program' means a Department of Defense program for the acquisition of an automated information system (either as a product or a service) if—

''(1) the program is designated by the Secretary of Defense, or a designee of the Secretary, as a major automated information system program; or

''(2) the dollar value of the program is estimated to exceed—

''(A) $32,000,000 in fiscal year 2000 constant dollars for all program costs in a single fiscal year;

''(B) $126,000,000 in fiscal year 2000 constant dollars for all program acquisition costs for the entire program; or

''(C) $378,000,000 in fiscal year 2000 constant dollars for the total life-cycle costs of the program (including operation and maintenance costs).

''(b) ADJUSTMENT.—The Secretary of Defense may adjust the amounts (and base fiscal year) set forth in subsection (a) on the basis of Department of Defense escalation rates. An adjustment under this subsection shall be effective after the Secretary transmits a written notification of the adjustment to the congressional defense committees.

''(c) INCREMENTS.—In the event any increment of a major automated information system program separately meets the requirements for treatment as a major automated information system program, the provisions of this chapter shall apply to such increment as well as to the overall major automated information system program of which such increment is a part.

''§ 2445b. Cost, schedule, and performance information

''(a) SUBMITTAL OF COST, SCHEDULE, AND PERFORMANCE INFORMATION.—The Secretary of Defense shall submit to Congress each calendar year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, budget justification documents regarding cost, schedule, and performance for each major automated information system program for which funds are requested by the President in the budget.

''(b) ELEMENTS.—The documents submitted under subsection (a) with respect to a major automated information system program shall include detailed and summarized information with respect to the automated information system to be acquired under the program, and shall specifically include each of the following:

''(1) The development schedule, including major milestones.

''(2) The implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability.

''(3) Estimates of development costs and full life-cycle costs.

''(4) A summary of key performance parameters.

''(c) BASELINE.—(1) For purposes of this chapter, the initial submittal to Congress of the documents required by subsection (a) with respect to a major automated information system program shall constitute the original estimate or information originally submitted on such program for purposes of the reports and determinations on program changes in section 2445c of this title.

''(2) An adjustment or revision of the original estimate or information originally submitted on a program may be treated as the original estimate or information originally submitted on the program if the adjustment or revision is the result of a critical change in the program covered by section 2445c(d) of this title.

''(3) In the event of an adjustment or revision to the original estimate or information originally submitted on a program under paragraph (2), the Secretary of Defense shall include in the next budget justification documents submitted under subsection (a) after such adjustment or revision a notification to the congressional defense committees of such adjustment or revision, together with the reasons for such adjustment or revision.

''§ 2445c. Reports: quarterly reports; reports on program changes

''(a) QUARTERLY REPORTS BY PROGRAM MANAGERS.—The program manager of a major automated information system program shall, on a quarterly basis, submit to the senior Department of Defense official responsible for the program a written report identifying any variance in the projected development schedule, implementation schedule, life-cycle costs, or key performance parameters for the major automated information system to be acquired under the program from such information as originally submitted to Congress under section 2445b of this title.

''(b) SENIOR OFFICIALS RESPONSIBLE FOR PROGRAMS.—For purposes of this section, the senior Department of Defense official responsible for a major automated information system program is—

''(1) in the case of an automated information system to be acquired for a military department, the senior acquisition executive for the military department; or

''(2) in the case of any other automated information system to be acquired for the Department of Defense or any component of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(c) REPORT ON SIGNIFICANT CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 45 days after receiving such report, notify the congressional defense committees in writing of such determination.

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than 25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

''(d) REPORT ON CRITICAL CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

''(A) carry out an evaluation of the program under subsection (e); and

''(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally submitted to Congress under section 2445b(b) of this title.

''(e) PROGRAM EVALUATION.—The evaluation of a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(A) shall include an assessment of—

''(1) the projected cost and schedule for completing the program if current requirements are not modified;

''(2) the projected cost and schedule for completing the program based on reasonable modification of such requirements; and

''(3) the rough order of magnitude of the cost and schedule for any reasonable alternative system or capability.

''(f) REPORT ON CRITICAL PROGRAM CHANGES.—A report on a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(B) shall include a written certification (with supporting explanation) stating that—

''(1) the automated information system to be acquired under the program is essential to the national security or to the efficient management of the Department of Defense;

''(2) there is no alternative to the system which will provide equal or greater capability at less cost;

''(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

''(4) the management structure for the program is adequate to manage and control program costs.

''(g) PROHIBITION ON OBLIGATION OF FUNDS.—(1) If the determination of a critical change to a program is made by the senior Department official responsible for the program under subsection (d)(2) and a report is not submitted to Congress within the 60-day period provided by subsection (d)(1), appropriated funds may not be obligated for any major contract under the program.

''(2) The prohibition on the obligation of funds for a program under paragraph (1) shall cease to apply on the date on which Congress has received a report in compliance with the requirements of subsection (d)(2).

"§ 2445d. Construction with other reporting requirements

''In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no reports on the program are required under such chapter if the requirements of this chapter with respect to the program are met.''.

(2) CLERICAL AMENDMENTS.—The tables of chapters the beginning of subtitle A of such title, and of part IV of subtitle A of such title, are each amended by inserting after the item relating to chapter 144 the following new item:

"144A. Major Automated Information System Programs ..... 2445a".

(b) REPORT ON REPORTING REQUIREMENTS APPLICABLE TO MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the reporting requirements applicable to major automated information system programs as of the date of the report, including a specification of such reporting requirements considered by the Secretary to be duplicative or redundant.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on January 1, 2008, and shall apply with respect to any major automated information system program for which amounts are requested in the budget of the President (as submitted to Congress under section 1105 of title 31, United States Code) for a fiscal year after fiscal year 2008, regardless of whether the acquisition of the automated information system to be acquired under the program was initiated before, on, or after January 1, 2008.

(2) REPORT REQUIREMENT.—Subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 805. ADJUSTMENT OF ORIGINAL BASELINE ESTIMATE FOR MAJOR DEFENSE ACQUISITION PROGRAMS EXPERIENCING COST GROWTH RESULTING FROM DAMAGE CAUSED BY HURRICANES KATRINA, RITA, AND WILMA.

(a) ADJUSTMENT AUTHORIZED.—Notwithstanding any limitations under section 2435(d) of title 10, United States Code, the Secretary of Defense may adjust the original Baseline Estimate for a major defense acquisition program that is carried out primarily in the Hurricane Katrina disaster area, Hurricane Rita disaster area, or Hurricane Wilma disaster area for the sole purpose of addressing cost growth in such program that, as determined by the Secretary, is directly attributable to damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma.

(b) NOTICE TO CONGRESS.—The Secretary shall identify any adjustment to the original Baseline Estimate of a major defense acquisition program under subsection (a), and provide an explanation of the basis for such adjustment, in the first Selected Acquisition Report that is submitted under section 2432 of title 10, United States Code, after such adjustment is made.

(c) SUNSET.—The authority to adjust an original Baseline Estimate for a major defense acquisition program under subsection (a) shall expire on the date that is one year after the date of the enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) The term ''major defense acquisition program'' has the meaning given that term in section 2430 of title 10, United States Code.

(2) The term ''original Baseline Estimate'', in the case of a major defense acquisition program, means the first baseline description for the program established under section 2435(a) of title 10, United States Code.

(3) The terms ''Hurricane Katrina disaster area'', ''Hurricane Rita disaster area'', and ''Hurricane Wilma disaster area'' have the meaning given such terms in section 1400M of the Internal Revenue Code of 1986.

SEC. 806. INTERNAL CONTROLS FOR PROCUREMENTS ON BEHALF OF THE DEPARTMENT OF DEFENSE BY CERTAIN NON-DEFENSE AGENCIES.

(a) INSPECTOR GENERAL REVIEWS AND DETERMINATIONS.—

(1) IN GENERAL.—For each covered non-defense agency, the Inspector General of the Department of Defense and the Inspector General of such non-defense agency shall, not later than March 15, 2007, jointly—

(A) review—

(i) the procurement policies, procedures, and internal controls of such non-defense agency that are applicable to the procurement of property and services on behalf of the Department by such non-defense agency; and

(ii) the administration of those policies, procedures, and internal controls; and

(B) determine in writing whether—

(i) such non-defense agency is compliant with defense procurement requirements;

(ii) such non-defense agency is not compliant with defense procurement requirements, but has a program or initiative to significantly improve compliance with defense procurement requirements;

(iii) neither of the conclusions stated in clauses (i) and (ii) is correct in the case of such non-defense agency; or

(iv) such non-defense agency is not compliant with defense procurement requirements to such an extent that the interests of the Department of Defense are at risk in procurements conducted by such non-defense agency.

(2) ACTIONS FOLLOWING CERTAIN DETERMINATIONS.—If the Inspectors General determine under paragraph (1) that the conclusion stated in clause (ii), (iii), or (iv) of subparagraph (B) of that paragraph is correct in the case of a covered non-defense agency, such Inspectors General shall, not later than June 15, 2008, jointly—

(A) conduct a second review, as described in subparagraph (A) of that paragraph, regarding such non-defense agency's procurement of property or services on behalf of the Department of Defense in fiscal year 2007; and

(B) determine in writing whether such non-defense agency is or is not compliant with defense procurement requirements.

(b) COMPLIANCE WITH DEFENSE PROCUREMENT REQUIREMENTS.—For the purposes of this section, a covered non-defense agency is compliant with defense procurement requirements if such non-defense agency's procurement policies, procedures, and internal controls applicable to the procurement of products and services on behalf of the Department of Defense, and the manner in which they are administered, are adequate to ensure such non-defense agency's compliance with the requirements of laws and regulations that apply to procurements of property and services made directly by the Department of Defense.

(c) MEMORANDA OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of each covered non-defense agency shall enter into a memorandum of understanding with each other to carry out the reviews and make the determinations required by this section.

(2) SCOPE OF MEMORANDA.—The Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency may by mutual agreement conduct separate reviews of the procurement of property and services on behalf of the Department of Defense that are conducted by separate business units, or under separate governmentwide acquisition contracts, of such non-defense agency. In any case where such separate reviews are conducted, the Inspectors General shall make separate determinations under paragraph (1) or (2) of subsection (a), as applicable, with respect to each such separate review.

(d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF DEPARTMENT OF DEFENSE.—

(1) LIMITATION DURING REVIEW PERIOD.—After March 15, 2007, and before June 16, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency for which a determination described in clause (iii) or (iv) of paragraph (1)(B) of subsection (a) has been made under subsection (a).

(2) LIMITATION AFTER REVIEW PERIOD.—After June 15, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency that, having been subject to review under this section, has not been determined under this section as being compliant with defense procurement requirements.

(3) LIMITATION FOLLOWING FAILURE TO REACH MOU.—Commencing on the date that is 60 days after the date of the enactment of this Act, if a memorandum of understanding between the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency cannot be attained causing the review required by this section to not be performed, no official of the Department of Defense, except as provided in subsection (e) or (f), may order, purchase or otherwise procure property or services in an amount in excess of $100,000 through such non-defense agency.

(e) EXCEPTION FROM APPLICABILITY OF LIMITATIONS.—

(1) EXCEPTION.—No limitation applies under subsection (d) with respect to the procurement of property and services on behalf of the Department of Defense by a covered non-defense agency during any period that there is in effect a determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, made in writing, that it is necessary in the interest of the Department of Defense to continue to procure property and services through such non-defense agency.

(2) APPLICABILITY OF DETERMINATION.—A written determination with respect to a covered non-defense agency under paragraph (1) is in effect for the period, not in excess of one year, that the Under Secretary shall specify in the written determination. The Under Secretary may extend from time to time, for up to one year at a time, the period for which the written determination remains in effect.

(f) TERMINATION OF APPLICABILITY OF LIMITATIONS.—Subsection (d) shall cease to apply to a covered non-defense agency on the date on which the Inspector General of the Department of Defense and the Inspector General of such non-defense agency jointly—

(1) determine that such non-defense agency is compliant with defense procurement requirements; and

(2) notify the Secretary of Defense of that determination.

(g) IDENTIFICATION OF PROCUREMENTS MADE DURING A PARTICULAR FISCAL YEAR.—For the

purposes of subsection (a), a procurement shall be treated as being made during a particular fiscal year to the extent that funds are obligated by the Department of Defense for that procurement in that fiscal year.

(h) RESOLUTION OF DISAGREEMENTS.—If the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency are unable to agree on a joint determination under subsection (a) or subsection (f), a determination by the Inspector General of the Department of Defense under such subsection shall be conclusive for the purposes of this section.

(i) DEFINITIONS.—In this section:

(1) The term ''covered non-defense agency'' means each of the following:

(A) The Department of Veterans Affairs.

(B) The National Institutes of Health.

(2) The term ''governmentwide acquisition contract'', with respect to a covered non-defense agency, means a task or delivery order contract that—

(A) is entered into by the non-defense agency; and

(B) may be used as the contract under which property or services are procured for one or more other departments or agencies of the Federal Government.

SEC. 807. REGULATIONS ON USE OF FIXED-PRICE CONTRACTS IN DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of Defense on the use of fixed-price type contracts in development programs.

(b) ELEMENTS.—As modified under subsection (a), the regulations described in that subsection shall—

(1) establish a preference for the use of fixed-price type contracts in development programs to the maximum extent practicable in light of the level of program risk; and

(2) require the use of fixed-price type contracts in each contract for system development and demonstration, or operational system development, unless the use of a different contract type is specifically authorized pursuant to subsection (c).

(c) AUTHORIZATION OF USE OF DIFFERENT CONTRACT TYPE.—

(1) IN GENERAL.—As modified under subsection (a), the regulations described in that subsection shall provide that the Secretary of Defense may authorize the use of a difference contract type under subsection (b)(2) with respect to a program upon a written determination by the Secretary that—

(A) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and

(B) the complexity and technical challenge of the program is not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

(2) SUBMITTAL TO CONGRESSIONAL DEFENSE COMMITTEES.—The regulations shall provide that a copy of any determination on a program under paragraph (1), together with an explanation of the basis for such determination, shall be submitted to the congressional defense committees with the first Selected Acquisition Report submitted under section 2432 of title 10, United States Code, after such determination is made.

(3) DELEGATION OF AUTHORITY.—The regulations shall provide that the authority to make a determination under paragraph (1) may not be delegated below the level of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(d) REPEAL OF SUPERSEDED REQUIREMENTS.—Section 807 of the National Defense Authorization Act for Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

(e) EFFECTIVE DATE OF REGULATIONS.—

(1) IN GENERAL.—The modified regulations required under this section shall apply to any contract entered into after the date that is 120 days after the date of the enactment of this Act.

(2) SYSTEM DEVELOPMENT AND DEMONSTRATION OR OPERATIONAL SYSTEM DEVELOPMENT.—The modification required by subsection (b)(2) in the regulations shall apply with respect to programs that enter into system development and demonstration, or operational system development, after the date that is 120 days after the date of the enactment of this Act.

SEC. 808. AVAILABILITY OF FUNDS FOR PERFORMANCE-BASED LOGISTICS CONTRACTS FOR WEAPON SYSTEMS LOGISTICS SUPPORT.

(a) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—

(1) IN GENERAL.—Amounts available to the Department of Defense for operation and maintenance—

(A) are available for performance-based logistics contracts for weapon systems; and

(B) subject to paragraph (2), may be used in accordance with the terms of such contracts to implement engineering changes that result in a reduction of the operation and maintenance costs to the Government of such systems.

(2) LIMITATION.—Funds may not be used for a performance-based logistics contract to implement engineering changes the total cost of which is expected to exceed $20,000,000.

(b) NOTICE TO CONGRESS ON ENTRY INTO CONTRACTS.—

(1) IN GENERAL.—Not later than 30 days before entering into a performance-based logistics contract under this section, the Secretary of a military department shall submit to Congress a notice of intent to enter into such contract.

(2) ELEMENTS.—The notice on a performance-based logistics contract under paragraph (1) shall include the following:

(A) A statement that the military department concerned—

(i) has performed a business case analysis for such contract;

(ii) has determined, based on such analysis, that there is a reasonable expectation that such contract will result in an overall reduction of operation and maintenance costs with respect to a weapon system; and

(iii) has specific plans in place to—

(I) update such analysis at appropriate decision points when sufficient cost and performance data have been collected to validate the assumptions used in developing such analysis; and

(II) periodically review and validate the propriety and integrity of program performance measures, and verify the reliability of contractor cost and performance data, with respect to such contract.

(B) An estimate of the projected cost and savings from such contract, together with an explanation of the basis for such estimates.

(c) PERFORMANCE-BASED LOGISTICS CONTRACT DEFINED.—In this section, the term ''performance-based logistics contract'' means a contract for the acquisition of logistics support (whether at the system, subsystem, or major assembly level) for a weapon system that combines logistics support in an integrated, affordable, performance package designed to optimize system readiness and meet performance goals for the weapon system through long-term support arrangements with clear lines of authority and responsibility for the provision of such support.

(d) REPORT.—

(1) IN GENERAL.—Not later than March 1, 2012, the Secretary of Defense shall submit to the congressional defense committees a report on the status of all performance-bases logistics contracts entered into pursuant to this section.

(2) ELEMENTS.—The report under paragraph (1) shall include, for each contract covered by such report, a comparison of the projected cost and savings of such contract (as estimated in the notice to Congress under subsection (b)(2)(B)) with the actual cost and savings of such contract (as determined in accordance with the plan for such contract under subsection (b)(2)(A)(iii)).

(e) SUNSET.—

(1) IN GENERAL.—The authority to enter contracts under this section shall terminate on September 30, 2012.

(2) EFFECT ON EXISTING CONTRACTS.—The termination under paragraph (1) of the authority to enter contracts under this section shall not affect the use of funds for purposes authorized by subsection (a) under contracts entered on or before the date specified in that paragraph.

SEC. 809. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of the following:

(1) Ship critical safety items.

(2) Modifications, repair, and overhaul of ship critical safety items.

(b) ELEMENTS.—The policy required under subsection (a) shall include requirements as follows:

(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of such items.

(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source on a qualified manufacturers list or a source approved by the design control activity in accordance with section 2319 of title 10, United States Code (as amended by subsection (d)).

(3) That the ship critical safety items delivered, and the services performed with respect to such items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms ''ship critical safety item'' and ''design control activity'' have the meanings given such terms in subsection (g) of 2319 of title 10, United States Code (as so amended).

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

(1) in subsection (c)(3), by inserting ''or ship critical safety item'' after ''aviation critical safety item''; and

(2) in subsection (g)—

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

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

''(2) The term 'ship critical safety item' means any ship part, assembly, or support equipment containing a characteristic the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship or unacceptable risk of personal injury or loss of life.''; and

(C) in paragraph (3), as so redesignated—

(i) by inserting ''or ship critical safety item'' after ''aviation critical safety item'';

(ii) by inserting '', or the seaworthiness of a ship or ship equipment,'' after ''equipment''; and

(iii) by striking ''the item'' and inserting ''such item''.

SEC. 810. THREE-YEAR EXTENSION OF REQUIREMENT FOR REPORTS ON COMMERCIAL PRICE TREND ANALYSES OF THE DEPARTMENT OF DEFENSE.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 2306a note) is amended by striking ''2006'' and inserting ''2009''.

SEC. 811. PILOT PROGRAM ON TIME-CERTAIN DEVELOPMENT IN ACQUISITION OF MAJOR WEAPON SYSTEMS.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

(b) PURPOSE OF PILOT PROGRAM.—The purpose of the pilot program authorized by subsection (a) is to assess the feasibility and advisability of utilizing time-certain development in the acquisition of major weapon systems in order to deliver new capabilities to the warfighter more rapidly through disciplined decision-making, emphasis on technological maturity, and appropriate tradeoffs between system performance and schedule.

(c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

(1) IN GENERAL.—The decision whether to include a major weapon system in the pilot program shall be made by the Milestone Decision Authority for the acquisition program for the system.

(2) CRITERIA.—A major weapon system may be included in the pilot program only if the Milestone Decision Authority determines, in consultation with the service acquisition executive for the military department carrying out the acquisition program for the system and one or more combatant commanders responsible for fielding the system, that—

(A) the certification requirements of section 2366a of title 10, United States Code, have been met, and no waivers have been granted from such requirements;

(B) a preliminary design has been completed after appropriate requirements analysis using systems engineering, and the system, as so designed, will meet battlefield needs identified by the relevant combatant commanders;

(C) all critical technologies needed to meet system requirements have been demonstrated in an operational environment;

(D) an independent cost estimate has been conducted and used as the basis for funding requirements for the acquisition program for the system;

(E) the budget of the military department responsible for carrying out the acquisition program for the system provides the funding necessary to execute the product development and production plan consistent with the requirements identified pursuant to subparagraph (D);

(F) an appropriately-qualified program manager has entered into a performance agreement with the Milestone Decision Authority that establishes expected parameters for the cost, schedule, and performance of the acquisition program for the system, consistent with a business case for such acquisition program;

(G) the service acquisition executive and the program manager have agreed that the program manager will continue in such position until the delivery of the initial operational capability under the acquisition program for the system;

(H) the service acquisition executive, the relevant combatant commanders, and the program manager have agreed that no additional requirements will be added during the development phase of the acquisition program for the system; and

(I) a planned initial operational capability will be delivered to the relevant combatant commanders no more than 6 years after the date of the milestone B approval for the system.

(3) TIMING OF DECISION.—The decision whether to include a major weapon system in the pilot program shall be made at the time of milestone approval for the acquisition program for the system.

(d) LIMITATION ON NUMBER OF SYSTEM IN PILOT PROGRAM.—The number of major weapon systems included in the pilot program at any time may not exceed 12 major weapon systems.

(e) SPECIAL FUNDING AUTHORITY.—

(1) AUTHORITY FOR RESERVE ACCOUNT.—Notwithstanding any other provision of law, the Secretary of Defense may establish a special reserve account utilizing funds made available for the major weapon systems included in the pilot program.

(2) ELEMENTS.—The special reserve account may include—

(A) funds made available for any major weapon system included in the pilot program to cover termination liability;

(B) funds made available for any major weapon system included in the pilot program for award fees that may be earned by contractors; and

(C) funds appropriated to the special reserve account.

(3) AVAILABILITY OF FUNDS.—Funds in the special reserve account may be used, in accordance with guidance issued by the Secretary for purposes of this section, for the following purposes:

(A) To cover termination liability for any major weapon system included in the pilot program.

(B) To pay award fees that are earned by any contractor for a major weapon system included in the pilot program.

(C) To address unforeseen contingencies that could prevent a major weapon system included in the pilot program from meeting critical schedule or performance requirements.

(4) REPORTS ON USE OF FUNDS.—Not later than 30 days after the use of funds in the special reserve account for the purpose specified in paragraph (3)(C), the Secretary shall submit to the congressional defense committees a report on report the use of funds in the account for such purpose. The report shall set forth the purposes for which the funds were used and the reasons for the use of the funds for such purposes.

(f) ADMINISTRATION OF PILOT PROGRAM.—The Secretary of Defense shall prescribe policies and procedures on the administration of the pilot program. Such policies and procedures shall—

(1) provide for the use of program status reports based on earned value data to track progress on a major weapon system under the pilot program against baseline estimates applicable to such system at each systems engineering technical review point; and

(2) grant authority to the program manager for the acquisition program for a major weapon system to make key program decisions and trade-offs, subject to management reviews only if cost or schedule deviations exceed 10 percent baselines for such acquisition program.

(g) EXPIRATION OF AUTHORITY TO INCLUDE ADDITIONAL SYSTEMS IN PILOT PROGRAM.—

(1) EXPIRATION.—A major weapon system may not be included in the pilot program after September 30, 2012.

(2) RETENTION OF SYSTEMS.—A major weapon system included in the pilot program before the date specified in paragraph (1) in accordance with the requirements of this section may remain in the pilot program after that date.

(h) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than one year after including the first major weapon system in the pilot program, and annually thereafter, the Secretary shall submit to the congressional defense committees a report on the pilot program, and the major weapon systems included in the pilot program, during the one-year period ending on the date of such report.

(2) ELEMENTS.—Each report under this subsection shall include—

(A) a description of progress under the pilot program, and on each major weapon system included in the pilot program, during the period covered by such report; and

(B) such other matters as the Secretary considers appropriate.

(i) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term ''major weapon system'' means a weapon system that is treatable as a major system under section 2302(5) of title 10, United States Code.

SEC. 812. GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.

(a) GOVERNMENT PERFORMANCE OF FUNCTIONS.—

(1) IN GENERAL.—Section 2383 of title 10, United States Code is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.—The head of an agency shall ensure that, at a minimum, for each major defense acquisition program and each major automated information system program, each of the following positions is performed by a properly qualified full-time Federal military or civilian employee:

''(1) Program manager.

''(2) Deputy program manager.

''(3) Chief engineer.

''(4) Systems engineer.

''(5) Cost estimator.''.

(2) DEFINITIONAL MATTERS.—Subsection (c) of such section, as redesignated by paragraph (1)(A) of this subsection, is further amended by adding at the end the following new paragraphs:

''(5) The term 'major defense acquisition program' has the meaning given such term in section 2430(a) of this title.

''(6) The term 'major automated information system program' has the meaning given such term in section 2445a(a) of this title.''.

(b) EFFECTIVE DATE AND PHASE-IN.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is one year after the date of enactment of this Act.

(2) TEMPORARY WAVER.—During the two-year period beginning on the effective date specified in paragraph (1), the head of an agency may waive the requirement in subsection (b) of section 2383 of title 10, United States Code, as amended by subsection (a) of this section, with regard to a specific function on a particular program upon a written determination by the head of the agency that a properly qualified full-time Federal military or civilian employee cannot reasonably be made available to perform such function.

Subtitle B—Defense Industrial Base Matters

SEC. 821. REMOVAL OF HAND AND MEASURING TOOLS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Subsection (b) of section 2533a of title 10, United States Code, is amended by striking paragraph (3).

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking ''(b)(1)(A), (b)(2), or (b)(3)'' each place it appears and inserting ''(b)(1)(A) or (b)(2)''.

SEC. 822. APPLICABILITY OF CERTAIN REQUIREMENTS REGARDING SPECIALTY METALS.

(a) EXEMPTION FOR CERTAIN COMMERCIAL ITEMS.—Subsection (i) of section 2533a of title 10, United States Code, is amended—

(1) by inserting ", DUAL-USE ITEMS, AND ELECTRONIC COMPONENTS" after "COMMERCIAL ITEMS";

(2) by inserting "(1)" before "this section";

(3) in paragraph (1), as so designated, by inserting "described in subsection (b)(1)" after "commercial items"; and

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

"(2) This section is not applicable to—

"(A) a contract or subcontract for the procurement of a commercial item containing specialty metals described in subsections (b)(2) and (b)(3); or

"(B) specialty metals that are incorporated into an electronic component, where the value of the specialty metal used in the component is de minimis in relation to the value of the electronic component.

"(3) For purposes of paragraph (2)(A), a commercial item does not include—

"(A) any item that contains noncommercial modifications that cost or are expected to cost, in the aggregate, more than 5 percent of the total price of such item;

"(B) any item that would not be considered to be a commercial item, but for sales to government entities or inclusion in items that are sold to government entities;

"(C) forgings or castings for military unique end items;

"(D) fasteners other than commercial off-the-shelf items (as defined in section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c)); or

"(E) specialty metals.".

(b) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Such section is further amended by adding at the end the following new subsection:

"(k) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Subsection (a) does not apply to the procurement of an item from a contractor or a first-tier subcontractor if the Secretary of Defense or the Secretary of a military department determines that—

"(1) the item is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of similar items delivered to non-defense customers; and

"(2) the contractor or subcontractor has made a contractual commitment to purchase a quality, grade, and amount of domestically-melted specialty metals for use by the purchaser during the period of contract performance in the production of the item and other similar items delivered to non-defense customers that is not less that the greater of—

"(A) the amount of specialty metals that is purchased by the contractor for use in the item delivered to the Department of Defense; or

"(B) 40 percent of the amount of specialty metals purchased by the contractor or subcontractor for use during such period in the production of the item and similar items delivered to non-defense contractors.".

(c) DE MINIMIS STANDARD FOR SPECIALTY METALS.—Such section is further amended by adding at the end the following new subsection:

"(l) MINIMUM THRESHOLD FOR SPECIALTY METALS.—Notwithstanding the requirements of subsection (a), the Secretary of Defense or the Secretary of a military department may accept delivery of an item containing specialty metals that were not grown, reprocessed, reused, or produced in the United States if the total amount of noncompliant specialty metals in the item does not exceed 2 percent of the total amount of specialty metals in the item.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall take effect on the date of the enactment of this Act, and shall apply with respect to items accepted for delivery on or after that date.

(2) CIVIL-MILITARY INTEGRATION.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act, and shall apply to contracts entered into on or after that date.

SEC. 823. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2539c. Waiver of domestic source or content requirements

"(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

"(1) in a foreign country that has a Declaration of Principles with the United States;

"(2) in a foreign country that has a Declaration of Principles with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States; or

"(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States.

"(b) COVERED REQUIREMENTS.—For purposes of this section:

"(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

"(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

"(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

"(1) application of the requirement would impede the reciprocal procurement of defense items under a Declaration of Principles with the United States; and

"(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

"(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

"(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

"(1) The Small Business Act (15 U.S.C. 631 et seq.).

"(2) The Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

"(3) Sections 7309 and 7310 of this title.

"(4) Section 2533a of this title.

"(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

"(h) CLARIFICATION OF RELATIONSHIP WITH BUY AMERICAN ACT.—Nothing in this section shall be construed to alter in any way the applicability of the Buy American Act (41 U.S.C. 10a), or the authority of the Secretary of Defense to waive the requirements of such Act, with respect to the procurement of any item to which such Act would apply without regard to this section.

"(i) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.

"(j) DECLARATION OF PRINCIPLES.—(1) In this section, the term 'Declaration of Principles' means a written understanding (including any Statement of Principles) between the Department of Defense and its counterpart in a foreign country signifying a cooperative relationship between the Department and its counterpart to standardize or make interoperable defense equipment used by the armed forces and the armed forces of the foreign country across a broad spectrum of defense activities, including—

"(A) harmonization of military requirements and acquisition processes;

"(B) security of supply;

"(C) export procedures;

"(D) security of information;

"(E) ownership and corporate governance;

"(F) research and development;

"(G) flow of technical information; and

"(H) defense trade.

"(2) A Declaration of Principles is underpinned by a memorandum of understanding or other agreement providing for the reciprocal procurement of defense items between the United States and the foreign country concerned without unfair discrimination in accordance with section 2531 of this title.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

"2539c. Waiver of domestic source or content requirements.".

SEC. 824. REPEAL OF REQUIREMENT FOR IDENTIFICATION OF ESSENTIAL MILITARY ITEMS AND MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.

Section 813 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1543) is repealed.

SEC. 825. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER TRADE AGREEMENTS.

No provision of this Act or any amendment made by this Act shall apply to a procurement by or for the Department of Defense to

the extent that the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under a trade agreement.

Subtitle C—Defense Contractor Matters

SEC. 841. REQUIREMENTS FOR DEFENSE CONTRACTORS RELATING TO CERTAIN FORMER DEPARTMENT OF DEFENSE OFFICIALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2410p. Defense contractors: requirements concerning former Department of Defense officials

''(a) IN GENERAL.—Each contract for the procurement of goods or services in excess of $10,000,000, other than a contract for the procurement of commercial items, that is entered into by the Department of Defense shall include a provision under which the contractor agrees to submit to the Secretary of Defense, not later than April 1 of each year such contract is in effect, a written report setting forth the information required by subsection (b).

''(b) REPORT INFORMATION.—Except as provided in subsection (c), a report by a contractor under subsection (a) shall—

''(1) list the name of each person who—

''(A) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces who served—

''(i) in an Executive Schedule position under subchapter II of chapter 53 of title 5;

''(ii) in a position in the Senior Executive Service under subchapter VIII of chapter 53 of title 5;

''(iii) in a general or flag officer position compensated at a rate of pay for grade 0–7 or above under section 201 of title 37; or

''(iv) as a program manager, deputy program manager, procuring contracting officer, administrative contracting officer, source selection authority, member of the source selection evaluation board, or chief of a financial or technical evaluation team for a contract with a value in excess of $10,000,000; and

''(B) during the preceding calendar year was provided compensation by the contractor, if such compensation was first provided by the contractor not more than two years after such officer, employee, or member left service in the Department of Defense; and

''(2) in the case of each person listed under paragraph (1)—

''(A) identify the agency in which such person was employed or served on active duty during the last two years of such person's service with the Department of Defense;

''(B) state such person's job title and identify each major defense system, if any, on which such person performed any work with the Department of Defense during the last two years of such person's service with the Department; and

''(C) state such person's current job title with the contractor and identify each major defense system on which such person has performed any work on behalf of the contractor.

''(c) DUPLICATE INFORMATION NOT REQUIRED.—An annual report submitted by a contractor pursuant to subsection (b) need not provide information with respect to any former officer or employee of the Department of Defense or former or retired member of the armed forces if such information has already been provided in a previous annual report filed by such contractor under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by adding at the end the following new item:

''2410p. Defense contractors: requirements concerning former Department of Defense officials.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

SEC. 842. LEAD SYSTEMS INTEGRATORS.

(a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD SYSTEMS INTEGRATORS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, as amended by section 841(a)(1) of this Act, is further amended by adding at the end the following new section:

"§ 2410q. Contracts: limitations on lead systems integrators

''(a) IN GENERAL.—Except as provided in subsection (b), no contractor performing any inherently governmental functions, or functions closely associated with inherently governmental functions, relating to the acquisition, engineering, structuring, planning, integration, management, or control of a system of systems, regardless of whether or not such contractor is expressly designated as a so-called 'lead systems integrator', may have any financial interest in the development or construction of any individual system or element of such system of systems.

''(b) EXCEPTION.—A contractor described in subsection (a) may have a financial interest in the development or construction of an individual system or element of a system of systems if the Secretary of Defense certifies to the congressional defense committees that—

''(1) the contractor is the preferred best of industry supplier of the system or element concerned; and

''(2) the contractor was selected to develop or construct the system or element concerned only after a formal competition for such system or element conducted by the Department of Defense in which the contractor participated only as a respondent to the request for proposal (RFP) under the competition.

''(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude a contractor described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

''(d) DEFINITIONS.—In this section:

''(1) The term 'best of industry', with respect to the development or construction of a system or element by a contractor, means that the contractor provides the Government any of the following in the development or construction of the system or element for the Government:

''(A) Best overall value.

''(B) Best technology.

''(C) Best capability.

''(D) Best availability.

''(2) The term 'functions closely associated with inherently governmental functions' has the meaning given such term in section 2383(b)(3) of this title.

''(3) The term 'inherently governmental functions' has the meaning given such term in section 2383(b)(2) of this title.

''(4) The term 'system of systems' means a set of interdependent systems, including one or more major weapon systems, that are related to provide a given capability and in which the loss of any one would significantly degrade the performance or capabilities of the set of systems as a whole.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title, as amended by section 841(a)(2) of this Act, is further amended by adding at the end the following new item:

''2410q. Contracts: limitations on lead systems integrators.''.

(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

(b) UPDATE OF REGULATIONS ON LEAD SYSTEMS INTEGRATORS.—Not later than December 31, 2006, the Secretary of Defense shall update the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead systems integrators set forth in section 805(b) of the National Defense Authorization for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3372).

(c) DEFINITION OF LEAD SYSTEMS INTEGRATOR.—

(1) DEFINITION REQUIRED.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a precise and comprehensive definition of the term ''lead systems integrator'', as that term is utilized in such section.

(2) MATTERS TO BE ADDRESSED.—In defining the term ''lead systems integrator'' under paragraph (1), the Secretary shall take into account the following:

(A) The importance of lead systems integrators in the production, fielding, and sustainment of complex systems, including their role in addressing increases in cost, the evolution of interoperability requirements, and the maintenance and sustainment of critical capabilities.

(B) The unique engineering and integration skills of lead systems integrators.

(C) The management and organizational skills and capabilities of lead systems integrators, including the capacity of lead systems integrators to facilitate the participation of small and disadvantaged businesses in the production, fielding, and sustainment of complex systems.

(d) CONTRACT TYPES AND FEE STRUCTURES.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a specification of various types of contracts and fee structures, including award and incentive fees, that are appropriate for use by lead systems integrators in the production, fielding, and sustainment of complex systems.

SEC. 843. LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.

(a) GUIDANCE ON LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance, with detailed implementation instructions (including definitions), for the Department of Defense on the appropriate use of award and incentive fees in Department of Defense acquisition programs.

(b) ELEMENTS.—The guidance under subsection (a) shall—

(1) ensure that all new contracts using award fees link such fees to acquisition outcomes (which shall be defined in terms of program cost, schedule, and performance);

(2) provide guidance on the circumstances in which contractor performance may be judged to be ''excellent'' or ''superior'' and the percentage of the available award fee which contractors should be paid for such performance;

(3) establish standards for determining the percentage of the available award fee, if any, which contractors should be paid for performance that is judged to be ''acceptable'', ''average'', ''expected'', ''good'', or ''satisfactory'';

(4) ensure that no award fee may be paid for contractor performance that is judged to

be below-satisfactory performance or performance that does not meet the basic requirements of the contract;

(5) provide specific direction on the circumstances, if any, in which it may be appropriate to roll over award fees that are not earned in one award fee period to a subsequent award fee period or periods;

(6) ensure that the Department of Defense—

(A) collects relevant data on award and incentive fees paid to contractors; and

(B) has mechanisms in place to evaluate such data on a regular basis;

(7) include performance measures to evaluate the effectiveness of award and incentive fees as a tool for improving contractor performance and achieving desired program outcomes; and

(8) provide mechanisms for sharing proven incentive strategies for the acquisition of different types of products and services among contracting and program management officials.

(c) ASSESSMENT OF INDEPENDENT EVALUATION MECHANISMS.—

(1) IN GENERAL.—The Secretary of Defense shall select a federally-funded research and development center to assess various mechanisms that could be used to ensure an independent evaluation of contractor performance for the purpose of making determinations applicable to the judging and payment of award fees.

(2) CONSIDERATIONS.—The assessment conducted pursuant to paragraph (1) shall include consideration of the advantages and disadvantages of a system in which award fees are—

(A) held in a separate fund or funds of the Department of Defense; and

(B) allocated to a specific program only upon a determination by an independent board, charged with comparing contractor performance across programs, that such fees have been earned by the contractor for such program.

(3) REPORT.—The Secretary shall submit to the congressional defense committees a report on the assessment conducted pursuant to paragraph (1) not later than one year after the date of the enactment of this Act.

SEC. 844. PROHIBITION ON EXCESSIVE PASS-THROUGH CHARGES.

(a) REGULATIONS REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations prohibiting excessive pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense that are in excess of the simplified acquisition threshold, as specified in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

(b) SCOPE OF REGULATIONS.—The regulations prescribed under this section shall not apply to any firm, fixed-price contract or subcontract (or task or delivery order) that is—

(1) awarded on the basis of adequate price competition; or

(2) for the acquisition of a commercial item, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(c) DEFINITIONS.—In this section:

(1) The term ''excessive pass-through charge'' means a charge by a covered contractor or subcontractor for overhead or profit on work performed by a covered lower-tier contractor (other than charges for the direct costs of managing lower-tier contracts and overhead and profit based on such direct costs).

(2) The term ''covered contractor'' means the following:

(A) A contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) to subcontractors.

(B) In the case of a contract providing for the development or production of more than one weapon system, a contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) for any particular weapon system under such contract to subcontractors.

(3) The term ''covered lower-tier contractor'' means the following:

(A) With respect to a covered contractor described by paragraph (2)(A) in a contract, any lower-tier subcontractor under such contract.

(B) With respect to a covered contractor described by paragraph (2)(B) in a contract, any lower-tier subcontractor on a weapon system under such contract for which such covered contractor has assigned work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit).

(d) EFFECTIVE DATE.—The regulations prescribed under this section shall apply to contracts awarded for or on behalf of the Department of Defense on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 845. REPORT ON DEPARTMENT OF DEFENSE CONTRACTING WITH CONTRACTORS OR SUBCONTRACTORS EMPLOYING MEMBERS OF THE SELECTIVE RESERVE.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on contracting with the Department of Defense by actual and potential contractors and subcontractors of the Department who employ members of the Selected Reserve of the reserve components of the Armed Forces.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The extent to which actual and potential contractors and subcontractors of the Department, including small businesses, employ members of the Selective Reserve.

(2) The extent to which actual and potential contractors and subcontractors of the Department have been or are likely to be disadvantaged in the performance of contracts with the Department, or in competition for new contracts with the Department, when employees who are such members are mobilized as part of a United States military operation overseas.

(3) Any actions that, in the view of the Secretary, should be taken to address any such disadvantage, including—

(A) the extension of additional time for the performance of contracts to contractors and subcontractors of Department who employ members of the Selected Reserve who are mobilized as part of a United States military operation overseas; and

(B) the provision of assistance in forming contracting relationships with other entities to ameliorate the temporary loss of qualified personnel.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study required by this section. The report shall set forth the findings and recommendations of the Secretary as a result of the study.

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 819 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3385; 10 U.S.C. 2305 note) is repealed.

Subtitle D—Program Manager Matters

SEC. 861. PROGRAM MANAGER EMPOWERMENT AND ACCOUNTABILITY.

(a) STRATEGY.—The Secretary of Defense shall develop a comprehensive strategy for enhancing the role of Department of Defense program managers in developing and carrying out defense acquisition programs.

(b) MATTERS TO BE ADDRESSED.—The strategy required by this section shall address, at a minimum—

(1) enhanced training and educational opportunities for program managers;

(2) increased emphasis on the mentoring of current and future program managers by experienced senior executives and program managers within the Department;

(3) improved career paths and career opportunities for program managers;

(4) additional incentives for the recruitment and retention of highly qualified individuals to serve as program managers;

(5) improved resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) for program managers;

(6) improved means of collecting and disseminating best practices and lessons learned to enhance program management across the Department;

(7) common templates and tools to support improved data gathering and analysis for program management and oversight purposes;

(8) increased accountability of program managers for the results of defense acquisition programs; and

(9) enhanced monetary and nonmonetary awards for successful accomplishment of program objectives by program managers.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the strategy developed pursuant to this section.

SEC. 862. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM DEVELOPMENT PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program development period of defense acquisition programs.

(b) PROGRAM DEVELOPMENT PERIOD.—For the purpose of this section, the term ''program development period'' refers to the period before a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall provide that the program manager for the program development period of a defense acquisition program is responsible for—

(1) bringing to maturity the technologies and manufacturing processes that will be needed to carry out such program;

(2) ensuring continuing focus during program development on meeting stated mission requirements and other requirements of the Department of Defense;

(3) making trade-offs between program cost, schedule and performance for the lifecycle of such program;

(4) developing a business case for such program; and

(5) ensuring that appropriate information is available to the milestone decision authority to make a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program), including information necessary to make the certification required by section 2366a of title 10, United States Code.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program development period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise

needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program until such time as such program is ready for a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

SEC. 863. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM EXECUTION PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program execution period of defense acquisition programs.

(b) PROGRAM EXECUTION PERIOD.—For the purpose of this section, the term ''program execution period'' refers to the period after Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall—

(1) require the program manager for the program execution period of a defense acquisition program to enter into a performance agreement with the milestone decision authority for such program within six months of assignment, that—

(A) establishes expected parameters for the cost, schedule, and performance of such program consistent with the business case for such program;

(B) provides the commitment of the milestone decision authority to provide the level funding and resources required to meet such parameters; and

(C) provides the assurance of the program manager that such parameters are achievable and that such program manager will be accountable for meeting such parameters; and

(2) provide the program manager with the authority to—

(A) veto the addition of new program requirements that would be inconsistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(B) make trade-offs between cost, schedule and performance, provided that such trade-offs are consistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(C) redirect funding within such program, to the extent necessary to achieve the parameters established in the performance agreement entered pursuant to paragraph (1);

(D) develop such interim goals and milestones as may be required to achieve the parameters established in the performance agreement entered pursuant to paragraph (1); and

(E) use program funds to recruit and hire such technical experts as may be required to carry out such program, if necessary expertise is not otherwise provided by the Department of Defense.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program execution period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program at the time of Milestone B approval (or Key Decision Point B approval in the case of a space program) and continues in such position until the delivery of the first production units of such program.

(e) LIMITED WAIVER AUTHORITY.—The Secretary may waive the requirement in subsection (d)(3) that a program manager for the program execution period of a defense acquisition program serve in that position until the delivery of the first production units of such program upon submitting to the congressional defense committees a written determination that—

(1) such program is so complex, and the delivery of the first production units will take so long, that it would not be feasible for a single individual to serve as program manager for the entire period covered by such subsection; and

(2) the complexity of such program, and length of time that will be required to deliver the first production units, are not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

SEC. 864. DEPARTMENT OF DEFENSE PLAN FOR CONTINGENCY PROGRAM MANAGEMENT.

(a) REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall develop a plan for the Department of Defense for contingency program management during combat operations and post-conflict operations.

(b) MATTERS TO BE COVERED.—The plan of the Department of Defense for contingency program management required by subsection (a) shall, at a minimum, provide for—

(1) the designation of a senior executive service official on the Joint Staff with the responsibility for administering the plan;

(2) the assignment of a senior commissioned officer of the Armed Forces with appropriate program management experience and qualifications to act as head of contingency program management during combat operations, post-conflict operations, and contingency operations, who shall report directly to the commander of the combatant command in whose area of responsibility the operations occur;

(3) a preplanned organizational structure for contingency program management that is designed to ensure that the Department is prepared to conduct contingency program management during combat operations and post-conflict operations, including advance planning for—

(A) unified, agile program management processes and procedures for an interagency and coalition environment;

(B) standardized joint contract mechanisms with clearly defined metrics;

(C) continuity of program and project management;

(D) identification of a deployable cadre of experts, trained in processes required under paragraph (4);

(E) required information technology resources and reliable, interoperable connections and communications; and

(F) coordination of program management operations with the activities of commanders in the field;

(4) a requirement for the development of a training program for contingency program management, including—

(A) comprehension of program management that focuses on cost, scope, schedule, success metrices, project oversight, and resource balancing;

(B) contracting options and rules;

(C) procedures for the Department on funding, accountability and component and partner responsibilities; and

(D) effective communications and rules for coordination with commanders in the field; and

(5) a requirement for identification of hiring and appointment authorities for rapid deployment of personnel under this section to ensure the availability of key personnel for sufficient lengths of time to provide for continuing of program and project management.

(c) UTILIZATION IN PLAN FOR INTERAGENCY PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.—To the extent practicable, the elements of the plan of the Department of Defense for contingency program management required by subsection (a) shall be taken into account in the development of the plan for the establishment of interagency operating procedures for stabilization and reconstruction operations required by section 1222.

SEC. 865. COMPTROLLER GENERAL REPORT.

Not later than February 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the actions taken by the Secretary of Defense to comply with the requirements of this subtitle. The report shall include a description of such actions and an assessment by the Comptroller General of the effectiveness of such actions in meeting such requirements.

Subtitle E—Other Matters

SEC. 871. CLARIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) in paragraph (2)(A), by inserting ''or, for a defense agency, the director of the defense agency'' after ''(41 U.S.C. 414(c))''; and

(2) in paragraph (3), by inserting ''or director of a defense agency'' after ''executive''.

SEC. 872. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804(d) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 873. ONE-YEAR EXTENSION OF INAPPLICABILITY OF CERTAIN LAWS TO CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

Subsections (a)(2)(A) and (b)(2)(A) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2021), as amended by section 848(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3395), are each further amended by striking ''2006'' and inserting ''2007''.

SEC. 874. PILOT PROGRAM ON EXPANDED USE OF MENTOR-PROTEGE AUTHORITY.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program to assess the feasibility and advisability of treating small business concerns described in subsection (b) as disadvantaged small business concerns under the Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note).

(b) COVERED SMALL BUSINESS CONCERNS.—The small business concerns described in this subsection are small business concerns that—

(1) are participants in the Small Business Innovative Research Program of the Department of Defense established pursuant to section 9 of the Small Business Act (15 U.S.C. 638); and

(2) as determined by the Secretary, are developing technologies that will assist in detecting or defeating Improvised Explosive Devices (IEDs) or other critical force protection measures.

(c) TREATMENT AS DISADVANTAGED SMALL BUSINESS CONCERNS.—

(1) IN GENERAL.—For purposes of the pilot program, the Secretary may treat a small business concern described in subsection (b) as a disadvantaged small business concern under the Mentor-Protege Program.

(2) MENTOR-PROTEGE AGREEMENT.—Any eligible business concerned approved for participation in the Mentor-Protege Program as a mentor firm may enter into a mentor-protege agreement and provide assistance described in section 831 of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern treated under paragraph (1) as a disadvantaged small business concern under the Mentor-Protege Program.

(d) FUNDING.—

(1) IN GENERAL.—Notwithstanding the limitation in section 9(f)(2) of the Small Business Act (15 U.S.C. 638(f)(2)), funds for any reimbursement provided to a mentor firm under section 831(g) of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern described in subsection (b) under the pilot program shall be derived from funds available for the Small Business Innovative Research Program of the Department of Defense.

(2) LIMITATION.—The amount available under paragraph (1) for reimbursement described in that paragraph may not exceed the amount equal to one percent of the funds available for the Small Business Innovative Research Program.

(e) SUNSET.—

(1) AGREEMENTS.—No mentor-protege agreement may be entered into under the pilot program after September 30, 2010.

(2) OTHER MATTERS.—No reimbursement may be paid, and no credit toward the attainment of a subcontracting goal may be granted, under the pilot program after September 30, 2013.

(f) REPORT.—Not later than March 1, 2009, the Secretary shall submit to the appropriate committees of Congress a report on the pilot program. The report shall—

(1) describe the extent to which mentor-protege agreements have been entered under the pilot program; and

(2) describe and assess the technological benefits arising under such agreements.

(g) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services, Appropriations, and Small Business and Entrepreneurship of the Senate; and

(B) the Committees on Armed Services and Appropriations of the House of Representatives.

(2) The term ''small business concern'' has the meaning given that term in section 831(m)(1) of the National Defense Authorization Act for Fiscal Year 1991.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. UNITED STATES MILITARY CANCER INSTITUTE.

(a) ESTABLISHMENT.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2117. United States Military Cancer Institute

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish in the University the United States Military Cancer Institute. The Institute shall be established pursuant to regulations prescribed by the Secretary.

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

''(1) To establish and maintain a clearinghouse of data on the incidence and prevalence of cancer among members and former members of the armed forces.

''(2) To conduct research that contributes to the detection or treatment of cancer among the members and former members of the armed forces.

''(c) HEAD OF INSTITUTE.—The Director of the United States Military Cancer Institute is the head of the Institute. The Director shall report to the President of the University regarding matters relating to the Institute.

''(d) ELEMENTS.—(1) The Institute is composed of clinical and basic scientists in the Department of Defense who have an expertise in research, patient care, and education relating to oncology and who meet applicable criteria for affiliation with the Institute.

''(2) The components of the Institute include military treatment and research facilities that meet applicable criteria and are designated as affiliates of the Institute.

''(e) RESEARCH.—(1) The Director of the United States Military Cancer Institute shall carry out research studies on the following:

''(A) The epidemiological features of cancer, including assessments of the carcinogenic effect of genetic and environmental factors, and of disparities in health, inherent or common among populations of various ethnic origins within the members of the armed forces.

''(B) The prevention and early detection of cancer among members and former members of the armed forces.

''(C) Basic, translational, and clinical investigation matters relating to the matters described in subparagraphs (A) and (B).

''(2) The research studies under paragraph (1) shall include complementary research on oncologic nursing.

''(f) COLLABORATIVE RESEARCH.—The Director of the United States Military Cancer Institute shall carry out the research studies under subsection (e) in collaboration with other cancer research organizations and entities selected by the Institute for purposes of the research studies.

''(g) ANNUAL REPORT.—(1) Not later than November 1 each year, the Director of the United States Military Cancer Institute shall submit to the President of the University a report on the current status of the research studies being carried out by the Institute under subsection (e).

''(2) Not later than 60 days after receiving a report under paragraph (1), the President of the University shall transmit such report to the Secretary of Defense and to Congress.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following new item:

''2117. United States Military Cancer Institute.''.

SEC. 902. SENIOR ACQUISITION EXECUTIVE FOR SPECIAL OPERATIONS WITHIN STAFF OF THE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT.

(a) INCLUSION WITHIN STAFF.—The staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under section 138(b)(4) of title 10, United States Code, shall include a senior acquisition executive for special operations.

(b) DUTIES.—The senior acquisition executive within the staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under subsection (a) shall conduct policy and management oversight of the acquisition activities of the Special Operations Command under section 167 of title 10, United States Code, and shall have such other duties as the Assistant Secretary shall designate.

SEC. 903. UNITED STATES MARINE BAND AND UNITED STATES MARINE DRUM AND BUGLE CORPS.

(a) IN GENERAL.—Section 6222 of title 10, United States Code, is amended to read as follows:

''§ 6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members

''(a) UNITED STATES MARINE BAND.—The band of the Marine Corps shall be composed of one director, two assistant directors, and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(b) UNITED STATES MARINE DRUM AND BUGLE CORPS.—The drum and bugle corps of the Marine Corps shall be composed of one commanding officer and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(c) APPOINTMENT AND PROMOTION.—(1) The Secretary of the Navy shall prescribe regulations for the appointment and promotion of members of the Marine Band and members of the Marine Drum and Bugle Corps.

''(2) The President may from time to time appoint members of the Marine Band and members of the Marine Drum and Bugle Corps to grades not above the grade of captain. The authority of the President to make appointments under this paragraph may be delegated only to the Secretary of Defense.

''(3) The President, by and with the advice and consent of the Senate, may from time to time appoint any member of the Marine Band or of the Marine Drum and Bugle Corps to a grade above the grade of captain.

''(d) RETIREMENT.—Unless otherwise entitled to higher retired grade and retired pay, a member of the Marine Band or Marine Drum and Bugle Corps who holds, or has held, an appointment under this section is entitled, when retired, to be retired in, and with retired pay based on, the highest grade held under this section in which the Secretary of the Navy determines that such member served satisfactorily.

''(e) REVOCATION OF APPOINTMENT.—The Secretary of the Navy may revoke any appointment of a member of the Marine Band or Marine Drum and Bugle Corps. When a member's appointment to a commissioned grade terminates under this subsection, such member is entitled, at the option of such member—

''(1) to be discharged from the Marine Corps; or

''(2) to revert to the grade and status such member held at the time of appointment under this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 565 of such title is amended by striking the item relating to section 6222 and inserting the following new item:

''6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members.''.

SEC. 904. MILITARY DEPUTIES TO THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS FOR ACQUISITION, LOGISTICS, AND TECHNOLOGY MATTERS.

(a) DEPARTMENT OF THE ARMY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of

the Army the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall be a lieutenant general of the Army on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall not be counted against the numbers and percentages of officers of the Army of the grade of lieutenant general.

(b) DEPARTMENT OF THE NAVY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Navy the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition.

(2) VICE ADMIRAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall be a vice admiral on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall not be counted against the numbers and percentages of officers of the grade of vice admiral.

(c) DEPARTMENT OF THE AIR FORCE.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Air Force the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall be a lieutenant general of the Air Force on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall not be counted against the numbers and percentages of officers of the Air Force of the grade of lieutenant general.

Subtitle B—Space Activities

SEC. 911. ESTABLISHMENT OF OPERATIONALLY RESPONSIVE SPACE CAPABILITIES.

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

(1) Access to and use of space is critical for preserving peace and protecting the national security, commercial, and civil interests of the United States.

(2) Key priorities for the national security space activities of the United States include improving the capacity to support military operations worldwide and responding to strategic military threats.

(3) To the maximum extent possible, space capabilities should be integrated into the strategy, doctrine, operations, and contingency plans of the Armed Forces of the United States.

(4) The commanders of the combatant commands should have access to responsive space capabilities that provide prompt, focused support in their theater of operations, which capabilities should compliment other national and Department of Defense space assets while providing direct and flexible support to the warfighter on the battlefield.

(5) The United States Space Transportation Policy of January 6, 2005, calls for the demonstration, before 2010, of an initial capability for operationally responsive access to and use of space to support the national security requirements of the United States.

(b) POLICY.—It is the policy of the United States—

(1) to demonstrate, acquire, and deploy an effective capability for operationally responsive space to support the warfighter from space; and

(2) that the capability described in paragraph (1) shall consist of—

(A) responsive satellite payloads;

(B) inexpensive space launch vehicles and range procedures that facilitate the timely launch of satellites;

(C) common technical standards for satellite busses; and

(D) a configuration of operations and command and control capabilities that permit the warfighter to exploit responsive space assets for combat operations.

(c) OPERATIONALLY RESPONSIVE SPACE HYBRID PROGRAM OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Hybrid Program Office (in this subsection referred to as the ''Office'').

(2) ELEMENTS.—The Office shall consist of elements of the Department of Defense selected by the Secretary from among the science and technology, acquisition, and operations elements of the Department having the capacity to contribute to the development of capabilities for operationally responsive space. Such elements shall be selected so as to achieve a balanced representation of the military departments in the Office in order to ensure proper acknowledgment of joint considerations in the activities of the Office.

(3) ORGANIZATION OF ELEMENTS.—The elements of the Office under paragraph (2) shall be organized by the Secretary into divisions as follows:

(A) A science and technology division that shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on payloads, bus, and launch equipment.

(B) An acquisition division that shall undertake the acquisition of systems necessary to procure, integrate, sustain, and launch assets for operationally responsive space.

(C) An operations division that shall—

(i) sustain and maintain assets for operationally responsive space prior to launch;

(ii) integrate and launch such assets; and

(iii) operate such assets in orbit.

(D) A combatant command support division that shall serve as the primary intermediary between the military departments and the combatant commands on operationally responsive space, including the integration of assets for operationally responsive space into—

(i) the operations plans of the combatant commands;

(ii) the training and tactics procedures of the military departments; and

(iii) military exercises, demonstrations, and war games.

(3) ACCOUNTABILITY.—The head of the Office shall report to the Executive Agent for Space of the Department of Defense regarding the activities of Office under this subsection.

(4) ACQUISITION AUTHORITY.—The acquisition activities of the Office shall be subject to the following:

(A) The Executive Agent for Space of the Department of Defense shall be the senior acquisition executive of the Office.

(B) The Joint Capabilities Integration and Development System process shall not apply to acquisitions by the Office.

(C) The commander of the United States Strategic Command, or a designate of the commander, shall—

(i) validate all system requirements for systems to be acquired by the Office; and

(ii) participate in the approval of any acquisition program initiated by the Office.

(D) The unit procurement cost of a launch vehicle procured by the Office may not exceed $20,000,000.

(E) The unit procurement cost of an integrated satellite procured by the Office may not exceed $40,000,000.

(5) ADJUSTMENT OF UNIT PROCUREMENT COST LIMITS.—The Executive Agent for Space shall adjust the amounts specified in subparagraphs (D) and (E) of paragraph (4) to take into account the effects of inflation. Such adjustment shall take place once every five years.

(d) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(B) An identification of the capabilities required by the Department to fulfill such mission.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Hybrid Program Office under subsection (c).

(D) The security classification level required for the Office in order to ensure that the Office carries out its responsibilities under subsection (c) in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to the Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A schedule for the implementation of the plan.

(G) The funding and personnel required to implement the plan over the course of the current future-years defense program under section 221 of title 10, United States Code.

(e) DEFINITIONS.—In this section:

(1) The term ''operationally responsive space'' means the development and launch of space assets upon demand in a low-cost manner.

(2) The term ''procurement unit cost'' has the meaning given that term in section 2432(a) of title 10, United States Code.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM ON PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section'' and inserting ''may be conducted through September 30, 2009''.

SEC. 913. INDEPENDENT REVIEW AND ASSESSMENT OF DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT FOR NATIONAL SECURITY IN SPACE.

(a) INDEPENDENT REVIEW AND ASSESSMENT REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for an independent review and assessment of the organization and management of the Department of Defense for national security in space.

(2) CONDUCT OF REVIEW.—The review and assessment shall be conducted by an appropriate entity outside the Department of Defense selected by the Secretary for purposes of this section.

(3) ELEMENTS.—The review and assessment shall address the following:

(A) The requirements of the Department of Defense for national security space capabilities, as identified by the Department, and the efforts of the Department to fulfill such requirements.

(B) The future space missions of the Department, and the plans of the Department to meet the future space missions.

(C) The actions that could be taken by the Department to modify the organization and management of the Department over the near-term, medium-term, and long-term in order to strengthen United States national security in space, and the ability of the Department to implement its requirements and carry out the future space missions, including the following:

(i) Actions to exploit existing and planned military space assets to provide support for United States military operations.

(ii) Actions to improve or enhance current interagency coordination processes regarding the operation of national security space assets, including improvements or enhancements in interoperability and communications.

(iii) Actions to improve or enhance the relationship between the intelligence aspects of national security space (so-called ''black space'') and the non-intelligence aspects of national security space (so-called ''white space'').

(iv) Actions to improve or enhance the manner in which military space issues are addressed by professional military education institutions.

(4) LIAISON.—The Secretary shall designate at least one senior civilian employee of the Department of Defense, and at least one general or flag officer of an Armed Force, to serve as liaison between the Department, the Armed Forces, and the entity conducting the review and assessment.

(b) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the entity conducting the review and assessment shall submit to the Secretary and the congressional defense committees a report on the review and assessment.

(2) ELEMENTS.—The report shall include—

(A) the results of the review and assessment; and

(B) recommendations on the best means by which the Department may improve its organization and management for national security in space.

Subtitle C—Other Matters

SEC. 921. DEPARTMENT OF DEFENSE POLICY ON UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall, in consultation with the Chairman of the Joint Chiefs of Staff, develop a policy applicable throughout the Department of Defense on research, development, test, and evaluation, procurement, and operation of unmanned systems.

(b) ELEMENTS.—The policy required by subsection (a) shall include the following:

(1) Mission requirements (including mission requirements for the military departments and joint mission requirements) for unmanned systems to replace manned systems in the performance of routine or dangerous missions.

(2) A strategy and schedules for the replacement of manned systems with unmanned systems in the performance of such missions.

(3) Preference for joint unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.

(4) Joint development and procurement of unmanned systems and components.

(5) A strategy for the divestment of the military department unmanned systems unique to a particular department with a preference for joint unmanned systems.

(6) Programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems.

(7) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as executive agent for the Department on unmanned systems.

(8) Requirements for the integration of unmanned and manned missions.

(9) Requirements in order to satisfy the goals for unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the policy required by subsection (a).

SEC. 922. EXECUTIVE SCHEDULE LEVEL IV FOR DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS.

(a) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Deputy Under Secretary of Defense for Personnel and Readiness the following new item:

''Deputy Under Secretary of Defense for Logistics and Materiel Readiness.''.

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Under Secretary of Defense for Logistics and Materiel Readiness.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to individuals appointed as Deputy Under Secretary of Defense for Logistics and Materiel Readiness on or after that date.

SEC. 923. THREE-YEAR EXTENSION OF JOINT INCENTIVES PROGRAM ON SHARING OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

Section 8111(d)(4) of title 38, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

SEC. 924. SENSE OF SENATE ON NOMINATION OF INDIVIDUAL TO SERVE AS DIRECTOR OF OPERATIONAL TEST AND EVALUATION ON A PERMANENT BASIS.

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

(1) Congress established the position of Director of Operational Test and Evaluation of the Department of Defense in 1983 to ensure the operational effectiveness and suitability of weapon systems in combat.

(2) The Director of Operational Test and Evaluation serves as the principal adviser to the Secretary of Defense on operational test and evaluation and is vital to ensuring the operational effectiveness of weapon systems in combat.

(3) The position of Director of Operational Test and Evaluation has been held on an acting basis since February 15, 2005.

(b) SENSE OF SENATE.—It is the sense of the Senate that the President should submit to the Senate the nomination of an individual for the position of Director of Operational Test and Evaluation as soon as practicable.

SEC. 925. INCLUSION OF HOMELAND DEFENSE AND CIVIL SUPPORT MISSIONS OF THE NATIONAL GUARD AND RESERVES IN THE QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (15) as paragraph (16); and

(2) by inserting after paragraph (14) the following new paragraph (15):

''(15) The homeland defense mission and civil support missions of the active and reserve components of the armed forces, including the organization and capabilities required for the active and reserve components to discharge each such mission.''.

SEC. 926. REFORMS TO THE DEFENSE TRAVEL SYSTEM TO A FEE-FOR-USE-OF-SERVICE SYSTEM.

No later than one year after the enactment of this Act, the Secretary of Defense may not obligate or expend any funds related to the Defense Travel System except those funds obtained through a one-time, fixed price service fee per Department of Defense customer utilizing the system with an additional fixed fee for each transaction.

SEC. 927. REPORT ON INCORPORATION OF ELEMENTS OF THE RESERVE COMPONENTS INTO THE SPECIAL FORCES.

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

(1) The Quadrennial Defense Review recommends an increase in the size of the Special Operations Command and the Special Forces as a fundamental part of our efforts to fight the war on terror.

(2) The Special Forces play a crucial role in the war on terror, and the expansion of their force structure as outlined in the Quadrennial Defense Review should be fully funded.

(3) Expansion of the Special Forces should be consistent with the Total Force Policy.

(4) The Secretary of Defense should assess whether the establishment of additional reserve component Special Forces units and associated units is consistent with the Total Force Policy.

(5) Training areas in high-altitude and mountainous areas represent a national asset for preparing Special Forces units and personnel for duty in similar regions of Central Asia.

(b) REPORT ON INCORPORATION OF ELEMENTS INTO SPECIAL FORCES.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report to address whether units and capabilities should be incorporated into the reserve components of the Armed Forces as part of the expansion of the Special Forces as outlined in the Quadrennial Defense Review, and consistent with the Total Force Policy.

(c) REPORT ON SPECIAL FORCES TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the effort taken by the United States Special Operations Command to provide Special Forces training in high-altitude and mountainous areas within the United States.

Subtitle D—National Guard Bureau Matters

SEC. 931. SHORT TITLE.

This title may be cited as the ''National Defense Enhancement and National Guard Empowerment Act of 2006''.

SEC. 932. EXPANDED AUTHORITY OF CHIEF OF THE NATIONAL GUARD BUREAU AND EXPANDED FUNCTIONS OF THE NATIONAL GUARD BUREAU.

(a) EXPANDED AUTHORITY.—

(1) IN GENERAL.—Subsection (a) of section 10501 of title 10, United States Code, is amended by striking ''joint bureau of the Department of the Army and the Department of the Air Force'' and inserting ''joint activity of the Department of Defense''.

(2) PURPOSE.—Subsection (b) of such section is amended by striking ''between'' and all that follows and inserting ''between—

''(1)(A) the Secretary of Defense, the Joint Chiefs of Staff, and the commanders of the combatant commands for the United States, and (B) the Department of the Army and the Department of the Air Force; and

''(2) the several States.''.

(b) ENHANCEMENTS OF POSITION OF CHIEF OF THE NATIONAL GUARD BUREAU.—

(1) ADVISORY FUNCTION ON NATIONAL GUARD MATTERS.—Subsection (c) of section 10502 of title 10, United States Code, is amended by inserting ''to the Secretary of Defense, to the Chairman of the Joint Chiefs of Staff,'' after ''principal advisor''.

(2) GRADE.—Subsection (e) of such section, as redesignated by paragraph (2)(A)(i) of this subsection, is further amended by striking ''lieutenant general'' and inserting ''general''.

(3) ANNUAL REPORT TO CONGRESS ON VALIDATED REQUIREMENTS.—Section 10504 of such title is amended by adding at the end the following new subsection:

''(c) ANNUAL REPORT ON VALIDATED REQUIREMENTS.—Not later than December 31 each year, the Chief of the National Guard Bureau shall submit to Congress a report on the requirements validated under section 10503a(b)(1) of this title during the preceding fiscal year.''.

(c) ENHANCEMENT OF FUNCTIONS OF NATIONAL GUARD BUREAU.—

(1) DEVELOPMENT OF CHARTER.—Section 10503 of title 10, United States Code, is amended—

(A) in the matter preceding paragraph (1), by striking ''The Secretary of the Army and the Secretary of the Air Force shall jointly develop'' and inserting ''The Secretary of Defense, in consultation with the Secretary of the Army and the Secretary of the Air Force, shall develop''; and

(B) in paragraph (12), by striking ''the Secretaries'' and inserting ''the Secretary of Defense''.

(2) ADDITIONAL GENERAL FUNCTIONS.—Such section is further amended—

(A) by redesignating paragraph (12), as amended by paragraph (1)(B) of this subsection, as paragraph (13); and

(B) by inserting after paragraph (11) the following new paragraph (12):

''(12) Facilitating and coordinating with other Federal agencies, and with the several States, the use of National Guard personnel and resources for and in contingency operations, military operations other than war, natural disasters, support of civil authorities, and other circumstances.''.

(3) MILITARY ASSISTANCE FOR CIVIL AUTHORITIES.—Chapter 1011 of such title is further amended by inserting after section 10503 the following new section:

''§ 10503a. Functions of National Guard Bureau: military assistance to civil authorities

''(a) IDENTIFICATION OF ADDITIONAL NECESSARY ASSISTANCE.—The Chief of the National Guard Bureau shall—

''(1) identify gaps between Federal and State capabilities to prepare for and respond to emergencies; and

''(2) make recommendations to the Secretary of Defense on programs and activities of the National Guard for military assistance to civil authorities to address such gaps.

''(b) SCOPE OF RESPONSIBILITIES.—In meeting the requirements of subsection (a), the Chief of the National Guard Bureau shall, in coordination with the Adjutant Generals of the States, have responsibilities as follows:

''(1) To validate the requirements of the several States and Territories with respect to military assistance to civil authorities.

''(2) To develop doctrine and training requirements relating to the provision of military assistance to civil authorities.

''(3) To administer amounts provided the National Guard for the provision of military assistance to civil authorities.

''(4) To carry out any other responsibility relating to the provision of military assistance to civil authorities as the Secretary of Defense shall specify.

''(c) ASSISTANCE.—The Chairman of the Joint Chiefs of Staff shall assist the Chief of the National Guard Bureau in carrying out activities under this section.

''(d) CONSULTATION.—The Chief of the National Guard Bureau shall carry out activities under this section in consultation with the Secretary of the Army and the Secretary of the Air Force.''.

(4) LIMITATION ON INCREASE IN PERSONNEL OF NATIONAL GUARD BUREAU.—The Secretary of Defense shall, to the extent practicable, ensure that no additional personnel are assigned to the National Guard Bureau in order to address administrative or other requirements arising out of the amendments made by this subsection.

(d) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of section 10503 of such title is amended to read as follows:

''§ 10503. Functions of National Guard Bureau: charter''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1011 of such title is amended by striking the item relating to section 10503 and inserting the following new items:

''10503. Functions of National Guard Bureau: charter.

''10503a. Functions of National Guard Bureau: military assistance to civil authorities.''.

SEC. 933. REQUIREMENT THAT POSITION OF DEPUTY COMMANDER OF THE UNITED STATES NORTHERN COMMAND BE FILLED BY A QUALIFIED NATIONAL GUARD OFFICER.

(a) IN GENERAL.—The position of Deputy Commander of the United States Northern Command shall be filled by a qualified officer of the National Guard who is eligible for promotion to the grade of lieutenant general.

(b) PURPOSE.—The purpose of the requirement in subsection (a) is to ensure that information received from the National Guard Bureau regarding the operation of the National Guard of the several States is integrated into the plans and operations of the United States Northern Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) AGGREGATE LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $4,000,000,000.

(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 AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF ADDITIONAL EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

(a) IRAQ, AFGHANISTAN, AND THE GLOBAL WAR ON TERROR.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234).

(b) HURRICANE DISASTER RELIEF AND RECOVERY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

(c) BORDER SECURITY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title V of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE TO SAVINGS RELATING TO LOWER INFLATION.

(a) REDUCTION.—The aggregate amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of all the amounts authorized to be appropriated by such titles reduced by $951,469,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation as a result of a review of the inflation assumptions used in the preparation of the budget of the President for fiscal year 2007, as submitted to

Congress pursuant to section 1005 of title 31, United States Code.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in titles I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to such accounts.

SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$5,000,000,000''.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. MODIFICATION OF DATE OF SUBMITTAL OF OMB/CBO REPORT ON SCORING OF OUTLAYS.

Section 226(a) of title 10, United States Code, is amended by striking ''January 15 of each year'' and inserting ''April 1 of each year''.

SEC. 1007. PROHIBITION ON PARKING OF FUNDS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773a the following new section:

''§ 2773b. Parking of funds: prohibition; penalties

''(a) PROHIBITION.—An officer or employee of the Department of Defense may not direct the designation of funds for a particular purpose in the budget of the President, as submitted to Congress pursuant to section 1105 of title 31, or the supporting documents of the Department of Defense component of such budget, with the knowledge or intent that such funds, if made available to the Department, will not be used for the purpose for which they are designated.

''(b) PENALTIES.—The direction of the designation of funds in violation of the prohibition in subsection (a) shall be treated for purposes of chapter 13 of title 31 as a violation of section 1341(a)(1)(A) of title 31.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2773a the following new item:

''2773b. Parking of funds: prohibition; penalties.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 31 days after the date of the enactment of this Act.

(2) MODIFICATION OF CERTAIN POLICIES AND REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall modify the policies and regulations of the Department of Defense regarding the preparation and submittal to Congress of budget materials for the Department of Defense to take into account the provisions of section 2773b of title 10, United States Code (as added by subsection (a)).

SEC. 1008. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on Armed Services of the Senate to accompany S. 2766 of the 109th Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for such program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1009. REPORTS TO CONGRESS AND NOTICE TO PUBLIC ON EARMARKS IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT AND NOTICE REQUIRED.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense available to the public, each year information as follows:

(1) A description of each earmark of funds made available to the Department of Defense for the previous fiscal year, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be utilized, the purpose of such earmark (if known), and the recipient of such earmark.

(2) The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.

(3) The total cost of administering all such earmarks.

(4) An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:

(A) A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department.

(B) B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department.

(C) C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department.

(D) D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

(E) F for an earmark that distracts from or otherwise impedes that capacity of the Department to meet the primary goals of the Department.

(b) EARMARK DEFINED.—In this section, the term ''earmark'' means a provision of law, or a directive contained within a joint explanatory statement or report accompanying a conference report or bill (as applicable), that specifies the identity of an entity, program, project, or service, including a defense system, to receive assistance not requested by the President and the amount of the assistance to be so received.

Subtitle B—Naval Vessels

SEC. 1011. REPEAL OF REQUIREMENT FOR 12 OPERATIONAL AIRCRAFT CARRIERS WITHIN THE NAVY.

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

(1) by striking subsection (b); and

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

SEC. 1012. APPROVAL OF TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BY VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended by inserting ''or vessel of that class'' after ''that vessel''.

SEC. 1013. NAMING OF CVN–78 AIRCRAFT CARRIER AS THE U.S.S. GERALD FORD.

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

(1) Gerald R. Ford has served his country with honor and distinction for the past 64 years, and continues to serve.

(2) Gerald R. Ford joined the United States Naval Reserve in 1942 and served valiantly at sea on the U.S.S. Monterey (CVL–26) during World War II, taking part in major operations in the Pacific, including at Makin Island, Kwajalein, Truk, Saipan, and the Philippine Sea.

(3) The U.S.S. Monterey earned 10 battle stars, awarded for participation in battle, while Gerald R. Ford served on the vessel.

(4) Gerald R. Ford was first elected to the House of Representatives in 1948.

(5) In the course of 25 years of service in the House of Representatives, Gerald R. Ford distinguished himself by his exemplary record for character, decency, and trustworthiness.

(6) Throughout his service in Congress, Gerald R. Ford was an ardent proponent of strong national defense and international leadership by the United States.

(7) From 1965 to 1973, Gerald R. Ford served as minority leader of the House of Representatives, raising the standard for bipartisanship in his tireless fight for freedom, hope, and justice.

(8) In 1973, Gerald R. Ford was appointed by President Nixon to the office of Vice President of the United States with the overwhelming support of Congress.

(9) From 1974 to 1976, Gerald R. Ford served as the 38th President of the United States, taking office during one of the most challenging periods in the history of the United States and restoring the faith of the people of the United States in the office of the President through his steady leadership, courage, and ultimate integrity.

(10) President Gerald R. Ford helped restore the prestige of the United States in the world community by working to achieve peace in the Middle East, preserve détente with the Soviet Union, and set new limits on the spread of nuclear weapons.

(11) President Gerald R. Ford served as Commander in Chief of the Armed Forces of the United States with great dignity, supporting a strong Navy and a global military presence for the United State and honoring the men and women of the Armed Forces of the United States.

(12) Since leaving the office of President, Gerald R. Ford has been an international ambassador of American goodwill, a noted scholar and lecturer, a strong supporter of human rights, and a promoter of higher education.

(13) Gerald R. Ford was awarded the Medal of Freedom and the Congressional Gold Medal in 1999 in recognition of his contribution to the Nation.

(14) As President, Gerald R. Ford bore the weight of a constitutional crisis and guided the Nation on a path of healing and restored hope, earning forever the enduring respect and gratitude of the Nation.

(b) NAMING OF CVN–78 AIRCRAFT CARRIER.—CVN–78, a nuclear powered aircraft carrier of the Navy, shall be named the U.S.S. Gerald Ford.

SEC. 1014. AUTHORITY TO DONATE SS ARTHUR M. HUDDELL TO THE GOVERNMENT OF GREECE.

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

(1) It is in the economic and environmental interests of the United States to promote the disposal of vessels in the National Defense Reserve Fleet that are of insufficient value to warrant further preservation.

(2) The Maritime Administration of the Department of Transportation has been authorized to make such disposals, including the sale and recycling of such vessels and the donation of such vessels to any State, commonwealth, or possession of the United States, and to nonprofit organizations.

(3) The government of Greece has expressed an interest in obtaining and using the ex-Liberty ship, SS ARTHUR M. HUDDELL, for purposes of a museum exhibit.

(4) It is in the interest of the United States to authorize the Maritime Administration to donate SS ARTHUR M. HUDDELL to Greece.

(b) DONATION OF SS ARTHUR M. HUDDELL TO GOVERNMENT OF GREECE.—Notwithstanding Section 510(j) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1158), the Secretary of Transportation is authorized to transfer SS ARTHUR M. HUDDELL, by gift, to the Government of Greece, in accordance with terms and conditions determined by the Secretary.

(c) ADDITIONAL EQUIPMENT.—The Secretary may convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet to assist the Government of Greece under this section for purposes of the museum exhibit referred to in subsection (a)(3).

Subtitle C—Counterdrug Matters

SEC. 1021. EXTENSION OF AVAILABILITY OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''2005 and 2006'' and inserting ''2005 through 2008''; and

(2) in subsection (c), by striking ''2005 and 2006'' and inserting ''2005 through 2008''.

SEC. 1022. EXTENSION OF AUTHORITY OF DEPARTMENT OF DEFENSE TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

Section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 1023. EXTENSION AND EXPANSION OF CERTAIN AUTHORITIES TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES.

(a) CONCURRENCE OF SECRETARY OF STATE IN PROVISION OF SUPPORT.—Paragraph (1) of subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), as amended by section 1021 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136: 117 Stat. 1593), is further amended by striking ''shall consult with'' and inserting ''shall seek the concurrence of''.

(b) EXTENSION OF AUTHORITY.—Paragraph (2) of such subsection is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

(c) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section 1033, as so amended, is further amended by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.
''(11) The Government of Kazakhstan.
''(12) The Government of Kyrgyzstan.
''(13) The Government of Armenia.
''(14) The Government of Niger.
''(15) The Government of Mauritania.
''(16) The Government of Mali.
''(17) The Government of Chad.
''(18) The Government of Indonesia.
''(19) The Government of Philippines.
''(20) The Government of Thailand.
''(21) The Government of Malaysia.
''(22) The Government of Guatemala.
''(23) The Government of Belize.
''(24) The Government of Panama.''.

(d) TYPES OF SUPPORT.—Subsection (c)(2) of such section 1033, as so amended, is further amended by inserting '', vehicles, and, subject to section 484(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c(a)), aircraft, and detection, interception, monitoring, and testing equipment'' after ''patrol boats''.

(e) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section 1033, as so amended, is further amended—

(1) by striking ''or $40,000,000'' and inserting ''$40,000,000''; and

(2) by inserting before the period at the end the following: '', or $80,000,000 during any of the fiscal years 2007 through 2008''.

(f) ANNUAL REPORT ON SUPPORT PROVIDED TO ADDITIONAL GOVERNMENTS.—Such section 1033 is further amended by adding at the end the following new subsection:

''(i) ANNUAL REPORT ON SUPPORT PROVIDED TO CERTAIN GOVERNMENTS.—Not later than November 30 each year through 2008, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a comprehensive report on the support provided under this section during the preceding fiscal year to each government referred to in paragraphs (1) through (24) of subsection (b).''.

SEC. 1024. OPERATION BAHAMAS, TURKS & CAICOS.

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

(1) In 1982 the United States Government created Operation Bahamas, Turks & Caicos (OPBAT) to counter the smuggling of cocaine into the United States.

(2) According to the Drug Enforcement Agency, an estimated 80 percent of the cocaine entering the United States in the 1980s came through the Bahamas, whereas, according to the Office of National Drug Control Policy, only an estimated 10 percent comes through the Bahamas today.

(3) According to the Drug Enforcement Agency, more than 80,000 kilograms of cocaine and nearly 700,000 pounds of marijuana have been seized in Operation Bahamas, Turks & Caicos since 1986, with a combined street value of approximately two trillion dollars.

(4) The Army has provided military airlift to law enforcement officials under Operation Bahamas, Turks & Caicos to create an effective, reliable, and immediate response capability for drug interdiction. This support is largely responsible for the decline in cocaine shipments to the United States through the Bahamas.

(5) The Bahamas is an island nation composed of approximately 700 islands and keys, which makes aviation assets the best and most efficient method of transporting law enforcement agents and interdicting smugglers.

(6) It is in the interests of the United States to maintain the results of the successful Operation Bahamas, Turks & Caicos program and prevent drug smugglers from rebuilding their operations through the Bahamas.

(b) REPORT ON UNITED STATES GOVERNMENT SUPPORT FOR OPBAT.—

(1) REPORT ON DECISION TO WITHDRAW.—Not later than 30 days before implementing a decision to withdraw Department of Defense helicopters from Operation Bahamas, Turks & Caicos, the Secretary of Defense shall submit to the Congress a report outlining the plan for the coordination of the Operation Bahamas, Turks & Caicos mission, at the same level of effectiveness, using other United States Government assets.

(2) CONSULTATION.—The Secretary of Defense shall consult with the Secretary of State, the Attorney General, and the Secretary of Homeland Security, and with other appropriate officials of the United States Government, in preparing the report under paragraph (1).

(3) ELEMENTS.—The report under paragraph (1) on the withdrawal of equipment referred to in that paragraph shall include the following:

(A) An explanation of the military justification for the withdrawal of the equipment.

(B) An assessment of the availability of other options (including other Government helicopters) to provide the capability being provided by the equipment to be withdrawn.

(C) An explanation of how each option specified under subparagraph (B) will provide the capability currently provided by the equipment to be withdrawn.

(D) An assessment of the potential use of unmanned aerial vehicles in Operation Bahamas, Turks & Caicos, including the capabilities of such vehicles and any advantages or disadvantages associated with the use of

such vehicles in that operation, and a recommendation on whether or not to deploy such vehicles in that operation.

Subtitle D—Defense Intelligence and Related Matters

SEC. 1031. TWO-YEAR EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2008''.

SEC. 1032. ANNUAL REPORT ON INTELLIGENCE OVERSIGHT ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees and the congressional intelligence committees a report on the intelligence oversight activities of the Department of Defense during the previous calendar year.

(b) ELEMENTS.—Each report under subsection (a) shall include, for the calendar year covered by such report, the following:

(1) A description of any questionable intelligence activity that came to the attention of any General Counsel or Inspector General within the Department of Defense, or the Under Secretary of Defense for Intelligence, and a description of the actions taken by such official with respect to such activity.

(2) A description of the results of intelligence oversight inspections undertaken by each of the following:

(A) The Office of the Secretary of Defense.

(B) Each military department.

(C) Each combat support agency.

(D) Each field operating agency.

(3) A description of any changes made in—

(A) any program for the intelligence oversight activities of the Department of Defense, including any training program; or

(B) any published directive or policy memoranda on the intelligence or intelligence-related activities of—

(i) any military department;

(ii) any combat support agency; or

(iii) any field operating agency.

(c) DEFINITIONS.—In this section:

(1) The term ''combat support agency'' has the meaning given that term in section 193(f) of title 10, United States Code.

(2) The term ''congressional intelligence committees'' has the meaning given that term in section 3(7) of the National Security Act of 1947 (50 U.S.C. 401a(7)).

(3) The term ''field operating agency'' means a specialized subdivision of the Department of Defense that carries out activities under the operational control of the Department.

(4) The term ''intelligence oversight activities of the Department of Defense'' refers to any activity undertaken by an agency, element, or component of the Department of Defense to ensure compliance with regard to requirements or instructions on the intelligence and intelligence-related activities of the Department under law or any Executive order or Presidential directive (including Executive Order No. 12333).

(5) The term ''questionable intelligence activity'' means an intelligence or intelligence-related activity of the Department of Defense that may violate the law or any Executive order or Presidential directive (including Executive Order No. 12333).

SEC. 1033. ADMINISTRATION OF PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) TRANSFER OF ADMINISTRATION TO SECRETARY OF DEFENSE.—

(1) IN GENERAL.—Administration of the pilot project on the establishment of a Civilian Linguist Reserve Corps required by section 613 of the Intelligence Authorization Act for Fiscal Year 2005 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C. 403–1b note) is hereby transferred from the Director of National Intelligence to the Secretary of Defense.

(2) CONFORMING AMENDMENTS.—Section 613 of the Intelligence Authorization Act for Fiscal Year 2005 is amended—

(A) by striking ''Director of National Intelligence'' each place it appears and inserting ''Secretary of Defense''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) DISCHARGE OF PROJECT.—Subsection (a) of such section is further amended by adding at the end the following new sentence: ''The Secretary shall carry out the pilot project through the National Security Education Program.''.

(c) REPEAL OF SPECIFICATION OF DURATION OF PROJECT.—Such section is further amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(d) MODIFICATION OF REPORT REQUIREMENTS.—Subsection (d) of such section, as redesignated by subsection (b) of this section, is further amended—

(1) in paragraph (1), by striking ''an initial and a final report'' and inserting ''a report'';

(2) in paragraph (2), by striking ''Each report'' and inserting ''The report''; and

(3) in paragraph (3), by striking ''final report'' and inserting ''report required under paragraph (1)''.

(e) REPEAL OF SUPERSEDED AUTHORIZATION.—Such section is further amended by striking subsection (f).

SEC. 1034. IMPROVEMENT OF AUTHORITIES ON THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) EXPANSION OF EMPLOYMENT CREDITABLE UNDER SERVICE AGREEMENTS.—Paragraph (2) of subsection (b) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended to read as follows:

''(2)(A) will (in accordance with regulations prescribed by the Secretary of Defense in coordination with the heads of the other Federal departments and agencies concerned) begin work not later than three years after the recipient's completion of degree study during which scholarship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); or

''(B) will (in accordance with such regulations) begin work not later than two years after the recipient's completion or termination of study for which fellowship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); and''.

(b) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—Such section is further amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

''(h) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—

''(1) IN GENERAL.—The Secretary of Defense may—

''(A) appoint or retain a person provided scholarship or fellowship assistance under the program in a position in the Department of Defense on an interim basis during the period of the person's pursuit of a degree under the program and for a period not to exceed two years after completion of the degree, but only if, in the case of the period after completion of the degree—

''(i) there is no appropriate permanent position for the person under subsection (b)(2)(A); and

''(ii) there is an active and ongoing effort to identify and assign the person to an appropriate permanent position as soon as possible; and

''(B) if there is no appropriate permanent position available for the person after the end of the periods described in subparagraph (A), separate the person from employment with the Department without regard to any other provision of law, in which event the service agreement of the person under subsection (b) shall terminate.

''(2) TREATMENT OF CERTAIN SERVICE.—The period of service of a person covered by paragraph (1) in a position on an interim basis under that paragraph shall, after completion of the degree, be treated as a period of service for purposes of satisfying the obligated service requirements of the person under the service agreement of the person under subsection (b).''.

(c) PLAN FOR IMPROVING PROGRAM.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for improving the recruitment, placement, and retention within the Department of Defense of individuals who receive scholarships or fellowships under the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) in order to facilitate the purposes of that Act in meeting the requirements of the Department in acquiring individuals with critical foreign language skills and individuals who are regional experts.

SEC. 1035. COLLECTION BY NATIONAL SECURITY AGENCY OF SERVICE CHARGES FOR CERTIFICATION OR VALIDATION OF INFORMATION ASSURANCE PRODUCTS.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

''SEC. 20.(a) The Director may collect charges for evaluating, certifying, or validating information assurance products under the National Information Assurance Program or successor program.

''(b) The charges collected under subsection (a) shall be established through a public rulemaking process in accordance with Office of Management and Budget Circular No. A–25.

''(c) Charges collected under subsection (a) shall not exceed the direct costs of the program referred to in that subsection.

''(d) The appropriation or fund bearing the cost of the service for which charges are collected under the program referred to in subsection (a) may be reimbursed, or the Director may require advance payment subject to such adjustment on completion of the work as may be agreed upon.

''(e) Amounts collected under this section shall be credited to the account or accounts from which costs associated with such amounts have been or will be incurred, to reimburse or offset the direct costs of the program referred to in subsection (a).''.

SEC. 1036. FUNDING FOR A CERTAIN MILITARY INTELLIGENCE PROGRAM.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $450,000,000.

(b) OFFSET.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby decreased by $450,000,000, with the amount of the reduction to be allocated to amounts available for a classified program as described on page 34 of Volume VII (Compartmented Annex) of the Fiscal Year 2007 Military Intelligence Program justification book.

Subtitle E—Defense Against Terrorism and Related Security Matters

SEC. 1041. ENHANCEMENT OF AUTHORITY TO PAY MONETARY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

Section 127b(c) of title 10, United States Code, is amended—

(1) in paragraph (1)(B), by inserting '', or to a subcommander of a combatant command designated by the commander of the combatant command and approved by an Under Secretary of Defense to whom such authority is delegated under subparagraph (A),'' after ''combatant command''; and

(2) in paragraph (2), by striking ''$2,500'' and inserting ''$10,000''.

SEC. 1042. USE OF THE ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.

(a) USE OF THE ARMED FORCES AUTHORIZED.—

(1) IN GENERAL.—Section 333 of title 10, United States Code, is amended to read as follows:

''§ 333. Major public emergencies; interference with State and Federal law

''(a) USE OF ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.—(1) The President may employ the armed forces, including the National Guard in Federal service, to—

''(A) restore public order and enforce the laws of the United States when, as a result of a natural disaster, epidemic, or other serious public health emergency, terrorist attack or incident, or other condition in any State or possession of the United States, the President determines that—

''(i) domestic violence has occurred to such an extent that the constituted authorities of the State or possession are incapable of maintaining public order; and

''(ii) such violence results in a condition described in paragraph (2); or

''(B) suppress, in a State, any insurrection, domestic violence, unlawful combination, or conspiracy if such insurrection, violation, combination, or conspiracy results in a condition described in paragraph (2).

''(2) A condition described in this paragraph is a condition that—

''(A) so hinders the execution of the laws of a State or possession, as applicable, and of the United States within that State or possession, that any part or class of its people is deprived of a right, privilege, immunity, or protection named in the Constitution and secured by law, and the constituted authorities of that State or possession are unable, fail, or refuse to protect that right, privilege, or immunity, or to give that protection; or

''(B) opposes or obstructs the execution of the laws of the United States or impedes the course of justice under those laws.

''(3) In any situation covered by paragraph (1)(B), the State shall be considered to have denied the equal protection of the laws secured by the Constitution.

''(b) NOTICE TO CONGRESS.—The President shall notify Congress of the determination to exercise the authority in subsection (a)(1)(A) as soon as practicable after the determination and every 14 days thereafter during the duration of the exercise of the authority.''.

(2) PROCLAMATION TO DISPERSE.—Section 334 of such title is amended by inserting ''or those obstructing the enforcement of the laws'' after ''insurgents''.

(3) HEADING AMENDMENT.—The heading of such 15 of such title is amended to read as follows:

''CHAPTER 15—ENFORCEMENT OF THE LAWS TO RESTORE PUBLIC ORDER''.

(4) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 15 and inserting the following new item:

''15. Enforcement of the Laws To Restore Public Order ..... 331''.

(B) The table of sections at the beginning of chapter 15 of such title is amended by striking the item relating to sections 333 and inserting the following new item:

''333. Major public emergencies; interference with State and Federal law.''.

(b) PROVISION OF SUPPLIES, SERVICES, AND EQUIPMENT.—

(1) IN GENERAL.—Chapter 152 of such title is amended by adding at the end the following new section:

''§ 2567. Provision of supplies, services, and equipment in major public emergencies

''(a) PROVISION AUTHORIZED.—In any situation in which the President determines to exercise the authority in section 333(a)(1)(A) of this title, the President may direct the Secretary of Defense to provide supplies, services, and equipment to persons affected by the situation.

''(b) COVERED SUPPLIES, SERVICES, AND EQUIPMENT.—The supplies, services, and equipment provided under this section may include food, water, utilities, bedding, transportation, tentage, search and rescue, medical care, minor repairs, the removal of debris, and other assistance necessary for the immediate preservation of life and property.

''(c) LIMITATIONS.—(1) Supplies, services, and equipment may be provided under this section—

''(A) only to the extent that the constituted authorities of the State or possession concerned are unable to provide such supplies, services, and equipment, as the case may be; and

''(B) only until such authorities, or other departments or agencies of the United States charged with the provision of such supplies, services, and equipment, are able to provide such supplies, services, and equipment.

''(2) The Secretary may provide supplies, services, and equipment under this section only to the extent that the Secretary determines that doing so will not interfere with military preparedness or ongoing military operations or functions.

''(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—The provision of supplies, services, or equipment under this section shall not be subject to the provisions of section 403(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).''.

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

''2567. Provision of supplies, services, and equipment in major public emergencies.''.

(c) CONFORMING AMENDMENTS.—Section 12304(c) of such title is amended—

(1) by striking paragraph (1); and

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

SEC. 1043. TREATMENT UNDER FREEDOM OF INFORMATION ACT OF CERTAIN CONFIDENTIAL INFORMATION SHARED WITH STATE AND LOCAL PERSONNEL.

Confidential business information and other sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared, pursuant to section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482), with State and local personnel involved in the prevention, interdiction, or disruption of, or response to, terrorist activity shall not be subject to disclosure under section 552 of title 5, United States Code (commonly referred to as the ''Freedom of Information Act''), by virtue of the sharing of such information with such personnel.

SEC. 1044. TEMPORARY NATIONAL GUARD SUPPORT FOR SECURING THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—(1) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to annual training duty under section 502(a) of title 32, United States Code, to carry out in any State along the southern land border of the United States the activities authorized in subsection (b) for the purpose of securing such border. Such duty shall not exceed 21 days in any year.

(2) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to perform duty under section 502(f) of title 32, United States Code, to provide command, control, and continuity of support for units and personnel performing annual training duty under paragraph (1).

(b) AUTHORIZED ACTIVITIES.—The activities authorized by this subsection are the following:

(1) Ground surveillance activities.

(2) Airborne surveillance activities.

(3) Logistical support.

(4) Provision of translation services and training.

(5) Provision of administrative support services.

(6) Provision of technical training services.

(7) Provision of emergency medical assistance and services.

(8) Provision of communications services.

(9) Rescue of aliens in peril.

(10) Construction of roadways, patrol roads, fences, barriers, and other facilities to secure the southern land border of the United States.

(11) Ground and air transportation.

(c) COOPERATIVE AGREEMENTS.—Units and personnel of the National Guard of a State may perform activities in another State under subsection (a) only pursuant to the terms of an emergency management assistance compact or other cooperative arrangement entered into between the Governors of such States for purposes of this section, and only with the approval of the Secretary of Defense.

(d) COORDINATION OF ASSISTANCE.—The Secretary of Homeland Security shall, in consultation with the Secretary of Defense and the Governors of the States concerned, coordinate the performance of activities under this section by units and personnel of the National Guard.

(e) ANNUAL TRAINING.—Annual training duty performed by members of the National Guard under this section shall be appropriate for the units and individual members concerned, taking into account the types of units and military occupational specialties of individual members performing such duty.

(f) PROHIBITION ON DIRECT PARTICIPATION IN LAW ENFORCEMENT.—Activities carried out under this section shall not include the direct participation of a member of the National Guard in a search, seizure, arrest, or similar activity.

(g) DURATION OF AUTHORITY.—The authority of this section shall expire on January 1, 2009.

(h) DEFINITIONS.—In this section:

(1) The term ''Governor of a State'' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(2) The term ''State'' means each of the several States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) The term ''State along the southern land border of the United States'' means each of the following:

(A) The State of Arizona.

(B) The State of California.

(C) The State of New Mexico.

(D) The State of Texas.

Subtitle F—Miscellaneous Authorities on Availability and Use of Funds

SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSEMENT FROM NON-FEDERAL SOURCES TO DEFRAY DEPARTMENT OF DEFENSE COSTS OF CONFERENCES.

(a) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2262. Department of Defense conferences: collection of fees to cover Department of Defense costs

''(a) IN GENERAL.—(1) The Secretary of Defense may, whether directly or by contract, collect fees from any individual or commercial participant in a conference, seminar, exhibition, symposium, or similar meeting (in this section referred to collectively as a 'conference') conducted by the Department of Defense.

''(2) Fees may be collected with respect to a conference under this subsection in advance of the conference.

''(3) The total amount of fees collected under this subsection with respect to a conference may not exceed the costs of the Department of Defense with respect to the conference.

''(b) TREATMENT OF COLLECTIONS.—(1) Amounts collected under subsection (a) with respect to a conference shall be credited to the appropriation or account from which the costs of the conference are paid.

''(2) In the event the total amount of fees collected with respect to a conference exceeds the costs of the Department with respect to the conference, the amount of such excess shall be deposited into the Treasury as miscellaneous receipts.

''(3) Amounts credited to an appropriation or account under paragraph (1) with respect to a conference shall be available to pay the costs of the Department with respect to the conference or to reimburse the Department for costs incurred with respect to the conference.

''(c) ANNUAL REPORTS.—(1) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the use of the authority under this section.

''(2) Each report under this subsection shall include the following:

''(A) A list of conferences during the last two calendar years for which fees were collected under subsection (a).

''(B) For each conference listed under subparagraph (A)—

''(i) The estimated costs of the Department for such conference.

''(ii) The actual costs of the Department for such conference, including a separate statement of the amount of any conference coordinator fees associated with such conference.

''(iii) The amount for collected under subsection (a) for such conference.

''(C) An estimate of the number of conferences to be conducted in the calendar year of such report for which the Department will collect fees under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following new item:

''2262. Department of Defense conferences: collection of fees to cover Department of Defense costs.''.

SEC. 1052. MINIMUM ANNUAL PURCHASE AMOUNTS FOR AIRLIFT FROM CARRIERS PARTICIPATING IN THE CIVIL RESERVE AIR FLEET.

(a) IN GENERAL.—Chapter 931 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet

''(a) IN GENERAL.—The Secretary of Defense may award to air carriers participating in the Civil Reserve Air Fleet on a fiscal year basis a one-year contract for airlift services with a minimum purchase amount determined in accordance with this section.

''(b) MINIMUM PURCHASE AMOUNT.—(1) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year shall be based on forecast needs, but may not exceed the amount equal to 80 percent of the annual average expenditure of the Department of Defense for airlift during the five-fiscal year period ending in the fiscal year before the fiscal year for which such contracts are awarded.

''(2) In calculating the annual average expenditure of the Department of Defense for airlift for purposes of paragraph (1), the Secretary of Defense may omit from the calculation any fiscal year exhibiting unusually high demand for airlift if the Secretary determines that the omission of such fiscal year from the calculation will result in a more accurate forecast of anticipated airlift for purposes of that paragraph.

''(3) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year, as determined under paragraph (1), shall be allocated among all carriers awarded contracts under that subsection for such fiscal year in proportion to the commitments of such carriers to the Civil Reserve Air Fleet for such fiscal year.

''(c) ADJUSTMENT TO MINIMUM PURCHASE AMOUNT FOR PERIODS OF UNAVAILABILITY OF AIRLIFT.—In determining the minimum purchase amount payable under a contract under subsection (a) for airlift provided by a carrier during the fiscal year covered by such contract, the Secretary of Defense may adjust the amount allocated to the carrier under subsection (b)(3) to take into account periods during such fiscal year when services of the carrier are unavailable for usage by the Department of Defense, including during periods of refused business or suspended operations or when the carrier is placed in non-use status pursuant to section 2640 of this title for safety issues.

''(d) DISTRIBUTION OF AMOUNTS.—If any amount available under this section for the minimum purchase of airlift from a carrier for a fiscal year under a contract under subsection (a) is not utilized to purchase airlift from the carrier in such fiscal year, such amount shall be provided to the carrier prior to the first day of the following fiscal year.

''(e) TRANSFER OF FUNDS.—At the beginning of each fiscal year, the Secretary of each military department shall transfer to the transportation working capital fund a percentage of the total amount anticipated to be required in such fiscal year for payment of minimum purchase amounts under all contracts awarded under subsection (a) for such fiscal year equivalent to the percentage of the anticipated use of airlift by such military department during such fiscal year from all carriers under contracts awarded under subsection (a) for such fiscal year.

''(f) AVAILABILITY OF AIRLIFT.—(1) From the total amount of airlift available for a fiscal year under all contracts awarded under subsection (a) for such fiscal year, a military department shall be entitled to obtain a percentage of such airlift equivalent to the percentage of the contribution of the military department to the transportation working capital fund for such fiscal year under subsection (e).

''(2) A military department may transfer any entitlement to airlift under paragraph (1) to any other military department or to any other agency, element, or component of the Department of Defense.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 931 of such title is amended by adding at the end the following new item:

''9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet.''.

SEC. 1053. INCREASED FLEXIBILITY IN USE OF FUNDS FOR JOINT STAFF EXERCISES.

(a) IN GENERAL.—Amounts available to the Chairman of the Joint Chiefs of Staff for joint staff exercises may be available for any expenses as follows:

(1) Expenses of the Armed Forces in connection with such exercises, including expense relating to self-deploying watercraft under the jurisdiction of a military department.

(2) Expenses relating to the costs of port support activities in connection with such exercises, including transportation and port handling.

(3) Expenses relating to the breakout and operation of prepositioned watercraft and lighterage for joint logistics and over the shore exercises in connection with such exercises.

(b) SUPPLEMENT NOT SUPPLANT.—Any amounts made available by the Chairman of

the Joint Chiefs of Staff under subsection (a) for expenses covered by that subsection are in addition to any other amounts available under law for such expenses.

SEC. 1054. STRENGTHENING THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

For purposes of discharging the duties of the Special Inspector General for Iraq Reconstruction under subsection (f) of section 3001 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (5 U.S.C. 8G note), and for purposes of determining the date of termination of the Office of the Special Inspector General under subsection (o) of such section, any funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, regardless of how such funds may be designated, shall be treated as amounts appropriated or otherwise made available for the Iraq Relief and Reconstruction Fund.

Subtitle G—Report Matters

SEC. 1061. REPORT ON CLARIFICATION OF PROHIBITION ON CRUEL, INHUMAN, OR DEGRADING TREATMENT OR PUNISHMENT.

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

(1) It is critical that members of the Armed Forces have clear guidelines about the legality of interrogation techniques as they seek critical intelligence in the War on Terrorism.

(2) To avoid confusion, any determination made about the legality of various interrogation techniques must be consistent across the United States Government.

(3) Confusion continues about the permissibility of various interrogation techniques, even after the enactment of the Detainee Treatment Act of 2005 (title X of division A of Public Law 109–148).

(4) In testimony before the Senate and in written response to queries from the Senate, senior military commanders, Judge Advocates General of the Armed Forces, and various civilian officials of the Executive Branch have given incomplete or varying answers to questions on what constitutes cruel, inhuman, or degrading treatment.

(5) It is critical to clarify these matters in order to ensure that members of the Armed Forces do not receive unclear or misleading guidance on such matters.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the congressional defense committees a report setting forth the coordinated and definitive legal opinion of the United States Government on whether each of the following interrogation techniques constitutes cruel, inhuman, or degrading treatment or punishment (as defined in section 1002(d) of the Detainee Treatment Act of 2006 (as defined in the Detainee Treatment Act of 2005 (119 Stat. 2740; 42 U.S.C. 2000dd(d)):

(1) Waterboarding, or any other technique using water, bags, or other devices or substances to induce a sensation of drowning or asphyxiation.

(2) Sleep deprivation, including, at a minimum, depriving a prisoner of sleep for 24 hours or more or permitting five or less hours of sleep per day over a period of three or more days.

(3) Stress positions, including the use of any technique in which a prisoner is placed or shackled in a painful or awkward position (including prolonged standing or crouching, shackling arms above the head for prolonged periods, or the use of shackles or handcuffs in a manner which causes pain due to the swelling of tissue over a prolonged period of time).

(4) The use of extreme temperatures as an aid to interrogation.

(5) The use of beatings, slapping, or violent shaking.

(6) The use of dogs as an aid to interrogation.

(7) The use of nakedness or other forms of sexual humiliation as an aid to interrogation.

(c) ELEMENTS.—The report under subsection (b) shall state, for each interrogation technique listed in that subsection, the following

(1) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen within the United States.

(2) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen outside the United States.

(3) Whether the technique would be legal if used to interrogate a member of the Armed Forces of the United States by a state party to the Geneva Conventions.

(4) Whether the technique would be legal if used to interrogate a United States citizen by a state party to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

(d) CERTIFICATION ON NATURE OF OPINIONS.—The report under subsection (b) shall include a certification that the legal opinions set forth in the report are the coordinated and definitive opinion of the United States Government binding on all departments and agencies of the United States Government, any personnel of such departments and agencies, and any contractors of such departments and agencies.

(e) DISSEMINATION OF OPINIONS.—

(1) IN GENERAL.—The President shall ensure the dissemination of the legal opinions set forth in the report to all departments and agencies of the United States Government, together with the instruction that such opinions be further disseminated to all personnel of such departments and agencies and all contractors of such departments and agencies.

(2) CERTIFICATION ON DISSEMINATION.—The report shall include a certification regarding compliance with the requirement in paragraph (1).

(f) DEFINITIONS.—In this section:

(1) The term ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment'' means the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York, December 10, 1984, and entering into force June 26, 1987 (T. Doc. 100–20).

(2) The term ''Geneva Conventions'' means—

(A) the Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, done at Geneva August 12, 1949 (6 UST 3114);

(B) the Convention for the Amelioration of the Condition of the Wounded, Sick, and Shipwrecked Members of Armed Forces at Sea, done at Geneva August 12, 1949 (6 UST 3217);

(C) the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316); and

(D) the Convention Relative to the Protection of Civilian Persons in Time of War, done at Geneva August 12, 1949 (6 UST 3516).

SEC. 1062. REPORTS ON MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE SERVING IN THE LEGISLATIVE BRANCH.

(a) MONTHLY REPORTS ON DETAILS AND FELLOWSHIPS OF LONG DURATION.—Not later than 120 days after the date of the enactment of this Act, and monthly thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the members of the Armed Forces and civilian employees of the Department of Defense who, as of the date of such report, have served continuously in the Legislative Branch for more than 12 consecutive months in one or a combination of covered legislative details or fellowships.

(b) REPORTS ON CERTAIN MILITARY DETAILS AND FELLOWSHIPS.—If a member of the Armed Forces is assigned to a covered legislative detail or fellowship as the last tour of duty of such member before retirement or separation from the Armed Forces in contravention of the regulations of the Department of Defense, the Secretary shall submit to the congressional defense committees a report on the assignment of such member to such covered legislative detail or fellowship. The report shall include a rationale for the waiver of the regulations of the Department in order to permit the detail or fellowship.

(c) REPORT ELEMENTS.—Each report under subsection (a) or (b) shall set forth, for each member of the Armed Forces or civilian employee covered of the Department of Defense covered by such report, the following:

(1) The name of such member or employee.

(2) In the case of a member, the Armed Force of such member.

(3) The committee or member of Congress to which such member or employee is detailed or assigned.

(4) A general description of the projects or tasks undertaken or to be undertaken, as applicable, by such member or employee as a detailee, fellow, or both.

(5) The anticipated termination date of the current detail or fellowship of such member or employee.

(d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP DEFINED.—In this section, the term ''covered legislative detail or fellowship'' means the following:

(1) A detail under the provisions of Department of Defense Directive 1000.17.

(2) A legislative fellowship (including a legislative fellowship under the provisions of Department of Defense Directive 1322.6).

SEC. 1063. ADDITIONAL ELEMENT IN ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL WARFARE DEFENSE.

Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

''(10) A description of the coordination and integration of the program of the Defense Advanced Research Projects Agency (DARPA) on basic and applied research and advanced technology development on chemical and biological warfare defense technologies and systems under section 1701(c)(2) with the overall program of the Department of Defense on chemical and biological warfare defense, including—

''(A) the degree to which the program of the Defense Advanced Research Projects Agency supports the objectives and requirements of the program of the Department of Defense; and

''(B) the means of determining the level of coordination and support provided by the program of the Defense Advanced Research Projects Agency for the program of the Department of Defense.''.

SEC. 1064. REPORT ON LOCAL BOARDS OF TRUSTEES OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The current composition and activities of the Local Board of Trustees of the Armed

Forces Retirement Home—Washington under section 1516 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 416).

(2) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Gulfport under section 1516 of such Act.

SEC. 1065. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) ANNUAL REPORT ON AVIATION CAREER INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended by striking subsection (f).

(b) ANNUAL REPORT ON EFFECTS OF CERTAIN INITIATIVES ON RECRUITMENT AND RETENTION.—

(1) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by striking the item relating to section 1015.

(c) SECRETARY OF DEFENSE RECOMMENDATION ON NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section 1041 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1217) is repealed.

(d) REPORT ON PILOT PROGRAM TO ENHANCE MILITARY RECRUITING BY IMPROVING MILITARY AWARENESS OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–134); 10 U.S.C. 503 note) is amended by striking subsection (c).

(e) ANNUAL REPORT ON MEDICAL INFORMATICS.—Section 723(d) of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 1071 note) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(f) REPORT ON IMPOSITION OF ADDITIONAL CHARGES OR FEES FOR ATTENDANCE AT CERTAIN ACADEMIES.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the second sentence.

SEC. 1066. REPORT ON INCENTIVES TO ENCOURAGE CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES TO SERVE IN THE BUREAU OF CUSTOMS AND BORDER PROTECTION.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report assessing the desirability and feasibility of offering incentives to covered members and former members of the Armed Forces for the purpose of encouraging such members to serve in the Bureau of Customs and Border Protection.

(b) COVERED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.—For purposes of this section, covered members and former members of the Armed Forces are the following:

(1) Members of the reserve components of the Armed Forces.

(2) Former members of the Armed Forces within two years of separation from service in the Armed Forces.

(c) REQUIREMENTS AND LIMITATIONS.—

(1) NATURE OF INCENTIVES.—In considering incentives for purposes of the report required by subsection (a), the Secretaries shall consider such incentives, whether monetary or otherwise and whether or not authorized by current law or regulations, as the Secretaries jointly consider appropriate.

(2) TARGETING OF INCENTIVES.—In assessing any incentive for purposes of the report, the Secretaries shall give particular attention to the utility of such incentive in—

(A) encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former of the Armed Forces who have provided border patrol or border security assistance to the Bureau as part of their duties as members of the Armed Forces; and

(B) leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, required for service with the Bureau of Customs and Border Protection.

(3) PAYMENT.—In assessing incentives for purposes of the report, the Secretaries shall assume that any costs of such incentives shall be borne by the Department of Homeland Security.

(d) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of various monetary and non-monetary incentives considered for purposes of the report.

(2) An assessment of the desirability and feasibility of utilizing any such incentive for the purpose specified in subsection (a), including an assessment of the particular utility of such incentive in encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former members of the Armed Forces described in subsection (c)(2).

(3) Any other matters that the Secretaries jointly consider appropriate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services, Homeland Security and Governmental Affairs, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Homeland Security, and Appropriations of the House of Representatives.

SEC. 1067. REPORT ON REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on each report described in paragraph (2) that is required by law to be submitted to the congressional defense committees by the Department of Defense or any department, agency, element, or component under the Department of Defense.

(2) COVERED REPORTS.—Paragraph (1) applies with respect to any report required under a provision of law enacted on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136) that requires recurring reports to the committees referred to in that paragraph.

(b) ELEMENTS.—The report required by subsection (a) shall set forth the following:

(1) Each report described by that subsection, including a statement of the provision of law under which such report is required to be submitted to Congress.

(2) For each such report, an assessment by the Secretary of the utility of such report from the perspective of the Department of Defense and a recommendation on the advisability of repealing the requirement for the submittal of such report.

SEC. 1068. REPORT ON TECHNOLOGIES FOR NEUTRALIZING OR DEFEATING THREATS TO MILITARY ROTARY WING AIRCRAFT FROM PORTABLE AIR DEFENSE SYSTEMS AND ROCKET PROPELLED GRENADES.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on technologies for neutralizing or defeating threats to military rotary wing aircraft posed by portable air defense systems and rocket propelled grenades that are being researched, developed, employed, or considered by the United States Government or the North Atlantic Treaty Organization.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the expected value and utility of the technologies, particularly with respect to—

(A) the saving of lives;

(B) the ability to reduce the vulnerability of aircraft; and

(C) the enhancement of the ability of aircraft and their crews to accomplish assigned missions;

(2) an assessment of the potential costs of developing and deploying such technologies;

(3) a description of efforts undertaken to develop such technologies, including—

(A) non-lethal counter measures;

(B) lasers and other systems designed to dazzle, impede, or obscure threatening weapon or their users;

(C) direct fire response systems;

(D) directed energy weapons; and

(E) passive and active systems; and

(4) a description of any impediments to the development of such technologies, such as legal restrictions under the law of war, treaty restrictions under the Protocol on Blinding Lasers, and political obstacles such as the reluctance of other allied countries to pursue such technologies.

SEC. 1069. REPORTS ON DEPARTMENT OF JUSTICE EFFORTS TO INVESTIGATE AND PROSECUTE CASES OF CONTRACTING ABUSE IN IRAQ, AFGHANISTAN, AND THROUGHOUT THE WAR ON TERROR.

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

(1) Waste, fraud, and abuse in contracting are harmful to United States efforts to successfully win the conflicts in Iraq and Afghanistan and succeed in the war on terror. The act of stealing from our soldiers who are daily in harm's way is clearly criminal and must be actively prosecuted.

(2) It is a vital interest of United States taxpayers to be protected from theft of their tax dollars by corrupt contractors.

(3) Whistleblower lawsuits are an important tool for exposing waste, fraud, and abuse and can identify serious graft and corruption.

(4) This issue is of paramount importance to the United States taxpayer, and the Congress must be provided with information about alleged contractor waste, fraud, and abuse taking place in Iraq, Afghanistan, and throughout the war on terror and about the efforts of the Department of Justice to combat these crimes.

(b) REPORTS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the Attorney General shall submit to the Committee on the Judiciary and the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on the Judiciary and the Committee on Government Reform of the House of Representatives, and the congressional defense committees a report on efforts to investigate and prosecute cases of waste, fraud, and abuse under sections 3729 and 3730(b) of title 31, United States Code, or any other related law that are related to Federal contracting in Iraq, Afghanistan, and throughout the war on terror.

(2) CONTENT.—Each report submitted under paragraph (1) shall include the following:

(A) Information on organized efforts of the Department of Justice that have been created to ensure that the Department of Justice is investigating, in a timely and appropriate manner, claims of contractor waste,

fraud, and abuse related to the activities of the United States Government in Iraq, Afghanistan, and throughout the war on terror.

(B) Information on the specific number of personnel, financial resources, and workdays devoted to addressing this waste, fraud, and abuse, including a complete listing of all of the offices across the United States and throughout the world that are working on these cases and an explanation of the types of additional resources, both in terms of personnel and finances, that the Department of Justice needs to ensure that all of these cases proceed on a timely basis.

(C) A detailed description of any internal Department of Justice task force that exists to work specifically on cases of contractor fraud and abuse in Iraq, Afghanistan, and throughout the war on terror, including a description of its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the nature and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(D) A detailed description of any interagency task force that exists to work specifically on cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the type, nature, and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(E) The names of the senior officials directly responsible for oversight of the efforts to address these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(F) Specific information on the number of investigators and other personnel that have been provided to the Department of Justice by other Federal departments and agencies in support of the efforts of the Department of Justice to combat contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including data on the quantity of time that these investigators have spent working within the Department of Justice structures dedicated to this effort.

(G) Specific information on the full number of investigations, including grand jury investigations currently underway, that are addressing these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(H) Specific information on the number and status of the criminal cases that have been launched to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(I) Specific information on the number of civil cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including specific information on the quantity of cases initiated by private parties, as well as the quantity of cases that have been referred to the Department of Justice by the Department of Defense, the Department of State, and other relevant Federal departments and agencies.

(J) Specific information on the resolved civil and criminal cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including the specific results of these cases, the types of waste, fraud, and abuse that took place, the amount of funds that were returned to the United States Government as a result of resolution of these cases, and a full description of the type and substance of the waste, fraud, and abuse that took place. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(K) The best estimate by the Department of Justice of the scale of the problem of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

SEC. 1070. REPORT ON BIODEFENSE STAFFING AND TRAINING REQUIREMENTS IN SUPPORT OF NATIONAL BIOSAFETY LABORATORIES.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Homeland Security and the Secretary of Health and Human Services, conduct a study to determine the staffing and training requirements for pending capital programs to construct biodefense laboratories (including agriculture and animal laboratories) at Biosafety Level (BSL) 3 and Biosafety Level 4 or to expand current biodefense laboratories to such biosafety levels.

(b) ELEMENTS.—In conducting the study, the Secretary of Defense shall address the following:

(1) The number of trained personnel, by discipline and qualification level, required for existing biodefense laboratories at Biosafety Level 3 and Biosafety Level 4.

(2) The number of research and support staff, including researchers, laboratory technicians, animal handlers, facility managers, facility or equipment maintainers, biosecurity personnel (including biosafety, physical, and electronic security personnel), and other safety personnel required to manage biodefense research efforts to combat bioterrorism at the biodefense laboratories described in subsection (a).

(3) The training required to provide the personnel described by paragraphs (1) and (2), including the type of training (whether classroom, laboratory, or field training) required, the length of training required by discipline, and the curriculum required to be developed for such training.

(4) Training schedules necessary to meet the scheduled openings of the biodefense laboratories described in subsection (a), including schedules for refresher training and continuing education that may be necessary for that purpose.

(c) REPORT.—Not later than December 31, 2006, the Secretary of Defense shall submit to Congress a report setting forth the results of the study conducted under this section.

SEC. 1070A. ANNUAL REPORT ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on the amount of the acquisitions made by the agency in the preceding fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

(b) CONTENT.—Each report required by subsection (a) shall separately indicate—

(1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States;

(2) an itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.); and

(3) a summary of—

(A) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

(B) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

(c) PUBLIC AVAILABILITY.—The Department of Defense submitting a report under subsection (a) shall make the report publicly available to the maximum extent practicable.

(d) APPLICABILITY.—This section shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 1070B. ANNUAL REPORT ON FOREIGN SALES OF SIGNIFICANT MILITARY EQUIPMENT MANUFACTURED INSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on foreign military sales and direct sales to foreign customers of significant military equipment manufactured inside the United States.

(b) CONTENT.—Each report required by subsection (a) shall indicate, for each sale in excess of $2,000,000—

(1) the nature of the military equipment sold and the dollar value of the sale;

(2) the country to which the military equipment was sold; and

(3) the manufacturer of the equipment and the State in which the equipment was manufactured.

(c) PUBLIC AVAILABILITY.—The Department of Defense shall make reports submitted under this section publicly available to the maximum extent practicable.

SEC. 1070C. REPORT ON FEASIBILITY OF ESTABLISHING REGIONAL COMBATANT COMMAND FOR AFRICA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report on the establishment of a United States Armed Forces regional combatant command for Africa.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) a study on the feasibility and desirability of establishing of a United States Armed Forces regional combatant command for Africa;

(2) an assessment of the benefits and problems associated with establishing such a command; and

(3) an estimate of the costs, time, and resources needed to establish such a command.

SEC. 1070D. ANNUAL REPORTS ON EXPANDED USE OF UNMANNED AERIAL VEHICLES IN THE NATIONAL AIRSPACE SYSTEM.

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

(1) Unmanned aerial vehicles (UAVs) serve Department of Defense intelligence, surveillance, reconnaissance, and combat missions.

(2) Operational reliability of unmanned systems continues to improve and sense-and-avoid technology development and fielding must continue in an effort to provide unmanned aerial systems with an equivalent level of safety to manned aircraft.

(3) Unmanned aerial vehicles have the potential to support the Nation's homeland defense mission, border security mission, and natural disaster recovery efforts.

(4) Accelerated development and testing of standards for the integration of unmanned

aerial vehicles in the National Airspace System would further the increased safe use of such vehicles for border security, homeland defense, and natural disaster recovery efforts.

(b) ANNUAL REPORTS.—Not later than one year after the date of the enactment of this Act and annually thereafter until the Federal Aviation Administration promulgates such policy, the Secretary of Defense shall submit to the Committees on Armed Services, Commerce, Science and Transportation, and Homeland Security and Governmental Affairs of the Senate and the Committees on Armed Services, Energy and Commerce, and Government Reform of the House of Representatives a report on the actions of the Department of Defense to support the development by the Federal Aviation Administration of a policy on the testing and operation of unmanned aerial vehicles in the National Airspace System.

Subtitle H—Technical and Conforming Amendments

SEC. 1071. UNIFORM DEFINITION OF NATIONAL SECURITY SYSTEM FOR CERTAIN DEPARTMENT OF DEFENSE PURPOSES.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''section 2315 of this title'' and inserting ''section 3542(b)(2) of title 44''.

(b) INFORMATION TECHNOLOGY.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For the purposes of subtitle III of title 40, the term 'national security system' has the meaning given that term in section 3542(b)(2) of title 44.''.

SEC. 1072. CONFORMING AMENDMENT RELATING TO REDESIGNATION OF DEFENSE COMMUNICATIONS AGENCY AS DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

''(1) The Defense Information Systems Agency.''.

SEC. 1073. TECHNICAL AMENDMENT.

Effective as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) and as if included in the enactment thereof, section 341(e) of such Act (119 Stat. 3199) is amended by striking ''(a)(1)(E)'' and inserting ''(a)(1)(F)''.

Subtitle I—Other Matters

SEC. 1081. NATIONAL FOREIGN LANGUAGE COORDINATION COUNCIL.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Effective on October 1, 2006, there is established the National Foreign Language Coordination Council (in this section referred to as the ''Council'').

(2) INDEPENDENT ESTABLISHMENT.—The National Foreign Language Coordination Council shall be an independent establishment as defined under section 104 of title 5, United States Code.

(b) MEMBERSHIP.—The Council shall consist of the following members or their designees:

(1) The National Language Director, who shall serve as the chairperson of the Council.

(2) The Secretary of Education.

(3) The Secretary of Defense.

(4) The Secretary of State.

(5) The Secretary of Homeland Security.

(6) The Attorney General.

(7) The Director of National Intelligence.

(8) The Secretary of Labor.

(9) The Director of the Office of Personnel Management.

(10) The Director of the Office of Management and Budget.

(11) The Secretary of Commerce.

(12) The Secretary of Health and Human Services.

(13) The Secretary of the Treasury.

(14) The Secretary of Housing and Urban Development.

(15) The Secretary of Agriculture.

(16) The Chairman and President of the Export-Import Bank of the United States.

(17) The heads of such other Federal agencies as the Council considers appropriate.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Council shall be charged with—

(A) developing a national foreign language strategy, within 18 months of the date of the enactment of this Act, in consultation with—

(i) State and local government agencies;

(ii) academic sector institutions;

(iii) foreign language related interest groups;

(iv) business associations;

(v) industry;

(vi) heritage associations; and

(vii) other relevant stakeholders;

(B) conducting a survey of the extent of Federal agency foreign language and area expertise, and of Federal agency needs for such expertise;

(C) identifying and evaluating the adequacy of Federal foreign language programs, including any duplicative or overlapping programs that may impede efficiency; and

(D) monitoring the implementation of such strategy through—

(i) application of current and recently enacted laws; and

(ii) the promulgation and enforcement of rules and regulations.

(2) STRATEGY CONTENT.—The strategy developed under paragraph (1) shall include—

(A) identification of priorities to expand foreign language skills in the public and private sectors;

(B) recommendations for improving coordination of foreign language programs and activities among Federal agencies, enhancing Federal foreign language programs and activities, and allocating resources appropriately in order to maximize the use of resources;

(C) needed national policies and corresponding legislative and regulatory actions in support of, and allocation of designated resources to, promising programs and initiatives at all levels (Federal, State, and local), especially in the less commonly taught languages that are seen as critical for national security and global competitiveness during the next 20 to 50 years;

(D) effective ways to increase public awareness of the need for foreign language skills and career paths in the public and private sectors that can employ those skills, with the objective of increasing support for foreign language study among—

(i) Federal, State, and local leaders;

(ii) students;

(iii) parents;

(iv) elementary, secondary, and postsecondary educational institutions; and

(v) employers;

(E) recommendations for incentives for developing related educational programs, including foreign language teacher training;

(F) coordination of public and private sector efforts to provide foreign language instruction and acquire foreign language and area expertise;

(G) coordination of public and private sector initiatives to develop a strategic posture for language research;

(H) recommendations for—

(i) the development of foreign language achievement standards; and

(ii) corresponding assessments of foreign language achievement standards for the elementary, secondary, and postsecondary education levels, including the National Assessment of Educational Progress in foreign languages;

(I) recommendations for development of—

(i) language skill-level certification standards;

(ii) frameworks for pre-service and professional development study for those who teach foreign language;

(iii) suggested graduation criteria for foreign language studies in non-language areas, such as—

(I) international business;

(II) national security;

(III) public administration;

(IV) health care;

(V) engineering;

(VI) law;

(VII) journalism; and

(VIII) sciences;

(J) identification of and means for replicating best practices for teaching foreign languages in the public and private sectors, including best practices from the international community; and

(K) recommendations for overcoming barriers in foreign language proficiency.

(d) SUBMISSION OF STRATEGY TO PRESIDENT AND CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Council shall prepare and transmit to the President and the relevant committees of Congress the national foreign language strategy required under subsection (c).

(e) MEETINGS.—The Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate, but shall meet in formal session at least 2 times a year. State and local government agencies and other organizations (such as academic sector institutions, foreign language-related interest groups, business associations, industry, and heritage community organizations) shall be invited, as appropriate, to public meetings of the Council at least once a year.

(f) STAFF.—

(1) IN GENERAL.—The Director may—

(A) appoint, without regard to the provisions of title 5, United States Code, governing the competitive service, such personnel as the Director considers necessary; and

(B) compensate such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title.

(2) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(3) EXPERTS AND CONSULTANTS.—With the approval of the Council, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) TRAVEL EXPENSES.—Council members and staff shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(5) SECURITY CLEARANCE.—

(A) IN GENERAL.—Subject to subparagraph (B), the appropriate Federal agencies or departments shall cooperate with the Council in expeditiously providing to the Council members and staff appropriate security clearances to the extent possible pursuant to existing procedures and requirements.

(B) EXCEPTION.—No person shall be provided with access to classified information

under this section without the appropriate required security clearance access.

(6) COMPENSATION.—The rate of pay for any employee of the Council (including the Director) may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(g) POWERS.—

(1) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action that the Council is authorized to take in this section.

(2) INFORMATION.—

(A) COUNCIL AUTHORITY TO SECURE.—The Council may secure directly from any Federal agency such information, consistent with Federal privacy laws, including the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) and the Department of Education's General Education Provisions Act (20 U.S.C. 1232(h)), the Council considers necessary to carry out its responsibilities.

(B) REQUIREMENT TO FURNISH REQUESTED INFORMATION.—Upon request of the Director, the head of such agency shall furnish such information to the Council.

(3) DONATIONS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(4) MAIL.—The Council may use the United States mail in the same manner and under the same conditions as other Federal agencies.

(h) CONFERENCES, NEWSLETTER, AND WEBSITE.—In carrying out this section, the Council—

(1) may arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to improve foreign language education;

(2) may publish a newsletter concerning Federal, State, and local programs that are effectively meeting the foreign language needs of the nation; and

(3) shall create and maintain a website containing information on the Council and its activities, best practices on language education, and other relevant information.

(i) REPORTS.—Not later than April 1, 2007, and annually thereafter, the Council shall prepare and transmit to the President and the relevant committees of Congress a report that describes—

(1) the activities of the Council to develop the national foreign language strategy required under subsection (c);

(2) the findings of the Council as of the date of such report;

(3) the efforts of the Council to improve foreign language education and training; and

(4) impediments identified by the Council to the implementation of a comprehensive national foreign language strategy, including any statutory and regulatory restrictions.

(j) ESTABLISHMENT OF NATIONAL LANGUAGE DIRECTOR.—

(1) IN GENERAL.—There is established a National Language Director who shall be appointed by the President. The National Language Director shall be a nationally recognized individual with credentials and abilities in the public and private sectors to be involved with creating and implementing long-term solutions to achieving national foreign language and cultural competency.

(2) RESPONSIBILITIES.—The National Language Director shall—

(A) develop and monitor the implementation of a national foreign language strategy across the public and private sectors;

(B) establish formal relationships among the major stakeholders in meeting the needs of the Nation for improved capabilities in foreign languages and cultural understanding, including Federal, State, and local government agencies, academia, industry, labor, and heritage communities; and

(C) coordinate and lead a public information campaign that raises awareness of public and private sector careers requiring foreign language skills and cultural understanding, with the objective of increasing interest in and support for the study of foreign languages among national leaders, the business community, local officials, parents, and individuals.

(k) ENCOURAGEMENT OF STATE INVOLVEMENT.—

(1) STATE CONTACT PERSONS.—The Council shall consult with each State to provide for the designation by each State of an individual to serve as a State contact person for the purpose of receiving and disseminating information and communications received from the Council.

(2) STATE INTERAGENCY COUNCILS AND LEAD AGENCIES.—Each State is encouraged to establish a State interagency council on foreign language coordination or designate a lead agency for the State for the purpose of assuming primary responsibility for coordinating and interacting with the Council and State and local government agencies as necessary.

(l) SUNSET.—This section shall cease to have effect on September 30, 2015.

(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 2007, $1,500,000 to carry out this section.

SEC. 1082. SUPPORT OF SUCCESSOR ORGANIZATIONS OF THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING SYSTEM EXECUTIVE BOARD.

Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (Public Law 106–405; 114 Stat. 1753; 10 U.S.C. 2281 note) is amended by striking ''the Interagency Global Positioning System Executive Board, including an Executive Secretariat to be housed at the Department of Commerce'' and inserting ''the National Space-Based Positioning, Navigation, and Timing Executive Committee, the National Space-Based Positioning, Navigation, and Timing Coordination Office, and the National Space-Based Positioning, Navigation, and Timing Advisory Board, and any successor organization''.

SEC. 1083. QUADRENNIAL DEFENSE REVIEW.

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

(1) The Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, is vital in laying out the strategic military planning and threat objectives of the Department of Defense.

(2) The Quadrennial Defense Review is critical to identifying the correct mix of military planning assumptions, defense capabilities, and strategic focuses for the Armed Forces of the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Quadrennial Defense Review is intended to provide more than an overview of global threats and the general strategic orientation of the Department of Defense.

(c) IMPROVEMENTS TO QUADRENNIAL DEFENSE REVIEW.—

(1) CONDUCT OF REVIEW.—Subsection (b) of section 118 of title 10, United States Code, is amended—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

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

''(4) to make recommendations that are not constrained to comply with the budget submitted to Congress by the President pursuant to section 1105 of title 31.''.

(2) ADDITIONAL ELEMENT IN REPORT TO CONGRESS.—Subsection (d) of such section is amended—

(A) in paragraph (1), by inserting '', the strategic planning guidance,'' after ''United States'';

(B) by redesignating paragraphs (9) through (15) as paragraphs (10) through (16), respectively; and

(C) by inserting after paragraph (8) the following new paragraph (9):

''(9) The specific capabilities, including the general number and type of specific military platforms, needed to achieve the strategic and warfighting objectives identified in the review.''.

(3) CJCS REVIEW.—Subsection (e)(1) of such section is amended by inserting before the period at the end the following: '' and a description of the capabilities needed to address such risk''.

(4) INDEPENDENT ASSESSMENT.—Such section is further amended by adding at the end the following new subsection:

''(f) INDEPENDENT ASSESSMENT.—(1) Not later than one year before the date a report on a quadrennial defense review is to be submitted to Congress under subsection (d), the President shall appoint a panel to conduct an independent assessment of the review.

''(2) The panel appointed under paragraph (1) shall be composed of seven individuals (who may not be employees of the Department of Defense) as follows:

''(A) Three members shall be appointed by the President.

''(B) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Speaker of the House of Representatives.

''(C) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the House of Representatives.

''(D) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Majority Leader of the Senate.

''(E) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the Senate.

''(3) Not later than three months after the date that the report on a quadrennial defense review is submitted to Congress under subsection (d), the panel appointed under paragraph (2) shall provide to the congressional defense committees an assessment of the assumptions, planning guidelines, recommendations, and realism of the review.''.

SEC. 1084. SENSE OF CONGRESS ON THE COMMENDABLE ACTIONS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds that—

(1) on June 7, 2006, the United States Armed Forces conducted an air raid near the City of Baquba, northeast of Baghdad, Iraq, that resulted in the death of Ahmad Fadeel al-Nazal al-Khalayleh, better known as Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) Zarqawi, as the operational commander of al-Qaeda in Iraq, led a brutal campaign of suicide bombings, car bombings, assassinations, and abductions that caused the deaths of many members of the United States Armed Forces, civilian officials of the United States Government, thousands of innocent Iraqi civilians, and innocent civilians of other nations;

(3) Zarqawi publicly swore his allegiance to Osama bin Laden and al-Qaeda in 2004, and changed the name of his terrorist organization from the ''Monotheism and Holy War Group'' to ''al-Qaeda in Iraq'';

(4) in an audiotape broadcast in December 2004, Osama bin Laden, the leader of al-

Qaeda's worldwide terrorist organization, called Zarqawi ''the prince of al-Qaeda in Iraq'';

(5) 3 perpetrators confessed to being paid by Zarqawi to carry out the October 2002 assassination of the United States diplomat, Lawrence Foley, in Amman, Jordan;

(6) the Monotheism and Holy War Group claimed responsibility for—

(A) the August 2003 suicide attack that destroyed the United Nations headquarters in Baghdad and killed the United Nations envoy to Iraq Sergio Vieira de Mello along with 21 other people; and

(B) the suicide attack on the Imam Ali Mosque in Najaf that occurred less than 2 weeks later, which killed at least 85 people, including the Ayatollah Sayed Mohammed Baqr al-Hakim, and wounded dozens more;

(7) Zarqawi is believed to have personally beheaded American hostage Nicholas Berg in May 2004;

(8) in May 2004, Zarqawi was implicated in a car bombing that killed Izzadine Salim, the rotating president of the Iraqi Governing Council;

(9) in November 2005, al-Qaeda in Iraq attacked 3 hotels in Amman, Jordan, killing at least 67 innocent civilians;

(10) Zarqawi and his terrorist organization were directly responsible for numerous other brutal terrorist attacks against the American and coalition troops, Iraqi security forces and recruits, and innocent Iraqi civilians;

(11) Zarqawi sought to turn Iraq into a safe haven for al-Qaeda;

(12) to achieve that end, Zarqawi stated his opposition to the democratically elected government of Iraq and worked to divide the Iraqi people, foment sectarian violence, and incite a civil war in Iraq; and

(13) the men and women of the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners and the Iraqi Security Forces, should be commended for their courage and extraordinary efforts to track down the most wanted terrorist in Iraq and to secure a free and prosperous future for the people of Iraq.

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

(1) commends the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners, for the actions taken through June 7, 2006, that resulted in the death of Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) commends the United States Armed Forces, the intelligence community, and other agencies for this action and their exemplary performance in striving to bring freedom, democracy, and security to the people of Iraq;

(3) commends the coalition partners of the United States, the new government of Iraq, and members of the Iraqi Security Forces for their invaluable assistance in that operation and their extraordinary efforts to secure a free and prosperous Iraq;

(4) commends our civilian and military leadership for their continuing efforts to eliminate the leadership of al-Qaeda in Iraq, and also commends the new government of Iraq, led by Prime Minister Jawad al-Maliki, for its contribution to that achievement;

(5) recognizes that the death of Abu Musab al-Zarqawi is a victory for American and coalition forces in the global war on terror and a blow to the al-Qaeda terrorist organization;

(6) commends the Iraqi Prime Minister Jawad al-Maliki on the finalization of the new Iraqi cabinet;

(7) urges the democratically elected government in Iraq to use this opportunity to defeat the terrorist enemy, to put an end to ethnic and sectarian violence, and to achieve a free, prosperous, and secure future for Iraq; and

(8) affirms that the Senate will continue to support the United States Armed Forces, the democratically elected unity government of Iraq, and the people of Iraq in their quest to secure a free, prosperous, and democratic Iraq.

SEC. 1085. BUDGETING FOR ONGOING MILITARY OPERATIONS.

The President's budget submitted pursuant to section 1105(a) of title 31, United States Code, for each fiscal year after fiscal year 2007 shall include—

(1) a request for funds for such fiscal year for ongoing military operations in Afghanistan and Iraq;

(2) an estimate of all funds expected to be required in that fiscal year for such operations; and

(3) a detailed justification of the funds requested.

SEC. 1086. COURT SECURITY IMPROVEMENTS.

(a) JUDICIAL BRANCH SECURITY REQUIREMENTS.—

(1) ENSURING CONSULTATION AND COORDINATION WITH THE JUDICIARY.—Section 566 of title 28, United States Code, is amended by adding at the end the following:

''(i) The Director of the United States Marshals Service shall consult and coordinate with the Judicial Conference of the United States on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(2) CONFORMING AMENDMENT.—Section 331 of title 28, United States Code, is amended by adding at the end the following:

''The Judicial Conference shall consult and coordinate with the Director of United States Marshals Service on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(b) PROTECTION OF FAMILY MEMBERS.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended—

(1) in subparagraph (A), by inserting ''or a family member of that individual'' after ''that individual''; and

(2) in subparagraph (B)(i), by inserting ''or a family member of that individual'' after ''the report''.

(c) EXTENSION OF SUNSET PROVISION.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''2005'' each place that term appears and inserting ''2009''.

(d) PROTECTIONS AGAINST MALICIOUS RECORDING OF FICTITIOUS LIENS AGAINST FEDERAL JUDGES AND FEDERAL LAW ENFORCEMENT OFFICERS.—

(1) OFFENSE.—Chapter 73 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 1521. RETALIATING AGAINST A FEDERAL JUDGE OR FEDERAL LAW ENFORCEMENT OFFICER BY FALSE CLAIM OR SLANDER OF TITLE.

''(a) Whoever files or attempts to file, in any public record or in any private record which is generally available to the public, any false lien or encumbrance against the real or personal property of a Federal judge or a Federal law enforcement official, on account of the performance of official duties by that Federal judge or Federal law enforcement official, knowing or having reason to know that such lien or encumbrance is false or contains any materially false, fictitious, or fraudulent statement or representation, shall be fined under this title or imprisoned for not more than 10 years, or both.

''(b) As used in this section—

''(1) the term 'Federal judge' means a justice or judge of the United States as defined in section 451 of title 28, United States Code, a judge of the United States Court of Federal Claims, a United States bankruptcy judge, a United States magistrate judge, and a judge of the United States Court of Appeals for the Armed Forces, United States Court of Appeals for Veterans Claims, United States Tax Court, District Court of Guam, District Court of the Northern Mariana Islands, or District Court of the Virgin Islands; and

''(2) the term 'Federal law enforcement officer' has the meaning given that term in section 115 of this title and includes an attorney who is an officer or employee of the United States in the executive branch of the Government.''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 73 of title 18, United States Code, is amended by adding at the end the following new item:

''1521. Retaliating against a Federal judge or Federal law enforcement officer by false claim or slander of title.''.

(e) PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.—

(1) OFFENSE.—Chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 118. PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.

''(a) Whoever knowingly makes restricted personal information about a covered official, or a member of the immediate family of that covered official, publicly available, with the intent that such restricted personal information be used to kill, kidnap, or inflict bodily harm upon, or to threaten to kill, kidnap, or inflict bodily harm upon, that covered official, or a member of the immediate family of that covered official, shall be fined under this title and imprisoned not more than 5 years, or both.

''(b) As used in this section—

''(1) the term 'restricted personal information' means, with respect to an individual, the Social Security number, the home address, home phone number, mobile phone number, personal email, or home fax number of, and identifiable to, that individual;

''(2) the term 'covered official' means—

''(A) an individual designated in section 1114;

''(B) a Federal judge or Federal law enforcement officer as those terms are defined in section 1521; or

''(C) a grand or petit juror, witness, or other officer in or of, any court of the United States, or an officer who may be serving at any examination or other proceeding before any United States magistrate judge or other committing magistrate; and

''(3) the term 'immediate family' has the same meaning given that term in section 115(c)(2).''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''Sec. 117. Domestic assault by an habitual offender.

''Sec. 118. Protection of individuals performing certain official duties.''.

(f) PROHIBITION OF POSSESSION OF DANGEROUS WEAPONS IN FEDERAL COURT FACILITIES.—Section 930(e)(1) of title 18, United States Code, is amended by inserting ''or other dangerous weapon'' after ''firearm''.

(g) CLARIFICATION OF VENUE FOR RETALIATION AGAINST A WITNESS.—Section 1513 of title 18, United States Code, is amended by adding at the end the following:

''(g) A prosecution under this section may be brought in the district in which the official proceeding (whether or not pending, about to be instituted or completed) was intended to be affected, or in which the conduct constituting the alleged offense occurred.''.

(h) WITNESS PROTECTION GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by adding at the end the following new part:

''PART JJ—WITNESS PROTECTION GRANTS

''SEC. 3001. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—From amounts made available to carry out this part, the Attorney General may make grants to States, units of local government, and Indian tribes to create and expand witness protection programs in order to prevent threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(b) USES OF FUNDS.—Grants awarded under this part shall be—

''(1) distributed directly to the State, unit of local government, or Indian tribe; and

''(2) used for the creation and expansion of witness protection programs in the jurisdiction of the grantee.

''(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this part, the Attorney General may give preferential consideration, if feasible, to an application from a jurisdiction that—

''(1) has the greatest need for witness and victim protection programs;

''(2) has a serious violent crime problem in the jurisdiction; and

''(3) has had, or is likely to have, instances of threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2006 through 2010.''.

(i) GRANTS TO STATES TO PROTECT WITNESSES AND VICTIMS OF CRIMES.—

(1) IN GENERAL.—Section 31702 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(5) to create and expand witness and victim protection programs to prevent threats, intimidation, and retaliation against victims of, and witnesses to, violent crimes.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 31707 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13867) is amended to read as follows:

''SEC. 31707. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $20,000,000 for each of the fiscal years 2006 through 2010 to carry out this subtitle.''.

(j) ELIGIBILITY OF STATE COURTS FOR CERTAIN FEDERAL GRANTS.—

(1) CORRECTIONAL OPTIONS GRANTS.—Section 515 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a) is amended—

(A) in subsection (a)—

(i) in paragraph (2), by striking ''and'' at the end;

(ii) in paragraph (3), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(4) grants to State courts to improve security for State and local court systems.''; and

(B) in subsection (b), by inserting after the period the following:

''Priority shall be given to State court applicants under subsection (a)(4) that have the greatest demonstrated need to provide security in order to administer justice.''.

(2) ALLOCATIONS.—Section 516(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762b) is amended by—

(A) striking ''80'' and inserting ''70'';

(B) striking ''and 10'' and inserting ''10''; and

(C) inserting before the period the following: '', and 10 percent for section 515(a)(4)''.

(k) BANKRUPTCY, MAGISTRATE, AND TERRITORIAL JUDGES LIFE INSURANCE.—

(1) BANKRUPTCY JUDGES.—Section 153 of title 28, United States Code, is amended by adding at the end the following:

''(e) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a bankruptcy judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(2) UNITED STATES MAGISTRATE JUDGES.—Section 634(c) of title 28, United States Code, is amended—

(A) by inserting ''(1)'' after ''(c)''; and

(B) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a magistrate judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(3) TERRITORIAL JUDGES.—

(A) GUAM.—Section 24 of the Organic Act of Guam (48 U.S.C. 1424b) is amended by adding at the end the following:

''(c) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(B) COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—Section 1(b) of the Act of November 8, 1977 (48 U.S.C. 1821) is amended by adding at the end the following:

''(5) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(C) VIRGIN ISLANDS.—Section 24(a) of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1614(a)) is amended—

(i) by inserting ''(1)'' after ''(a)''; and

(ii) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(m) HEALTH INSURANCE FOR SURVIVING FAMILY AND SPOUSES OF JUDGES.—Section 8901(3) of title 5, United States Code, is amended—

(1) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (D), by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(E) a member of a family who is a survivor of—

''(i) a Justice or judge of the United States, as defined under section 451 of title 28, United States Code;

''(ii) a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands;

''(iii) a judge of the United States Court of Federal Claims; or

''(iv) a United States bankruptcy judge or a full-time United States magistrate judge.''.

SEC. 1087. SENSE OF THE SENATE ON DESTRUCTION OF CHEMICAL WEAPONS.

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

(1) The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, done at Paris on January 13, 1993 (commonly referred to as the ''Chemical Weapons Convention''), requires all United States chemical weapons stockpiles be destroyed by no later than the extended deadline of April 29, 2012.

(2) On April 10, 2006, the Department of Defense notified Congress that the United States would not meet even the extended deadline under the Chemical Weapons Convention for destruction of United States chemical weapons stockpiles.

(3) Destroying existing chemical weapons is a homeland security imperative, an arms control priority, and required by United States law.

(4) The elimination and nonproliferation of chemical weapons of mass destruction is of utmost importance to the national security of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States is committed to making every effort to safely dispose of its chemical weapons stockpiles by the Chemical Weapons Convention deadline of April 29, 2012, or as soon thereafter as possible, and will carry out all of its other obligations under the Convention;

(2) the Secretary of Defense should prepare a comprehensive schedule for safely destroying the United States chemical weapons stockpiles to prevent further delays in the destruction of such stockpiles, and the schedule should be submitted annually to the congressional defense committees separately or as part of another required report; and

(3) the Secretary of Defense should make every effort to ensure adequate funding to complete the elimination of the United States chemical weapons stockpile in the shortest time possible, consistent with the requirement to protect public health, safety, and the environment.

SEC. 1088. IMPROVED ACCOUNTABILITY FOR COMPETITIVE CONTRACTING IN HURRICANE RECOVERY.

The exceptions to full and open competition otherwise available under paragraphs (2), (3), (4), and (5) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)) and paragraphs (2), (3), (4), and (5) of section 2304(c) of title 10, United States Code, shall not apply to Federal contracts worth over $500,000 for the procurement of property or services in connection with relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season.

SEC. 1089. PROTECTION OF CERTAIN DISCLOSURES OF INFORMATION BY FEDERAL EMPLOYEES.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Employee Protection of Disclosures Act''.

(b) CLARIFICATION OF DISCLOSURES COVERED.—Section 2302(b)(8) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation'';

(2) in subparagraph (B)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, of information that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation (other than a violation of this section)''; and

(3) by adding at the end the following:

''(C) any disclosure that—

''(i) is made by an employee or applicant of information required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs that the employee or applicant reasonably believes is direct and specific evidence of—

''(I) any violation of any law, rule, or regulation;

''(II) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety; or

''(III) a false statement to Congress on an issue of material fact; and

''(ii) is made to—

''(I) a member of a committee of Congress having a primary responsibility for oversight of a department, agency, or element of the Federal Government to which the disclosed information relates and who is authorized to receive information of the type disclosed;

''(II) any other Member of Congress who is authorized to receive information of the type disclosed; or

''(III) an employee of Congress who has the appropriate security clearance and is authorized to receive information of the type disclosed.''.

(c) COVERED DISCLOSURES.—Section 2302(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (B)(ii), by striking ''and'' at the end;

(2) in subparagraph (C)(iii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) 'disclosure' means a formal or informal communication or transmission, but does not include a communication concerning policy decisions that lawfully exercise discretionary authority unless the employee providing the disclosure reasonably believes that the disclosure evidences—

''(i) any violation of any law, rule, or regulation; or

''(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.''.

(d) REBUTTABLE PRESUMPTION.—Section 2302(b) of title 5, United States Code, is amended by amending the matter following paragraph (12) to read as follows:

''This subsection shall not be construed to authorize the withholding of information from Congress or the taking of any personnel action against an employee who discloses information to Congress, except that an employee or applicant may be disciplined for the disclosure of information described in paragraph (8)(C)(i) to a Member or employee of Congress who is not authorized to receive such information. For purposes of paragraph (8), any presumption relating to the performance of a duty by an employee who has authority to take, direct others to take, recommend, or approve any personnel action may be rebutted by substantial evidence. For purposes of paragraph (8), a determination as to whether an employee or applicant reasonably believes that they have disclosed information that evidences any violation of law, rule, regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety shall be made by determining whether a disinterested observer with knowledge of the essential facts known to and readily ascertainable by the employee could reasonably conclude that the actions of the Government evidence such violations, mismanagement, waste, abuse, or danger.''.

(e) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS; SECURITY CLEARANCES; AND RETALIATORY INVESTIGATIONS.—

(1) PERSONNEL ACTION.—Section 2302(a)(2)(A) of title 5, United States Code, is amended—

(A) in clause (x), by striking ''and'' after the semicolon; and

(B) by redesignating clause (xi) as clause (xiv) and inserting after clause (x) the following:

''(xi) the implementation or enforcement of any nondisclosure policy, form, or agreement;

''(xii) a suspension, revocation, or other determination relating to a security clearance or any other access determination by a covered agency;

''(xiii) an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section; and''

(2) PROHIBITED PERSONNEL PRACTICE.—Section 2302(b) of title 5, United States Code, is amended—

(A) in paragraph (11), by striking ''or'' at the end;

(B) in paragraph (12), by striking the period and inserting a semicolon; and

(C) by inserting after paragraph (12) the following:

''(13) implement or enforce any nondisclosure policy, form, or agreement, if such policy, form, or agreement does not contain the following statement: 'These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse, or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosures that could compromise national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Control Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling'; or

''(14) conduct, or cause to be conducted, an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section.''.

(3) BOARD AND COURT REVIEW OF ACTIONS RELATING TO SECURITY CLEARANCES.—

(A) IN GENERAL.—Chapter 77 of title 5, United States Code, is amended by inserting after section 7702 the following:

''§ 7702a. Actions relating to security clearances

''(a) In any appeal relating to the suspension, revocation, or other determination relating to a security clearance or access determination, the Merit Systems Protection Board or any reviewing court—

''(1) shall determine whether paragraph (8) or (9) of section 2302(b) was violated;

''(2) may not order the President or the designee of the President to restore a security clearance or otherwise reverse a determination of clearance status or reverse an access determination; and

''(3) subject to paragraph (2), may issue declaratory relief and any other appropriate relief.

''(b)(1) If, in any final judgment, the Board or court declares that any suspension, revocation, or other determination with regard to a security clearance or access determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall conduct a review of that suspension, revocation, access determination, or other determination, giving great weight to the Board or court judgment.

''(2) Not later than 30 days after any Board or court judgment declaring that a security clearance suspension, revocation, access determination, or other determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall issue an unclassified report to the congressional committees of jurisdiction (with a classified annex if necessary), detailing the circumstances of the agency's security clearance suspension, revocation, other determination, or access determination. A report under this paragraph shall include any proposed agency action with regard to the security clearance or access determination.

''(c) An allegation that a security clearance or access determination was revoked or suspended in retaliation for a protected disclosure shall receive expedited review by the Office of Special Counsel, the Merit Systems Protection Board, and any reviewing court.

''(d) For purposes of this section, corrective action may not be ordered if the agency demonstrates by a preponderance of the evidence that it would have taken the same personnel action in the absence of such disclosure.''.

(B) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 77 of title 5, United States Code, is amended by inserting after the item relating to section 7702 the following:

''7702a. Actions relating to security clearances.''.

(f) EXCLUSION OF AGENCIES BY THE PRESIDENT.—Section 2302(a)(2)(C) of title 5, United States Code, is amended by striking clause (ii) and inserting the following:

''(ii)(I) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the National Imagery and Mapping Agency, the National Security Agency; and

''(II) as determined by the President, any executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities, if the determination (as that determination relates to a personnel action) is made before that personnel action; or''.

(g) ATTORNEY FEES.—Section 1204(m)(1) of title 5, United States Code, is amended by

striking ''agency involved'' and inserting ''agency where the prevailing party is employed or has applied for employment''.

(h) DISCIPLINARY ACTION.—Section 1215(a)(3) of title 5, United States Code, is amended to read as follows:

''(3)(A) A final order of the Board may impose—

''(i) disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, or reprimand;

''(ii) an assessment of a civil penalty not to exceed $1,000; or

''(iii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (ii).

''(B) In any case in which the Board finds that an employee has committed a prohibited personnel practice under paragraph (8) or (9) of section 2302(b), the Board shall impose disciplinary action if the Board finds that the activity protected under paragraph (8) or (9) of section 2302(b) was a significant motivating factor, even if other factors also motivated the decision, for the employee's decision to take, fail to take, or threaten to take or fail to take a personnel action, unless that employee demonstrates, by preponderance of evidence, that the employee would have taken, failed to take, or threatened to take or fail to take the same personnel action, in the absence of such protected activity.''.

(i) SPECIAL COUNSEL AMICUS CURIAE APPEARANCE.—Section 1212 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) The Special Counsel is authorized to appear as amicus curiae in any action brought in a court of the United States related to any civil action brought in connection with section 2302(b) (8) or (9), or subchapter III of chapter 73, or as otherwise authorized by law. In any such action, the Special Counsel is authorized to present the views of the Special Counsel with respect to compliance with section 2302(b) (8) or (9) or subchapter III of chapter 73 and the impact court decisions would have on the enforcement of such provisions of law.

''(2) A court of the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).''.

(j) JUDICIAL REVIEW.—

(1) IN GENERAL.—Section 7703(b)(1) of title 5, United States Code, is amended to read as follows:

''(b)(1)(A) Except as provided in subparagraph (B) and paragraph (2), a petition to review a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit. Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

''(B) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, a petition to review a final order or final decision of the Board in a case alleging a violation of paragraph (8) or (9) of section 2302(b) shall be filed in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2).''.

(2) REVIEW OBTAINED BY OFFICE OF PERSONNEL MANAGEMENT.—Section 7703(d) of title 5, United States Code, is amended to read as follows:

''(d)(1) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting a civil service law, rule, or regulation affecting personnel management and that the Board's decision will have a substantial impact on a civil service law, rule, regulation, or policy directive. If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the Court of Appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.

''(2) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, this paragraph shall apply to any review relating to paragraph (8) or (9) of section 2302(b) obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2) if the Director determines, in his discretion, that the Board erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the court of appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.''.

(k) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—

(1) IN GENERAL.—

(A) REQUIREMENT.—Each agreement in Standard Forms 312 and 4414 of the Government and any other nondisclosure policy, form, or agreement of the Government shall contain the following statement: ''These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling.''.

(B) ENFORCEABILITY.—Any nondisclosure policy, form, or agreement described under subparagraph (A) that does not contain the statement required under subparagraph (A) may not be implemented or enforced to the extent such policy, form, or agreement is inconsistent with that statement.

(2) PERSONS OTHER THAN GOVERNMENT EMPLOYEES.—Notwithstanding paragraph (1), a nondisclosure policy, form, or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that such forms do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

(l) CLARIFICATION OF WHISTLEBLOWER RIGHTS FOR CRITICAL INFRASTRUCTURE INFORMATION.—Section 214(c) of the Homeland Security Act of 2002 (6 U.S.C. 133(c)) is amended by adding at the end the following: ''For purposes of this section a permissible use of independently obtained information includes the disclosure of such information under section 2302(b)(8) of title 5, United States Code.''.

(m) ADVISING EMPLOYEES OF RIGHTS.—Section 2302(c) of title 5, United States Code, is amended by inserting '', including how to make a lawful disclosure of information that is specifically required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs to the Special Counsel, the Inspector General of an agency, Congress, or other agency employee designated to receive such disclosures'' after ''chapter 12 of this title''.

(n) SCOPE OF DUE PROCESS.—

(1) SPECIAL COUNSEL.—Section 1214(b)(4)(B)(ii) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(2) INDIVIDUAL ACTION.—Section 1221(e)(2) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(o) EFFECTIVE DATE.—This Act shall take effect 30 days after the date of enactment of this Act.

SEC. 1090. SENSE OF CONGRESS REGARDING THE MEN AND WOMEN OF THE ARMED FORCES OF THE UNITED STATES IN IRAQ.

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

(1) In 2003, members of the Armed Forces of the United States successfully liberated the people of Iraq from the tyrannical regime of Saddam Hussein.

(2) Members of the Armed Forces of the United States have bravely risked their lives everyday over the last 3 years to protect the people of Iraq from terror attacks by Al Qaeda and other extremist organizations.

(3) Members of the Armed Forces of the United States have conducted dozens of operations with coalition forces to track, apprehend, and eliminate terrorists in Iraq.

(4) Members of the Armed Forces of the United States have helped sustain political progress in Iraq by assisting the people of Iraq as they exercised their right to choose their leaders and draft their own constitution.

(5) Members of the Armed Forces of the United States have taught over 150,000 soldiers of Iraq to respect civilian authority, conduct counter-insurgency operations, provide meaningful security, and protect the people of Iraq from terror attacks.

(6) Members of the Armed Forces of the United States have built new schools, hospitals, and public works throughout Iraq.

(7) Members of the Armed Forces of the United States have helped rebuild Iraq's dilapidated energy sector.

(8) Members of the Armed Forces of the United States have restored electrical power and sewage waste treatment for the people of Iraq.

(9) Members of the Armed Forces of the United States have established lasting and productive relationships with local leaders in Iraq and secured the support of a majority of the populace of Iraq.

(10) Members of the Armed Forces of the United States have courageously endured sophisticated terror tactics, including deadly car-bombs, sniper attacks, and improvised explosive devices.

(11) Members of the Armed Forces of the United States have paid a high cost in order to defeat the terrorists, defend innocent civilians, and protect democracy from those who desire the return of oppression and extremism to Iraq.

(12) Members of the Armed Forces of the United States have performed their duty in Iraq with an unflagging commitment to the highest ideals and traditions of the United States and the Armed Forces.

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

(1) the men and women in uniform of the Armed Forces of the United States in Iraq should be commended for their on-going service to the United States, their commitment to the ideals of the United States, and their determination to win the Global War on Terrorism;

(2) gratitude should be expressed to the families of the Armed Forces of the United States, especially those families who have lost loved ones in Operational Iraqi Freedom; and

(3) the people of the United States should honor those who have paid the ultimate sacrifice and assist those families who have loved ones in the Armed Forces of the United States deployed overseas.

SEC. 1091. EXTENSION OF RETURNING WORKER EXEMPTION.

Section 402(b)(1) of the Save Our Small and Seasonal Businesses Act of 2005 (title IV of division B of Public Law 109–13; 8 U.S.C. 1184 note) is amended by striking ''2006'' and inserting ''2008''.

SEC. 1092. LIMITATION ON THE UNITED STATES SHARE OF ASSESSMENTS FOR UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) IN GENERAL.—Section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 287e note) is amended by adding at the end the following:

''(v) For assessments made during calendar years 2005, 2006, and 2007, 27.10 percent.''.

(b) CONFORMING AMENDMENT.—Section 411 of the Department of State and Related Agency Appropriations Act, 2005 (title IV of division B of Public Law 108–447; 22 U.S.C. 287e note) is repealed.

SEC. 1093. TERMINATION OF PROGRAM.

Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after ''January 1, 1989'' the following: '', and shall terminate on the date of enactment of the National Defense Authorization Act for Fiscal Year 2007''.

SEC. 1094. PATENT TERM EXTENSIONS FOR THE BADGES OF THE AMERICAN LEGION, THE AMERICAN LEGION WOMEN'S AUXILIARY, AND THE SONS OF THE AMERICAN LEGION.

(a) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION.—The term of a certain design patent numbered 54,296 (for the badge of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(b) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION WOMEN'S AUXILIARY.—The term of a certain design patent numbered 55,398 (for the badge of the American Legion Women's Auxiliary) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(c) PATENT TERM EXTENSION FOR THE BADGE OF THE SONS OF THE AMERICAN LEGION.—The term of a certain design patent numbered 92,187 (for the badge of the Sons of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

SEC. 1095. AVAILABILITY OF FUNDS FOR SOUTH COUNTY COMMUTER RAIL PROJECT, PROVIDENCE, RHODE ISLAND.

Funds available for the South County Commuter Rail project, Providence, Rhode Island, authorized by paragraphs (34) and (35) of section 3034(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1650) shall be available for the purchase of commuter rail equipment for the South County Commuter Rail project upon the receipt by the Rhode Island Department of Transportation of an approved environmental assessment for the South County Commuter Rail project.

SEC. 1096. SENSE OF CONGRESS ON IRAQ SUMMIT.

SENSE OF CONGRESS.—It is the sense of Congress that the President should convene a summit as soon as possible that includes the leaders of the Government of Iraq, leaders of the governments of each country bordering Iraq, representatives of the Arab League, the Secretary General of the North Atlantic Treaty Organization, representatives of the European Union, and leaders of the governments of each permanent member of the United Nations Security Council, for the purpose of reaching a comprehensive political agreement for Iraq that addresses fundamental issues including federalism, oil revenues, the militias, security guarantees, reconstruction, economic assistance, and border security.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES ON TERMINAL LEAVE PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member is also entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of the uniformed services.''.

SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MANAGEMENT, FUNCTIONAL, AND TECHNICAL WORKFORCE OF THE DEPARTMENT OF DEFENSE.

(a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL PLAN.—The Secretary of Defense shall include in the March 1, 2007, Strategic Human Capital Plan required by section 1122(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape and improve the senior management, functional, and technical workforce (including scientists and engineers) of the Department of Defense.

(b) SCOPE OF PLAN.—The strategic plan required by subsection (a) shall cover, at a minimum, the following categories of Department of Defense civilian personnel:

(1) Appointees in the senior executive service under section 3131 of title 5, United States Code.

(2) Persons serving in positions described in section 5376(a) of title 5, United States Code.

(3) Highly qualified experts appointed pursuant to section 9903 of title 5, United States Code.

(4) Scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into by law by Public Law 106–398 (114 Stat. 1654A–315)).

(5) Scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note).

(6) Persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code.

(7) Persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code.

(c) CONTENTS OF PLAN.—The strategic plan required by subsection (a) shall include—

(1) an assessment of—

(A) the needs of the Department of Defense for senior management, functional, and technical personnel (including scientists and engineers) in light of recent trends and projected changes in the mission and organization of the Department and in light of staff support needed to accomplish that mission;

(B) the capability of the existing civilian employee workforce of the Department to meet requirements relating to the mission of the Department, including the impact on that capability of projected trends in the senior management, functional, and technical personnel workforce of the Department based on expected losses due to retirement and other attrition; and

(C) gaps in the existing or projected civilian employee workforce of the Department that should be addressed to ensure that the Department has continued access to the senior management, functional, and technical personnel (including scientists and engineers) it needs; and

(2) a plan of action for developing and reshaping the senior management, functional, and technical workforce of the Department to address the gaps identified under paragraph (1)(C), including—

(A) any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in subsection (b) or to establish a new category of senior management or technical personnel;

(B) any changes in the number of personnel authorized in any category of personnel identified in subsection (b) that may be needed to address such gaps and effectively meet the needs of the Department;

(C) any changes in the rates or methods of pay for any category of personnel identified in subsection (b) that may be needed to address inequities and ensure that the Department has full access to appropriately qualified personnel to address such gaps and meet the needs of the Department;

(D) specific recruiting and retention goals, including the program objectives of the Department to be achieved through such goals;

(E) specific strategies for development, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior management, functional, and technical workforce of the Department, including the program objectives of the Department to be achieved through such strategies; and

(F) specific steps that the Department has taken or plans to take to ensure that the senior management, functional, and technical workforce of the Department is managed in compliance with the requirements of section 129 of title 10, United States Code.

SEC. 1103. AUTHORITY TO EQUALIZE ALLOWANCES, BENEFITS, AND GRATUITIES OF PERSONNEL ON OFFICIAL DUTY IN IRAQ AND AFGHANISTAN.

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

(1) As part of the United States effort to bring democracy and freedom to Iraq and Afghanistan, employees of a broad range of Federal agencies are needed to serve in those countries, furnishing expertise to their counterpart agencies in the Government of Iraq and the Government of Afghanistan.

(2) While the heads of a number of Federal agencies already possess authority to provide to their personnel on official duty abroad allowances, benefits, and death gratuities comparable to those provided by the Secretary of State to similarly-situated Foreign Service personnel on official duty abroad, other agency heads do not possess such authority.

(3) In order to assist the United States Government in recruiting personnel to serve in Iraq and Afghanistan, and to avoid inequities in allowances, benefits, and death gratuities among similarly-situated United States Government civilian personnel on official duty in these countries, it is essential that the heads of all agencies that have personnel on official duty in Iraq and Afghanistan have the same basic authority with respect to allowances, benefits, and death gratuities for such personnel.

(b) IN GENERAL.—During any fiscal year, the head of an agency may, in the agency head's discretion, provide to an individual employed by, or assigned or detailed to, such agency allowances, benefits, and gratuities comparable to those provided by the Secretary of State to members of the Foreign Service under section 413 and chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3973; 4081 et seq.), if such individual is on official duty in Iraq or Afghanistan.

(c) CONSTRUCTION.—Nothing in this section shall be construed to impair or otherwise affect the authority of the head of an agency under any other provision of law.

SEC. 1104. PROGRAMS FOR USE OF LEAVE BY CAREGIVERS FOR FAMILY MEMBERS OF INDIVIDUALS PERFORMING CERTAIN MILITARY SERVICE.

(a) FEDERAL EMPLOYEES PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (3) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' has the meaning given under section 6331 of title 5, United States Code.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—The Office of Personnel Management shall establish a program to authorize a caregiver to—

(A) use any sick leave of that caregiver during a covered period of service in the same manner and to the same extent as annual leave is used; and

(B) use any leave available to that caregiver under subchapter III or IV of chapter 63 of title 5, United States Code, during a covered period of service as though that covered period of service is a medical emergency.

(3) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing agency and the Office of Personnel Management.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(4) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(5) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Office of Personnel Management shall prescribe regulations to carry out this subsection.

(6) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(b) VOLUNTARY PRIVATE SECTOR LEAVE PROGRAM.—

(1) DEFINITIONS.—

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (4) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' means an employee of a business entity participating in the program under this subsection.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—The Secretary of Labor may establish a program to authorize employees of business entities described under paragraph (3) to use sick leave, or any other leave available to an employee, during a covered period of service in the same manner and to the same extent as annual leave (or its equivalent) is used.

(B) EXCEPTION.—Subparagraph (A) shall not apply to leave made available under the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(3) VOLUNTARY BUSINESS PARTICIPATION.—The Secretary of Labor may solicit business entities to voluntarily participate in the program under this subsection.

(4) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing business entity.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(5) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(6) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor may prescribe regulations to carry out this subsection.

(7) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(c) GAO REPORT.—Not later than June 30, 2007, the Government Accountability Office shall submit a report to Congress on the programs under subsections (a) and (b) that includes—

(1) an evaluation of the success of each program; and

(2) recommendations for the continuance or termination of each program.

SEC. 1105. THREE-YEAR EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL MANAGEMENT PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(e)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—General Matters

SEC. 1201. EXPANSION OF HUMANITARIAN AND CIVIC ASSISTANCE TO INCLUDE COMMUNICATIONS AND INFORMATION CAPACITY.

Section 401 of title 10, United States Code, as amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) Expenses covered by paragraph (1) include communications or information systems equipment or supplies incurred in providing assistance described in subsection (e)(4).''; and

(C) in paragraph (4), as redesignated by subparagraph (A) of this paragraph, by striking ''paragraph (2)(B)'' and inserting ''paragraph (3)(B)''; and

(2) in subsection (e)(4), by inserting before the period the following: '', including information and communications technology facilities''.

SEC. 1202. MODIFICATION OF AUTHORITIES RELATING TO THE REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) REDESIGNATION OF PROGRAM AS REGIONAL DEFENSE COMBATTING TERRORISM FELLOWSHIP PROGRAM.—Section 2249c of title 10, United States Code, is amended in subsections (a) and (c)(3), by striking ''Counterterrorism'' and inserting ''Combatting Terrorism''.

(b) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Subsection (a) of such section is further amended by striking ''the attendance'' and all that follows through ''military educational institutions'' and inserting ''the education and training of foreign military officers and other foreign officials at military or civilian educational institutions''.

(2) INCREASE IN AMOUNT AVAILABLE.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(3) AVAILABILITY OF AMOUNTS ACROSS FISCAL YEARS.—Subsection (b) of such section is further amended by adding at the end the following new sentence: ''Amounts available under the authority in subsection (a) for a fiscal year may be used for programs that begin in such fiscal year but end in the next fiscal year.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the item relating to section 2249c and insert the following new item:

''2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program.''.

SEC. 1203. LOGISTIC SUPPORT OF ALLIED FORCES FOR COMBINED OPERATIONS.

(a) AUTHORITY TO USE FUNDS TO PROVIDE SUPPORT.—

(1) IN GENERAL.—Subchapter I of chapter 134 of title 10, United States Code, is amended by inserting after section 2249c the following new section:

''§ 2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations

''(a) AUTHORITY TO USE FUNDS.—Subject to subsections (b) and (c), funds appropriated to the Department of Defense for operation and maintenance may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide logistic support, supplies, and services to allied forces participating in combined operations with the armed forces of the United States.

''(b) LIMITATION RELATING TO COMBINED OPERATIONS.—The authority in subsection (a) to provide logistic support, supplies, and services may be exercised only—

''(1) with respect to combined operations during a period of active hostilities, a contingency operation, or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, country stabilization operations, or peacekeeping operations under chapter VI or VII of the Charter of the United Nations); and

''(2) in circumstances in which the Secretary of Defense determines that the allied forces to be provided such logistic support, supplies, and services—

''(A) are essential to the success of such combined operations; and

''(B) would not be able to participate in such combined operations but for the provision of such logistic support, supplies, and services.

''(c) LIMITATIONS RELATING TO AMOUNT.—(1) Except as provided in paragraph (2), the amount of logistic support, supplies, and services provided under subsection (a) in any fiscal year may not exceed $100,000,000.

''(2) In any fiscal year, in addition to any logistic support, supplies, and services provided under subsection (a) that are covered by paragraph (1), logistic support, supplies, and services in the amount of $5,000,000 may be provided under that subsection if such support, supplies, and services are solely for purposes of enhancing the interoperability of the logistical support systems of allied forces with the logistical support systems of the armed forces of the United States in order to facilitate combined operations.

''(d) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on the use of the authority in subsection (a) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(1) Each nation provided logistic support, supplies, and services.

''(2) For each such nation, a description of the type and value of logistic support, supplies, and services so provided.

''(e) DEFINITIONS.—In this section:

''(1) The term 'appropriate committees of Congress' means—

''(A) the Committees on Armed Services and Foreign Relations of the Senate; and

''(B) the Committees on Armed Services and International Relations of the House of Representatives.

''(2) The term 'logistic support, supplies, and services' has the meaning given such term in section 2350(1) of this title and includes sealift.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by inserting after the item relating to section 2249c the following new item:

''2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 1204. EXCLUSION OF PETROLEUM, OIL, AND LUBRICANTS FROM LIMITATIONS ON AMOUNT OF LIABILITIES THE UNITED STATES MAY ACCRUE UNDER ACQUISITION AND CROSS-SERVICING AGREEMENTS.

(a) EXCLUSION.—Section 2347 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) The limitations in this section on the amount of reimbursable liabilities or reimbursable credits that the United States may accrue under this subchapter shall not apply with respect to the sale, purchase, or exchange of petroleum, oils, or lubricants.''.

(b) CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of subsection (a) of such section are each amended by striking ''(other than petroleum, oils, and lubricants)''.

SEC. 1205. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LOAN SIGNIFICANT MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Defense may treat significant military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for purposes of providing for the use of such equipment by military forces of nations participating in combined operations with United States Forces in Iraq and Afghanistan if the Secretary, with the concurrence of the Secretary of State, determines in writing that it is in the national security interests of the United States to provide for the use of such equipment in such manner.

(2) LIMITATION ON DURATION OF PROVISION.—Equipment may be used by foreign military forces under this subsection for not longer than one year.

(3) LIMITATION ON USE.—Equipment may be used by foreign military forces under this subsection solely for personnel protection or to aid in the personnel survivability of such forces.

(b) SEMIANNUAL REPORTS.—

(1) REPORTS REQUIRED.—The Secretary of Defense shall, in coordination with the Secretary of State, submit to the appropriate committees of Congress a report on the exercise of the authority in subsection (a) as follows:

(A) If the authority is exercised during the first six-month period of a fiscal year, not later than 30 days after such period.

(B) If the authority is exercised during the second six-month period of a fiscal year, not later than 30 days after such period.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each exercise of authority under subsection (a) during the period covered by such report, the following:

(A) A copy of the written determination under subsection (a) with respect to the exercise of such authority.

(B) A statement of each recipient of equipment under the exercise of such authority.

(C) A description of the type, quantity, and value of the equipment supplied to each such recipient, and a description of the terms and duration of the supply of the equipment to such recipient.

(c) CONSTRUCTION WITH LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT.—The provision of significant military equipment for use under this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control regime under law relating to the transfer of military technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services and Foreign Relations of the Senate; and

(B) the Committees on Armed Services and International Relations of the House of Representatives.

(2) The term ''significant military equipment'' means items designated as significant military equipment on the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(e) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2008.

SEC. 1206. MODIFICATION OF AUTHORITIES RELATING TO THE BUILDING OF THE CAPACITY OF FOREIGN MILITARY FORCES.

(a) FUNDS AVAILABLE FOR PRESIDENTIAL PROGRAM.—Subsection (c) of section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3456) is amended by striking ''defense-wide''.

(b) LIMITED AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—Such section is further amended—

(1) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) COMBATANT COMMANDER AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize any commander of a geographic combatant command to respond to unanticipated changes in a security environment within the area of responsibility of such commander by conducting a program to build the capacity of the national military forces of a country within such area of responsibility in order for such country to—

''(A) conduct counterterrorist operations; or

''(B) participate in or support military and stability operations.

''(2) REQUIRED ELEMENTS.—Any program under paragraph (1) shall include elements that promote—

''(A) observance of and respect for human rights and fundamental freedoms; and

''(B) respect for legitimate civilian authority within the country concerned.

''(3) AUTHORIZED ELEMENTS.—Any program under paragraph (1) may include the provision of equipment, supplies, and training.

''(4) ANNUAL FUNDING LIMITATION.—The Secretary of Defense may make available, from funds available for operation and maintenance for fiscal year 2007 or 2008, not to exceed $200,000,000 to conduct activities under paragraph (1) in such fiscal year. Of the amount so made available for a fiscal year, not more than $50,000,000 may be available for any commander of a particular geographic combatant command in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) ASSISTANCE OTHERWISE PROHIBITED BY LAW.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) that is otherwise prohibited by any provision of law.

''(6) LIMITATION ON ELIGIBLE COUNTRIES.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) to any foreign country that is otherwise prohibited from receiving such type of assistance under any other provision of law.

''(7) FORMULATION AND EXECUTION OF PROGRAMS.—The Secretary of Defense shall prescribe guidance for programs authorized by paragraph (1). Such guidance shall include requirements for the commanders of the geographic combatant commands to—

''(A) formulate any program under paragraph (1) for a country jointly with the United States ambassador or chief of mission to such country; and

''(B) coordinate with the United States ambassador or chief of mission to a country in implementing any program under paragraph (1) for such country.

''(8) CONGRESSIONAL NOTIFICATION.—Not less than 15 days after the initiation of activities in a country under a program under paragraph (1), the Secretary of Defense, in coordination with the Secretary of State, shall submit to the congressional committees specified in subsection (e)(3) a notice of the following:

''(A) The country being assisted in the building of the capacity of its military forces under the program.

''(B) The budget, implementation timeline with milestones, and completion date for the program.

''(C) The source and planned expenditure of funds to complete the program.''.

(c) LIMITED AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—Such section is further amended by inserting after subsection (f), as added by subsection (b)(2) of this section, the following new subsection (g):

''(g) COMBATANT COMMANDER AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may authorize any commander of a geographic combatant command to provide the assistance described in paragraph (2) to respond to urgent and unanticipated humanitarian relief or reconstruction requirements in a foreign country within the area of responsibility of the commander of the geographic combatant command if the commander of the geographic combatant command determines that the provision of such assistance will promote the security interests of the United States and the country to which such assistance will be provided. Such assistance may be provided without regard to any provision of chapter 137, 140, or 141 of title 10, United States Code, or any other provision of law that would prohibit, restrict, or limit the provision of such assistance.

''(2) TYPES OF ASSISTANCE.—The assistance that may be provided under paragraph (1) includes the following:

''(A) Construction, reconstruction, or repair of municipal, educational, cultural, or other local facilities.

''(B) Reconstitution or improvement of utilities or other local infrastructure.

''(C) Provision of any other goods or services necessary to respond to urgent and unanticipated humanitarian relief or reconstruction requirements.

''(3) PROHIBITION ON ASSISTANCE IN CERTAIN COUNTRIES.—Assistance may not be provided under paragraph (1) in Iraq or Afghanistan.

''(4) ANNUAL FUNDING LIMITATION.—From funds available for operation and maintenance for fiscal year 2007 or 2008, not more than $200,000 may be available to the commander of a geographic combatant command to conduct activities under paragraph (1) in any particular country in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) CONSTRUCTION OF AUTHORITY.—The authority and funds available to the commanders of the geographic combatant commands under this subsection are in addition to any other authorities and funds available to the commanders of the geographic combatant commands.

''(6) GUIDANCE ON PROVISION OF ASSISTANCE.—(A) No funds may be obligated or expended for the provision of assistance under paragraph (1) until the Secretary of Defense prescribes guidance on the provision of assistance under that paragraph.

''(B) The guidance under this paragraph shall include a requirement that any assistance provided under paragraph (1) in a particular country be provided only with the concurrence of the United States ambassador or chief of mission to that country.

''(C) Not later than 30 days after the issuance of the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

''(D) Not later than 30 days after issuing any modification to the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report on such modification.

''(7) REPORT.—Not later than November 1 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the provision of assistance under paragraph (1) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(A) The source of funds utilized to provide assistance under paragraph (1) during such fiscal year.

''(B) Each country in which assistance was so provided.

''(C) For each country so provided assistance, the type and amount of assistance provided.''.

(d) TERMINATION OF AUTHORITY.—Subsection (i) of such section, as redesignated by subsection (b)(1) of this section, is further amended to read as follows:

''(i) TERMINATION.—

''(1) TERMINATION OF PRESIDENTIAL PROGRAM.—The authority of the President under subsection (a) to direct the Secretary of Defense to conduct a program terminates at the close of September 30, 2008. Any program directed before that date may be completed, but only using funds available for fiscal year 2006, 2007, or 2008.

''(2) TERMINATION OF COMBATANT COMMANDER AUTHORITIES.—The authority of the commanders of the geographic combatant commands to carry out programs under subsection (f), and to provide assistance under subsection (g), terminates at the close of September 30, 2008. Any program or assistance commenced before that date may be completed, but only using funds available for fiscal year 2007 or 2008.''.

SEC. 1207. PARTICIPATION OF THE DEPARTMENT OF DEFENSE IN MULTINATIONAL MILITARY CENTERS OF EXCELLENCE.

(a) PARTICIPATION AUTHORIZED.—During fiscal year 2007, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence hosted by any nation or combination of nations referred to in subsection (b) for purposes of—

(1) enhancing the ability of military forces and civilian personnel of the nations participating in such centers to engage in joint exercises or coalition or international military operations; or

(2) improving interoperability between the Armed Forces of the United States and the military forces of friendly foreign nations.

(b) COVERED NATIONS.—The nations referred to in this section are as follows:

(1) The United States.

(2) Any member nation of the North Atlantic Treaty Organization (NATO).

(3) Any major non-NATO ally.

(4) Any other friendly foreign nation identified by the Secretary of Defense, with the concurrence of the Secretary of State, for purposes of this section.

(c) MEMORANDUM OF UNDERSTANDING.—The participation of the Department of Defense, or of members of the armed forces or civilian personnel of the Department, in a multinational military center of excellence under subsection (a) shall be governed by the terms of one or more memoranda of understanding entered into by the Secretary of Defense, with the concurrence of the Secretary of State, and the foreign nation or nations concerned.

(d) AVAILABILITY OF APPROPRIATED FUNDS.—(1) Funds appropriated to the Department of Defense for operation and maintenance are available as follows:

(A) To pay the United States share of the expenses of any multinational military center of excellence in which the United States participates under this section.

(B) To pay the costs of the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence under this section, including the costs of pay, salaries, and expenses of such members and personnel in participating in such centers.

(2) The amount available under paragraph (1)(A) in fiscal year 2007 for the expenses referred to in that paragraph may not exceed $3,000,000.

(e) USE OF DEPARTMENT OF DEFENSE FACILITIES AND EQUIPMENT.—(1) Facilities and equipment of the Department of Defense may be used for purposes of the support of multinational military centers of excellence under this section that are hosted by the Department.

(2) The use of facilities and equipment for support of a multinational military center of excellence under paragraph (1) may, at the election of the Secretary of Defense, be with or without reimbursement by other nations participating in the center.

(f) REPORT ON USE OF AUTHORITY.—

(1) REPORT REQUIRED.—Not later than October 31, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the use of the authority in this section during fiscal year 2007.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the participation of the Department of Defense, and of members of the Armed Forces and civilian personnel of the Department, in multinational military centers of excellence under the authority of this section during fiscal year 2007.

(B) For each multinational military center of excellence in which the Department of Defense, or members of the Armed Forces or civilian personnel of the Department, so participated—

(i) a description of such multinational military center of excellence;

(ii) a description of the activities participated in by the Department, or by members of the Armed Forces or civilian personnel of the Department; and

(iii) a statement of the costs of the Department for such participation, including—

(I) a statement of the United States share of the expenses of such center, and a statement of the percentage of the United States share of the expenses of such center to the total expenses of such center; and

(II) a statement of the amount of such costs (including a separate statement of the amount of costs paid for under the authority of this section by category of costs).

(g) DEFINITIONS.—In this section:

(1) The term ''multinational military center of excellence'' means an entity sponsored by one or more nations that is accredited and approved by the North Atlantic Treaty Organization military committee as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of the North Atlantic Treaty Organization by providing such personnel opportunities to—

(A) enhance education and training;

(B) improve interoperability and capabilities;

(C) assist in the development of doctrine; and

(D) validate concepts through experimentation.

(2) The term ''major non-NATO ally'' means a country (other than a member nation of the North Atlantic Treaty Organization) that is designated as a major non-NATO ally for purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

SEC. 1208. DISTRIBUTION OF EDUCATION AND TRAINING MATERIALS AND INFORMATION TECHNOLOGY TO ENHANCE INTEROPERABILITY.

(a) DISTRIBUTION AUTHORIZED.—In furtherance of the national security objectives of the United States and to improve interoperability between the Armed Forces of the United States and military forces of friendly foreign countries, the Secretary of Defense may—

(1) provide to the personnel referred to in subsection (b) electronically-distributed learning content for the education and training of such personnel for the development and enhancement of allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations; and

(2) provide information technology, including computer software developed for such purpose, to support the use of such learning content for the education and training of such personnel.

(b) PERSONNEL.—The personnel to which learning content and information technology may be provided under subsection (a) are as follows:

(1) Military and civilian personnel of friendly foreign governments.

(2) Personnel of internationally-recognized nongovernmental organizations.

(c) EDUCATION AND TRAINING.—The education and training provided under subsection (a) shall include the following:

(1) Internet based education and training.

(2) Advanced distributed learning and similar Internet learning tools, as well as distributed training and computer assisted exercises.

(d) INFORMATION TECHNOLOGY.—In providing information technology under subsection (a)(2), the Secretary of Defense may only expend funds for the development and provision of information technology and learning content necessary to support the provision of education and training authorized by this section.

(e) SECRETARY OF STATE CONCURRENCE IN CERTAIN ACTIVITIES.—In the case of any activity proposed to be undertaken under the authority in this section that is not authorized by another provision of law, the Secretary of Defense may not undertake such activity without the concurrence of the Secretary of State.

(f) CONSTRUCTION WITH OTHER AUTHORITY.—

(1) SUPPLEMENTAL AUTHORITY.—The authority in this section is in addition to any other authority available to the Secretary of Defense to provide assistance to foreign nations or military forces.

(2) LIMITATION.—The provision of learning content and information technology under the authority in this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations.

(g) GUIDANCE.—

(1) GUIDANCE REQUIRED.—The Secretary of Defense shall develop and issue guidance on the procedures for the use of the authority in this section.

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after issuing the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

(3) MODIFICATION.—In the event the Secretary modifies the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth the modified guidance not later than 30 days after the date of such modification.

(h) ANNUAL REPORT.—

(1) REPORT REQUIRED.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in this section during the preceding fiscal year.

(2) ELEMENTS.—The report under paragraph (1) shall include, for the fiscal year covered by such report, the following:

(A) A statement of the recipients of learning content and information technology provided under this section.

(B) A description of the type, quantity, and value of the learning content and information technology provided under this section.

(i) TERMINATION.—The authority in this section shall expire on September 30, 2008.

SEC. 1209. UNITED STATES' POLICY ON THE NUCLEAR PROGRAMS OF IRAN.

(a) FINDINGS.—Congress finds that:

(1) The pursuit by the Iranian regime of a capability to produce nuclear weapons represents a threat to the United States, the middle east region, and international peace and security.

(2) On May 31, 2006, Secretary of State Rice announced that the United States would join negotiations with Iran, along with the United Kingdom, France, and Germany, provided that Iran fully and verifiably suspends its enrichment and reprocessing activities.

(3) On June 1, 2006, President George W. Bush stated that ''Secretary Rice, at my instructions, said to the world that we want to solve the problem of the Iranian nuclear issue diplomatically. And we made it very clear publicly that we're willing to come to the table, so long as the Iranians verifiably suspend their program. In other words, we said to the Iranians [that] the United States of America wants to work with our partners to solve the problem''.

(4) On June 1, 2006, the United States, the United Kingdom, France, Germany, the People's Republic of China, and the Russian Federation agreed upon a package of incentives and disincentives, which was subsequently presented to Iran by the High Representative of the European Union, Javier Solana.

(b) SENSE OF CONGRESS.—Congress—

(1) endorses the policy of the United States, announced May 31, 2006, to achieve a

successful diplomatic outcome, in coordination with leading members of the international community, with respect to the threat posed by the efforts of the Iranian regime to acquire a capability to produce nuclear weapons;

(2) calls on Iran to suspend fully and verifiably its enrichment and reprocessing activities, cooperate fully with the International Atomic Energy Agency, and enter into negotiations, including with the United States, pursuant to the package presented to Iran by the High Representative of the European Union; and

(3) urges the President and the Secretary of State to keep Congress fully and currently informed about the progress of this vital diplomatic initiative.

SEC. 1210. MODIFICATION OF LIMITATIONS ON ASSISTANCE UNDER THE AMERICAN SERVICEMEMBERS' PROTECTION ACT OF 2002.

Section 2013(13)(A) of the American Servicemembers' Protection Act of 2002 (title II of Public Law 107–206; 116 Stat. 909; 22 U.S.C. 7432(13)(A)) is amended by striking ''or 5''.

SEC. 1211. SENSE OF THE CONGRESS COMMENDING THE GOVERNMENT OF IRAQ FOR AFFIRMING ITS POSITION OF NO AMNESTY FOR TERRORISTS WHO ATTACK UNITED STATES ARMED FORCES.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March 2003.

(3) More than 2,500 of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

(4) The National Security Advisor of Iraq affirmed that the Government of Iraq will ''never give amnesty to those who have killed American soldiers or Iraqi soldiers or civilians.''

(5) The National Security Advisor of Iraq thanked ''the American wives and American women and American mothers for the treasure and blood they have invested in this country . . . of liberating 30 million people in this country . . . and we are ever so grateful.''

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

(1) the goal of the United States and our coalition partners has been to empower the Iraqi nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty. Through successive elections and difficult political agreements the unity government is now in place exercising that sovereignty. We must respect that exercise of that sovereignty in accordance with their own wisdom;

(2) history records that governments derived of free elections should not grant amnesty to those who have committed war crimes or terrorists acts; and

(3) the United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people who have fought once a conflict is concluded.

SEC. 1212. SENSE OF CONGRESS ON THE GRANTING OF AMNESTY TO PERSONS KNOWN TO HAVE KILLED MEMBERS OF THE ARMED FORCES IN IRAQ.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March of 2003.

(3) More than 2,500 members of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

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

(1) the Government of Iraq should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States; and

(2) the President should immediately notify the Government of Iraq that the Government of the United States strongly opposes granting amnesty to persons who have attacked members of the Armed Forces of the United States.

SEC. 1213. ANNUAL REPORTS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS.

(a) ANNUAL REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to Congress a report listing all assessed and voluntary contributions of the United States Government for the preceding fiscal year to the United Nations and United Nations affiliated agencies and related bodies.

(b) ELEMENTS.—Each report under subsection (a) shall set forth, for the fiscal year covered by such report, the following:

(1) The total amount of all assessed and voluntary contributions of the United States Government to the United Nations and United Nations affiliated agencies and related bodies.

(2) The approximate percentage of United States Government contributions to each United Nations affiliated agency or body in such fiscal year when compared with all contributions to such agency or body from any source in such fiscal year.

(3) For each such contribution—

(A) the amount of such contribution;

(B) a description of such contribution (including whether assessed or voluntary);

(C) the department or agency of the United States Government responsible for such contribution;

(D) the purpose of such contribution; and

(E) the United Nations or United Nations affiliated agency or related body receiving such contribution.

SEC. 1214. NORTH KOREA.

(a) COORDINATOR OF POLICY ON NORTH KOREA.—

(1) APPOINTMENT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the President shall appoint a senior presidential envoy to act as coordinator of United States policy on North Korea.

(2) DESIGNATION.—The individual appointed under paragraph (1) may be known as the ''North Korea Policy Coordinator'' (in this subsection referred to as the ''Coordinator)''.

(3) DUTIES.—The Coordinator shall—

(A) conduct a full and complete interagency review of United States policy toward North Korea including matters related to security and human rights;

(B) provide policy direction for negotiations with North Korea relating to nuclear weapons, ballistic missiles, and other security matters; and

(C) provide leadership for United States participation in Six Party Talks on the denuclearization of the Korean peninsula.

(4) REPORT.—Not later than 90 days after the date of the appointment of an individual as Coordinator under paragraph (1), the Coordinator shall submit to the President and Congress an unclassified report, with a classified annex if necessary, on the actions undertaken under paragraph (3). The report shall set forth—

(A) the results of the review under paragraph (3)(A); and

(B) any other matters on North Korea that the individual considers appropriate.

(b) REPORT ON NUCLEAR AND MISSILE PROGRAMS OF NORTH KOREA.—

(1) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to Congress an unclassified report, with a classified annex as appropriate, on the nuclear program and the missile program of North Korea.

(2) ELEMENTS.—Each report submitted under paragraph (1) shall include the following:

(A) The most current national intelligence estimate on the nuclear program and the missile program of North Korea, and, consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments in the estimate.

(B) The most current unclassified United States Government assessment, stated as a range if necessary, of (i) the number of nuclear weapons possessed by North Korea and (ii) the amount of nuclear material suitable for weapons use produced by North Korea by plutonium reprocessing and uranium enrichment for each period as follows:

(I) Before October 1994.

(II) Between October 1994 and October 2002.

(III) Between October 2002 and the date of the submittal of the initial report under paragraph (1).

(IV) Each 12-month period after the submittal of the initial report under paragraph (1).

(C) Any other matter relating to the nuclear program or missile program of North Korea that the President considers appropriate.

SEC. 1215. COMPREHENSIVE STRATEGY FOR SOMALIA.

(a) SENSE OF SENATE.—It is the sense of the Senate that the United States should—

(1) support the development of the Transitional Federal Institutions in Somalia into a unified national government, support humanitarian assistance to the people of Somalia, support efforts to prevent Somalia from becoming a safe haven for terrorists and terrorist activities, and support regional stability;

(2) broaden and integrate its strategic approach toward Somalia within the context of United States activities in countries of the Horn of Africa, including Djibouti, Ethiopia, Kenya, Eritrea, and in Yemen on the Arabian Peninsula; and

(3) carry out all diplomatic, humanitarian, counter-terrorism, and security-related activities in Somalia within the context of a comprehensive strategy developed through an interagency process.

(b) DEVELOPMENT OF A COMPREHENSIVE STRATEGY FOR SOMALIA.—

(1) REQUIREMENT FOR STRATEGY.—Not later then 90 days after the date of the enactment of this Act, the President shall develop and submit to the appropriate committees of Congress a comprehensive strategy toward Somalia within the context of United States activities in the countries of the Horn of Africa.

(2) CONTENT OF STRATEGY.—The strategy should include the following:

(A) A clearly stated policy towards Somalia that will help establish a functional, legitimate, unified national government in Somalia that is capable of maintaining the rule

of law and preventing Somalia from becoming a safe haven for terrorists.

(B) An integrated political, humanitarian, intelligence, and military approach to counter transnational security threats in Somalia within the context of United States activities in the countries of the Horn of Africa.

(C) An interagency framework to plan, coordinate, and execute United States activities in Somalia within the context of other activities in the countries of the Horn of Africa among the agencies and departments of the United States to oversee policy and program implementation.

(D) A description of the type and form of diplomatic engagement to coordinate the implementation of the United States policy in Somalia.

(E) A description of bilateral, regional, and multilateral efforts to strengthen and promote diplomatic engagement in Somalia.

(F) A description of appropriate metrics to measure the progress and effectiveness of the United States policy towards Somalia and throughout the countries of the Horn of Africa.

(G) Guidance on the manner in which the strategy will be implemented.

(c) ANNUAL REPORTS.—Not later than April 1, 2007, and annually thereafter, the President shall prepare and submit to the appropriate committees of Congress a report on the status of the implementation of the strategy.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee Intelligence of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, the Committees on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1216. INTELLIGENCE ON IRAN.

(a) SUBMITTAL TO CONGRESS OF UPDATED NATIONAL INTELLIGENCE ESTIMATE ON IRAN.—

(1) SUBMITTAL REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress an updated National Intelligence Estimate on Iran.

(2) NOTICE REGARDING SUBMITTAL.—If the Director determines that the National Intelligence Estimate required by paragraph (1) cannot be submitted by the date specified in that paragraph, the Director shall submit to Congress a report setting forth—

(A) the reasons why the National Intelligence Estimate cannot be submitted by such date; and

(B) an estimated date for the submittal of the National Intelligence Estimate.

(3) FORM.—The National Intelligence Estimate under paragraph (1) shall be submitted in classified form. Consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments of the National Intelligence Estimate should be submitted.

(4) ELEMENTS.—The National Intelligence Estimate submitted under paragraph (1) shall address the following:

(A) The foreign policy and regime objectives of Iran.

(B) The current status of the nuclear programs of Iran, including—

(i) an assessment of the current and projected capabilities of Iran to design a nuclear weapon, to produce plutonium, enriched uranium, and other weapons materials, to build a nuclear weapon, and to deploy a nuclear weapon; and

(ii) an assessment of the intentions of Iran regarding possible development of nuclear weapons, the motivations underlying such intentions, and the factors that might influence changes in such intentions.

(C) The military and defense capabilities of Iran, including any non-nuclear weapons of mass destruction programs and related delivery systems.

(D) The relationship of Iran with terrorist organizations, the use by Iran of terrorist organizations in furtherance of its foreign policy objectives, and the factors that might cause Iran to reduce or end such relationships.

(E) The prospects for support from the international community for various potential courses of action with respect to Iran, including diplomacy, sanctions, and military action.

(F) The anticipated reaction of Iran to the courses of action set forth under subparagraph (E), including an identification of the course or courses of action most likely to successfully influence Iran in terminating or moderating its policies of concern.

(G) The level of popular and elite support within Iran for the Iran regime, and for its civil nuclear program, nuclear weapons ambitions, and other policies, and the prospects for reform and political change within Iran.

(H) The views among the populace and elites of Iran with respect to the United States, including views on direct discussions with or normalization of relations with the United States.

(I) The views among the populace and elites of Iran with respect to other key countries involved in nuclear diplomacy with Iran.

(J) The likely effects and consequences of any military action against the nuclear programs or other regime interests of Iran.

(K) The confidence level of key judgments in the National Intelligence Estimate, the quality of the sources of intelligence on Iran, the nature and scope of any gaps in intelligence on Iran, and any significant alternative views on the matters contained in the National Intelligence Estimate.

(b) PRESIDENTIAL REPORT ON POLICY OBJECTIVES AND UNITED STATES STRATEGY REGARDING IRAN.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the President shall submit to Congress a report on the following:

(A) The objectives of United States policy on Iran.

(B) The strategy for achieving such objectives.

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form with a classified annex, as appropriate.

(3) ELEMENTS.—The report submitted under paragraph (1) shall—

(A) address the role of diplomacy, incentives, sanctions, other punitive measures and incentives, and other programs and activities relating to Iran for which funds are provided by Congress; and

(B) summarize United States contingency planning regarding the range of possible United States military actions in support of United States policy objectives with respect to Iran.

(c) DIRECTOR OF NATIONAL INTELLIGENCE REPORT ON PROCESS FOR VETTING AND CLEARING ADMINISTRATION OFFICIALS' STATEMENTS DRAWN FROM INTELLIGENCE.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress a report on the process for vetting and clearing statements of Administration officials that are drawn from or rely upon intelligence.

(2) ELEMENTS.—The report shall—

(A) describe current policies and practices of the Office of the Director of National Intelligence and the intelligence community for—

(i) vetting and clearing statements of senior Administration officials that are drawn from or rely upon intelligence; and

(ii) how significant misstatements of intelligence that may occur in public statements of senior public officials are identified, brought to the attention of any such officials, and corrected;

(B) assess the sufficiency and adequacy of such policies and practices; and

(C) include any recommendations that the Director considers appropriate to improve such policies and practices.

SEC. 1217. REPORTS ON IMPLEMENTATION OF THE DARFUR PEACE AGREEMENT.

(a) REQUIREMENT FOR REPORTS.—Not later than 30 days after the date of the enactment of this Act, and every 60 days thereafter until the date that the President submits the certification described in subsection (b), the President shall submit to Congress a report on the implementation of the Darfur Peace Agreement of May 5, 2006, and the situation in Darfur, Sudan. Each such report shall include—

(1) a description of the steps being taken by the Government of Sudan, the Sudan Liberation Movement/Army (SLM/A), and other parties to the Agreement to uphold their commitments to—

(A) demobilize and disarm the Janjaweed, as stated in paragraphs 214(F), 338, 339, 340, 366, 387, and 368 of the Agreement;

(B) provide secure, unfettered access for humanitarian personnel and supplies, as stated in paragraph 214(E) of the Agreement;

(C) ensure that foreign combatants respect the provisions of the Agreement, as stated in paragraphs 341 through 344 of the Agreement; and

(D) expedite the safe and voluntary return of internally-displaced persons and refugees to their places of origin, as stated in paragraphs 182 through 187 of the Agreement; and

(2) a description of any violation of the Agreement and any delay in implementing the Agreement, including any such violation or delay that compromises the safety of civilians, and the names of the individuals or entities responsible for such violation or delay;

(3) a description of any attacks against civilians and any activities that disrupt implementation of the Agreement by armed persons who are not a party to the Agreement; and

(4) a description of the ability of the Ceasefire Commission, the African Union Mission in Sudan, and the other organizations identified in the Agreement to monitor the implementation of the Agreement, and a description of any obstruction to such monitoring.

(b) CERTIFICATION.—The certification described in this subsection is a certification made by the President and submitted to Congress that the Government of Sudan has fulfilled its obligations under the Darfur Peace Agreement of May 5, 2006, to demobilize and disarm the Janjaweed and to protect civilians.

(c) FORM AND AVAILABILITY OF REPORTS.—

(1) FORM.—A report submitted under this section shall be in an unclassified form and may include a classified annex.

(2) AVAILABILITY.—The President shall make the unclassified portion of a reported submitted under this section available to the public.

Subtitle B—Report Matters

SEC. 1221. REPORT ON INCREASED ROLE AND PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, and a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

(3) A discussion of whether and how members of the United Nations Command in the Republic of Korea might be persuaded to deploy military forces in peacetime to the Republic of Korea to bolster the deterrence mission of the United Nations Command.

(4) An assessment of how the military and political requirements for United States military forces in the Republic of Korea might be affected were multinational partners in the United Nations Command in the Republic of Korea to increase their contribution of military forces stationed in the Republic of Korea.

(5) An assessment of whether and how the contribution of additional military forces to the United Nations Command in the Republic of Korea by a multinational partner might affect that partner's approach to facilitating a diplomatic resolution of the nuclear challenge posed by the Democratic Peoples Republic of Korea.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 1222. REPORT ON INTERAGENCY OPERATING PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.

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

(1) the United States Government should bring to bear all elements of national power to achieve its national security objectives, including stabilization and reconstruction operations;

(2) civilian agencies of the United States Government lack the capacity to deploy rapidly, and for sustained periods of time, trained personnel to support stabilization and reconstruction operations in the field;

(3) civilian agencies of the United States Government should expand their capacity to plan, coordinate, and conduct stabilization and reconstruction operations, including their capacity to deploy civilians with relevant expertise to participate in sustained stability and reconstruction operations;

(4) National Security Presidential Directive 44, entitled ''Management of Interagency Efforts Concerning Reconstruction and Stabilization'', is a positive step toward improving coordination, planning, and implementation by the United States Government of reconstruction and stabilization assistance for foreign states and regions at risk of, in, or in transition from conflict or civil strife;

(5) all the relevant United States Government agencies should include in their budget requests for future fiscal years adequate funding for planning and preparing to support contingency operations and, as necessary, request emergency supplemental funds for unanticipated contingency operations; and

(6) the President should provide clear guidance to United States Government agencies to manage complex operations and establish a standard, integrated approach to the planning and conduct of interagency operations to ensure a coherent and unified United States Government approach to contingency operations.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the President shall submit to Congress a report setting forth a plan to establish interagency operating procedures for the departments and agencies of the United States Government for the planning and conduct of stabilization and reconstruction operations.

(c) PLAN ELEMENTS.—The plan required under the report under subsection (b) shall include the following:

(1) A delineation of the roles, responsibilities, and authorities of the departments and agencies of the United States Government for stabilization and reconstruction operations.

(2) A description of operational processes for setting policy direction for stabilization and reconstruction operations in order to guide—

(A) operational planning and funding decisions of such departments and agencies;

(B) oversight of policy implementation;

(C) integration of programs and activities into an implementation plan;

(D) integration of civilian and military planning efforts;

(E) provision of guidance to field-level personnel on program direction and priorities; and

(F) monitoring of field implementation of assistance programs.

(3) A description of available capabilities and resources of each department and agency of the United States Government that could be used in support of stabilization and reconstruction operations, and an identification of additional resources needed to support the conduct of stabilization and reconstruction activities.

(4) A description of how the capabilities and resources of the departments and agencies of the United States Government under stabilization and reconstruction operations will be coordinated.

(5) A description of existing, or planned, protocols between departments and agencies of the United States Government on the utilization and allocation of assets in field operations under stabilization and reconstruction operations.

(6) Recommendations for improving interagency training, education, and simulation exercises in order to adequately prepare civilian and military personnel in the departments and agencies of the United States Government to perform stabilization and reconstruction operations.

(7) A discussion of the statutory and budgetary impediments, if any, that prevent civilian agencies of the United States Government from fully and effectively participating in stabilization and reconstruction operations, and recommendations for legislative or administration actions to enhance the ability of the United States Government to conduct stabilization and reconstruction operations.

(8) Guidance for the implementation of the plan.

SEC. 1223. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) REPORTS ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE.—Section 1003 of the Department of Defense Authorization Act, 1985 (22 U.S.C. 1928 note) is amended by striking subsections (c) and (d).

(b) COST-SHARING REPORT.—Section 1313 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2894; 22 U.S.C. 1928 note) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 1224. REPORTS ON THE DARFUR PEACE AGREEMENT.

Not later than 60 days after the date of the enactment of this Act, annually thereafter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the Department of Defense's role in assisting the parties to the Darfur Peace Agreement of May 5, 2006 with implementing that Agreement. Each such report shall include a description of—

(1) the assets that the United States military, in concert with the United States North Atlantic Treaty Organisation (NATO) allies, are able to offer the African Union Mission in Sudan (AMIS) and any United Nations peacekeeping mission authorized for Darfur;

(2) any plans of the Secretary of Defense to support the AMIS by providing information regarding the location of belligerents and potential violations of the Darfur Peace Agreement and assistance to improve the AMIS use of intelligence and tactical mobility;

(3) the resources that will be used during the current fiscal year to provide the support described in paragraph (2) and the resources that will be needed during the next fiscal year to provide such support;

(4) the efforts of the Secretary of Defense and Secretary of State to leverage troop contributions from other countries to serve in the proposed United Nation peacekeeping mission for Darfur;

(5) any plans of the Secretary of Defense to participate in the deployment of any NATO mentoring or technical assistance teams to Darfur to assist the AMIS; and

(6) any actions carried out by the Secretary of Defense to address deficiencies in the AMIS communications systems, particularly the interoperability of communications equipment.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative

Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,000,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,500,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,400,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) AUTHORITY.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE AND WAIT.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) LIMITATION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303(b) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended by striking ''December 31, 2006, and no waiver shall remain in effect after that date'' and inserting ''December 31, 2011''.

SEC. 1304. REMOVAL OF CERTAIN RESTRICTIONS ON PROVISION OF COOPERATIVE THREAT REDUCTION ASSISTANCE.

(a) REPEAL OF RESTRICTIONS.—

(1) SOVIET NUCLEAR THREAT REDUCTION ACT OF 1991.—Section 211(b) of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 22 U.S.C. 2551 note) is repealed.

(2) COOPERATIVE THREAT REDUCTION ACT OF 1993.—Section 1203(d) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5952(d)) is repealed.

(3) RUSSIAN CHEMICAL WEAPONS DESTRUCTION FACILITIES.—Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) is repealed.

(b) INAPPLICABILITY OF OTHER RESTRICTIONS.—

Section 502 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 106 Stat. 3338; 22 U.S.C. 5852) shall not apply to any Cooperative Threat Reduction program.

TITLE XIV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

SEC. 1401. PURPOSE.

The purpose of this title is to authorize anticipated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1402. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft, $404,100,000.

(2) For missile procurement, $450,000,000.

(3) For weapons and tracked combat vehicles, $214,400,000.

(4) For other procurement, $686,600,000.

SEC. 1403. MARINE CORPS PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $319,800,000.

SEC. 1404. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the aircraft procurement account for the Air Force in the amount of $51,800,000.

SEC. 1405. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $22,124,466,000.

(2) For the Navy, $2,349,560,000.

(3) For the Marine Corps, $1,544,920,000.

(4) For the Air Force, $2,779,898,000.

(5) For Defense-wide activities, $3,388,402,000.

(6) For the Army National Guard, $59,000,000.

SEC. 1406. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program in the amount of $960,200,000 for operation and maintenance.

SEC. 1407. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for military personnel accounts a total of $7,335,872,000.

SEC. 1408. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year for the Joint Improvised Explosive Device Defeat Fund a total of $2,100,000,000.

SEC. 1409. CLASSIFIED PROGRAMS.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for classified programs a total of $3,000,000,000.

SEC. 1410. IRAQ FREEDOM FUND.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Freedom Fund in the amount of $2,230,982,000.

(b) TRANSFER.—

(1) TRANSFER AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Freedom Fund to any accounts as follows:

(A) Operation and maintenance accounts of the Armed Forces.

(B) Military personnel accounts.

(C) Research, development, test, and evaluation accounts of the Department of Defense.

(D) Procurement accounts of the Department of Defense.

(E) Accounts providing funding for classified programs.

(F) The operating expenses account of the Coast Guard.

(2) NOTICE TO CONGRESS.—A transfer may not be made under the authority in paragraph (1) until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the transfer.

(3) TREATMENT OF TRANSFERRED FUNDS.—Amounts transferred to an account under the authority in paragraph (1) shall be merged with amounts in such account and shall be made available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(4) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

SEC. 1411. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1412. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—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 title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(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;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another

under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1413. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

SEC. 1414. AMOUNT FOR PROCUREMENT OF HEMOSTATIC AGENTS FOR USE IN THE FIELD.

(a) SENSE OF CONGRESS.—It is the sense of Congress that every member of the Armed Forces deployed in a combat zone should carry life saving resources on them, including hemostatic agents.

(b) AVAILABILITY OF FUNDS.—(1) Of the amount authorized under section 1405(1) for operation and maintenance for the Army, $15,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed Forces in the field so that each soldier serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(2) Of the amount authorized under section 1405(3) for operation and maintenance for the Marine Corps, $5,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed Forces in the field so that each Marine serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(c) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the distribution of hemostatic agents to members of the Armed Forces serving in Iraq and Afghanistan, including a description of any distribution problems and attempts to resolve such problems.

SEC. 1415. OUR MILITARY KIDS YOUTH SUPPORT PROGRAM.

(a) ARMY FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(1) for operation and maintenance for the Army, $1,500,000 may be available for the expansion nationwide of the Our Military Kids youth support program for dependents of elementary and secondary school age of members of the National Guard and Reserve who are severely wounded or injured during deployment.

(b) ARMY NATIONAL GUARD FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(6) for operation and maintenance for the Army National Guard, $500,000 may be available for the expansion nationwide of the Our Military Kids youth support program.

SEC. 1416. JOINT ADVERTISING, MARKET RESEARCH AND STUDIES PROGRAM.

(a) INCREASE IN AMOUNT FOR OPERATION AND MAINTENANCE, DEFENSE-WIDE.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, is hereby increased by $10,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, as increased by subsection (a), $10,000,000 may be available for the Joint Advertising, Market Research and Studies (JAMRS) program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $10,000,000, due to unexpended obligations, if available.

SEC. 1417. REPORT.

Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on how the data, including social security numbers, contained in the Joint Advertising, Market Research and Studies (JAMRS) program is maintained and protected, including the security measures in place to prevent unauthorized access or inadvertent disclosure of the data that could lead to identity theft.

SEC. 1418. SUBMITTAL TO CONGRESS OF DEPARTMENT OF DEFENSE SUPPLEMENTAL AND COST OF WAR EXECUTION REPORTS.

Section 1221(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3462; 10 U.S.C. 113 note) is amended—

(1) in the subsection caption by inserting ''CONGRESS AND'' after ''SUBMISSION TO''; and

(2) by inserting ''the congressional defense committees and'' before ''the Comptroller General''.

SEC. 1419. LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN PURPOSES RELATING TO IRAQ.

No funds authorized to be appropriated by this Act may be obligated or expended for a purpose as follows:

(1) To establish a permanent United States military installation or base in Iraq.

(2) To exercise United States control over the oil resources of Iraq.

MILITARY CONSTRUCTION AUTHORIZATION ACT FOR FISCAL YEAR 2007

On Thursday, June 22, 2006, the Senate passed S. 2768, as follows:

S. 2768

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military Construction Authorization Act for Fiscal Year 2007''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Congressional defense committees.

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TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2006 projects.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
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TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.
Sec. 2403. Energy conservation projects.
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TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
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TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

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TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
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Sec. 2811. Certification required for certain military construction projects.
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Sec. 2813. Naming of research laboratory at Air Force Rome Research Site, Rome, New York, in honor of Sherwood L. Boehlert, a member of the House of Representatives.
Sec. 2814. Naming of administration building at Joint Systems Manufacturing Center in Lima, Ohio, after Michael G. Oxley, a member of the House of Representatives.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$20,000,000
Alaska	Fort Richardson	$72,300,000
	Fort Wainwright	$8,800,000
California	Fort Irwin	$10,000,000
Colorado	Fort Carson	$24,000,000
Georgia	Fort Gillem	$15,000,000
	Fort Stewart/Hunter Army Air Field	$95,300,000
Hawaii	Schofield Barracks	$54,500,000
Kansas	Fort Leavenworth	$15,000,000
	Fort Riley	$47,400,000
Kentucky	Blue Grass Army Depot	$3,500,000
	Fort Campbell	$127,200,000
Louisiana	Fort Polk	$9,800,000
Maryland	Aberdeen Proving Ground	$8,800,000
Michigan	Detroit Arsenal	$18,500,000
Missouri	Fort Leonard Wood	$23,900,000
New York	Fort Drum	$209,200,000
North Carolina	Fort Bragg	$96,900,000
	Sunny Point (Military Ocean Terminal)	$46,000,000
Oklahoma	McAlester Army Ammunition Plant	$3,050,000
Pennsylvania	Letterkenny Depot	$7,500,000
Texas	Fort Hood	$75,000,000
	Red River Depot	$6,000,000
Utah	Dugway Proving Ground	$14,400,000
Virginia	Fort Belvoir	$58,000,000
Washington	Fort Lewis	$502,600,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	$157,632,000
	Vilseck	$19,000,000
Italy	Vicenza	$223,000,000

Army: Outside the United States—Continued

Country	Installation or Location	Amount
Japan	Camp Hansen	$7,150,000
Korea	Camp Humphreys	$77,000,000
	Yongpyong	$7,400,000
Romania	Babadag Range	$34,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Fort Richardson	162 Units	$70,000,000
	Fort Wainwright	234 Units	$132,000,000
Arizona	Fort Huachuca	119 Units	$32,000,000
Arkansas	Pine Bluff Arsenal	10 Units	$2,900,000
Wisconsin	Fort McCoy	13 Units	$4,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $336,859,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,452,581,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,266,650,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $525,982,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $217,629,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $594,991,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $676,829,000.

(6) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(7) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(8) For the construction of increment 2 of a barracks complex for the 3rd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(9) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(10) For the construction of phase 2 of the Defense Access Road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

(3) $40,400,000 (the balance of the amount authorized under section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2101) for construction of a barracks complex for divisional artillery for Fort Bragg, North Carolina).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$5,966,000
California	Marine Corps Air Station, Camp Pendleton	$6,412,000
	Marine Corps Base, Camp Pendleton	$106,142,000
	Marine Corps Air Station, Miramar	$2,968,000
	Naval Air Station, North Island	$21,535,000
	Marine Corps Base, Twentynine Palms	$8,217,000
Connecticut	Naval Submarine Base, New London	$9,580,000
Florida	Cape Canaveral	$9,900,000
	Naval Station, Pensacola	$13,486,000
Georgia	Marine Corps Logistics Base, Albany	$62,000,000
	Navy Submarine Base, Kings Bay	$20,282,000
Hawaii	Naval Base, Pearl Harbor	$48,338,000
	Naval Shipyard, Pearl Harbor	$22,000,000
Indiana	Naval Support Activity, Crane	$6,730,000
Maine	Portsmouth Naval Shipyard	$9,650,000

Navy: Inside the United States—Continued

State	Installation or Location	Amount
Maryland	Naval Air Station, Patuxent River	$16,316,000
	Naval Support Activity, Suitland	$67,939,000
Mississippi	Naval Air Station, Meridian	$5,870,000
Nevada	Naval Air Station, Fallon	$7,730,000
North Carolina	Marine Corps Air Station, New River	$27,300,000
	Marine Corps Base, Camp Lejeune	$160,904,000
Rhode Island	Naval Station, Newport	$3,410,000
South Carolina	Marine Corps Air Station, Beaufort	$14,970,000
Virginia	Marine Corps Base, Quantico	$30,628,000
	Naval Special Weapons Center, Dahlgren	$9,850,000
	Naval Shipyard, Norfolk	$34,952,000
	Naval Station, Norfolk	$12,062,000
	Naval Support Activity, Norfolk	$38,962,000
Washington	Naval Air Station, Whidbey Island	$67,303,000
	Naval Submarine Base, Bangor	$13,507,000

(b) OUTSIDE THE UNITED STATES.—.Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installation or location outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	$37,473,000
Italy	Naval Air Station, Sigonella	$13,051,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Installation or Location	Amount
Various Locations	Helicopter Support Facility	$12,185,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amount set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Logistics Base, Barstow	74 Units	$27,851,000
Guam	Naval Base, Guam	176 Units	$98,174,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,600,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $176,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,072,435,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $808,750,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,247,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $305,071,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $498,525,000.

(7) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(8) For the construction of increment 2 of Alpha and Bravo wharf improvements at Naval Base, Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrade at Recruit Training Command, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of the Wesley Brown Field House at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $26,685,000.

(11) For the construction of increment 2 of wharf upgrades at Naval Station, Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(12) For the construction of increment 2 of the ship repair pier 3 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(13) For the construction of increment 2 of the Bachelor Enlisted Quarters Homeport Ashore Program at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat.3490), $20,917,000.

(14) For the construction of phase 2 of the reclamation and conveyance project at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $33,290,000.

(15) For the construction of increment 3 of the Navy Outlaying Landing Field facilities at Washington County, North Carolina, authorized for various locations, continental United States, by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $7,926,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106), $14,274,000.

(17) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(18) For the construction of increment 2 of an addition to Hockmuth Hall at Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $11,559,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $39,874,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704) for various locations, continental United States).

(3) $33,951,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106) for construction of a limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington).

(4) $22,661,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois).

(5) $24,740,000 (the balance of the amount authorized under section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for wharf upgrades at Naval Station, Yokosuka, Japan.

(6) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of a National Maritime Intelligence Center addition at Suitland, Maryland).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489) is amended—

(1) in the item related to Marine Corps Base, Camp Pendleton, California, by striking ''$90,437,000'' in the amount column and inserting ''$86,006,000''; and

(2) in the item relating to Marine Corps Base, Quantico, Virginia, by striking ''$18,429,000'' in the amount column and inserting ''$19,829,000''.

(b) CONFORMING AMENDMENTS.—Section 2204(b) of that Act (119 Stat. 3492) is amended—

(1) in paragraph (2), by striking ''$37,721,000'' and inserting ''$33,290,000''; and

(2) in paragraph (7), by striking ''$10,159,000'' and inserting ''$11,559,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	$38,300,000
	Elmendorf Air Force Base	$68,100,000
Arizona	Davis-Monthan Air Force Base	$4,600,000
California	Beale Air Force Base	$28,000,000
	Travis Air Force Base	$85,800,000
Colorado	Buckley Air Force Base	$10,700,000
	Schriever Air Force Base	$21,000,000
Delaware	Dover Air Force Base	$30,400,000
Florida	Eglin Air Force Base	$19,350,000
	Hurlburt Field	$32,950,000
	MacDill Air Force Base	$71,000,000
	Tyndall Air Force Base	$1,800,000
Georgia	Robins Air Force Base	$52,600,000
Hawaii	Hickam Air Force Base	$28,538,000
Illinois	Scott Air Force Base	$28,200,000
Kentucky	Fort Knox	$3,500,000
Maryland	Andrews Air Force Base	$29,000,000
Massachusetts	Hanscom Air Force Base	$12,400,000
Nevada	Indian Springs Air Force Auxiliary Field	$49,923,000
	Nellis Air Force Base	$4,800,000
New Jersey	McGuire Air Force Base	$15,500,000
New Mexico	Kirtland Air Force Base	$11,400,000
North Dakota	Minot Air Force Base	$9,000,000
Oklahoma	Altus Air Force Base	$9,500,000
	Tinker Air Force Base	$8,100,000
South Carolina	Charleston Air Force Base	$10,200,000
	Shaw Air Force Base	$22,200,000
South Dakota	Ellsworth Air Force Base	$3,000,000
Texas	Fort Bliss	$8,500,000
	Lackland Air Force Base	$13,200,000
Utah	Hill Air Force Base	$63,400,000
Virginia	Langley Air Force Base	$57,700,000
Wyoming	Francis E. Warren Air Force Base	$11,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	$53,150,000
Guam	Andersen Air Force Base	$52,800,000
Italy	Naval Air Station, Sigonella	$26,000,000
Korea	Kunsan Air Base	$46,700,000
	Osan Air Base	$2,156,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for unspecified installations or locations in the amounts, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
Worldwide Unspecified	Common Battlefield Airman Training Complex	$14,200,000
Worldwide Classified	Classified Project	$3,377,000
	Classified—Special Evaluation Program	$4,600,000
	Classified	$1,700,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts, set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Eielson Air Force Base	129 Units	$87,414,000
Idaho	Mountain Home Air Force Base	457 Units	$107,800,000
Missouri	Whiteman Air Force Base	116 Units	$39,270,000
Montana	Malmstrom Air Force Base	493 Units	$140,252,000
North Carolina	Seymour Johnson Air Force Base	56 Units	$22,956,000
North Dakota	Minot Air Force Base	575 Units	$170,188,000
Texas	Dyess Air Force Base	199 Units	$49,215,000
Germany	Ramstein Air Base	101 Units	$73,488,000
	Spangdahlem Air Base	60 Units	$39,294,000
United Kingdom	Royal Air Force Lakenheath	74 Units	$35,282,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $13,202,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $403,727,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,195,485,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $863,661,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $180,806,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $23,877,000.

(4) For unspecified minor military construction projects authorized by 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, $90,632,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,182,138,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C–17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) (2) and (3) of subsection (a).

(2) $35,000,000 (the balance of the amount authorized under section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494) for construction of a main base runway at Edwards Air Force Base, California).

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECT.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; Stat. 119 Stat. 3494) is amended in the item relating to MacDill Air Force Base, Florida, by striking ''$107,200,000'' in the amount column and inserting ''$101,500,000''.

(b) CONFORMING AMENDMENT.—Section 2304(b)(4) of that Act (119 Stat. 3496) is amended by striking ''$29,000,000'' and inserting ''$23,300,000''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,715,000
California	Beale Air Force Base	$9,000,000
Pennsylvania	Defense Distribution Depot, New Cumberland	$8,900,000
Virginia	Fort Belvoir	$5,500,000
Washington	Naval Air Station, Whidbey Island	$26,000,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	$24,400,000
Colorado	Fort Carson	$26,100,000
Florida	Hurlburt Field	$14,482,000
	MacDill Air Force Base	$27,300,000
Kentucky	Fort Campbell	$24,500,000
North Carolina	Fort Bragg	$44,868,000
	Marine Corps Base, Camp Lejune	$51,600,000
	Pope Air Force Base	$15,276,000
Virginia	Naval Air Base, Little Creek	$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	$37,200,000
California	Fort Irwin	$6,050,000
Florida	Naval Hospital, Jacksonville	$16,000,000
	MacDill Air Force Base	$87,000,000
Hawaii	Naval Base, Pearl Harbor	$7,700,000
Illinois	Naval Hospital, Great Lakes	$20,000,000
Maryland	Fort Detrick	$550,000,000
New York	Fort Drum	$9,700,000
Texas	Fort Hood	$18,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Camp Ederle	$31,460,000
	Vicenza	$15,750,000
Korea	Osan Air Base	$4,589,000
Spain	Naval Station, Rota	$23,048,000

Defense Logistics Agency

Country	Installation or Location	Amount
Japan	Okinawa	$5,000,000
Wake Island	Wake Island	$2,600,000

Missile Defense Agency

Country	Installation or Location	Amount
Kwajalein	Kwajalein Atoll	$7,592,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid Air Base	$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	$52,000,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Defense Logistics Agency: Family Housing

State	Installation or Location	Purpose	Amount
Virginia	Defense Supply Center, Richmond	25 Units	$7,840,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $484,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $60,000,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 $7,122,602,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $557,399,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $170,789,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,150,000.

(6) For energy conservation projects authorized by section 2403, $60,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, $5,526,894,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000.

(10) For the construction of increment 8 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $41,836,000.

(11) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $99,157,000.

(12) For the construction of increment 2 of a replacement of a regional security operations center, Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(2) of this Act, $47,016,000.

(13) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(14) For the construction of increment 2 of a replacement of a regional security operations center, Augusta, Georgia, authorized by section 2401(a) of the Military Construction Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(1) of this Act, $107,118,000.

(15) For the construction of increment 2 of construction of an operations building, Menwith Hall Station, United Kingdom, authorized by section 2401(b) of the Military Construction Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2405(b)(1) of this Act, $46,386,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $184,752,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Augusta, Georgia).

(3) $254,508,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Kunia, Hawaii).

(4) $521,000,000 (the balance of the amount authorized under section 2401(a) for construction of a replacement facility, Fort Detrick, Maryland).

(5) $187,120,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado).

(6) $134,554,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky).

SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) is amended—

(1) in the item relating to Augusta, Georgia, by striking ''$61,466,000'' in the amount column and inserting ''$340,836,000''; and

(2) in the item relating to Kunia, Hawaii, by striking ''$305,000,000'' in the amount column and inserting ''$350,490,000''.

(b) MODIFICATION OF OUTSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking ''$86,354,000'' in the amount column and inserting ''$88,083,000''.

(c) CONFORMING AMENDMENT.—Section 2403(b) of that Act (119 Stat. 3500) is amended—

(1) in paragraph (2), by striking ''$12,500,000'' and inserting ''$291,870,000'';

(2) in paragraph (3), by striking ''$256,034,000'' and inserting ''$301,524,000''; and

(3) in paragraph (5), by striking ''$44,657,000'' and inserting ''$46,386,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of $205,985,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $524,031,000; and

(B) for the Army Reserve, $189,817,000.

(2) For the Department of the Navy, for the Navy and Marine Corps Reserve, $48,408,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $245,743,000; and

(B) for the Air Force Reserve, $44,936,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment Program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2004 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1716), authorizations set forth in the tables in subsection (b), as provided in sections 2101, 2301, 2302, 2401, and 2601 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Fort Wainwright	Multi-Purpose Training Range Complex	$47,000,000
Hawaii	Helemano Military Reservation	Land Easement	$1,400,000
Virginia	Fort Belvoir	NGIC Land Acquisition	$7,000,000
	Fort Lee	Fire & Emergency Services Center (Ph 2)	$3,850,000
Italy	Aviano Air Base	Joint Deployment Facility (Ph 1)	$15,500,000

Air Force: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
California	Travis Air Force Base	Replace Family Housing (56 Units)	$12,723,000
Florida	Eglin Air Force Base	Replace Family Housing (279 Units)	$32,166,000
Hawaii	Hickam Air Force Base	Expand Strategic Airlift Parking Ramp	$10,102,000
Texas	Dyess Air Force Base	Replace Family Housing (116 Units)	$19,973,000

Defense Wide: Extension of 2004 Project Authorizations

Agency	Installation or Location	Project	Amount
Defense Logistics Agency	Hickam Air Force Base, Hawaii	Replace Hydrant Fuel System	$14,100,000

Army National Guard: Extension of 2004 Authorization of Appropriations

State	Installation or Location	Project	Amount
Indiana	Gary	Army Aviation Support Facility	$15,581,000
New Mexico	Albuquerque	Readiness Center, Add/Alt (ADRS)	$2,533,000
Pennsylvania	Fort Indiantown Gap	Multi-Purpose Training Range	$15,338,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), authorizations set forth in the tables in subsection (b), as provided in section 2302 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2003 Project Authorizations

State	Installation or Location	Project	Amount
Florida	Eglin Air Force Base	Replace Family Housing (134 Units)	$15,906,000
	Eglin Air Force Base	Replace Housing Office	$597,000
Texas	Randolph Air Force Base	Replace Family Housing Maintenance Facility	$447,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. THREE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended—

(1) in subsection (a), by striking ''fiscal years 2005 and 2006'' and inserting ''fiscal years 2005, 2006, 2007, 2008, and 2009''; and

(2) in subsection (f)—

(A) in paragraph (1), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Construction and Veterans Affairs, and Related Agencies of''; and

(B) in paragraph (2), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Quality of Life and Veterans Affairs, and Related Agencies of''.

SEC. 2802. AUTHORITY TO CARRY OUT MILITARY CONSTRUCTION PROJECTS IN CONNECTION WITH INDUSTRIAL FACILITY INVESTMENT PROGRAM.

(a) AUTHORITY.—Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2870. Authority to carry out military construction projects in connection with industrial facility investment program

''(a) AUTHORITY.—The Secretary of Defense may carry out a military construction project, not previously authorized, for the purpose of carrying out activities under section 2474(a)(2) of this title, using funds appropriated or otherwise made available for that purpose.

''(b) CREDITING OF FUNDS.—Funds appropriated or otherwise made available in a fiscal year for the purpose of carrying out a military construction project with respect to a public depot under subsection (a) may be credited to the amount required under section 2208(s) of this title to be invested in such fiscal year in the capital budget for such public depot.

''(c) NOTICE AND WAIT REQUIREMENT.—The Secretary may not carry out a project under subsection (a) until 21 days after the date on which the Secretary notifies the congressional defense committees of the intent to carry out such project and the savings estimated to be realized from such project or, if earlier, 14 days after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.

''(d) ANNUAL REPORT.—Not later than December 31 of each year, the Secretary shall submit to Congress a report describing actions taken under this section and the savings realized from such actions during the fiscal year ending in the year in which the report is submitted.''.

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

''2870. Authority to carry out military construction projects in connection with industrial facility investment program.''.

SEC. 2803. MODIFICATION OF NOTIFICATION REQUIREMENTS RELATED TO COST VARIATION AUTHORITY.

Section 2853(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking the semicolon at the end and inserting ''; and'';

(2) by amending paragraph (2) to read as follows:

''(2)(A) in the case of a cost increase or a reduction in the scope of work—

''(i) the Secretary concerned notifies the appropriate committees of Congress in writing of the cost increase or reduction in scope and the reasons therefor, including a description of the funds proposed to be used to finance any increased costs; and

''(ii) a period of 21 days has elapsed after the date on which the notification is received by the committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title; or

''(B) in the case of a cost decrease, the Secretary concerned notifies the appropriate committees of Congress in writing not later than 14 days after the date funds are obligated in connection with the military construction project or military family housing project.''; and

(3) by striking paragraph (3).

SEC. 2804. CONSIDERATION OF LOCAL COMPARABILITY OF FLOOR AREAS IN CONSTRUCTION, ACQUISITION, AND IMPROVEMENT OF MILITARY UNACCOMPANIED HOUSING.

(a) IN GENERAL.—Section 2856 of title 10, United States Code, is amended to read as follows:

''§ 2856. Military unaccompanied housing: local comparability of floor areas

''In the construction, acquisition, and improvement of military unaccompanied housing, the Secretary concerned shall ensure that the floor areas of such housing in a particular locality (as designated by the Secretary concerned for purposes of this section) do not exceed the floor areas of similar housing in the private sector in that locality.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2856 and inserting the following:

''2856. Military unaccompanied housing: local comparability of floor areas.''.

SEC. 2805. INCREASE IN THRESHOLDS FOR UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) INCREASE.—Section 2805(a)(1) of title 10, United States Code, is amended—

(1) by striking ''$1,500,000'' and inserting ''$2,500,000''; and

(2) by striking ''$3,000,000'' and inserting ''$4,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

SEC. 2806. INCLUSION OF MILITARY TRANSPORTATION AND SUPPORT SYSTEMS IN ENERGY SAVINGS PROGRAM.

(a) IN GENERAL.—Section 2865 of title 10, United States Code, is amended—

(1) in the section heading, by inserting ''**for military operations and**'' after ''**Energy savings**'';

(2) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

''(1) The Secretary of Defense shall designate energy performance goals for the Department of Defense for military transportation and support systems and installations. The goals shall be consistent, where appropriate, with the Energy Policy Act of 2005 (Public Law 109–58).'';

(B) in paragraph (2), by striking ''energy conservation measures'' and all that follows through ''energy savings'' and inserting ''energy conservation measures and alternative energy initiatives to achieve maximum total life-cycle energy savings'';

(C) in paragraph (3)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance''; and

(ii) by inserting after ''10 years or less'' the following: '', except that the Secretary may provide that energy conservation measures related to equipment and systems supporting industrial processes may have a positive net present value over a period of 20 years or less''; and

(D) in paragraph (4)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance'';

(ii) in subparagraph (A), by inserting ''vehicles, military support equipment,'' after ''such as''; and

(iii) in subparagraph (B), by striking ''an operation or maintenance process, such as improved training'' and inserting ''a military operation or maintenance process, such as the use of alternative fuels and energy sources, improved training,'';

(3) in subsection (b)(2)(A), by striking ''installations of the Department of Defense as may be designated'' and inserting ''installations of the Department of Defense and related to such vehicles and military support equipment of the Department of Defense as may be designated'';

(4) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(5) by inserting after subsection (d) the following new subsection:

''(e) ENERGY EFFICIENCY IN NEW CONSTRUCTION.—

''(1) The Secretary of Defense shall ensure, to the maximum extent practicable, that energy efficient products meeting the Department's requirements, if cost effective over

the life cycle of the product and readily available, be used in new facility construction by or for the Department carried out under this chapter.

''(2) In determining the energy efficiency of products, the Secretary shall consider products that—

''(A) meet or exceed Energy Star specifications; or

''(B) are listed on the Department of Energy's Federal Energy Management Program Product Energy Efficiency Recommendations product list.''.

SEC. 2807. REPEAL OF AUTHORITY TO CONVEY PROPERTY AT CLOSED OR REALIGNED MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) REPEAL.—Section 2869 of title 10, United States Code, is repealed.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENTS.—(A) Section 2822(b) of such title is amended by striking paragraph (6).

(B) Section 2883(c) of such title is amended—

(i) in paragraph (1), by striking subparagraph (F); and

(ii) in paragraph (2), by striking subparagraph (F).

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869.

SEC. 2808. REPEAL OF REQUIREMENT TO DETERMINE AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING FOR ACQUISITION IN LIEU OF CONSTRUCTION OF NEW FAMILY HOUSING.

(a) IN GENERAL.—Section 2823 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2823.

SEC. 2809. UPDATING FOREIGN CURRENCY FLUCTUATION ADJUSTMENT FOR CERTAIN MILITARY FAMILY HOUSING LEASES IN KOREA.

Section 2828(e)(5)(A) of title 10, United States Code, is amended to read as follows:

''(A) for—

''(i) foreign currency fluctuations from October 1, 1987, in the case of maximum lease amounts provided for under paragraphs (1), (2), and (3); or

''(ii) foreign currency appreciation during the previous fiscal year, starting from the fiscal year of enactment of the lease authority under paragraph (4), in the case of the maximum lease amount provided for under such paragraph; and''.

SEC. 2810. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) REDUCTION OF APPLICABLE NOTIFICATION PERIODS.—Section 2881a of title 10, United States Code, is amended by striking ''90 days'' both places it appears and inserting ''30 days''.

(b) EXTENSION OF AUTHORITY.—Subsection (f) of such section is amended by striking ''2007'' and inserting ''2009''.

SEC. 2811. CERTIFICATION REQUIRED FOR CERTAIN MILITARY CONSTRUCTION PROJECTS.

The Department of Defense may not use amounts authorized to be appropriated for a fiscal year beginning after September 30, 2006, to carry out a military construction project to construct a facility designed to provide training in urban operations for personnel of the Department of Defense or other Federal agencies until the Under Secretary of Defense for Personnel and Readiness, in consultation with the Commander of the United States Joint Forces Command, has certified to the congressional defense committees that—

(1) the Secretary of Defense has approved a strategy for training and facility construction for operations in urban terrain; and

(2) the Under Secretary has evaluated the project and determined that the project—

(A) is consistent with such strategy; and

(B) incorporates the appropriate capabilities for joint and interagency use in accordance with such strategy.

SEC. 2812. MODIFICATION OF LAND ACQUISITION AUTHORITY, PERQUIMANS COUNTY, NORTH CAROLINA.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1320), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2149), is further amended by striking ''840 acres'' and inserting ''1,550 acres''.

SEC. 2813. NAMING OF RESEARCH LABORATORY AT AIR FORCE ROME RESEARCH SITE, ROME, NEW YORK, IN HONOR OF SHERWOOD L. BOEHLERT, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The new laboratory facility at the Air Force Rome Research Site, Rome, New York, shall be known and designated as the ''Sherwood L. Boehlert Engineering Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such laboratory facility shall be deemed to be a reference to the Sherwood L. Boehlert Engineering Center.

SEC. 2814. NAMING OF ADMINISTRATION BUILDING AT JOINT SYSTEMS MANUFACTURING CENTER IN LIMA, OHIO, AFTER MICHAEL G. OXLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The administration building under construction at the Joint Systems Manufacturing Center in Lima, Ohio, shall, upon be completion, be known and designated as the ''Michael G. Oxley Administration and Technology Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such administration building shall be deemed to be a reference to the Michael G. Oxley Administration and Technology Center.

SEC. 2815. NAMING OF MILITARY FAMILY HOUSING FACILITY AT FORT CARSON, COLORADO, IN HONOR OF JOEL HEFLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The Secretary of the Army shall designate one of the military family housing areas or facilities constructed for Fort Carson, Colorado, using the authority provided by subchapter IV of chapter 169 of title 10, United States Code, as the ''Joel Hefley Village''. Any reference in any law, regulation, map, document, record, or other paper of the United States to the military housing area or facility designated under this section shall be considered to be a reference to Joel Hefley Village.

SEC. 2816. AUTHORITY TO OCCUPY UNITED STATES SOUTHERN COMMAND FAMILY HOUSING.

(a) The Secretary of the Army may authorize family members of a member of the armed forces on active duty who is occupying a housing unit leased under section 2828(b)(4) of title 10, United States Code and who is assigned to a family-member-restricted area to remain in the leased housing unit until the member completes the family-member-restricted tour. Costs incurred for such housing during such tour shall be included in the costs subject to the limitation under subparagraph (B) of that paragraph.

(b) The authority granted by subsection (a) shall expire on September 30, 2008.

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONSOLIDATION OF EASEMENT PROVISIONS.

(a) CONSOLIDATION OF EASEMENT PROVISIONS.—

(1) TRANSFER OF EASEMENTS SECTION.—Section 2668 of title 10, United States Code, is—

(A) transferred to appear after section 2671 of such title; and

(B) redesignated as section 2672 of such title.

(2) CONSOLIDATED AUTHORITY.—Section 2672, as redesignated by paragraph (1), is amended—

(A) in subsection (a)—

(i) by inserting ''TYPES OF EASEMENTS.—'' after ''(a)'';

(ii) in the matter preceding paragraph (1), by striking ''to a State, Territory, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Territory, Commonwealth, or possession,'';

(iii) in paragraph (2), by striking ''oil pipe lines'' and inserting ''gas, water, sewer, and oil pipe lines''; and

(iv) in paragraph (13), by striking '', except a purpose covered by section 2669 of this title'';

(B) in subsection (b), by inserting ''LIMITATION ON SIZE.—'' after ''(b)'';

(C) in subsection (c), by inserting ''TERMINATION.—'' after ''(c)'';

(D) in subsection (d), by inserting ''NOTICE TO DEPARTMENT OF THE INTERIOR.—'' after ''(d)''; and

(E) in subsection (e), by inserting ''DISPOSITION OF CONSIDERATION.—'' after ''(e)''.

(b) REPEAL OF OBSOLETE AUTHORITY.—Section 2669 of such title is repealed.

(c) CONFORMING AMENDMENTS.—The table of sections at the beginning of chapter 159 of such title is amended—

(1) by striking the items relating to sections 2668 and 2669; and

(2) by inserting after the item relating to section 2671 the following new item:

''2672. Easements for rights-of-way.''.

SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS FOR CONSERVATION AND ENVIRONMENTAL RESTORATION PURPOSES.

(a) AUTHORITY TO GRANT RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, as amended by section 2821 of this Act, is further amended by inserting after section 2672 of such title the following new section:

''§ 2672a. Authority to grant restrictive easements

''(a) CONSERVATION EASEMENTS.—(1)(A) If the Secretary of a military department finds that it will be in the public interest, the Secretary may, subject to paragraph (2), grant, upon such terms as the Secretary considers advisable and with the consent of an entity described in subparagraph (B), a restrictive easement to such entity over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

''(B) An entity referred to in subparagraph (A) is—

''(i) a State or local government; or

''(ii) a qualified organization, as that term is defined in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

''(2) An easement under paragraph (1) shall not be granted unless the Secretary of the military department concerned determines that—

''(A) the conservation of the property can not be effectively achieved through the application of State law by units of State or

local government without granting such easement;

''(B) the jurisdiction that encompasses the property authorizes such easement; and

''(C) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing such easement.

''(b) ENVIRONMENTAL EASEMENTS.—If the Secretary of a military department finds that it will be in the public interest, the Secretary may grant, upon such terms as the Secretary considers advisable and with the consent of a State or local government, a restrictive easement to such government over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property to ensure the continued effectiveness of any environmental restoration function on the property conducted pursuant to chapter 160 of this title.

''(c) LIMITATIONS.—(1) No easement granted under this section may include more land than is necessary for the easement.

''(2) Easements granted under this section shall be without consideration from the recipient.

''(3) Nothing in this section shall alter the responsibilities of any party under Federal or State environmental laws.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 2821 of this Act, is further amended by inserting after the item relating to section 2672 the following new item:

''2672a. Authority to grant restrictive easements for conservation and environmental restoration purposes.''.

SEC. 2823. CONSOLIDATION OF PROVISIONS RELATING TO TRANSFERS OF REAL PROPERTY WITHIN THE DEPARTMENT OF DEFENSE AND TO OTHER FEDERAL AGENCIES.

(a) CONSOLIDATION AND RESTATEMENT OF AUTHORITY ON INTERCHANGE, TRANSFER, AND SCREENING OF DEPARTMENT OF DEFENSE REAL PROPERTY.—Section 2696 of title 10, United States Code, is amended to read as follows:

''§ 2696. Real property: transfer between armed forces; screening for transfer or conveyance

''(a) TRANSFER BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another.

''(b) SCREENING AND CONVEYANCE OF PROPERTY FOR CORRECTIONAL FACILITIES PURPOSES.—(1) Except as provided in paragraph (2), before any real property or facility of the United States that is under the jurisdiction of any department, agency, or instrumentality of the Department of Defense is determined to be excess to the needs of such department, agency, or instrumentality, the Secretary of Defense shall—

''(A) provide adequate notification of the availability of such real property or facility within the Department of Defense;

''(B) if such real property or facility remains available after such notification, notify the Attorney General of its availability; and

''(C) if the Attorney General certifies to the Secretary that a determination has been made by the Director of the Bureau of Justice Assistance within the Department of Justice to utilize such real property or facility under the correctional options program carried out under section 515 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a), convey such real property or facility, without reimbursement, to a public agency referred to in paragraph (1) or (3) of subsection (a) of such section for such utilization.

''(2) The provisions of this subsection shall not apply during any portion of a fiscal year after four conveyances have been made under this subsection in such fiscal year.

''(c) SCREENING FOR FURTHER FEDERAL USE BEFORE CONVEYANCE TO NON-FEDERAL ENTITIES.—(1) The Secretary concerned may not convey real property that is authorized or required to be conveyed, whether for or without consideration, by any provision of law unless the Administrator has screened the property for further Federal use in accordance with subtitle I of title 40 and title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.).

''(2)(A) Before the end of the 30-day period beginning on the date of the enactment of a provision of law authorizing or requiring the conveyance of a parcel of real property by the Secretary concerned, the Administrator of General Services shall complete the screening referred to in paragraph (1) with regard to the real property and notify the Secretary concerned and Congress of the results of the screening. The notice shall include—

''(i) the name of the Federal agency requesting transfer of the property;

''(ii) the proposed use to be made of the property by the Federal agency; and

''(iii) the fair market value of the property, including any improvements thereon, as estimated by the Administrator.

''(B) If the Administrator fails to complete the screening and notify the Secretary concerned and Congress within such period, the Secretary concerned shall proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance.

''(3) If the Administrator submits notice under paragraph (2)(A) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.

''(4) The screening requirements of this subsection shall not apply to real property authorized or required to be conveyed under any of the following provisions of law:

''(A) A base closure law.

''(B) Chapter 5 of title 40.

''(C) Any specific provision of law authorizing or requiring the transfer of administrative jurisdiction over a parcel or real property between Federal agencies.''.

(b) CONFORMING AMENDMENTS.—

(1) CONFORMING AMENDMENTS TO AUTHORITY ON INTERCHANGE OF PROPERTY AND SERVICES.—(A) Section 2571(a) of such title is amended by striking ''and real property''.

(B) The heading of such section is amended to read as follows:

''§ 2571. Interchange of supplies and services''.

(2) REPEAL OF SUPERSEDED AUTHORITY ON SCREENING AND TRANSFER FOR CORRECTIONAL PURPOSES.—Section 2693 of such title is repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

''2571. Interchange of supplies and services.''.

(2) The table of sections at the beginning of chapter 159 of such title is amended—

(A) by striking the item relating to section 2693; and

(B) by striking the item relating to section 2696 and inserting the following new item:

''2696. Real property: transfer between armed forces; screening for transfer or conveyance.''.

SEC. 2824. AUTHORITY TO USE EXCESS PROPERTY AS EXCHANGE UNDER AGREEMENTS TO LIMIT ENCROACHMENTS ON MILITARY TRAINING, TESTING, AND OPERATIONS.

Section 2684a(h) of title 10, United States Code, is amended—

(1) in the heading, by striking ''FUNDING'' and inserting ''CONSIDERATION''; and

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

''(3) Land under the jurisdiction of the Secretary concerned that is determined to be excess to the needs of the Department of Defense may be used by way of exchange to enter into an agreement under this section, but only if such land is located within the same State as the installation that is the subject of the agreement.''.

SEC. 2825. MODIFICATION OF UTILITY SYSTEM AUTHORITY AND RELATED REPORTING REQUIREMENTS.

Section 2688 of title 10, United States Code, as amended by section 2823 of the Military Construction Authorization Act for Fiscal Year 2006 (Public Law 109–163), is further amended—

(1) in subsection (a)(2)(A)—

(A) in clause (i), by striking the semicolon at the end and inserting ''; and''; and

(B) by striking clause (iii); and

(2) in subsection (d)—

(A) in paragraph (1), by striking ''10 years'' and inserting ''50 years''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''a term in excess of 10 years'' and all that follows through the period at the end and inserting ''a term not to exceed 50 years.''; and

(ii) in the second sentence, by striking ''shall include'' and all that follows through the period at the end and inserting ''shall include an explanation of the term of the contract.''.

SEC. 2826. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR CERTAIN STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES.

Section 2675(a) of title 10, United States Code, is amended by striking ''five years'' and inserting ''10 years''.

SEC. 2827. MODIFICATION OF LAND TRANSFER AUTHORITY, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

Section 2831 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2795) is amended by striking ''consisting of approximately 3 acres'' and inserting ''consisting of approximately 4 acres and containing two buildings, known as building 6 and building 7''.

SEC. 2828. REPORTS ON ARMY TRAINING RANGES.

(a) LIMITATION.—The Secretary of the Army may not carry out any acquisition of real property to expand the Pinon Canyon Maneuver Site at Fort Carson, Colorado until 30 days after the Secretary submits the report required under subsection (b).

(b) REPORT ON PINON CANYON MANEUVER SITE.—

(1) IN GENERAL.—Not later than November 30, 2006, the Secretary of the Army shall submit to the congressional defense committees a report containing an analysis of any potential expansion of the military training range at the Pinon Canyon Maneuver Site at Fort Carson, Colorado.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) A description of the Army's current and projected military requirements for training at the Pinon Canyon Maneuver Site.

(B) An analysis of the reasons for any changes in those requirements, including the extent to which they are a result of the increase of military personnel due to the 2005

round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) A proposed plan for addressing those requirements, including a description of any proposed expansion of the existing training range by acquiring privately held land surrounding the site and an analysis of alternative approaches that do not require expansion of the training range.

(D) If an expansion of the training range is recommended pursuant to subparagraph (C), the following information:

(i) An assessment of the economic impact on local communities of such acquisition.

(ii) An assessment of the environmental impact of expanding the Pinon Canyon Maneuver Site.

(iii) An estimate of the costs associated with the potential expansion, including land acquisition, range improvements, installation of utilities, environmental restoration, and other environmental activities in connection with the acquisition.

(iv) An assessment of options for compensating local communities for the loss of property tax revenue as a result of the expansion of Pinon Canyon Maneuver Site.

(v) An assessment of whether the acquisition of additional land at the Pinon Canyon Maneuver Site can be carried out by the Secretary solely through transactions, including land exchanges and the lease or purchase of easements, with willing sellers of the privately held land.

(c) REPORT ON EXPANSION OF ARMY TRAINING RANGES.—

(1) IN GENERAL.—Not later than February 1, 2007, the Secretary of the Army shall submit to the congressional defense committees a report containing an assessment of the training ranges operated by the Army to support major Army units.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) The size, description, and mission essential training tasks supported by each such Army training range during fiscal year 2003.

(B) A description of the projected changes in training range requirements, including the size, characteristics, and attributes for mission essential training of each range and the extent to which any changes in requirements are a result of the 2005 round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) The projected deficit or surplus of training land at each such range, and a description of the Army's plan to address that projected deficit or surplus of land as well as the upgrade of range attributes at each existing training range.

(D) A description of the Army's prioritization process and investment strategy to address the potential expansion or upgrade of training ranges.

(E) An analysis of alternatives to the expansion of Army ranges to include an assessment of the joint use of ranges operated by other services.

SEC. 2829. USE OF RENEWABLE ENERGY TO MEET ELECTRICITY NEEDS.

It shall be the goal of the Department of Defense to ensure that the Department—

(1) produces or procures not less than 25 percent of the total quantity of electric energy it consumes within its facilities and in its activities during fiscal year 2025 and each fiscal year thereafter from renewable energy sources (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)); and

(2) produces or procures such renewable energy when it is life-cycle cost effective to do so (as defined in section 708 of Executive Order 13123 (42 U.S.C. 8251 note; relating to greening the Government through efficient energy management)).

SEC. 2830. NAMING OF NAVY AND MARINE CORPS RESERVE CENTER AT ROCK ISLAND, ILLINOIS, IN HONOR OF LANE EVANS, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

DESIGNATION.—The Navy and Marine Corps Reserve Center at Rock Island Arsenal, Illinois, shall be known and designated as the ''Lane Evans Navy and Marine Corps Reserve Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to the Navy and Marine Corps Reserve Center at Rock Island Arsenal shall be deemed to be a reference to the Lane Evans Navy and Marine Corps Reserve Center.

Subtitle C—Base Closure and Realignment

SEC. 2831. DEFENSE ECONOMIC ADJUSTMENT PROGRAM: RESEARCH AND TECHNICAL ASSISTANCE.

Section 2391 of title 10, United States Code, is amended by inserting after subsection (b) the following new subsection:

''(c) RESEARCH AND TECHNICAL ASSISTANCE.—(1) The Secretary of Defense may make grants, conclude cooperative agreements, and enter into contracts in order to conduct research and technical assistance in support of activities under this section or Executive Order 12788.

''(2) A grant, cooperative agreement, or contract under this subsection may be with or to a Federal agency, a State or local government, or any private entity.''.

SEC. 2832. EXTENSION OF ELIGIBILITY FOR COMMUNITY PLANNING ASSISTANCE RELATED TO CERTAIN MILITARY FACILITIES NOT UNDER DEPARTMENT OF DEFENSE JURISDICTION.

Section 2391(d)(1) of title 10, United States Code, is amended by striking the period at the end and inserting the following: '', except that for purposes of subsection (b)(1)(D), a 'military installation' may also include a military facility owned and operated by a State, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam even though such facility is not under the jurisdiction of the Department of Defense, if the facility is subject to significant use for training by the armed forces.''.

SEC. 2833. MODIFICATION OF DEPOSIT REQUIREMENTS IN CONNECTION WITH LEASE PROCEEDS RECEIVED AT MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (5), by inserting after ''lease under subsection (f)'' the following: ''at a military installation to be closed or realigned under a base closure law, the date of approval of which is before January 1, 2005,''; and

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

''(6) Money rentals received by the United States from a lease under subsection (f) at a military installation to be closed or realigned under a base closure law, the date of approval of which is on or after January 1, 2005, shall be deposited into the account established under section 2906A(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 2834. REPORT ON AIR FORCE AND AIR NATIONAL GUARD BASES AFFECTED BY 2005 ROUND OF DEFENSE BASE CLOSURE AND REALIGNMENT.

(a) REPORT.—Not later than January 1, 2007, the Secretary of the Air Force shall submit to Congress a report on planning by the Department of the Air Force for future roles and missions for active and Air National Guard personnel and installations affected by decisions of the 2005 round of defense base closure and realignment.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the capabilities, characteristics, and capacity of the facilities, infrastructure, and authorized personnel at each affected base;

(2) a description of the planning process used by the Air Force to determine future roles and missions at active and Air National Guard bases affected by the decisions of the 2005 round of defense base closure and realignment, including an analysis of alternatives for installations to support each future role or mission;

(3) a description of the future roles and missions under consideration for each active and Air National Guard base and an explanation of the criteria and decision-making process to make final decisions about future roles and missions for each base; and

(4) a timeline for decisions on the final determination of future roles and missions for each active and Air National Guard base affected by the decisions of the 2005 round of defense base closure and realignment.

(c) BASES COVERED.—The report required under subsection (a) shall include information on each active and Air National Guard base at which the number of aircraft, weapon systems, or functions is proposed to be reduced or eliminated and to any installation that was considered as a potential receiving location for the realignment of aircraft, weapons systems, or functions.

Subtitle D—Land Conveyances

SEC. 2841. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 80 acres at Radford Army Ammunition Plant, New River Unit, Virginia, for the purpose of permitting the Commonwealth to establish on the property a cemetery operated by the Commonwealth for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—(A) The Secretary may require the Commonwealth to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Commonwealth in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Commonwealth.

(B) The authority of the Secretary to require the Commonwealth to cover administrative costs related to the conveyance does not include costs related to any environmental remediation required for the property.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATIONS TO LAND CONVEYANCE AUTHORITY, ENGINEERING PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONSTRUCTION OF SECURITY BARRIER.—Section 2836 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1314), as amended by section 2846 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3527), is further amended—

(1) in subsection (b)(4), by striking ''$3,880,000'' and inserting ''$4,880,000''; and

(2) in subsection (d)—

(A) in paragraph (1), by inserting after ''Virginia,'' the following: ''and the construction of a security barrier, as applicable,''; and

(B) in paragraph (2), by inserting after ''Building 191'' the following: ''and the construction of a security barrier, as applicable''.

(b) AUTHORITY TO ENTER INTO ALTERNATIVE AGREEMENT FOR DESIGN AND CONSTRUCTION OF FAIRFAX COUNTY PARKWAY PORTION.—Such section 2836 is further amended—

(1) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

''(1) except as provided in subsection (f), design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground (in this section referred to as the 'Parkway portion');''; and

(B) in paragraph (2), by inserting after ''C514'' the following: '', RW–214 (in this section referred to as 'Parkway project')'';

(2) by redesignating subsection (f) as subsection (g);

(3) by inserting after subsection (e) the following new subsection:

''(f) ALTERNATE AGREEMENT FOR CONSTRUCTION OF ROAD.—(1) The Secretary of the Army may, in connection with the conveyance authorized under subsection (a), enter into an agreement with the Commonwealth providing for the design and construction by the Department of the Army or the United States Department of Transportation of the Parkway portion and other portions of the Fairfax County Parkway off the Engineer Proving Ground that are necessary to complete the Parkway project (in this subsection referred to as the 'alternate agreement') if the Secretary determines that the alternate agreement is in the best interests of the United States to support the permanent relocation of additional military and civilian personnel at Fort Belvoir pursuant to decisions made as part of the 2005 round of defense base closure and realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) If the Secretary of Defense certifies that the Parkway portion is important to the national defense pursuant to section 210 of title 23, United States Code, the Secretary of the Army may enter into an agreement with the Secretary of Transportation to carry out the alternate agreement under the Defense Access Road Program.

''(3) The Commonwealth shall pay to the Secretary of the Army the costs of the design and construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground designed and constructed under the alternate agreement. The Secretary shall apply such payment to the design and construction provided for in the alternate agreement.

''(4) The Secretary may carry out environmental restoration activities on real property under the jurisdiction of the Secretary in support of the construction of the Parkway portion with funds appropriated for that purpose.

''(5) The alternate agreement shall be subject to the following conditions:

''(A) The Commonwealth shall acquire and retain all necessary right, title, and interest in any real property not under the jurisdiction of the Secretary that is necessary for construction of the Parkway portion or for construction of any other portions of the Fairfax County Parkway off the Engineer Proving Ground that will be constructed under the alternate agreement, and shall grant to the United States all necessary access to and use of such property for such construction.

''(B) With respect to activities related to the construction of any portion of the Fairfax County Parkway off the Engineer Proving Ground that is not owned by the Federal Government, the Secretary of the Army shall not be considered an owner or operator for purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

''(C) The Secretary shall receive consideration from the Commonwealth as required in subsections (b)(2), (b)(3), and (b)(4) and shall carry out the acceptance and disposition of funds in accordance with subsection (d).

''(6) The design of the Parkway portion under the alternate agreement shall be subject to the approval of the Secretary and the Commonwealth in accordance with the Virginia Department of Transportation Approved Plan, dated June 15, 2004, Project #R000–029–249, PE–108, C–514, RW–214. For each phase of the design and construction of the Parkway portion under the alternate agreement, the Secretary may—

''(A) accept funds from the Commonwealth; or

''(B) transfer funds received from the Commonwealth to the United States Department of Transportation.

''(7) Upon completion of the construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground required under the alternate agreement, the Secretary shall carry out the conveyance under subsection (a). As a condition of such conveyance carried out under the alternate agreement, the Secretary shall receive a written commitment, in a form satisfactory to the Secretary, that the Commonwealth agrees to accept all responsibility for the costs of operation and maintenance of the Parkway portion upon conveyance to the Commonwealth of such real property.''; and

(4) in subsection (g), as redesignated by paragraph (2), by inserting ''or the alternate agreement authorized under subsection (f)'' after ''conveyance under subsection (a)''.

SEC. 2843. LAND CONVEYANCES, OMAHA, NEBRASKA.

(a) CONVEYANCES AUTHORIZED.—

(1) ARMY CONVEYANCE.—The Secretary of the Army may convey to the Metropolitan Community College Area, a public community college located in Omaha, Nebraska (in this section referred to as the ''College'') all right, title, and interest of the United States in and to three parcels of real property under the control of the Army Reserve, including any improvements thereon, consisting of approximately 5.42 acres on the Fort Omaha campus at the College, for educational purposes.

(2) NAVY CONVEYANCE.—The Secretary of the Navy may convey to the College all right, title, and interest of the United States in and to a parcel of real property under the control of the Navy Reserve and Marine Corps Reserve, including any improvements thereon, consisting of approximately 6.57 acres on the Fort Omaha campus at the College, for educational purposes.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for each conveyance under subsection (a), the College shall provide the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary concerned.

(2) REDUCED TUITION RATES.—The Secretary concerned may accept as in-kind consideration under paragraph (1) reduced tuition rates for military personnel at the College.

(c) PAYMENT OF COSTS OF CONVEYANCES.—

(1) PAYMENT REQUIRED.—The Secretary concerned shall require the College to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary to carry out a conveyance under subsection (a), including survey costs, related to the conveyance. If amounts are collected from the College in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the College.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received under paragraph (1) as reimbursement for costs incurred by the Secretary concerned to carry out a conveyance under subsection (a) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretaries concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. RICKENBACKER AIRPORT, COLUMBUS, OHIO.

The project numbered 4651 in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1434) is amended by striking

''Grading, paving'' and all that follows through ''Airport'' and inserting ''Grading, paving, roads, and the transfer of rail-to-truck for the intermodal facility at Rickenbacker Airport, Columbus, Ohio''.

SEC. 2852. HIGHWAY PROJECTS, DETROIT, MICHIGAN.

(a) HIGH PRIORITY PROJECT.—The table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1256) is amended in the item numbered 4333 (119 Stat. 1422) by striking ''Plan and construct, land acquisition, Detroit West Riverfront Greenway'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

(b) TRANSPORTATION IMPROVEMENT PROJECT.—The table contained in section 1934(c) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1485) is amended in the item numbered 196 (119 Stat. 1495) by striking ''Detroit Riverfront Conservancy, West Riverfront Walkway, Greenway and Adjacent Land Acquisition, from Riverfront Towers to Ambassador Bridge, Detroit'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

SEC. 2853. FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.

(a) DEFINITIONS.—In this section:

(1) The term ''Barrier'' means the Fox Point Hurricane Barrier, Providence, Rhode Island.

(2) The term ''City'' means the city of Providence, Rhode Island.

(3) The term ''Secretary'' means the Secretary of the Army, acting through the Chief of Engineers.

(b) RESPONSIBILITY FOR BARRIER.—Not later than 2 years after the date of enactment of this Act, the Secretary shall assume responsibility for the annual operation and maintenance of the Barrier.

(c) REQUIRED STRUCTURES.—

(1) IN GENERAL.—The City, in coordination with the Secretary, shall identify any land and structures required for the continued operation and maintenance, repair, replacement, rehabilitation, and structural integrity of the Barrier.

(2) CONVEYANCE.—The City shall convey to the Secretary, by quitclaim deed and without consideration, all rights, title, and interests of the City in and to the land and structures identified under paragraph (1).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such funds as are necessary for each fiscal year to operate and maintain the Barrier (including repair, replacement, and rehabilitation).

SEC. 2854. LAND CONVEYANCE, HOPKINTON, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Town of Hopkinton, New Hampshire (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 90 acres located at a site in Hopkinton, New Hampshire, known as the ''Kast Hill'' property for the purpose of permitting the Town to use the existing sand and gravel resources on the property and to ensure perpetual conservation of the property.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for the conveyance under subsection (a), the Town shall, subject to paragraph (2), provide to the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary.

(2) WAIVER OF PAYMENT OF CONSIDERATION.—The Secretary may waive the requirement for consideration under paragraph (1) if the Secretary determines that the Town will not use the existing sand and gravel resources to generate revenue.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PROHIBITION ON RECONVEYANCE OF LAND.—The Town may not reconvey any of the land acquired from the United States under subsection (a) without the prior approval of the Secretary.

(e) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Town to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Town in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Town.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance of real property under subsection (a) as the Secretary consider appropriate to protect the interests of the United States.

SEC. 2855. FEDERAL FUNDING FOR FIXED GUIDEWAY PROJECTS.

The Federal Transit Administration's Dear Colleague letter dated April 29, 2005 (C–05–05), which requires fixed guideway projects to achieve a ''medium'' cost-effectiveness rating for the Federal Transit Administration to recommend such projects for funding, shall not apply to the Northstar Corridor Commuter Rail Project in Minnesota.

DEPARTMENT OF ENERGY, NATIONAL SECURITY ACT FOR FISCAL YEAR 2007

On Thursday, June 22, 2006, the Senate passed S. 2769, as follows:

S. 2769

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

SECTION 1. TABLE OF CONTENTS.

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Sec. 3112. Utilization of international contributions to the Global Threat Reduction Initiative.
Sec. 3113. Utilization of international contributions to the Second Line of Defense Core Program.
Sec. 3114. Extension of Facilities and Infrastructure Recapitalization Program.
Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3116. Extension of deadline for transfer of lands to Los Alamos County, New Mexico, and of lands in trust for the Pueblo of San Ildefonso.
Sec. 3117. Limitations on availability of funds for Waste Treatment and Immobilization Plant.
Sec. 3118. Limitation on availability of funds for implementation of the Russian Surplus Fissile Materials Disposition Program.
Sec. 3119. Limitation on availability of funds for construction of MOX Fuel Fabrication Facility.
Sec. 3120. Technical correction related to authorization of appropriations for fiscal year 2006.
Sec. 3121. Education of future nuclear engineers.
TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD
Sec. 3201. Authorization.
TITLE XXXIII—NATIONAL DEFENSE STOCKPILE
Sec. 3301. Transfer of government-furnished uranium stored at Sequoyah Fuels Corporation, Gore, Oklahoma.
TITLE XXXIV—NAVAL PETROLEUM RESERVES
Sec. 3401. Completion of equity finalization process for Naval Petroleum Reserve Numbered 1.

SEC. 2. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,333,311,000, to be allocated as follows:

(1) For weapons activities, $6,455,389,000.

(2) For defense nuclear nonproliferation activities, $1,726,213,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $356,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out new plant projects for the National Nuclear Security Administration as follows:

(1) For readiness in technical base and facilities, the following new plant projects:

Project 07–D–140, Readiness in Technical Base and Facilities Program, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive liquid waste treatment facility upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $14,828,000.

(2) For facilities and infrastructure recapitalization, the following new plant project:

Project 07–D–253, Technical Area 1 heating systems modernization, Sandia National Laboratories, Albuquerque, New Mexico, $14,500,000.

(3) For defense nuclear nonproliferation, the following new plant project:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, Richland, Washington, $4,220,000.

(4) For naval reactors, the following new plant project:

Project 07–D–190, Materials Research Technology Complex, project engineering and design, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs necessary for national security in the amount of $5,430,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other defense activities in carrying out programs necessary for national security in the amount of $624,530,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $333,080,000.

Subtitle B—Other Matters

SEC. 3111. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

Subtitle A of title XLVIII of the Atomic Energy Defense Act (50 U.S.C. 2781 et seq.) is amended by adding at the end the following new section:

"SEC. 4804. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

''(a) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not enter into an arrangement described in subsection (b) until 30 days after the date on which the Secretary notifies the congressional defense committees in writing of the proposed arrangement.

''(b) COVERED ARRANGEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an arrangement referred to in subsection (a) is any alternative financing arrangement, third party financing arrangement, public-private partnership, privatization arrangement, private capital arrangement, or other financing arrangement that—

''(A) is entered into in connection with a project conducted using funds authorized to be appropriated to the Department of Energy to carry out programs necessary for national security; and

''(B) involves a contractor or Federal agency obtaining and charging to the Department of Energy as an allowable cost under a contract the use of office space, facilities, or other real property assets with a value of at least $5,000,000.

''(2) EXCEPTION.—An arrangement referred to in subsection (a) does not include an arrangement that—

''(A) involves the Department of Energy or a contractor acquiring or entering into a capital lease for office space, facilities, or other real property assets; or

''(B) is entered into in connection with a capital improvement project undertaken as part of an energy savings performance contract under section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287).''.

SEC. 3112. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 50 U.S.C. 2569) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

''(f) INTERNATIONAL PARTICIPATION IN PROGRAM.—(1) In order to achieve international participation in the program under subsection (b), the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the programs described in paragraph (2)(B).

''(2)(A) Notwithstanding section 3302 of title 31, United States Code, and subject to paragraphs (3) and (4), the Secretary of Energy may retain and utilize for purposes of the programs described in subparagraph (B) any amounts contributed by a person, government, or organization under an agreement under paragraph (1) without further appropriation and without fiscal year limitation.

''(B) The programs described in this subparagraph are the following programs within the Global Threat Reduction Initiative:

''(i) The International Radiological Threat Reduction program.

''(ii) The Emerging Threats and Gap Materials program.

''(iii) The Reduced Enrichment for Research and Test Reactors program.

''(iv) The Russian Research Reactor Fuel Return program.

''(v) The Global Research Reactor Security program.

''(vi) The Kazakhstan Spent Fuel program.

''(3) The Secretary of Energy may not utilize under paragraph (2) any amount contributed under an agreement under paragraph (1) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

''(4) If any amount contributed under paragraph (1) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

''(5) Not later than 30 days after the receipt of any amount contributed under paragraph (1), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

''(6) Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

''(A) a statement of any amounts received under this subsection, including the source of each such amount; and

''(B) a statement of any amounts utilized under this subsection, including the purposes for which such amounts were utilized.

''(7) The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.''.

SEC. 3113. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE SECOND LINE OF DEFENSE CORE PROGRAM.

(a) INTERNATIONAL CONTRIBUTIONS AUTHORIZED.—In order to achieve international participation in the Second Line of Defense Core Program administered by the National Nuclear Security Administration, the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the program.

(b) UTILIZATION OF CONTRIBUTIONS.—Notwithstanding section 3302 of title 31, United States Code, and subject to subsections (c) and (d), the Secretary of Energy may retain and utilize for purposes of the program any amounts contributed by a person, government, or organization under an agreement under subsection (a) without further appropriation and without fiscal year limitation.

(c) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not utilize under subsection (b) any amount contributed under an agreement under subsection (a) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

(d) RETURN OF UNUTILIZED AMOUNTS.—If any amount contributed under subsection (a) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

(e) NOTIFICATION REQUIREMENT.—Not later than 30 days after the receipt of any amount contributed under subsection (a), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

(f) ANNUAL REPORT.—Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense

committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

(1) a statement of any amounts received under this section, including the source of each such amount; and

(2) a statement of any amounts utilized under this section, including the purposes for which such amounts were utilized.

(g) TERMINATION.—The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.

SEC. 3114. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C. 2453 note) is amended by striking ''2011'' both places it appears and inserting ''2013''.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

SEC. 3116. EXTENSION OF DEADLINE FOR TRANSFER OF LANDS TO LOS ALAMOS COUNTY, NEW MEXICO, AND OF LANDS IN TRUST FOR THE PUEBLO OF SAN ILDEFONSO.

Section 632 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119; 111 Stat. 2523; 42 U.S.C. 2391 note) is amended—

(1) in subsection (d)(2), by striking ''10 years after the date of enactment of this Act'' and inserting ''November 26, 2012''; and

(2) in subsection (g)(3)(B), by striking ''the end of the 10-year period beginning on the date of enactment of this Act'' and inserting ''November 26, 2012''.

SEC. 3117. LIMITATIONS ON AVAILABILITY OF FUNDS FOR WASTE TREATMENT AND IMMOBILIZATION PLANT.

Of the amount authorized to be appropriated under section 3102 for defense environmental cleanup activities and available for the Waste Treatment and Immobilization Plant—

(1) not more than 30 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the Defense Contract Management Agency has certified the earned value management system used to track and report costs of the Waste Treatment and Immobilization Plant; and

(2) not more than 60 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the final seismic and ground motion criteria have been approved by the Secretary and that the contracting officer of the Waste Treatment and Immobilization Plant Project has formally directed that the final criteria be used for the final design of the Pretreatment Facility and the High-Level Waste Facility of the Waste Treatment and Immobilization Plant.

SEC. 3118. LIMITATION ON AVAILABILITY OF FUNDS FOR IMPLEMENTATION OF THE RUSSIAN SURPLUS FISSILE MATERIALS DISPOSITION PROGRAM.

(a) LIMITATION.—(1) Except as provided in subsection (b), none of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for the implementation of the Russian Surplus Fissile Materials Disposition Program (in this section referred to as the ''Program'') until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees written recommendations regarding whether and in what manner the Program should proceed.

(2) The recommendations submitted under paragraph (1) shall include—

(A) a description of the disposition method the Government of Russia has agreed to use;

(B) a description of the assistance the United States Government plans to provide under the Program;

(C) an estimate of the total cost and schedule of such assistance;

(D) an explanation of how parallelism is to be defined for purposes of the Program and whether such parallelism can be achieved if the United States mixed-oxide (MOX) plutonium disposition program continues on the current planned schedule without further delays.

(b) EXCEPTION.—The limitation under subsection (a) does not apply to the obligation of funds to continue research and development associated with the Gas Turbine-Modular Helium Reactor (GT–MHR).

SEC. 3119. LIMITATION ON AVAILABILITY OF FUNDS FOR CONSTRUCTION OF MOX FUEL FABRICATION FACILITY.

None of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for construction project 99–D–143, the Mixed-Oxide (MOX) Fuel Fabrication Facility, until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees—

(1) an independent cost estimate for the United States Surplus Fissile Materials Disposition Program and facilities; and

(2) a written certification that the Department of Energy intends to use the MOX Fuel Fabrication Facility for United States plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition Program.

SEC. 3120. TECHNICAL CORRECTION RELATED TO AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2006.

Effective as of January 6, 2006, and as if included therein as enacted, section 3101(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3537) is amended by striking ''$9,196,456'' and inserting ''$9,196,456,000''.

SEC. 3121. EDUCATION OF FUTURE NUCLEAR ENGINEERS.

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

(1) The Department of Defense and the United States depend on the specialized expertise of nuclear engineers who support the development and sustainment of technologies including naval reactors, strategic weapons, and nuclear power plants.

(2) Experts estimate that over 25 percent of the approximately 58,000 workers in the nuclear power industry in the United States will be eligible to retire within 5 years, representing both a huge loss of institutional memory and a potential national security crisis.

(3) This shortfall of workers is exacerbated by reductions to the University Reactor Infrastructure and Education Assistance program, which trains civilian nuclear scientists and engineers. The defense and civilian nuclear industries are interdependent on a limited number of educational institutions to produce their workforce. A reduction in nuclear scientists and engineers trained in the civilian sector may result in a further loss of qualified personnel for defense-related research and engineering.

(4) The Department of Defense's successful Science, Math and Research for Transformation (SMART) scholarship-for-service program serves as a good model for a targeted scholarship or fellowship program designed to educate future scientists at the postsecondary and postgraduate levels.

(b) REPORT ON EDUCATION OF FUTURE NUCLEAR ENGINEERS.—

(1) STUDY.—The Secretary of Energy shall study the feasibility and merit of establishing a targeted scholarship or fellowship program to educate future nuclear engineers at the postsecondary and postgraduate levels.

(2) REPORT REQUIRED.—The President shall submit to the congressional defense committees, together with the budget request submitted for fiscal year 2008, a report on the study conducted by the Secretary of Energy under paragraph (1).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. TRANSFER OF GOVERNMENT-FURNISHED URANIUM STORED AT SEQUOYAH FUELS CORPORATION, GORE, OKLAHOMA.

(a) TRANSPORT AND DISPOSAL.—Not later than March 31, 2007, the Secretary of the Army shall, subject to subsection (c), transport to an authorized disposal facility for appropriate disposal all of the Federal Government-furnished uranium in the chemical and physical form in which it is stored at the Sequoyah Fuels Corporation site in Gore, Oklahoma.

(b) SOURCE OF FUNDS.—Funds authorized to be appropriated by section 301(1) for the Army for operation and maintenance may be used for the transport and disposal required under subsection (a).

(c) LIABILITY.—The Secretary may only transport uranium under subsection (a) after receiving from Sequoyah Fuels Corporation a written agreement satisfactory to the Secretary that provides that—

(1) the United States assumes no liability, legal or otherwise, of Sequoyah Fuels Corporation by transporting such uranium; and

(2) the Sequoyah Fuels Corporation waives any and all claims it may have against the United States related to the transported uranium.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. COMPLETION OF EQUITY FINALIZATION PROCESS FOR NAVAL PETROLEUM RESERVE NUMBERED 1.

Section 3412(g) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 7420 note) is amended—

(1) by inserting ''(1)'' after ''(g)''; and

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

''(2)(A) In light of the unique role that the independent petroleum engineer who is retained pursuant to paragraph (b)(2) performs in the process of finalizing equity interests, and the importance to the United States taxpayer of timely completion of the equity finalization process, the independent petroleum engineer's 'Shallow Oil Zone Provisional Recommendation of Equity Participation,' which was presented to the equity finalization teams for the Department of Energy and Chevron U.S.A. Inc. on October 1 and 2, 2002, shall become the final equity recommendation of the independent petroleum

engineer, as that term is used in the Protocol on NPR–1 Equity Finalization Implementation Process, July 8, 1996, for the Shallow Oil Zone unless the Department of Energy and Chevron U.S.A. Inc. agree in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to either party for any cost or expense incurred or for any loss or damage sustained—

''(i) as a result of the manner in which services are performed by the independent petroleum engineer in accordance with its contract with the Department of Energy to support the equity determination process;

''(ii) as a result of the failure of the independent petroleum engineer in good faith to perform any service or make any determination or computation, unless caused by its gross negligence; or

''(iii) as a result of the reliance by either party on any computation, determination, estimate or evaluation made by the independent petroleum engineer unless caused by the its gross negligence or willful misconduct.

''(B) If Chevron U.S.A. Inc. agrees in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to Chevron U.S.A. Inc. or the Department of Energy for any cost or expense incurred or for any loss or damage described in clauses (i) through (iii) of subparagraph (A), the Department of Energy shall agree to the same not later than such date.''.

G.V. ''SONNY'' MONTGOMERY NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2007

On Thursday, June 22, 2006, the Senate passed H.R. 5122, as follows:

H.R. 5122

Resolved, That the bill from the House of Representatives (H.R. 5122) entitled ''An Act to authorize appropriations for fiscal year 2007 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''John Warner National Defense Authorization Act for Fiscal Year 2007''.

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

(1) Senator John Warner of Virginia was elected a member of the United States Senate on November 7, 1978, for a full term beginning on January 3, 1979. He was subsequently appointed by the Governor of Virginia to fill a vacancy on January 2, 1979, and has served continuously since that date. He was appointed a member of the Committee on Armed Services in January 1979, and has served continuously on the Committee since that date, a period of nearly 28 years. Senator Warner's service on the Committee represents nearly half of its existence since it was established after World War II.

(2) Senator Warner came to the Senate and the Committee on Armed Services after a distinguished record of service to the Nation, including combat service in the Armed Forces and high civilian office.

(3) Senator Warner enlisted in the United States Navy upon graduation from high school in 1945, and served until the summer of 1946, when he was discharged as a Petty Officer 3rd Class. He then attended Washington and Lee University on the G.I. Bill. He graduated in 1949 and entered the University of Virginia Law School.

(4) Upon the outbreak of the Korean War in 1950, Senator Warner volunteered for active duty, interrupting his education to accept a commission in the United States Marine Corps. He served in combat in Korea as a ground officer in the First Marine Air Wing. Following his active service, he remained in the Marine Corps Reserve for several years, attaining the rank of captain.

(5) Senator Warner resumed his legal education upon returning from the Korean War and graduated from the University of Virginia Law School in 1953. He was selected by the late Chief Judge E. Barrett Prettyman of the United States Court of Appeals for the District of Columbia Circuit as his law clerk. After his service to Judge Prettyman, Senator Warner became an Assistant United States Attorney in the District of Columbia, and later entered private law practice.

(6) In 1969, the Senate gave its advice and consent to the appointment of Senator Warner as Under Secretary of the Navy. He served in this position until 1972, when he was confirmed and appointed as the 61st Secretary of the Navy since the office was established in 1798. As Secretary, Senator Warner was the principal United States negotiator and signatory of the Incidents at Sea Executive Agreement with the Soviet Union, which was signed in 1972 and remains in effect today. It has served as the model for similar agreements between states covering the operation of naval ships and aircraft in international sea lanes throughout the world.

(7) Senator Warner left the Department of the Navy in 1974. His next public service was as Director of the American Revolution Bicentennial Commission. In this capacity, he coordinated the celebration of the Nation's founding, directing the Federal role in all 50 States and in over 20 foreign nations.

(8) Senator Warner has served as chairman of the Committee on Armed Services of the United States Senate from 1999 to 2001, and again since January 2003. He served as ranking minority member of the committee from 1987 to 1993, and again from 2001 to 2003. Senator Warner concludes his service as chairman at the end of the 109th Congress, but will remain a member of the committee.

(9) This Act is the twenty-eighth annual authorization act for the Department of Defense for which Senator Warner has taken a major responsibility as a member of the Committee on Armed Services of the United States Senate, and the fourteenth for which he has exercised a leadership role as chairman or ranking minority member of the committee.

(10) Senator Warner, as seaman, Marine officer, Under Secretary and Secretary of the Navy, and member, ranking minority member, and chairman of the Committee on Armed Services, has made unique and lasting contributions to the national security of the United States.

(11) It is altogether fitting and proper that his Act, the last annual authorization Act for the national defense that Senator Warner manages in and for the United States Senate as chairman of the Committee on Armed Services, be named in his honor, as provided in subsection (a).

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

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

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

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

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

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

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

Subtitle B—Army Programs

Sec. 111. Limitation on availability of funds for the Joint Network Node.
Sec. 112. Comptroller General report on the contract for the Future Combat Systems program.
Sec. 113. Reports on Army Modularity Initiative.
Sec. 114. Replacement equipment.

Subtitle C—Navy Programs

Sec. 121. CVN–21 class aircraft carrier procurement.
Sec. 122. Construction of first two vessels under the next-generation destroyer program.
Sec. 123. Modification of limitation on total cost of procurement of CVN–77 aircraft carrier.

Subtitle D—Air Force Programs

Sec. 141. Procurement of Joint Primary Aircraft Training System aircraft after fiscal year 2006.
Sec. 142. Prohibition on retirement of C–130E/H tactical airlift aircraft.
Sec. 143. Limitation on retirement of KC–135E aircraft.
Sec. 144. Limitation on retirement of B–52H bomber aircraft.
Sec. 145. Retirement of B–52H bomber aircraft.
Sec. 146. Funding for procurement of F–22A fighter aircraft.
Sec. 147. Multiyear procurement of F–119 engines for F–22A fighter aircraft.
Sec. 148. Multi-spectral imaging capabilities.
Sec. 149. Minuteman III Intercontinental Ballistic Missiles.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for science and technology.
Sec. 203. Amount for development and validation of warfighter rapid awareness processing technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Independent estimate of costs of the Future Combat Systems.
Sec. 212. Funding of defense science and technology programs.
Sec. 213. Hypersonics development.
Sec. 214. Trident sea-launched ballistic missiles.
Sec. 215. Arrow ballistic missile defense system.
Sec. 216. High Energy Laser Low Aspect Target Tracking.
Sec. 217. Advanced Aluminum Aerostructures Initiative.
Sec. 218. Legged mobility robotic research.
Sec. 219. Wideband Digital Airborne Electronic Sensing Array.
Sec. 220. Science and technology.

Subtitle C—Missile Defense Programs

Sec. 231. Availability of research, development, test, and evaluation funds for fielding ballistic missile defense capabilities.
Sec. 232. Policy of the United States on priorities in the development, testing, and fielding of missile defense capabilities.
Sec. 233. One-year extension of Comptroller General assessments of ballistic missile defense programs.

Sec. 234. Submittal of plans for test and evaluation of the operational capability of the ballistic missile defense system.
Sec. 235. Annual reports on transition of ballistic missile defense programs to the military departments.
Sec. 236. Testing and operations for missile defense.

Subtitle D—Other Matters

Sec. 251. Extension of requirement for Global Research Watch Program.
Sec. 252. Expansion and extension of authority to award prizes for advanced technology achievements.
Sec. 253. Policies and practices on test and evaluation to address emerging acquisition approaches.
Sec. 254. Development of the propulsion system for the Joint Strike Fighter.
Sec. 255. Independent cost analyses for Joint Strike Fighter engine program.
Sec. 256. Sense of Senate on technology sharing of Joint Strike Fighter technology.
Sec. 257. Report on biometrics programs of the Department of Defense.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Limitation on availability of funds for the Army Logistics Modernization Program.
Sec. 312. Availability of funds for exhibits for the national museums of the Armed Forces.
Sec. 313. Limitation on financial management improvement and audit initiatives within the Department of Defense.
Sec. 314. Limitation on availability of operation and maintenance funds for the management headquarters of the Defense Information Systems Agency.
Sec. 315. Expansion of Junior Reserve Officers' Training Corps program.
Sec. 316. Infantry Combat Equipment.
Sec. 317. Individual First Aid Kit.
Sec. 318. Reading for the Blind and Dyslexic program of the Department of Defense.
Sec. 319. Military training infrastructure improvements at Virginia Military Institute.
Sec. 320. Environmental documentation for beddown of F–22A aircraft at Holloman Air Force Base, New Mexico.

Subtitle C—Environmental Provisions

Sec. 331. Response plan for remediation of military munitions.
Sec. 332. Extension of authority to grant exemptions to certain requirements.
Sec. 333. Research on effects of ocean disposal of munitions.
Sec. 334. Clarification of multi-year authority to use base closure funds to fund cooperative agreements under Environmental Restoration Program.
Sec. 335. Reimbursement of Environmental Protection Agency for certain costs in connection with Moses Lake Wellfield Superfund Site, Moses Lake, Washington.

Subtitle D—Reports

Sec. 351. Comptroller General report on readiness of the ground forces of the Army and the Marine Corps.
Sec. 352. National Academy of Sciences study on human exposure to contaminated drinking water at Camp Lejeune, North Carolina.
Sec. 353. Report on aerial training airspace requirements of the Department of Defense.
Sec. 354. Report on actions to reduce Department of Defense consumption of petroleum-based fuel.
Sec. 355. Reports on withdrawal or diversion of equipment from reserve units for support of reserve units being mobilized and other units.
Sec. 356. Plan to replace equipment withdrawn or diverted from the reserve components of the Armed Forces for Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 357. Plan to replace equipment withdrawn or diverted from the reserve components of the Armed Forces for Operation Iraqi Freedom or Operation Enduring Freedom.
Sec. 358. Report on vehicle-based active protection systems for certain battlefield threats.
Sec. 359. Report on high altitude aviation training site, Eagle County, Colorado.
Sec. 360. Report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.
Sec. 360A. Report on use of alternative fuels by the Department of Defense.

Subtitle E—Workplace and Depot Issues

Sec. 361. Minimum capital investment levels for public depots serviced by working capital funds.
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Sec. 2813. Naming of research laboratory at Air Force Rome Research Site, Rome, New York, in honor of Sherwood L. Boehlert, a member of the House of Representatives.
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Subtitle B—Real Property and Facilities Administration

Sec. 2821. Consolidation of easement provisions.
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Sec. 2827. Modification of land transfer authority, Potomac Annex, District of Columbia.
Sec. 2828. Reports on Army training ranges.
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Subtitle C—Base Closure and Realignment

Sec. 2831. Defense economic adjustment program: research and technical assistance.

Sec. 2832. Extension of eligibility for community planning assistance related to certain military facilities not under Department of Defense jurisdiction.

Sec. 2833. Modification of deposit requirements in connection with lease proceeds received at military installations approved for closure or realignment after January 1, 2005.

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Subtitle D—Land Conveyances

Sec. 2841. Land conveyance, Radford Army Ammunition Plant, Virginia.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

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Sec. 3101. National Nuclear Security Administration.

Sec. 3102. Defense environmental cleanup.

Sec. 3103. Other defense activities.

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Sec. 3112. Utilization of international contributions to the Global Threat Reduction Initiative.

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Sec. 3115. Two-year extension of authority for appointment of certain scientific, engineering, and technical personnel.

Sec. 3116. Extension of deadline for transfer of lands to Los Alamos County, New Mexico, and of lands in trust for the Pueblo of San Ildefonso.

Sec. 3117. Limitations on availability of funds for Waste Treatment and Immobilization Plant.

Sec. 3118. Limitation on availability of funds for implementation of the Russian Surplus Fissile Materials Disposition Program.

Sec. 3119. Limitation on availability of funds for construction of MOX Fuel Fabrication Facility.

Sec. 3120. Technical correction related to authorization of appropriations for fiscal year 2006.

Sec. 3121. Education of future nuclear engineers.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Transfer of government-furnished uranium stored at Sequoyah Fuels Corporation, Gore, Oklahoma.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Completion of equity finalization process for Naval Petroleum Reserve Numbered 1.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES.

For purposes of this Act, the term ''congressional defense committees'' has the meaning given that term in section 101(a)(16) of title 10, United States Code.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $3,457,329,000.

(2) For missiles, $1,428,859,000.

(3) For weapons and tracked combat vehicles, $2,849,743,000.

(4) For ammunition, $2,036,785,000.

(5) For other procurement, $7,729,602,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Navy as follows:

(1) For aircraft, $10,704,155,000.

(2) For weapons, including missiles and torpedoes, $2,587,020,000.

(3) For shipbuilding and conversion, $12,058,553,000.

(4) For other procurement, $5,045,516,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Marine Corps in the amount of $1,300,213,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement of ammunition for the Navy and the Marine Corps in the amount of $809,943,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement for the Air Force as follows:

(1) For aircraft, $12,004,096,000.

(2) For missiles, $4,224,145,000.

(3) For ammunition, $1,076,749,000.

(4) For other procurement, $15,434,586,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2007 for Defense-wide procurement in the amount of $2,980,498,000.

Subtitle B—Army Programs

SEC. 111. LIMITATION ON AVAILABILITY OF FUNDS FOR THE JOINT NETWORK NODE.

(a) LIMITATION.—Of the amount authorized to be appropriated by section 101(5) for other procurement for the Army and available for purposes of the procurement of the Joint Network Node, not more than 50 percent of such amount may be available for such purposes until the Secretary of the Army submits to the congressional defense committees a report on the strategy of the Army for the convergence of the Joint Network Node, the Warfighter Information Network—Tactical, and the Mounted Battle Command On-the-Move communications programs.

(b) ELEMENTS.—The report described in subsection (a) shall include a description of the acquisition plan required for the convergence described in that subsection, including the implementation plan, schedule, and funding of such acquisition plan.

(c) DEADLINE.—The report described in subsection (a) shall be submitted under that subsection, if at all, not later than March 15, 2007.

SEC. 112. COMPTROLLER GENERAL REPORT ON THE CONTRACT FOR THE FUTURE COMBAT SYSTEMS PROGRAM.

(a) REPORT REQUIRED.—Not later than March 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the participation and activities of the lead systems integrator in the Future Combat Systems (FCS) program under the contract of the Army for the Future Combat Systems.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the responsibilities of the lead systems integrator in managing the Future Combat Systems program under the contract for the Future Combat Systems, and an assessment of the manner in which such responsibilities differ from the typical responsibilities of a lead systems integrator under acquisition contracts of the Department of Defense.

(2) A description and assessment of the responsibilities of the Army in managing the Future Combat Systems program, including oversight of the activities of the lead systems integrator and the decisions made by the lead systems integrator.

(3) An assessment of the manner in which the Army—

(A) ensures that the lead systems integrator meets goals for the Future Combat Systems in a timely manner; and

(B) evaluates the extent to which such goals are met.

(4) An identification of the mechanisms in place to ensure the protection of the interests of the United States in the Future Combat Systems program.

(5) An identification of the mechanisms in place to mitigate organizational conflicts of interests with respect to competition on Future Combat Systems technologies and equipment under subcontracts under the Future Combat Systems program.

SEC. 113. REPORTS ON ARMY MODULARITY INITIATIVE.

(a) REPORT BY SECRETARY OF THE ARMY.—

(1) REPORT REQUIRED.—Not later than March 15, 2007, the Secretary of the Army shall submit to the congressional defense committees a report on the modularity initiative of the Army.

(2) ELEMENTS.—The report required by this subsection shall include the following:

(A) A description of the manner in which the Army distinguishes costs under the modularity initiative from costs of modernization and reset.

(B) An identification, by line item, of the amount of funds expended to date on the modularity initiative.

(C) An identification, by line item, of the amount of funds the Army has budgeted and programmed to date on the modularity initiative.

(D) A detailed description on how modularity equipment will be allocated to the regular components and reserve components of the Armed Forces by 2011, and a description of any anticipated shortfalls in such allocation.

(E) A plan for further testing and evaluation of modular designs, and a summary of any lessons learned to date from modular brigades that have been established, deployed to Iraq, or both.

(b) ANNUAL COMPTROLLER GENERAL REPORTS.—

(1) REPORTS REQUIRED.—The Comptroller General of the United States shall submit to the congressional defense committees each year, not later than 45 days after the date on which the budget of the President is submitted to Congress for a fiscal year under section 1105 of title 31, United States Code, a report on the assessment of the Comptroller General on the following:

(A) The progress of the Army in equipping and manning modular units in the regular components and reserve components of the Armed Forces.

(B) The use of funds by the Army for the modularity initiative.

(C) The progress of the Army in conducting further testing and evaluations of designs under the modularity initiative.

(2) FIRST REPORT.—The first report required under this subsection shall be submitted in conjunction with the budget for fiscal year 2008.

SEC. 114. REPLACEMENT EQUIPMENT.

(a) PRIORITY.—Priority for the distribution of new and combat serviceable equipment, with associated support and test equipment for acting and reserve component forces, shall be given to units scheduled for mission deployment, employment first, or both regardless of component.

(b) ALLOCATION.—In the amounts authorized to be appropriated by section 101(5) for the procurement of replacement equipment, subject to subsection (a), priority for the distribution of Army National Guard equipment described in subsection (a) may be given to States that have experienced a major disaster, as determined under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121–5206), and may require replacement equipment to respond to future emergencies/disasters only after distribution of new and combat serviceable equipment has been made in accordance with subsection (a).

Subtitle C—Navy Programs

SEC. 121. CVN–21 CLASS AIRCRAFT CARRIER PROCUREMENT.

(a) AVAILABILITY OF FUNDS FOR CVN–21 CLASS AIRCRAFT CARRIERS.—Amounts authorized to be appropriated to Shipbuilding and Conversion, Navy, for purposes of the construction of CVN–21 class aircraft carriers shall be available in the fiscal year for which authorized to be appropriated and the succeeding three fiscal years.

(b) AMOUNT AUTHORIZED FROM SCN ACCOUNT FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $834,100,000 shall be available for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–78, CVN–79, and CVN–80.

(c) CONTRACT AUTHORITY.—

(1) ADVANCE PROCUREMENT.—The Secretary of the Navy may enter into a contract during fiscal year 2007 for advance procurement with respect to the CVN–21 class aircraft carriers designated CVN–79 and CVN–80.

(2) CONSTRUCTION.—In the fiscal year immediately following the last fiscal year of the contract for advance procurement for a CVN–21 class aircraft carrier referred to in paragraph (1), the Secretary may enter into a contract for the construction of such aircraft carrier to be funded in the fiscal year of such contract for construction and the succeeding three fiscal years.

(d) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (b) shall provide that any obligation of the United States to make a payment under the contract for any subsequent fiscal year is subject to the availability of appropriations for that purpose for such subsequent fiscal year.

SEC. 122. CONSTRUCTION OF FIRST TWO VESSELS UNDER THE NEXT-GENERATION DESTROYER PROGRAM.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2007 for Shipbuilding and Conversion, Navy, $2,568,000,000 may be available for the construction of the first two vessels under the next-generation destroyer program.

(b) CONTRACT AUTHORITY.—

(1) IN GENERAL.—The Secretary of the Navy may in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of each of the first two vessels under the next-generation destroyer program.

(2) LIMITATION.—Not more than one contract described in paragraph (1) may be awarded under that paragraph to a single surface-combatant shipyard.

(3) DURATION ON PROCUREMENT.—Each contract under paragraph (1) shall contemplate funding for the procurement of a vessel under such contract in fiscal years 2007 and 2008.

(4) CONDITION ON OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under paragraph (1) shall provide that any obligation of the United States to make a payment under such contract for any fiscal year after fiscal year 2007 is subject to the availability of appropriations for that purpose for such fiscal year.

SEC. 123. MODIFICATION OF LIMITATION ON TOTAL COST OF PROCUREMENT OF CVN–77 AIRCRAFT CARRIER.

Section 122(f)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1650) is amended by striking ''$4,600,000,000 (such amount being the estimated cost for the procurement of the CVN–77 aircraft carrier in the March 1997 procurement plan)'' and inserting ''$6,057,000,000''.

Subtitle D—Air Force Programs

SEC. 141. PROCUREMENT OF JOINT PRIMARY AIRCRAFT TRAINING SYSTEM AIRCRAFT AFTER FISCAL YEAR 2006.

Any Joint Primary Aircraft Training System (JPATS) aircraft procured after fiscal year 2006 shall be procured through a contract under part 15 of the Federal Acquisition Regulation (FAR), relating to acquisition of items by negotiated contract (48 C.F.R. 15.000 et seq.), rather than through a contract under part 12 of the Federal Acquisition Regulation, relating to acquisition of commercial items (48 C.F.R. 12.000 et seq.).

SEC. 142. PROHIBITION ON RETIREMENT OF C–130E/H TACTICAL AIRLIFT AIRCRAFT.

The Secretary of the Air Force shall not retire any C–130E/H tactical airlift aircraft of the Air Force in fiscal year 2007.

SEC. 143. LIMITATION ON RETIREMENT OF KC–135E AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of KC–135E aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 29 such aircraft.

SEC. 144. LIMITATION ON RETIREMENT OF B–52H BOMBER AIRCRAFT.

The Secretary of the Air Force shall ensure that the number, if any, of B–52H bomber aircraft of the Air Force that is retired in fiscal year 2007 does not exceed 18 such aircraft.

SEC. 145. RETIREMENT OF B–52H BOMBER AIRCRAFT.

(a) LIMITATION ON RETIREMENT PENDING REPORT ON BOMBER FORCE STRUCTURE.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for retiring or dismantling any of the 93 B–52H bomber aircraft in service in the Air Force as of June 1, 2006, until 30 days after the Secretary of the Air Force transmits to the Committees on Armed Services of the Senate and the House of Representatives a report on the bomber force structure of the Air Force meeting the requirements of subsection (b).

(b) ELEMENTS.—

(1) IN GENERAL.—A report under subsection (a) shall set forth the following:

(A) The plan of the Air Force for the modernization of the B–52H bomber aircraft fleet.

(B) The plans of the Air Force for the modernization of the balance of the bomber force structure.

(C) The amount and type of bombers in the bomber force structure that is appropriate to meet the requirements of the national security strategy of the United States.

(D) A justification of the cost and projected savings of any reductions to the B–52H bomber aircraft fleet as a result of the retirement or dismantlement of the B–52H bomber aircraft covered by the report.

(E) The life expectancy of each bomber aircraft to remain in the bomber force structure.

(F) The date by which any new bomber aircraft must reach initial operational capability and the capabilities of the bomber force structure that would be replaced or superseded by any new bomber aircraft.

(2) AMOUNT AND TYPE OF BOMBER FORCE STRUCTURE DEFINED.—In this subsection, the term ''amount and type of bomber force structure'' means the number of B–2 bomber aircraft, B–52H bomber aircraft, and B–1 bomber aircraft that are required to carry out the national security strategy of the United States.

(c) PREPARATION OF REPORT.—A report under this section shall be prepared and submitted by the Institute of Defense Analysis to the Secretary of the Air Force for transmittal by the Secretary in accordance with subsection (a).

SEC. 146. FUNDING FOR PROCUREMENT OF F–22A FIGHTER AIRCRAFT.

(a) PROHIBITION ON USE OF INCREMENTAL FUNDING.—The Secretary of the Air Force shall not use incremental funding for the procurement of F–22A fighter aircraft.

(b) MULTIYEAR PROCUREMENT.—The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of not more than 60 F–22A fighter aircraft.

SEC. 147. MULTIYEAR PROCUREMENT OF F–119 ENGINES FOR F–22A FIGHTER AIRCRAFT.

The Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract beginning with the fiscal year 2007 program year for procurement of the following:

(1) Not more than 120 F–119 engines for F–22A fighter aircraft.

(2) Not more than 13 spare F–119 engines for F–22A fighter aircraft.

SEC. 148. MULTI-SPECTRAL IMAGING CAPABILITIES.

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

(1) The budget of the President for fiscal year 2007, as submitted to Congress under section 1105(a) of title 31, United States Code, and the current Future-Years Defense Program adopts an Air Force plan to retire the remaining fleet of U–2 aircraft by 2011.

(2) This retirement would eliminate the multi-spectral capability provided by the electro-optical/infrared (EO/IR) Senior Year Electro-optical Reconnaissance System (SYERS–2) high-altitude imaging system.

(3) The system referred to in paragraph (2) provides high-resolution, long-range, day-and-night image intelligence.

(4) The infrared capabilities of the system referred to in paragraph (2) can defeat enemy efforts to use camouflage or concealment, as well as provide images through poor visibility and smoke.

(5) Although the Air Force has previously recognized the military value of Senior Year Electro-optical Reconnaissance System sensors, the Air Force has no plans to migrate this capability to any platform remaining in the fleet.

(6) The Air Force could integrate such capabilities onto the Global Hawk platform to retain this capability for combatant commanders.

(7) The Nation risks a loss of an important intelligence gathering capability if this capability is not transferred to another platform.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Air Force should investigate ways to retain the multi-spectral imaging capabilities provided by the Senior Year Electro-optical Reconnaissance System high-altitude imaging system after the retirement of the U–2 aircraft fleet.

(c) REPORT REQUIREMENT.—The Secretary of the Air Force shall submit to the congressional defense committees, at the same time the budget of the President for fiscal year 2008 is submitted to Congress under section 1105(a) of title 31, United States Code, a plan for migrating the capabilities provided by the Senior Year Electro-

optical Reconnaissance System high-altitude imaging system from the U–2 aircraft to the Global Hawk platform before the retirement of the U–2 aircraft fleet in 2011.

SEC. 149. MINUTEMAN III INTERCONTINENTAL BALLISTIC MISSILES.

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

(1) In the Joint Explanatory Statement of the Committee of Conference on H.R. 1815, the National Defense Authorization Act for Fiscal Year 2006, the conferees state that the policy of the United States ''is to deploy a force of 500 ICBMs''. The conferees further note ''that unanticipated strategic developments may compel the United States to make changes to this force structure in the future.''.

(2) The Quadrennial Defense Review (QDR) conducted under section 118 of title 10, United States Code, in 2005 finds that maintaining a robust nuclear deterrent ''remains a keystone of United States national power''. However, notwithstanding that finding and without providing any specific justification for the recommendation, the Quadrennial Defense Review recommends reducing the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) from 500 to 450 beginning in fiscal year 2007. The Quadrennial Defense Review also fails to identify what unanticipated strategic developments compelled the United States to reduce the Intercontinental Ballistic Missile force structure.

(3) The commander of the Strategic Command, General James Cartwright, testified before the Committee on Armed Services of the Senate that the reduction in deployment of Minuteman III Intercontinental Ballistic Missiles is required so that the 50 missiles withdrawn from the deployed force could be used for test assets and spares to extend the life of the Minuteman III Intercontinental Ballistic Missile well into the future. If spares are not modernized, the Air Force may not have sufficient replacement missiles to sustain the force size.

(b) MODERNIZATION OF INTERCONTINENTAL BALLISTIC MISSILES REQUIRED.—The Air Force shall modernize Minuteman III Intercontinental Ballistic Missiles in the United States inventory as required to maintain a sufficient supply of launch test assets and spares to sustain the deployed force of such missiles through 2030.

(c) LIMITATION ON TERMINATION OF MODERNIZATION PROGRAM PENDING REPORT.—No funds authorized to be appropriated for the Department of Defense may be obligated or expended for the termination of any Minuteman III ICBM modernization program, or for the withdrawal of any Minuteman III Intercontinental Ballistic Missile from the active force, until 30 days after the Secretary of Defense submits to the congressional defense committees a report setting forth the following:

(1) A detailed strategic justification for the proposal to reduce the Minuteman III Intercontinental Ballistic Missile force from 500 to 450 missiles, including an analysis of the effects of the reduction on the ability of the United States to assure allies and dissuade potential competitors.

(2) A detailed analysis of the strategic ramifications of continuing to equip a portion of the Minuteman III Intercontinental Ballistic Missile force with multiple independent warheads rather than single warheads as recommended by past reviews of the United States nuclear posture.

(3) An assessment of the test assets and spares required to maintain a force of 500 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(4) An assessment of the test assets and spares required to maintain a force of 450 deployed Minuteman III Intercontinental Ballistic Missiles through 2030.

(5) An inventory of currently available Minuteman III Intercontinental Ballistic Missile test assets and spares.

(6) A plan to sustain and complete the modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles, a test plan, and an analysis of the funding required to carry out modernization of all deployed and spare Minuteman III Intercontinental Ballistic Missiles.

(7) An assessment of whether halting upgrades to the Minuteman III Intercontinental Ballistic Missiles withdrawn from the deployed force would compromise the ability of those missiles to serve as test assets.

(8) A description of the plan of the Department of Defense for extending the life of the Minuteman III Intercontinental Ballistic Missile force beyond fiscal year 2030.

(d) REMOTE VISUAL ASSESSMENT.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $5,000,000 may be available for ICBM Security Modernization (PE #0604851) for Remote Visual Assessment for security for silos for intercontinental ballistic missiles (ICBMs).

(3) OFFSET.—The amount authorized to be appropriated by section 103(2) for procurement of missiles for the Air Force is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts available for the Evolved Expendable Launch Vehicle.

(e) ICBM MODERNIZATION PROGRAM DEFINED.—In this section, the term ''ICBM Modernization program'' means each of the following for the Minuteman III Intercontinental Ballistic Missile:

(1) The Guidance Replacement Program (GRP).

(2) The Propulsion Replacement Program (PRP).

(3) The Propulsion System Rocket Engine (PSRE) program.

(4) The Safety Enhanced Reentry Vehicle (SERV) program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $11,151,009,000.

(2) For the Navy, $17,451,823,000.

(3) For the Air Force, $24,400,857,000.

(4) For Defense-wide activities, $21,160,459,000, of which $181,520,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $11,468,959,000 shall be available for science and technology projects.

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

SEC. 203. AMOUNT FOR DEVELOPMENT AND VALIDATION OF WARFIGHTER RAPID AWARENESS PROCESSING TECHNOLOGY.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FOR THE NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $4,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $4,000,000 may be available for the development, validation, and demonstration of warfighter rapid awareness processing technology for distributed operations within the Marine Corps Landing Force Technology program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $4,000,000, due to unexpended obligations, if available.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. INDEPENDENT ESTIMATE OF COSTS OF THE FUTURE COMBAT SYSTEMS.

(a) LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN ACTIVITIES.—Of the amount authorized to be appropriated by this title and available for the Future Combat Systems (FCS) for purposes of system of systems engineering and program management for the Future Combat Systems, an amount equal to $500,000,000 of such amount may not be obligated and expended for such purposes until the Secretary of Defense submits to the congressional defense committees the report required by subsection (b)(4).

(b) INDEPENDENT ESTIMATE REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for the preparation of an independent estimate of the anticipated costs of systems development and demonstration with respect to the Future Combat Systems.

(2) CONDUCT OF ESTIMATE.—The estimate required by this subsection shall be prepared by a federally funded research and development center selected by the Secretary for purposes of this subsection.

(3) MATTERS TO BE ADDRESSED.—The independent estimate prepared under this subsection shall address costs of research, development, test, and evaluation, and costs of procurement, for—

(A) the system development and demonstration phase of the core Future Combat Systems;

(B) the Future Combat Systems technologies to be incorporated into the equipment of the current force of the Army (often referred to as ''spinouts'');

(C) the installation kits for the incorporation of such technologies into such equipment;

(D) the systems treated as complementary systems for the Future Combat Systems;

(E) science and technology initiatives that support the Future Combat Systems program; and

(F) any pass-through charges anticipated to be assessed by the lead systems integrator of the Future Combat Systems and its major subcontractors.

(4) SUBMITTAL TO CONGRESS.—Upon completion of the independent estimate required by this subsection, the Secretary shall submit to the congressional defense committees a report on the estimate.

(5) DEADLINE FOR SUBMITTAL.—The report described in paragraph (4) shall be submitted not later than the date of the submittal to Congress of the budget of the President for fiscal year 2008 (as submitted to Congress under section 1105(a) of title 31, United States Code).

(c) PASS-THROUGH CHARGE DEFINED.—In this section, the term ''pass-through charge'' has the meaning given that term in section 805(c)(5) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3373).

SEC. 212. FUNDING OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAMS.

(a) EXTENSION OF FUNDING OBJECTIVE.—Subsection (b) of section 212 of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 2501 note) is amended by striking ''through 2009'' and inserting ''through 2012''.

(b) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—Such section is further amended by adding at the end the following new subsection:

''(c) ACTIONS FOLLOWING FAILURE TO COMPLY WITH OBJECTIVE.—(1) If the proposed budget for a fiscal year covered by subsection (b) fails to comply with the objective set forth in that subsection, the Secretary of Defense shall submit to the congressional defense committees—

''(A) a detailed, prioritized list, including estimates of required funding, of highly-rated, peer-reviewed science and technology projects received by the Department through competitive solicitations and broad agency announcements which—

''(i) are not funded solely due to lack of resources, but

''(ii) represent science and technology opportunities that support the research and development programs and goals of the military departments and the Defense Agencies; and

''(B) a report, in both classified and unclassified form, containing an analysis and evaluation of international research and technology capabilities, including an identification of any technology areas in which the United States will not have global technical leadership within the next five years, in each of the technology areas described in the following plans:

''(i) The most current Joint Warfighting Science and Technology Plan required by section 270 of the National Defense Authorization Act for Fiscal Year 1997 (10 U.S.C. 2501 note).

''(ii) The Defense Technology Area Plan of the Department of Defense.

''(iii) The Basic Research Plan of the Department of Defense.

''(2)(A) The list required by paragraph (1)(A) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted together with the Department of Defense budget justification materials submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.

''(B) The report required by paragraph (1)(B) for a fiscal year in which the budget for such fiscal year fails to comply with the objective in subsection (b) shall be submitted not later than the six months after the submittal of the Department of Defense budget justification materials that are submitted to Congress under section 1105 of title 31, United States Code, with the budget for the next fiscal year.''.

SEC. 213. HYPERSONICS DEVELOPMENT.

(a) ESTABLISHMENT OF JOINT TECHNOLOGY OFFICE ON HYPERSONICS.—The Secretary of Defense shall establish within the Office of the Secretary of Defense a joint technology office on hypersonics. The office shall carry out the program required under subsection (b), and shall have such other responsibilities relating to hypersonics as the Secretary shall specify.

(b) PROGRAM ON HYPERSONICS.—The joint technology office established under subsection (a) shall carry out a program for the development of hypersonics for defense purposes.

(c) RESPONSIBILITIES.—In carrying out the program required by subsection (b), the joint technology office established under subsection (a) shall do the following:

(1) Coordinate and integrate the research, development, test, and evaluation programs and system demonstration programs of the Department of Defense on hypersonics.

(2) Undertake appropriate actions to ensure—

(A) close and continuous integration of the programs on hypersonics of the military departments with the programs on hypersonics of the Defense Agencies; and

(B) coordination of the programs referred to in subparagraph (A) with the programs on hypersonics of the National Aeronautics and Space Administration.

(3) Approve demonstration programs on hypersonic systems.

(4) Ensure that any demonstration program on hypersonic systems that is carried out in any year after its approval under paragraph (3) is carried out only if certified under subsection (e) as being consistent with the roadmap under subsection (d).

(d) ROADMAP.—

(1) ROADMAP REQUIRED.—The joint technology office established under subsection (a) shall, in coordination with the Joint Staff and the National Aeronautics and Space Administration, develop a roadmap for the hypersonics programs of the Department of Defense.

(2) ELEMENTS.—The roadmap shall include the following matters:

(A) Short-term, mid-term, and long-term goals for the Department of Defense on hypersonics which shall be consistent with the missions and anticipated requirements of the Department over the applicable period.

(B) Acquisition transition plans for hypersonics.

(C) Anticipated mission requirements for hypersonics.

(D) A schedule for meeting such goals, including the activities and funding anticipated to be required for meeting such goals.

(3) SUBMITTAL TO CONGRESS.—The Secretary shall submit the roadmap to the congressional defense committees at the same time as the submittal to Congress of the budget for fiscal year 2008 (as submitted pursuant to section 1105 of title 31, United States Code).

(e) ANNUAL REVIEW AND CERTIFICATION OF FUNDING.—

(1) ANNUAL REVIEW.—The joint technology office established under subsection (a) shall conduct on an annual basis a review of the funding available for research, development, test, and evaluation and demonstration programs of the Department of Defense on hypersonics in order to determine whether or not such funding and programs are consistent with the roadmap developed under subsection (d).

(2) CERTIFICATION.—The joint technology office shall, as a result of each review under paragraph (1), certify to the Secretary whether or not the funding and programs subject to such review are consistent with the roadmap developed under subsection (d).

(3) TERMINATION.—The requirements of this subsection shall terminate after the submittal to Congress of the budget for fiscal year 2012 pursuant to section 1105 of title 31, United States Code.

(f) REPORTS TO CONGRESS.—If, as a result of a review under subsection (e), funding or a program on hypersonics is certified under that subsection not to be consistent with the roadmap developed under subsection (d), the Secretary shall submit to Congress a report on such funding or program, as the case may be, together with a statement of the actions to be taken to make such funding or program, as the case may be, consistent with the roadmap.

(g) HYPERSONICS DEFINED.—In this section, the term ''hypersonics'' means aircraft and missiles capable of travelling at speeds in excess of Mach 5.

SEC. 214. TRIDENT SEA-LAUNCHED BALLISTIC MISSILES.

(a) LIMITATION ON AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), none of the funds authorized to be appropriated by this Act for the Conventional Trident Modification (CTM) program may be obligated or expended for the development or modification of the Trident D–5 sea-launched ballistic missile until 30 days after the date on which the report required by subsection (b) is submitted to the congressional defense committees.

(2) EXCEPTION.—Paragraph (1) shall not apply with respect to amounts authorized to be appropriated by section 201(2) for research, development, test, and evaluation, Navy, and available for Advanced Conventional Strike Capability (PE #64327N) in an amount not to exceed $32,000,000.

(b) REPORT.—

(1) REPORT REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of State, submit to the congressional defense committees a report setting forth a proposal to replace nuclear warheads on twenty-four Trident D–5 sea-launched ballistic missiles with conventional kinetic warheads for deployment on submarines that carry Trident sea-launched ballistic missiles.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of the types of scenarios, types of targets, and circumstances in which a conventional sea-launched ballistic missile would be used.

(B) A discussion of the weapon systems or weapons, whether current or planned, that could be used as an alternative for each of the scenarios, target types, and circumstances set forth under subparagraph (A), and a statement of any reason why each is not a suitable alternative to a conventional sea-launched ballistic missile.

(C) A description of the command and control arrangements for conventional sea-launched ballistic missiles, including launch authority and the use of Permissive Action Links (PALs).

(D) An assessment of the capabilities of other countries to detect and track the launch of a conventional or nuclear sea-launched ballistic missile.

(E) An assessment of the capabilities of other countries to discriminate between the launch of a nuclear sea-launched ballistic missile and a conventional sea-launched ballistic missile, other than in a testing scenario.

(F) An assessment of the notification and other protocols that would have to be in place prior to using any conventional sea-launched ballistic missile and a plan for entering into such protocols.

(G) An assessment of the adequacy of the intelligence that would be needed to support an attack involving conventional sea-launched ballistic missiles.

(H) A description of the total program cost, including the procurement costs of additional D–5 missiles, of the conventional Trident sea-launched ballistic missile program, by fiscal year.

(I) An analysis and assessment of the implications for ballistic missile proliferation if the United States decides to go forward with the conventional Trident sea-launched ballistic missile program or any other conventional long range ballistic missile program.

(J) An analysis and assessment of the implications for the United States missile defense system if other countries utilize long range conventional ballistic missiles.

(K) An analysis of any problems created by the ambiguity that results from the use of the same ballistic missile for both conventional and nuclear warheads.

(L) An analysis and assessment of the methods that other countries might use to resolve the ambiguities associated with a nuclear or conventional sea-launched ballistic missile.

(M) An analysis, by the Secretary of State, of the international, treaty, and other concerns that would be associated with the use of a conventional sea-launched ballistic missile and recommendations for measures to mitigate or eliminate such concerns.

(N) A joint statement by the Secretary of Defense and the Secretary of State on how to ensure that the use of a conventional sea-launched ballistic missile will not result in an intentional, inadvertent, mistaken, or accidental reciprocal or responsive launch of a nuclear strike by any other country.

(c) AVAILABILITY OF FUNDS FOR REPORT.—Of the amounts authorized to be appropriated by this Act (other than the amounts covered by the limitation in subsection (a)), $20,000,000 may be available to prepare the report required by subsection (b).

SEC. 215. ARROW BALLISTIC MISSILE DEFENSE SYSTEM.

Of the amount authorized to be appropriated by section 201(4) for research, development, test,

and evaluation for Defense-wide activities and available for ballistic missile defense—

(1) $65,000,000 may be available for coproduction of the Arrow ballistic missile defense system; and

(2) $63,702,000 may be available for the Arrow System Improvement Program.

SEC. 216. HIGH ENERGY LASER LOW ASPECT TARGET TRACKING.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,000,000.

(b) AVAILABILITY OF AMOUNT.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $5,000,000 may be available for the Department of Defense High Energy Laser Test Facility for High Energy Laser Low Aspect Target Tracking (HEL–LATT) test series done jointly with the Navy.

(2) CONSTRUCTION WITH OTHER AMOUNTS.—The amount available under paragraph (1) for the purpose set forth in that paragraph is in addition to any amounts available under this Act for that purpose.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $5,000,000, due to unexpended obligations, if available.

SEC. 217. ADVANCED ALUMINUM AEROSTRUCTURES INITIATIVE.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $2,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $2,000,000 may be available for Aerospace Technology Development and Demonstration (PE #603211F) for the Advanced Aluminum Aerostructures Initiative (A3I).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $2,000,000, due to unexpended obligations, if available.

SEC. 218. LEGGED MOBILITY ROBOTIC RESEARCH.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $1,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $1,000,000 may be available for Combat Vehicle and Automotive Technology (PE #602601A) for legged mobility robotic research for military applications.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $1,000,000, due to unexpended obligations, if available

SEC. 219. WIDEBAND DIGITAL AIRBORNE ELECTRONIC SENSING ARRAY.

(a) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $3,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by subsection (a), $3,000,000 may be available for Wideband Digital Airborne Electronic Sensing Array (PE #0602204F).

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $3,000,000, due to unexpended obligations, if available.

SEC. 220. SCIENCE AND TECHNOLOGY.

(a) ARMY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103A for University Research Initiatives.

(b) NAVY SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103N for University Research Initiatives.

(c) AIR FORCE SUPPORT FOR UNIVERSITY RESEARCH INITIATIVES.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601103F for University Research Initiatives.

(d) COMPUTER SCIENCE AND CYBERSECURITY.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $10,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $10,000,000 may be available for program element PE 0601101E for the Defense Advanced Research Projects Agency University Research Program in Computer Science and Cybersecurity.

(e) SMART NATIONAL DEFENSE EDUCATION PROGRAM.—

(1) ADDITIONAL AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $5,000,000.

(2) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, as increased by paragraph (1), $5,000,000 may be available for program element PE 0601120D8Z for the SMART National Defense Education Program.

(f) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations, if available.

Subtitle C—Missile Defense Programs

SEC. 231. AVAILABILITY OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR FIELDING BALLISTIC MISSILE DEFENSE CAPABILITIES.

Upon approval by the Secretary of Defense, funds authorized to be appropriated for fiscal year 2008 for the use of the Department of Defense for research, development, test, and evaluation and available for the Missile Defense Agency may be used for the development and fielding of ballistic missile defense capabilities.

SEC. 232. POLICY OF THE UNITED STATES ON PRIORITIES IN THE DEVELOPMENT, TESTING, AND FIELDING OF MISSILE DEFENSE CAPABILITIES.

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

(1) In response to the threat posed by ballistic missiles, President George W. Bush in December 2002 directed the Secretary of Defense to proceed with the fielding of an initial set of missile defense capabilities in 2004 and 2005.

(2) According to assessments by the intelligence community of the United States, North Korea tested in 2005 a new solid propellant short-range ballistic missile and is likely developing intermediate-range and intercontinental ballistic missile capabilities that could someday reach as far as the United States with a nuclear payload.

(3) According to assessments by the intelligence community of the United States, Iran continued in 2005 to test its medium range ballistic missile, and the danger that Iran will acquire a nuclear weapon and integrate it with a ballistic missile Iran already possesses is a reason for immediate concern.

(b) POLICY.—It is the policy of the United States that the Department of Defense accord a priority within the missile defense program to the development, testing, fielding, and improvement of effective near-term missile defense capabilities, including the ground-based midcourse defense system, the Aegis ballistic missile defense system, the Patriot PAC–3 system, the Terminal High Altitude Area Defense system, and the sensors necessary to support such systems.

SEC. 233. ONE-YEAR EXTENSION OF COMPTROLLER GENERAL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE PROGRAMS.

Section 232(g) of the National Defense Authorization Act for Fiscal Year 2002 (10 U.S.C. 2431 note) is amended—

(1) in paragraph (1), by striking ''through 2007'' and inserting ''through 2008''; and

(2) in paragraph (2), by striking ''through 2008'' and inserting ''through 2009''.

SEC. 234. SUBMITTAL OF PLANS FOR TEST AND EVALUATION OF THE OPERATIONAL CAPABILITY OF THE BALLISTIC MISSILE DEFENSE SYSTEM.

Section 234(a) of the National Defense Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3174; 10 U.S.C. 2431 note) is amended by adding at the end the following new paragraph:

''(3) SUBMITTAL TO CONGRESS.—Each plan prepared under this subsection and approved by the Director of Operational Test and Evaluation shall be submitted to the congressional defense committees not later than 30 days after the date of the approval of such plan by the Director.''.

SEC. 235. ANNUAL REPORTS ON TRANSITION OF BALLISTIC MISSILE DEFENSE PROGRAMS TO THE MILITARY DEPARTMENTS.

(a) REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter through 2013, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report on the plans of the Department of Defense for the transition of missile defense programs from the Missile Defense Agency to the military departments.

(b) SCOPE OF REPORTS.—Each report required by subsection (a) shall cover the period covered by the future-years defense program that is submitted under section 221 of title 10, United States Code, in the year in which such report is submitted.

(c) ELEMENTS.—Each report required by subsection (a) shall include the following:

(1) An identification of—

(A) the missile defense programs planned to be transitioned from the Missile Defense Agency to the military departments; and

(B) the missile defense programs, if any, not planned for transition to the military departments.

(2) The schedule for transition of each missile defense program planned to be transitioned to a military department, and an explanation of such schedule.

(3) A description of the status of the plans and agreements of the Missile Defense Agency and the military departments on the transition of missile defense programs to the military departments.

(4) An identification of the entity (whether the Missile Defense Agency, a military department, or both) that will be responsible for funding each missile defense program to be transitioned to a military department, and at what date.

(5) A description of the type of funds that will be used (whether funds for research, development, test, and evaluation, procurement, military construction, or operation and maintenance) for each missile defense program to be transitioned to a military department.

(6) An explanation of the number of systems planned for procurement for each missile defense program to be transitioned to a military department, and the schedule for procurement of each such system.

SEC. 236. TESTING AND OPERATIONS FOR MISSILE DEFENSE.

(a) ADDITIONAL AMOUNT FOR MISSILE DEFENSE AGENCY.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities, the amount that is available for the Missile Defense Agency is hereby increased by $45,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities and available for the Missile Defense Agency, as increased by subsection (a), $45,000,000 may be available for Ballistic Missile Defense Midcourse Defense Segment (PE #63882C)—

(1) to accelerate the ability to conduct concurrent test and missile defense operations; and

(2) to increase the pace of realistic flight testing of the ground-based midcourse defense system.

(c) SUPPLEMENT.—Amounts available under subsection (b) for the program element referred to in that subsection are in addition to any other amounts available in this Act for that program element.

(d) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby reduced by $45,000,000, due to unexpended obligations.

Subtitle D—Other Matters

SEC. 251. EXTENSION OF REQUIREMENT FOR GLOBAL RESEARCH WATCH PROGRAM.

Section 2365(f) of title 10, United States Code, is amended by striking ''September 30, 2006'' and inserting ''September 30, 2011''.

SEC. 252. EXPANSION AND EXTENSION OF AUTHORITY TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXPANSION.—

(1) IN GENERAL.—Subsection (a) of section 2374a of title 10, United States Code, is amended—

(A) by striking ''Director of the Defense Advanced Research Projects Agency'' and inserting ''Director of Defense Research and Engineering and the Service Acquisition Executives of the military departments''; and

(B) by striking ''a program'' and inserting ''programs''.

(2) CONFORMING AMENDMENTS.—(A) Subsection (b) of such section is amended by striking ''The program'' and inserting ''Any program''.

(B) Subsection (d) of such section is amended—

(i) by striking ''The program'' and inserting ''A program''; and

(ii) by striking ''the Director'' and inserting ''an official referred to in that subsection''.

(b) EXTENSION.—Subsection (f) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2011''.

(c) MODIFICATION OF REPORTING REQUIREMENT.—Subsection (e) of such section is amended to read as follows:

''(e) ANNUAL REPORT.—(l) Not later than March 1 each year, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the activities undertaken during the preceding fiscal year under the authority in subsection (a).

''(2) The report for a fiscal year under this subsection shall include the following:

''(A) A description of the proposed goals of the competitions established under each program under subsection (a), including the areas of research, technology development, or prototype development to be promoted by such competitions and the relationship of such areas to the military missions of the Department of Defense.

''(B) An analyses of why the utilization of the authority in subsection (a) was the preferable method of achieving the goals described in subparagraph (A) as opposed to other authorities available to the Department, such as contracts, grants, and cooperative agreements.

''(C) The total amount of cash prizes awarded under each program, including a description of the manner in which the amounts of cash prizes awarded and claimed were allocated among the accounts of the Department for recording as obligations and expenditures.

''(D) The methods used for the solicitation and evaluation of submissions under each program, together with an assessment of the effectiveness of such methods.

''(E) A description of the resources, including personnel and funding, used in the execution of each program, together with a detailed description of the activities for which such resources were used and an accounting of how funding for execution was allocated among the accounts of the Department for recording as obligations and expenditures.

''(F) A description of any plans to transition the technologies or prototypes developed as a result of each program into an acquisition program of the Department.''.

SEC. 253. POLICIES AND PRACTICES ON TEST AND EVALUATION TO ADDRESS EMERGING ACQUISITION APPROACHES.

(a) REPORTS ON CERTAIN DETERMINATIONS TO PROCEED BEYOND LOW-RATE INITIAL PRODUCTION.—Section 2399(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

''(5) If, before a final decision is made within the Department of Defense to proceed with a major defense acquisition program beyond low-rate initial production, a decision is made within the Department to proceed to operational use of the program or allocate funds available for procurement for the program, the Director shall submit to the Secretary of Defense and the congressional defense committees the report with respect to the program under paragraph (2) as soon as practicable after the decision under this paragraph is made.''.

(b) REVIEW AND REVISION OF POLICIES AND PRACTICES.—

(1) REVIEW.—The Under Secretary of Defense for Acquisition, Technology, and Logistics and the Director of Operational Test and Evaluation shall review Department of Defense policies and practices on test and evaluation in order to—

(A) reaffirm the test and evaluation principles that guide traditional acquisition programs; and

(B) determine how best to apply such principles to emerging acquisition approaches.

(2) REVISED GUIDANCE.—If the Under Secretary determines as a result of the review under paragraph (1) that a revision of the policies and practices referred to in that paragraph is necessary in light of emerging approaches to acquisitions, the Under Secretary and the Director shall jointly issue new or revised guidance for the Department of Defense on test and evaluation to address that determination.

(c) ISSUES TO BE ADDRESSED.—In carrying out subsection (b), the Under Secretary shall address policies and practices on test and evaluation in order to—

(1) ensure the performance of test and evaluation activities with regard to—

(A) items that are acquired pursuant to the authority for rapid acquisition and deployment of items in section 806 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (10 U.S.C. 2302 note);

(B) programs that are conducted pursuant to the authority for spiral development in section 803 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2603; 10 U.S.C. 2430 note), or other authority for the conduct of incremental acquisition programs;

(C) systems that are acquired pursuant to time-certain development programs; and

(D) equipment that is not subject to the operational test and evaluation requirements in section 2399 of title 10, United States Code, but which may require limited operational test and evaluation for the purpose of ensuring the safety and survivability of such equipment and personnel using such equipment; and

(2) ensure the appropriate use, if any, of operational test and evaluation resources to assess technology readiness levels for the purpose of section 2366a of title 10, United States Code, and other applicable technology readiness requirements.

(d) FUNDING MATTERS.—The Director of the Defense Test Resource Management Center shall ensure that the strategic plan for Department of Defense test and evaluation resources developed pursuant to section 196 of title 10, United States Code—

(1) reflects any testing needs of the Department of Defense that are identified as a result of activities under subsection (b); and

(2) includes an assessment of the test and evaluation facilities, resources, and budgets that will be required to meet such needs.

(e) REPORT TO CONGRESS.—Not later than nine months after the date of the enactment of this Act, the Under Secretary shall submit to the congressional defense committees a report on the review conducted under paragraph (1) of subsection (b), including any new or revised guidance issued pursuant to paragraph (2) of that subsection.

(f) TIME-CERTAIN DEVELOPMENT PROGRAM DEFINED.—In this section, the term ''time-certain development program'' means a development program that is assigned a specific length of time in which milestone events will be accomplished by contract, which length of time may be not more than 6 years from milestone B to initial operational capability.

SEC. 254. DEVELOPMENT OF THE PROPULSION SYSTEM FOR THE JOINT STRIKE FIGHTER.

(a) IN GENERAL.—The Secretary of Defense shall provide for the development of the propulsion system for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'') by a means elected by the Secretary from among the following:

(1) Through the continuing development and sustainment of two interchangeable propulsion systems for the F–35 fighter aircraft by two separate contractors throughout the life cycle of the aircraft.

(2) Through a one-time firm fixed price contract for a selected propulsion system for the F–35 fighter aircraft for the life cycle of the aircraft following the Initial Service Release of the

F–35 fighter aircraft propulsion system in fiscal year 2008.

(b) NOTICE OF CHANGE IN DEVELOPMENT.—The Secretary may not carry out any modification of the procurement program for the F–35 fighter aircraft that would result in the development of the propulsion system for such aircraft in a manner other than as elected by the Secretary under subsection (a) until the Secretary notifies the congressional defense committees of such modification.

SEC. 255. INDEPENDENT COST ANALYSES FOR JOINT STRIKE FIGHTER ENGINE PROGRAM.

(a) COST ANALYSES.—

(1) ANALYSES REQUIRED.—The Secretary of Defense (acting through the cost analysis improvement group of the Office of the Secretary of Defense), a federally funded research and development center (FFRDC) selected by the Secretary for purposes of this section, and the Comptroller General of the United States shall each perform three detailed and comprehensive cost analyses of the engine program for the F–35 fighter aircraft (commonly referred to as the ''Joint Strike Fighter'').

(2) ELEMENTS.—Each official or entity performing cost analyses under paragraph (1) shall perform a cost analysis of each of the following:

(A) An alternative under which the F–35 fighter aircraft is capable of using the F135 engine only.

(B) An alternative under which the F–35 fighter aircraft is capable of using either the F135 engine or the F136 engine.

(C) Any other alternative, whether secured through a competitive or sole-source bidding process, that would reduce cost, improve program schedule, and improve performance and reliability of the F–35 fighter aircraft program.

(b) REPORTS.—

(1) REPORTS REQUIRED.—Not later than March 15, 2007, the Secretary, the federally funded research and development center selected under subsection (a), and the Comptroller General shall each submit to the congressional defense committees a report on the three independent cost analyses performed by such official or entity under subsection (a).

(2) REPORT ELEMENTS.—Each report under paragraph (1) shall include the following:

(A) A statement of the key assumptions utilized in performing each cost analysis covered by such report.

(B) A discussion of the methodology and techniques utilized in performing each cost analysis.

(C) For each alternative under subsection (a)(2)—

(i) a comparison of the life-cycle costs, including costs in current and constant dollars and a net-present-value analysis, with the other alternatives under that subsection; and

(ii) an estimate of—

(I) the supply, maintenance, and other operations manpower required to support such alternative;

(II) the number of flight hours required to achieve engine maturity, and the year in which engine maturity is anticipated to be achieved; and

(III) the total number of engines anticipated to be procured over the lifetime of the F–35 fighter aircraft program.

(D) A discussion of the acquisition strategies used for the acquisition of engines for other tactical fighter aircraft, including the F–15, F–16, F–18, and F–22 fighter aircraft, and an assessment of the experience in terms of cost, schedule, and performance under the acquisition programs for such engines.

(E) A comparison in terms of performance, savings, maintainability, reliability, and technical innovation of the acquisition programs for engines for tactical fighter aircraft carried out on a sole-source basis with the acquisition programs for tactical fighter aircraft carried out on a competitive basis.

(F) Such conclusions and recommendations in light of the cost analyses as the official or entity submitting such report considers appropriate.

(3) CERTIFICATION OF FFRDC AND COMPTROLLER GENERAL.—In submitting the report required by this subsection, the federally funded research and development center and the Comptroller General shall each also submit a certification as to whether the federally funded research and development center or the Comptroller General, as the case may be, had access to sufficient information to enable the federally funded research and development center or the Comptroller General, as the case may be, to make informed judgments on the matters required to be included in the report.

(c) LIFE-CYCLE COSTS DEFINED.—In this section, the term ''life-cycle costs'' includes—

(1) the elements of costs that would be considered for a life-cycle cost analysis for a major defense acquisition program, such as procurement of engines, procurement of spare engines, and procurement of engine components and parts; and

(2) good-faith estimates of routine engine costs, such as performance upgrades and component improvement, that historically have occurred in tactical fighter engine programs.

SEC. 256. SENSE OF SENATE ON TECHNOLOGY SHARING OF JOINT STRIKE FIGHTER TECHNOLOGY.

It is the sense of the Senate that the Secretary of Defense should share technology with regard to the Joint Strike Fighter between the United States Government and the Government of the United Kingdom consistent with the national security interests of both nations.

SEC. 257. REPORT ON BIOMETRICS PROGRAMS OF THE DEPARTMENT OF DEFENSE.

(a) REPORT.—The Secretary of Defense shall submit to Congress, at the same time as the submittal of the budget of the President for fiscal year 2008 (as submitted under section 1105(a) of title 31, United States Code) a report on the biometrics programs of the Department of Defense.

(b) ELEMENTS.—The report shall address the following:

(1) Whether the Department should modify the current executive agent management structure for the biometrics programs.

(2) The requirements for the biometrics programs to meet needs throughout the Department of Defense.

(3) A description of programs currently fielded to meet requirements in Iraq and Afghanistan.

(4) An assessment of the adequacy of fielded programs to meet operational requirements.

(5) An assessment of programmatic or capability gaps in meeting future requirements.

(6) The actions being taken within the Executive Branch to coordinate and integrate requirements, programs, and resources among the departments and agencies of the Executive Branch with a role in using or developing biometrics capabilities.

(c) BIOMETRICS DEFINED.—In this section, the term ''biometrics'' means an identity management program or system that utilizes distinct personal attributes, including DNA, facial features, irises, retinas, signatures, or voices, to identify individuals.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

(1) For the Army, $24,795,580,000.

(2) For the Navy, $31,130,784,000.

(3) For the Marine Corps, $3,905,262,000.

(4) For the Air Force, $31,251,107,000.

(5) For Defense-wide activities, $20,106,756,000.

(6) For the Army Reserve, $2,139,702,000.

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

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

(9) For the Air Force Reserve, $2,575,100,000.

(10) For the Army National Guard, $4,857,728,000.

(11) For the Air National Guard, $5,318,717,000.

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

(13) For Environmental Restoration, Army, $463,794,000.

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

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

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

(17) For Environmental Restoration, Formerly Used Defense Sites, $282,790,000.

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

(19) For Cooperative Threat Reduction programs, $372,128,000.

(20) For Overseas Humanitarian Disaster and Civic Aid, $63,204,000.

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, $1,364,498,000.

(2) For the National Defense Sealift Fund, $1,071,932,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program, $20,915,321,000, of which—

(1) $20,381,863,000 is for Operation and Maintenance;

(2) $135,603,000 is for Research, Development, Test, and Evaluation; and

(3) $397,855,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—

(1) IN GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,277,304,000, of which—

(A) $1,046,290,000 is for Operation and Maintenance; and

(B) $231,014,000 is for Research, Development, Test, and Evaluation.

(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $926,890,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $216,297,000, of which—

(1) $214,897,000 is for Operation and Maintenance; and

(2) $1,400,000 is for Procurement.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. LIMITATION ON AVAILABILITY OF FUNDS FOR THE ARMY LOGISTICS MODERNIZATION PROGRAM.

Of the funds authorized to be appropriated for the Department of Defense by this division and available for the Army Logistics Modernization Program (LMP), not more than $6,900,000 may be obligated or expended for the development, fielding, or operation of the program until the Chairman of the Defense Business Systems Modernization Committee certifies to the congressional defense committees each of the following:

(1) That the program is essential to the national security of the United States or to the efficient management of the Department of Defense.

(2) That there is no alternative to the system under the program which will provide equal or greater capability at a lower cost.

(3) That the estimated costs, and the proposed schedule and performance parameters, for the program and system are reasonable.

(4) That the management structure for the program is adequate to manage and control program costs.

SEC. 312. AVAILABILITY OF FUNDS FOR EXHIBITS FOR THE NATIONAL MUSEUMS OF THE ARMED FORCES.

(a) NATIONAL MUSEUM OF THE UNITED STATES ARMY.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $3,000,000 may be available to the Secretary of the Army for education and training purposes to contract with the Army Historical Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Army.

(b) NATIONAL MUSEUM OF THE UNITED STATES NAVY.—Of the amounts authorized to be appropriated by section 301(2) for operation and maintenance for the Navy, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the Naval Historical Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Navy.

(c) NATIONAL MUSEUM OF THE MARINE CORPS AND HERITAGE CENTER.—Of the amounts authorized to be appropriated by section 301(3) for operation and maintenance for the Marine Corps, $3,000,000 may be available to the Secretary of the Navy for education and training purposes to contract with the United States Marine Corps Heritage Foundation for the acquisition, installation, and maintenance of exhibits at the National Museum of the Marine Corps and Heritage Center.

(d) NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE.—Of the amounts authorized to be appropriated by section 301(4) for operation and maintenance for the Air Force, $3,000,000 may be available to the Secretary of the Air Force for education and training purposes to contract with the Air Force Museum Foundation for the acquisition, installation, and maintenance of exhibits at the facility designated by the Secretary as the National Museum of the United States Air Force.

(e) REIMBURSEMENT.—

(1) AUTHORITY TO ACCEPT REIMBURSEMENT.—During any fiscal year after fiscal year 2006, the Secretary of a military department may accept from any non-profit entity authorized to support the national museum of the applicable Armed Force amounts to reimburse such Secretary for amounts obligated and expended by such Secretary from amounts available to such Secretary under this section.

(2) TREATMENT.—Amounts accepted as reimbursement under paragraph (1) shall be credited to the account that was used to cover the costs incurred by the Secretary of the military department concerned under this section. Amounts so credited shall be merged with amounts in such account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

SEC. 313. LIMITATION ON FINANCIAL MANAGEMENT IMPROVEMENT AND AUDIT INITIATIVES WITHIN THE DEPARTMENT OF DEFENSE.

(a) LIMITATION.—The Secretary of Defense may not obligate or expend any funds for the purpose of any financial management improvement activity relating to the preparation, processing, or auditing of financial statements until the Secretary submits to the congressional defense committees a written determination that each activity proposed to be funded is—

(1) consistent with the financial management improvement plan of the Department of Defense required by section 376(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 190–163; 119 Stat. 3213); and

(2) likely to improve internal controls or otherwise result in sustained improvements in the ability of the Department to produce timely, reliable, and complete financial management information.

(b) EXCEPTION.—The limitation in subsection (a) shall not apply to an activity directed exclusively at assessing the adequacy of internal controls and remediating any inadequacy identified pursuant to such assessment.

SEC. 314. LIMITATION ON AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS FOR THE MANAGEMENT HEADQUARTERS OF THE DEFENSE INFORMATION SYSTEMS AGENCY.

Of the amount authorized to be appropriated by this title and available for purposes of the operation and maintenance of the management headquarters of the Defense Information Systems Agency, not more than 50 percent may be available for such purposes until the Secretary of Defense submits to Congress the report on the acquisition strategy of the Department of Defense for commercial satellite communications services required by section 818(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–136; 119 Stat. 3385).

SEC. 315. EXPANSION OF JUNIOR RESERVE OFFICERS' TRAINING CORPS PROGRAM.

(a) IN GENERAL.—The Secretaries of the military departments shall take appropriate actions to increase the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized under chapter 102 of title 10, United States Code.

(b) EXPANSION TARGETS.—In increasing under subsection (a) the number of secondary educational institutions at which a unit of the Junior Reserve Officers' Training Corps is organized, the Secretaries of the military departments shall seek to organize units at an additional number of institutions as follows:

(1) In the case of Army units, 15 institutions.

(2) In the case of Navy units, 10 institutions.

(3) In the case of Marine Corps units, 15 institutions.

(4) In the case of Air Force units, 10 institutions.

SEC. 316. INFANTRY COMBAT EQUIPMENT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $2,500,000 may be available for Infantry Combat Equipment (ICE).

SEC. 317. INDIVIDUAL FIRST AID KIT.

Of the amount authorized to be appropriated by section 301(8) for operation and maintenance for the Marine Corps Reserve, $1,500,000 may be available for the Individual First Aid Kit (IFAK).

SEC. 318. READING FOR THE BLIND AND DYSLEXIC PROGRAM OF THE DEPARTMENT OF DEFENSE.

(a) DEFENSE DEPENDENTS.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for defense dependents of elementary and secondary school age in the continental United States and overseas.

(b) SEVERELY WOUNDED OR INJURED MEMBERS OF THE ARMED FORCES.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, $500,000 may be available for the Reading for the Blind and Dyslexic program of the Department of Defense for severely wounded or injured members of the Armed Forces.

SEC. 319. MILITARY TRAINING INFRASTRUCTURE IMPROVEMENTS AT VIRGINIA MILITARY INSTITUTE.

Of the amount authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $2,900,000 may be available to the Virginia Military Institute for military training infrastructure improvements to provide adequate field training of all Armed Forces Reserve Officer Training Corps.

SEC. 320. ENVIRONMENTAL DOCUMENTATION FOR BEDDOWN OF F–22A AIRCRAFT AT HOLLOMAN AIR FORCE BASE, NEW MEXICO.

The Secretary of the Air Force shall prepare environmental documentation per the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) for the beddown of F–22A aircraft at Holloman Air Force Base, New Mexico, as replacements for the retiring F–117A aircraft.

Subtitle C—Environmental Provisions

SEC. 331. RESPONSE PLAN FOR REMEDIATION OF MILITARY MUNITIONS.

(a) PERFORMANCE GOALS FOR REMEDIATION.—The Department of Defense shall set the following remediation goals:

(1) To complete, by not later than September 30, 2007, preliminary assessments of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(2) To complete, by not later than September 30, 2010, site inspections of unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites.

(3) To achieve, by not later than September 30, 2009, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all military installations closed or realigned as part of a round of defense base closure and realignment occurring prior to the 2005 round.

(4) To achieve, by a time certain established by the Secretary, a remedy in place or response complete for unexploded ordnance, discarded military munitions, and munitions constituents at all active installations and formerly used defense sites (other than operational ranges) and all military installations realigned or closed under the 2005 round of defense base closure and realignment.

(b) RESPONSE PLAN REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a comprehensive plan for addressing the remediation of unexploded ordnance, discarded military munitions, and munitions constituents at current and former defense sites (other than operational ranges).

(2) CONTENT.—The plan required by paragraph (1) shall include—

(A) a schedule, including interim goals, for achieving the goals described in paragraphs (1) through (3) of subsection (a), based upon the Munitions Response Site Prioritization Protocol established by the Department of Defense;

(B) such interim goals as the Secretary determines feasible for efficiently achieving the goal required under paragraph (4) of such subsection; and

(C) an estimate of the funding required to achieve the goals established pursuant to such

subsection and the interim goals established pursuant to subparagraphs (A) and (B).

(3) UPDATES.—(A) The Secretary shall, not later than March 15 of 2008, 2009, and 2010, submit to the congressional defense committees an update of the plan required under paragraph (1). Each update may be included in the report on environmental restoration activities submitted to Congress under section 2706(a) of title 10, United States Code, that is submitted in the year in which such update is submitted.

(B) The Secretary may include in an update submitted under subparagraph (A) any adjustment to the remediation goals established under subsection (a) that the Secretary determines necessary to respond to unforeseen circumstances.

(c) REPORT ON REUSE STANDARDS AND PRINCIPLES.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the status of the efforts of the Department of Defense to achieve agreement with relevant regulatory agencies on appropriate reuse standards or principles, including—

(1) a description of any standards or principles that have been agreed upon; and

(2) a discussion of any issues that remain in disagreement (including the impact that any such disagreement is likely to have on the ability of the Department of Defense to carry out the plan).

(d) DEFINITIONS.—In this section, the terms ''unexploded ordnance'', ''discarded military munitions'', ''munitions constituents'', ''operational range'', and ''defense site'' have the meaning given such terms in section 2710(e) of title 10, United States Code.

(e) CONFORMING REPEAL.—Section 313 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1051; 10 U.S.C. 2706 note) is repealed.

SEC. 332. EXTENSION OF AUTHORITY TO GRANT EXEMPTIONS TO CERTAIN REQUIREMENTS.

(a) AMENDMENT TO TOXIC SUBSTANCES CONTROL ACT.—Section 6(e)(3) of the Toxic Substances Control Act (15 U.S.C. 2605(e)(3)) is amended—

(1) in subparagraph (A), by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraphs (B), (C), and (D)'';

(2) in subparagraph (B), by striking ''but not more than 1 year from the date it is granted'' and inserting ''but not more than 1 year from the date it is granted, except as provided in subparagraph (D)''; and

(3) by adding at the end the following new subparagraph:

''(D) The Administrator may grant an exemption pursuant to subparagraph (B) for a period of up to 3 years for the purpose of authorizing the Secretary of Defense and the Secretaries of the military departments to provide for the transportation into the customs territory of the United States of polychlorinated biphenyls generated by or under the control of the Department of Defense for purposes of their disposal, treatment, or storage in the customs territory of the United States.''.

(b) SUNSET DATE.—The amendments made by subsection (a) shall cease to have effect on September 30, 2012. The termination of the authority to grant exemptions pursuant to such amendments shall not effect the validity of any exemption granted prior to such date.

(c) REPORT.—Not later than March 1, 2011, the Secretary of Defense shall submit to the Committee on Armed Services and the Committee on Environment and Public Works of the Senate and the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives a report on the status of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States. The report shall address, at a minimum—

(1) the remaining volume of such polychlorinated biphenyls that may require transportation into the customs territory of the United States for disposal, treatment, or storage; and

(2) the efforts that have been made by the Department of Defense and other Federal agencies to reduce such volume by—

(A) reducing the volume of polychlorinated biphenyls generated by or under the control of the Department of Defense outside the United States; or

(B) developing alternative options for the disposal, treatment, or storage of such polychlorinated biphenyls.

SEC. 333. RESEARCH ON EFFECTS OF OCEAN DISPOSAL OF MUNITIONS.

(a) IDENTIFICATION OF DISPOSAL SITES.—

(1) HISTORICAL REVIEW.—The Secretary of Defense, in cooperation with the Commandant of the Coast Guard, the Administrator of the National Oceanic and Atmospheric Administration, and the heads of other relevant Federal agencies, shall conduct a historical review of available records to determine the number, size, and probable locations of sites where the Armed Forces disposed of military munitions in coastal waters. The historical review shall, to the extent possible, identify the types of munitions at individual sites.

(2) INTERIM REPORTS.—The Secretary of Defense shall periodically, but no less often than annually, release any new information obtained during the historical review conducted under paragraph (1). The Secretary may withhold from public release the exact nature and locations of munitions the potential unauthorized retrieval of which could pose a significant threat to the national defense or public safety.

(3) INCLUSION OF INFORMATION IN ANNUAL REPORT ON ENVIRONMENTAL RESTORATION ACTIVITIES.—The Secretary shall include the information obtained pursuant to the review conducted under paragraph (1) in the annual report on environmental restoration activities submitted to Congress under section 2706 of title 10, United States Code.

(4) FINAL REPORT.—The Secretary shall complete the historical review required under paragraph (1) and submit a final report on the findings of such review in the annual report on environmental restoration activities submitted to Congress for fiscal year 2009.

(b) IDENTIFICATION OF NAVIGATIONAL AND SAFETY HAZARDS.—

(1) IDENTIFICATION OF HAZARDS.—The Secretary of Defense shall provide available information to the Secretary of Commerce to assist the National Oceanic and Atmospheric Administration in preparing nautical charts and other navigational materials for coastal waters that identify known or potential hazards posed by disposed military munitions to private activities, including commercial shipping and fishing operations.

(2) CONTINUATION OF INFORMATION ACTIVITIES.—The Secretary of Defense shall continue activities to inform potentially affected users of the ocean environment, particularly fishing operations, of the possible hazards from contact with disposed military munitions and the proper methods to mitigate such hazards.

(c) RESEARCH.—

(1) IN GENERAL.—The Secretary of Defense shall continue to conduct research on the effects on the ocean environment and those who use it of military munitions disposed of in coastal waters.

(2) SCOPE.—Research under paragraph (1) shall include—

(A) the sampling and analysis of ocean waters and sea beds at or adjacent to military munitions disposal sites selected pursuant to paragraph (3) to determine whether the disposed military munitions have caused or are causing contamination of such waters or sea beds;

(B) investigation into the long-term effects of seawater exposure on disposed military munitions, particularly effects on chemical munitions;

(C) investigation into the impacts any such contamination may have on the ocean environment and those who use it, including public health risks;

(D) investigation into the feasibility of removing or otherwise remediating the military munitions; and

(E) the development of effective safety measures for dealing with such military munitions.

(3) RESEARCH CRITERIA.—In conducting the research required by this subsection, the Secretary shall ensure that the sampling, analysis, and investigations are conducted at representative sites, taking into account factors such as depth, water temperature, nature of the military munitions present, and relative proximity to onshore populations. In conducting such research, the Secretary shall select at least two representative sites each in the areas of the Atlantic coast, the Pacific coast (including Alaska), and the Hawaiian Islands.

(4) AUTHORITY TO MAKE GRANTS AND ENTER INTO COOPERATIVE AGREEMENTS.—In conducting research under this subsection, the Secretary may make grants to, and enter into cooperative agreements with, qualified research entities.

(d) MONITORING.—If the historical review required by subsection (a) or the research required by subsection (c) indicates that contamination is being released into the ocean waters from disposed military munitions at a particular site or that the site poses a significant public health or safety risk, the Secretary shall institute appropriate monitoring mechanisms at that site and report to the congressional defense committees on any additional measures that may be necessary to address the release or risk, as applicable.

(e) DEFINITIONS.—In this section:

(1) The term ''coastal waters'' means that part of the ocean extending from the coast line of the United States to the outer boundary of the outer Continental Shelf.

(2) The term ''coast line'' has the meaning given that term in section 2(c) of the Submerged Lands Act (43 U.S.C. 1301(c)).

(3) The term ''outer Continental Shelf'' has the meaning given that term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

SEC. 334. CLARIFICATION OF MULTI-YEAR AUTHORITY TO USE BASE CLOSURE FUNDS TO FUND COOPERATIVE AGREEMENTS UNDER ENVIRONMENTAL RESTORATION PROGRAM.

Section 2701 of title 10, United States Code, is amended by adding at the end the following new sentence: ''This two-year limitation does not apply to agreements funded through the Department of Defense Base Closure Account 1990 or the Department of Defense Base Closure Account 2005 established by sections 2906 and 2906A, respectively, of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 335. REIMBURSEMENT OF ENVIRONMENTAL PROTECTION AGENCY FOR CERTAIN COSTS IN CONNECTION WITH MOSES LAKE WELLFIELD SUPERFUND SITE, MOSES LAKE, WASHINGTON.

(a) AUTHORITY TO REIMBURSE.—(1) Using funds described in subsection (b), the Secretary of Defense may transfer not more than $111,114.03 to the Moses Lake Wellfield Superfund Site 10–6J Special Account.

(2) The payment under paragraph (1) is to reimburse the Environmental Protection Agency for its costs incurred in overseeing a remedial investigation/feasibility study performed by the Department of the Army under the Defense Environmental Restoration Program at the former Larson Air Force Base, Moses Lake Superfund Site, Moses Lake, Washington.

(3) The reimbursement described in paragraph (2) is provided for in the interagency agreement entered into by the Department of the Army and the Environmental Protection Agency for the

Moses Lake Wellfield Superfund Site in March 1999.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using funds authorized to be appropriated by section 301(17) for operation and maintenance for Environmental Restoration, Formerly Used Defense Sites.

(c) USE OF FUNDS.—The Environmental Protection Agency shall use the amount transferred under subsection (a) to pay costs incurred by the Agency at the Moses Lake Wellfield Superfund Site.

Subtitle D—Reports

SEC. 351. COMPTROLLER GENERAL REPORT ON READINESS OF THE GROUND FORCES OF THE ARMY AND THE MARINE CORPS.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the readiness of the active component and reserve component ground forces of the Army and the Marine Corps.

(2) ONE OR MORE REPORTS.—In complying with the requirements of this section, the Comptroller General may submit a single report addressing all the elements specified in subsection (b) or two or more reports addressing any combination of such elements. If the Comptroller General submits more than one report under this section, all such reports shall be submitted not later than the date specified in paragraph (1).

(b) ELEMENTS.—The elements specified in this subsection include the following:

(1) An analysis of the current readiness status of each of the active component and reserve component ground forces of the Army and the Marine Corps, including a description of any major deficiency identified, an analysis of the trends in readiness of such forces during not less than the ten years preceding the report, and a comparison of the current readiness indicators of such ground forces with historical patterns.

(2) An assessment of the ability of the Army and the Marine Corps to provide trained and ready forces for ongoing operations as well as other commitments assigned to the Army and the Marine Corps in defense planning documents.

(3) An analysis of the availability of equipment for training by units of the Army and the Marine Corps in the United States in configurations comparable to the equipment being used by units of the Army and the Marine Corps, as applicable, in ongoing operations.

(4) An analysis of the current and projected requirement for repair or replacement of equipment of the Army and the Marine Corps due to ongoing operations, and the impact of such required repair or replacement of equipment on the availability of equipment for training.

(5) An assessment of the current personnel tempo of Army and Marine Corps forces, including—

(A) a comparison of such tempos to historical trends;

(B) an identification of particular occupational specialties that are experiencing unusually high or low deployment rates; and

(C) an analysis of retention rates in the occupational specialties identified under subparagraph (B).

(6) An assessment of the efforts of the Army and the Marine Corps to mitigate the impact of high operational tempos, including cross-leveling of personnel and equipment or cross training of personnel or units for new or additional mission requirements.

(7) A description of the current policy of the Army and the Marine Corps with respect to the mobilization of reserve component personnel, together with an analysis of the number of reserve component personnel in each of the Army and the Marine Corps that are projected to be available for deployment under such policy.

(c) FORM OF REPORT.—Any report submitted under subsection (a) shall be submitted in both classified and unclassified form.

SEC. 352. NATIONAL ACADEMY OF SCIENCES STUDY ON HUMAN EXPOSURE TO CONTAMINATED DRINKING WATER AT CAMP LEJEUNE, NORTH CAROLINA.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Navy shall enter into an agreement with the National Academy of Sciences to conduct a comprehensive review and evaluation of the available scientific and medical evidence regarding associations between pre-natal, child, and adult exposure to drinking water contaminated with trichloroethylene (TCE) and tetrachloroethylene (PCE) at Camp Lejeune, North Carolina, as well as other pre-natal, child, and adult exposures to levels of trichloroethylene and tetrachloroethylene similar to those experienced at Camp Lejeune, and birth defects or diseases and any other adverse health effects.

(2) ELEMENTS.—In conducting the review and evaluation, the Academy shall review and summarize the scientific and medical evidence and assess the strength of that evidence in establishing a link or association between exposure to trichloroethylene and tetrachloroethylene and each birth defect or disease suspected to be associated with such exposure. For each birth defect or disease reviewed, the Academy shall determine, to the extent practicable with available scientific and medical data, whether—

(A) a statistical association with such contaminant exposures exists; and

(B) there exist plausible biological mechanisms or other evidence of a causal relationship between contaminant exposures and the birth defect or disease.

(3) SCOPE OF REVIEW.—In conducting the review and evaluation, the Academy shall include a review and evaluation of—

(A) the toxicologic and epidemiologic literature on adverse health effects of trichloroethylene and tetrachloroethylene, including epidemiologic and risk assessment reports from government agencies;

(B) recent literature reviews by the National Research Council, Institute of Medicine, and other groups;

(C) the completed and on-going Agency for Toxic Substances Disease Registry (ATSDR) studies on potential trichloroethylene and tetrachloroethylene exposure at Camp Lejeune; and

(D) published meta-analyses.

(4) PEER REVIEW.—The Academy shall obtain the peer review of the report prepared as a result of the review and evaluation under applicable Academy procedures.

(5) SUBMITTAL.—The Academy shall submit the report prepared as a result of the review and evaluation to the Secretary and Congress not later than 18 months after entering into the agreement for the review and evaluation under paragraph (1).

(b) NOTICE ON EXPOSURE.—

(1) NOTICE REQUIRED.—Upon completion of the current epidemiological study by the Agency for Toxic Substances Disease Registry, known as the Exposure to Volatile Organic Compounds in Drinking Water and Specific Birth Defects and Childhood Cancers, United States Marine Corps Base Camp Lejeune, North Carolina, the Commandant of the Marine Corps shall take appropriate actions, including the use of national media such as newspapers, television, and the Internet, to notify former Camp Lejeune residents and employees who may have been exposed to drinking water impacted by trichloroethylene and tetrachloroethylene of the results of the study.

(2) ELEMENTS.—The information provided by the Commandant of the Marine Corps under paragraph (1) shall be prepared in conjunction with the Agency for Toxic Substances Disease Registry and shall include a description of sources of additional information relating to such exposure, including, but not be limited to, the following:

(A) A description of the events resulting in exposure to contaminated drinking water at Camp Lejeune.

(B) A description of the duration and extent of the contamination of drinking water at Camp Lejeune.

(C) The known and suspected health effects of exposure to the drinking water impacted by trichloroethylene and tetrachloroethylene at Camp Lejeune.

SEC. 353. REPORT ON AERIAL TRAINING AIRSPACE REQUIREMENTS OF THE DEPARTMENT OF DEFENSE.

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

(1) Access to and use of available and unfettered aerial training airspace is critical for preserving aircrew warfighting proficiency and the ability to test, evaluate, and improve capabilities of both personnel and equipment within the most realistic training environments possible.

(2) The growth of civilian and commercial aviation traffic and the rapid expansion of commercial and general air traffic lanes across the continental United States has left few remaining areas of the country available for realistic air combat training or expansion of existing training areas.

(3) Many Military Operating Areas (MOAs) originally established in what was once open and uncongested airspace are now encroached upon by a heavy volume of commercial and general air traffic, making training more difficult and potentially hazardous.

(4) Some aerial training areas in the upper great plains, western States, and Gulf coast remain largely free from encroachment and available for increased use, expansion, and preservation for the future.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Department of Defense should—

(1) establish a policy to identify military aerial training areas that are projected to remain viable and free from encroachment well into the 21st century;

(2) determine aerial training airspace requirements to meet future training and airspace requirements of current and next generation military aircraft; and

(3) undertake all necessary actions in a timely manner, including coordination with the Federal Aviation Administration, to preserve and, if necessary, expand those areas of airspace to meet present and future training requirements.

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a proposed plan to preserve and, if necessary, expand available aerial training airspace to meet the projected needs of the Department of Defense for such airspace through 2025.

SEC. 354. REPORT ON ACTIONS TO REDUCE DEPARTMENT OF DEFENSE CONSUMPTION OF PETROLEUM-BASED FUEL.

(a) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the actions taken, and to be taken, by the Department of Defense to reduce the consumption by the Department of petroleum-based fuel.

(b) ELEMENTS.—The report shall include the status of implementation by the Department of the requirements of the following:

(1) The Energy Policy Act of 2005 (Public Law 109–58).

(2) The Energy Policy Act of 1992. (Public Law 102–486)

(3) Executive Order 13123.

(4) Executive Order 13149.

(5) Any other law, regulation, or directive relating to the consumption by the Department of petroleum-based fuel.

SEC. 355. REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.

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

(1) The National Guard continues to provide invaluable resources to meet national security, homeland defense, and civil emergency mission requirements.

(2) Current military operations, transnational threats, and domestic emergencies will increase the use of the National Guard for both military support to civilian authorities and to execute the military strategy of the United States.

(3) To meet the demand for certain types of equipment for continuing United States military operations, the Army has required Army National Guard Units to leave behind many items for use by follow-on forces.

(4) The Governors of every State and 2 Territories expressed concern in February 2006 that units returning from deployment overseas without adequate equipment would have trouble carrying out their homeland security and domestic disaster duties.

(5) The Department of Defense estimates that it has directed the Army National Guard to leave overseas more than 75,000 items valued at approximately $1,760,000,000 to support Operation Enduring Freedom and Operation Iraqi Freedom.

(6) Department of Defense Directive 1225.6 requires a replacement and tracking plan be developed within 90 days for equipment of the reserve components of the Armed Forces that is transferred to the active components of the Armed Forces.

(7) In October 2005, the Government Accountability Office found that the Department of Defense can only account for about 45 percent of such equipment and has not developed a plan to replace such equipment.

(8) The Government Accountability Office also found that without a completed and implemented plan to replace all National Guard equipment left overseas, Army National Guard units will likely face growing equipment shortages and challenges in regaining readiness for future missions.

(b) REPORTS ON WITHDRAWAL OR DIVERSION OF EQUIPMENT FROM RESERVE UNITS FOR SUPPORT OF RESERVE UNITS BEING MOBILIZED AND OTHER UNITS.—

(1) IN GENERAL.—Chapter 1007 of title 10, United States Code, is amended by inserting after section 10208 the following new section:

"§ 10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units

''(a) REPORT REQUIRED ON WITHDRAWAL OR DIVERSION OF EQUIPMENT.—Not later than 90 days after withdrawing or diverting equipment from a unit of the Reserve to a unit of the Reserve being ordered to active duty under section 12301, 12302, or 12304 of this title, or to a unit or units of a regular component of the armed forces, for purposes of the discharge of the mission of such unit or units, the Secretary concerned shall submit to the Secretary of Defense a status report on the withdrawal or diversion of equipment.

''(b) ELEMENTS.—Each status report under subsection (a) on equipment withdrawn or diverted shall include the following:

''(1) A plan to recapitalize or replace such equipment within the unit from which withdrawn or diverted.

''(2) If such equipment is to remain in a theater of operations while the unit from which withdrawn or diverted returns to the United States, a plan to provide such unit with recapitalized or replacement equipment appropriate to ensure the continuation of the readiness training of such unit.

''(3) A signed memorandum of understanding between the active or reserve component to which withdrawn or diverted and the reserve component from which withdrawn or diverted that specifies—

''(A) how such equipment will be tracked; and

''(B) when such equipment will be returned to the component from which withdrawn or diverted.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10208 the following new item:

''10208a. Mobilization: reports on withdrawal or diversion of equipment from Reserve units for support of Reserve units being mobilized and other units.''.

SEC. 356. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 357. PLAN TO REPLACE EQUIPMENT WITHDRAWN OR DIVERTED FROM THE RESERVE COMPONENTS OF THE ARMED FORCES FOR OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) PLAN REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a plan to replace equipment withdrawn or diverted from units of the reserve components of the Armed Forces for use in Operation Iraqi Freedom or Operation Enduring Freedom.

(b) ELEMENTS.—The plan required by subsection (a) shall—

(1) identify the equipment to be recapitalized or acquired to replace the equipment described in subsection (a);

(2) specify a schedule for recapitalizing or acquiring the equipment identified under paragraph (1), which schedule shall take into account applicable depot workload and acquisition considerations, including production capacity and current production schedules; and

(3) specify the funding to be required to recapitalize or acquire the equipment identified under paragraph (1).

SEC. 358. REPORT ON VEHICLE-BASED ACTIVE PROTECTION SYSTEMS FOR CERTAIN BATTLEFIELD THREATS.

(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall enter into a contract with an appropriate entity independent of the United States Government to conduct an assessment of various foreign and domestic technological approaches to vehicle-based active protection systems for defense against both chemical energy and kinetic energy top-attack and direct fire threats, including anti-tank missiles and rocket propelled grenades, mortars, and other similar battlefield threats.

(b) REPORT.—

(1) REPORT REQUIRED.—The contract required by subsection (a) shall require the entity entering in to such contract to submit to the Secretary of Defense, and to the congressional defense committees, not later than 180 days after the date of the enactment of this Act, a report on the assessment required by that subsection.

(2) ELEMENTS.—The report required under paragraph (1) shall include—

(A) a detailed comparative analysis and assessment of the technical approaches covered by the assessment under subsection (a), including the feasibility, military utility, cost, and potential short-term and long-term development and deployment schedule of such approaches; and

(B) any other elements specified by the Secretary in the contract under subsection (a).

SEC. 359. REPORT ON HIGH ALTITUDE AVIATION TRAINING SITE, EAGLE COUNTY, COLORADO.

(a) REPORT REQUIRED.—Not later than December 15, 2006, the Secretary of the Army shall submit to the congressional defense committees a report on the High Altitude Aviation Training Site (HAATS) in Eagle County, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the type of high altitude aviation training being conducted at the High Altitude Aviation Training Site, including the number of pilots who receive such training on an annual basis and the types of aircraft used in such training.

(2) A description of the number and type of helicopters required at the High Altitude Aviation Training Site to provide the high altitude aviation training needed to sustain the war strategies contained in the 2006 Quadrennial Defense Review, assuming that priority is afforded in the provision of such training to commanders, instructor pilots, aviation safety officers, and deploying units.

(3) A thorough evaluation of accident rates for deployed helicopter pilots of the Army who receive high altitude aviation training at the High Altitude Aviation Training Site, and accident rates for deployed Army helicopter pilots who did not receive such training, including the following:

(A) An estimate (set forth as a range) of the number of accidents attributable to power management.

(B) The number of accidents occurring in a combat environment.

(C) The number of accidents occurring in a non-combat environment.

(4) An evaluation of the inventory and availability of Army aircraft for purposes of establishing an appropriate schedule for the assignment of a CH–47 aircraft to the High Altitude Aviation Training Site, if the Chief of Staff of the Army determines there is value in conducting such training at the HAATS.

(5) A description of the status of any efforts to ensure that all helicopter aircrews deployed to the area of responsibility of the Central Command (CENTCOM AOR) are qualified in mountain flight and power management prior to deployment, including the locations where such training occurred, with particular focus on the status of such efforts with respect to aircrews to be deployed in support of Operation Enduring Freedom.

(c) TRACKING SYSTEM.—The Secretary shall implement a system for tracking those pilots that have attended a school with an established program of instruction for high altitude aviation operations training. The system should, if practical, utilize an existing system that permits the query of pilot flight experience and training.

SEC. 360. REPORT ON AIR FORCE SAFETY REQUIREMENTS FOR AIR FORCE FLIGHT TRAINING OPERATIONS AT PUEBLO MEMORIAL AIRPORT, COLORADO.

(a) REPORT REQUIRED.—Not later than February 15, 2007, the Secretary of the Air Force shall submit to the congressional defense committees a report on Air Force safety requirements for Air Force flight training operations at Pueblo Memorial Airport, Colorado.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of the Air Force flying operations at Pueblo Memorial Airport.

(2) An assessment of the impact of Air Force operations at Pueblo Memorial Airport on non-Air Force activities at the airport.

(3) A description of the requirements necessary at Pueblo Memorial Airport to ensure safe Air Force flying operations, including continuous availability of fire protection, crash rescue, and other emergency response capabilities.

(4) An assessment of the necessity of providing for a continuous fire-fighting capability at Pueblo Memorial Airport.

(5) A description and analysis of alternatives for Air Force flying operations at Pueblo Memorial Airport, including the cost and availability of such alternatives.

(6) An assessment of whether Air Force funding is required to assist the City of Pueblo, Colorado, in meeting Air Force requirements for safe Air Force flight operations at Pueblo Memorial Airport, and if required, the Air Force plan to provide the funds to the city.

SEC. 360A. REPORT ON USE OF ALTERNATIVE FUELS BY THE DEPARTMENT OF DEFENSE.

(a) STUDY.—The Secretary of Defense shall conduct a study on the use of alternative fuels by the Armed Forces and the Defense Agencies, including any measures that can be taken to increase the use of such fuels by the Department of Defense and the Defense Agencies.

(b) ELEMENTS.—The study shall address each matter set forth in paragraphs (1) through (7) of section 357(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3207) with respect to alternative fuels (rather than to the fuels specified in such paragraphs).

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study conducted under this section.

(2) MANNER OF SUBMITTAL.—The report required by this subsection may be incorporated into, or provided as an annex to, the study required by section 357(c) of the National Defense Authorization Act for Fiscal Year 2006.

(d) ALTERNATIVE FUELS DEFINED.—In this section, the term ''alternative fuels'' means biofuels, biodiesel, renewable diesel, ethanol that contain less than 85 percent ethyl alcohol, and cellulosic ethanol.

Subtitle E—Workplace and Depot Issues

SEC. 361. MINIMUM CAPITAL INVESTMENT LEVELS FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.

(a) MINIMUM INVESTMENT LEVELS.—Section 2208 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(s) MINIMUM CAPITAL INVESTMENT FOR PUBLIC DEPOTS SERVICED BY WORKING CAPITAL FUNDS.—(1) Each public depot that is serviced by a working capital fund shall invest in its capital budget each fiscal year an amount equal to not less than six percent of the actual total revenue of the public depot for the previous fiscal year.

''(2) The Secretary of Defense may waive the requirement in paragraph (1) with respect to a particular public depot for a fiscal year if the Secretary determines that the waiver is necessary for reasons of national security and notifies the congressional defense committees of the reasons for the waiver.

''(3)(A) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the level of capital investment at each public depot serviced by working capital funds as of the end of the previous fiscal year.

''(B) Each report under this paragraph shall include the following:

''(i) A specification of the statutory, regulatory, or operational impediments, if any, to achieving the requirement in paragraph (1) with respect to each public depot described in that paragraph.

''(ii) A description of the benchmarks established by each public depot and working capital fund for capital investment and the relationship of the benchmarks to applicable performance measurement methods used in the private sector.

''(iii) If the requirement set out in paragraph (1) is not met for any public depot in the previous fiscal year, a statement of the reasons why and a plan of actions to meet the requirement for such public depot in the fiscal year beginning in the year in which such report is submitted.

''(4) In this subsection, the terms 'total revenue' and 'capital budget' have the meaning given such terms in Department of Defense Financial Management Regulation 7000.14–R of June 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 362. PERMANENT EXCLUSION OF CERTAIN CONTRACT EXPENDITURES FROM PERCENTAGE LIMITATION ON THE PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2474(f)(1) of title 10, United States Code, is amended by striking ''entered into during fiscal years 2003 through 2009''.

SEC. 363. ADDITIONAL EXCEPTION TO PROHIBITION ON CONTRACTOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) A contract for the performance of firefighting functions to—

''(A) fight wildland fires such as range or forest fires; and

''(B) perform wildland fire management, including the conduct of hazardous fuels treatments to reduce wildland fire risks (including prescribed fire and mechanical treatments).''.

SEC. 364. TEMPORARY SECURITY GUARD SERVICES FOR CERTAIN WORK CAUSED BY REALIGNMENT OF MILITARY INSTALLATIONS UNDER THE BASE CLOSURE LAWS.

(a) AUTHORITY FOR TEMPORARY SERVICES.—Notwithstanding section 2465 of title 10, United States Code, the Secretary of the military department concerned may, for a period not to exceed one year at any single military installation, contract for security guard services at military installations approved for realignment under a base closure law when such services are required for the safe and secure relocation of either of the following:

(1) Military munitions and munitions-related equipment.

(2) High-value items in temporary storage areas.

(b) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given such term in section 101(a)(17) of title 10, United States Code.

(2) The term ''military munitions'' has the meaning given such term in section 101(e)(4) of title 10, United States Code.

(c) EXPIRATION.—The authority to enter into a contract under subsection (a) shall expire on September 15, 2011.

Subtitle F—Other Matters

SEC. 371. RECYCLING OF MILITARY MUNITIONS.

(a) IN GENERAL.—Chapter 443 of title 10, United States Code, is amended by adding at the end the following new section:

''§4690. Sale of recyclable munitions materials

''(a) AUTHORITY FOR PROGRAM.—(1) The Secretary of the Army may carry out a program to—

''(A) sell recyclable munitions materials resulting from the demilitarization of conventional military munitions; and

''(B) use the proceeds of sale for reclamation, recycling, and reuse of conventional military munitions.

''(2) The program authorized by this section may be known as the 'Military Munitions Recycling Program'.

''(b) GEOGRAPHIC LIMITATION.—The program authorized by subsection (a) may only be carried out in the United States and its possessions.

''(c) METHOD OF SALE.—(1) Except as provided in paragraph (2), the Secretary shall use competitive procedures to sell recyclable munitions materials under the program authorized by this section.

''(2) The Secretary may use procedures other than competitive procedures to sell recyclable munitions materials under the program authorized by this section in any case in which the Secretary determines there is only one potential buyer of the items being offered for sale.

''(3) The provisions of title 40 concerning disposal of property are not applicable to sales of materials under the program authorized by this section.

''(d) USE OF PROCEEDS.—(1) Proceeds from the sale of recyclable munitions materials under the program authorized by this section shall be credited to the Ammunition Demilitarization Account within the Procurement of Ammunition, Army, Account.

''(2) Amounts credited to the Ammunition Demilitarization Account under paragraph (1) shall be available solely for purposes of reclamation, recycling, and reuse of conventional military munitions, including for research and development for such purposes and for the procurement of equipment for such purposes.

''(3) Funds credited to the Ammunition Demilitarization Account under paragraph (1) in a fiscal year shall be available for obligation under paragraph (2) during the fiscal year in which the funds are so credited and for three fiscal years thereafter.

''(4) Funds credited to the Ammunition Demilitarization Account under paragraph (1) that are not obligated under paragraph (2) within the period of availability under paragraph (3) shall, at the end of such period, be deposited into the Treasury as miscellaneous receipts.

''(e) REGULATIONS.—The Secretary shall prescribe regulations on the operation of the program authorized by this section. The regulations shall be consistent with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and any regulations prescribed thereunder.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 443 of such title is amended by adding at the end the following new item:

''4690. Sale of recyclable munitions materials.''.

SEC. 372. INCENTIVES CLAUSES IN CHEMICAL DEMILITARIZATION CONTRACTS.

(a) IN GENERAL.—

(1) AUTHORITY TO INCLUDE CLAUSES IN CONTRACTS.—The Secretary of Defense may, for the purpose specified in paragraph (2), authorize the inclusion of an incentives clause in any contract for the destruction of the United States stockpile of lethal chemical agents and munitions carried out pursuant to section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521).

(2) PURPOSE.—The purpose of a clause referred to in paragraph (1) is to provide the contractor for a chemical demilitarization facility an incentive to accelerate the safe elimination of the United States chemical weapons stockpile and to reduce the total cost of the Chemical Demilitarization Program by providing incentive

payments for the early completion of destruction operations and the closure of such facility.

(b) INCENTIVES CLAUSES.—

(1) IN GENERAL.—An incentives clause under this section shall permit the contractor for the chemical demilitarization facility concerned the opportunity to earn incentive payments for the completion of destruction operations and facility closure activities within target incentive ranges specified in such clause.

(2) LIMITATION ON INCENTIVE PAYMENTS.—The maximum incentive payment under an incentives clause with respect to a chemical demilitarization facility may not exceed amounts as follows:

(A) In the case of an incentive payment for the completion of destruction operations within the target incentive range specified in such clause, $110,000,000.

(B) In the case of an incentive payment for the completion of facility closure activities within the target incentive range specified in such clause, $55,000,000.

(3) TARGET RANGES.—An incentives clause in a contract under this section shall specify the target incentive ranges of costs for completion of destruction operations and facility closure activities, respectively, as jointly agreed upon by the contracting officer and the contractor concerned. An incentives clause shall require a proportionate reduction in the maximum incentive payment amounts in the event that the contractor exceeds an agreed-upon target cost if such excess costs are the responsibility of the contractor.

(4) CALCULATION OF INCENTIVE PAYMENTS.—The amount of the incentive payment earned by a contractor for a chemical demilitarization facility under an incentives clause under this section shall be based upon a determination by the Secretary on how early in the target incentive range specified in such clause destruction operations or facility closure activities, as the case may be, are completed.

(5) CONSISTENCY WITH EXISTING OBLIGATIONS.—The provisions of any incentives clause under this section shall be consistent with the obligation of the Secretary of Defense under section 1412(c)(1)(A) of the Department of Defense Authorization Act, 1986 to provide for maximum protection for the environment, the general public, and the personnel who are involved in the destruction of the lethal chemical agents and munitions.

(6) ADDITIONAL TERMS AND CONDITIONS.—In negotiating the inclusion of an incentives clause in a contract under this section, the Secretary may include in such clause such additional terms and conditions as the Secretary considers appropriate.

(c) ADDITIONAL LIMITATION ON PAYMENTS.—

(1) PAYMENT CONDITIONAL ON PERFORMANCE.—No payment may be made under an incentives clause under this section unless the Secretary determines that the contractor concerned has satisfactorily performed its duties under such incentives clause.

(2) PAYMENT CONTINGENT ON APPROPRIATIONS.—An incentives clause under this section shall specify that the obligation of the Government to make payment under such incentives clause is subject to the availability of appropriations for that purpose. Amounts appropriated for Chemical Agents and Munitions Destruction, Defense, shall be available for payments under incentives clauses under this section.

SEC. 373. EXTENSION OF DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT PROGRAM.

(a) TERMINATION AT END OF CONTINGENCY OPERATION.—Subsection (c) of section 344 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1449), as amended by section 341 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1857), is further amended by striking ''terminate on September 30, 2006'' and inserting ''terminate with respect to a contingency operation on the date that is 60 days after the date on which the Secretary determines that the contingency operation has ended''.

(b) APPLICATION TO OTHER CONTINGENCY OPERATIONS.—Such section is further amended—

(1) in subsection (a), by striking ''Operation Iraqi Freedom and Operation Enduring Freedom'' and inserting ''a contingency operation''; and

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

''(g) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given that term in section 101(a)(13) of title 10, United States Code. The term includes Operation Iraqi Freedom and Operation Enduring Freedom.''.

(c) EXTENSION TO HOSPITALIZED MEMBERS.—Subsection (a) of such section is further amended—

(1) by striking ''As soon as possible after the date of the enactment of this Act, the'' and inserting ''The''; and

(2) by adding at the end the following new sentence: ''As soon as possible after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2007, the Secretary shall extend such telecommunications benefit to members of the Armed Forces who, although no longer covered by the preceding sentence, are hospitalized as a result of wounds or other injuries incurred while serving in direct support of a contingency operation.''.

(d) REPORT ON IMPLEMENTATION OF MODIFIED BENEFITS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report describing the status of the efforts of the Department of Defense to implement the modifications of the Department of Defense telecommunications benefit required by section 344 of the National Defense Authorization Act for Fiscal Year 2004 that result from the amendments made by this section.

SEC. 374. EXTENSION OF AVAILABILITY OF FUNDS FOR COMMEMORATION OF SUCCESS OF THE ARMED FORCES IN OPERATION ENDURING FREEDOM AND OPERATION IRAQI FREEDOM.

Section 378(b)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3214) is amended by striking ''fiscal year 2006'' and inserting ''fiscal years 2006 and 2007''.

SEC. 375. ENERGY EFFICIENCY IN WEAPONS PLATFORMS.

(a) POLICY.—It shall be the policy of the Department of Defense to improve the fuel efficiency of weapons platforms, consistent with mission requirements, in order to—

(1) enhance platform performance;

(2) reduce the size of the fuel logistics systems;

(3) reduce the burden high fuel consumption places on agility;

(4) reduce operating costs; and

(5) dampen the financial impact of volatile oil prices.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the progress of the Department of Defense in implementing the policy established by subsection (a).

(2) ELEMENTS.—The report shall include the following:

(A) An assessment of the feasibility of designating a senior Department of Defense official to be responsible for implementing the policy established by subsection (a).

(B) A summary of the recommendations made as of the time of the report by—

(i) the Energy Security Integrated Product Team established by the Secretary of Defense in April 2006;

(ii) the Defense Science Board Task Force on Department of Defense Energy Strategy established by the Under Secretary of Defense for Acquisition, Technology and Logistics on May 2, 2006; and

(iii) the January 2001 Defense Science Board Task Force report on Improving Fuel Efficiency of Weapons Platforms.

(C) For each recommendation summarized under subparagraph (B)—

(i) the steps that the Department has taken to implement such recommendation;

(ii) any additional steps the Department plans to take to implement such recommendation; and

(iii) for any recommendation that the Department does not plan to implement, the reasons for the decision not to implement such recommendation.

(D) An assessment of the extent to which the research, development, acquisition, and logistics guidance and directives of the Department for weapons platforms are appropriately designed to address the policy established by subsection (a).

(E) An assessment of the extent to which such guidance and directives are being carried out in the research, development, acquisition, and logistics programs of the Department.

(F) A description of any additional actions that, in the view of the Secretary, may be needed to implement the policy established by subsection (a).

SEC. 376. CHEMICAL DEMILITARIZATION PROGRAM CONTRACTING AUTHORITY.

(a) MULTIYEAR CONTRACTING AUTHORITY.—The Secretary of Defense may carry out responsibilities under section 1412(a) of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521(a)) through multiyear contracts entered into before the date of the enactment of this Act.

(b) AVAILABILITY OF FUNDS.—Contracts entered into under subsection (a) shall be funded through annual appropriations for the destruction of chemical agents and munitions.

SEC. 377. UTILIZATION OF FUEL CELLS AS BACK-UP POWER SYSTEMS IN DEPARTMENT OF DEFENSE OPERATIONS.

The Secretary of Defense shall consider the utilization of fuel cells as replacements for current back-up power systems in a variety of Department of Defense operations and activities, including in telecommunications networks, perimeter security, and remote facilities, in order to increase the operational longevity of back-up power systems and stand-by power systems in such operations and activities.

SEC. 378. PREPOSITIONING OF DEPARTMENT OF DEFENSE ASSETS TO IMPROVE SUPPORT TO CIVILIAN AUTHORITIES.

(a) PREPOSITIONING AUTHORIZED.—The Secretary of Defense may provide for the prepositioning of prepackaged or preidentified basic response assets, such as medical supplies, food and water, and communications equipment, in order to improve Department of Defense support to civilian authorities.

(b) REIMBURSEMENT.—To the extent required by section 1535 of title 31, United States Code (popularly known as the ''Economy Act''), or other applicable law, the Secretary shall require reimbursement of the Department of Defense for costs incurred in the prepositioning of basic response assets under subsection (a).

(c) LIMITATION.—Basic response assets may not be prepositioned under subsection (a) if the prepositioning of such assets will adversely affect the military preparedness of the United States.

(d) PROCEDURES AND GUIDELINES.—The Secretary may develop procedures and guidelines applicable to the prepositioning of basic response assets under this section.

SEC. 379. RECOVERY AND AVAILABILITY TO CORPORATION FOR THE PROMOTION OF RIFLE PRACTICE AND FIREARMS SAFETY OF CERTAIN FIREARMS, AMMUNITION, AND PARTS.

(a) IN GENERAL.—Subchapter II of chapter 407 of title 36, United States Code, is amended by inserting after the item relating to section 40728 the following new section:

"§ 40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries

''(a) RECOVERY.—The Secretary of the Army may recover from any country to which a grant of rifles, ammunition, repair parts, or other supplies described in section 40731(a) of this title is made under section 505 of the Foreign Assistance Act of 1961 (22 U.S.C. 2314) any such rifles, ammunition, repair parts, or supplies that are excess to the needs of such country.

''(b) COST OF RECOVERY.—(1) Except as provided in paragraph (2), the cost of recovery of any rifles, ammunition, repair parts, or supplies under subsection (a) shall be treated as incremental direct costs incurred in providing logistical support to the corporation for which reimbursement shall be required as provided in section 40727(a) of this title.

''(2) The Secretary may require the corporation to pay costs of recovery described in paragraph (1) in advance of incurring such costs. Amounts so paid shall not be subject to the provisions of section 3302 of title 31, but shall be administered in accordance with the last sentence of section 40727(a) of this title.

''(c) AVAILABILITY.—Any rifles, ammunition, repair parts, or supplies recovered under subsection (a) shall be available for transfer to the corporation in accordance with the provisions of section 40728 of this title under such additional terms and conditions as the Secretary shall prescribe for purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 407 of such title is amended by inserting after the item relating to section 40728 the following new item:

''40728A. Recovery and availability of excess firearms, ammunition, and parts granted to foreign countries.''.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2007, as follows:

(1) The Army, 512,400.

(2) The Navy, 340,700.

(3) The Marine Corps, 180,000.

(4) The Air Force, 334,200.

SEC. 402. REPEAL OF REQUIREMENT FOR PERMANENT END STRENGTH LEVELS TO SUPPORT TWO MAJOR REGIONAL CONTINGENCIES.

(a) REPEAL.—Section 691 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 39 of such title is amended by striking the item relating to section 691.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

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

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

(2) The Army Reserve, 200,000.

(3) The Navy Reserve, 71,300.

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

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

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

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

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

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

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

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

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

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2007, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 27,441.

(2) The Army Reserve, 15,416.

(3) The Navy Reserve, 12,564.

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

(5) The Air National Guard of the United States, 13,206.

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

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2007 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

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

(2) For the Army National Guard of the United States, 26,050.

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

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

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

(a) LIMITATIONS.—

(1) NATIONAL GUARD.—Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2007, may not exceed the following:

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

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

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

(3) AIR FORCE RESERVE.—The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2007, may not exceed 90.

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

SEC. 415. MAXIMUM NUMBER OF RESERVE PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY FOR OPERATIONAL SUPPORT.

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

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

(2) The Army Reserve, 13,000.

(3) The Navy Reserve, 6,200.

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

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

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

Subtitle C—Authorization of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2007 a total of $112,043,468,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2007.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2007 from the Armed Forces Retirement Home Trust Fund the sum of $54,846,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Part I—Officer Personnel Policy Generally

SEC. 501. MILITARY STATUS OF OFFICERS SERVING IN CERTAIN INTELLIGENCE COMMUNITY POSITIONS.

Section 528 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(e) MILITARY STATUS.—An officer of the Armed Forces, while serving in a position covered by this section—

''(1) shall not be subject to supervision or control by the Secretary of Defense or by any officer or employee of the Department of Defense, except as directed by the Secretary or the Secretary's designee concerning reassignment from such position; and

''(2) shall not exercise, by reason of the officer's status as an officer, any supervision or control with respect to any of the military or civilian personnel of the Department of Defense except as otherwise authorized by law.

''(f) EFFECT OF APPOINTMENT.—Except as provided in subsection (e), the appointment of an officer of the Armed Forces to a position covered by this section shall not affect the status, position, rank, or grade of such officer in the Armed Forces, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of such status, position, rank, or grade.

''(g) MILITARY PAY AND ALLOWANCES.—(1) An officer of the Armed Forces on active duty who is appointed to a position covered by this section shall, while serving in such position and while remaining on active duty, continue to receive military pay and allowances, and shall not receive the pay prescribed for such position.

''(2) Funds from which pay and allowances under paragraph (1) are paid shall be reimbursed from the following:

''(A) Funds available to the Director of the Central Intelligence Agency, for positions within the Central Intelligence Agency.

''(B) Funds available to the Director of National Intelligence, for positions within the Office of the Director of National Intelligence.''.

SEC. 502. EXTENSION OF TEMPORARY REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR ELIGIBILITY FOR PROMOTION FOR CERTAIN ACTIVE-DUTY LIST OFFICERS IN GRADES OF FIRST LIEUTENANT AND LIEUTENANT (JUNIOR GRADE).

Section 619(a)(1)(B) of title 10, United States Code, is amended by striking ''October 1, 2005'' and inserting ''October 1, 2008''.

SEC. 503. EXTENSION OF AGE LIMITS FOR ACTIVE-DUTY GENERAL AND FLAG OFFICERS.

(a) RESTATEMENT AND MODIFICATION OF CURRENT AGE LIMITS.—Section 1251 of title 10, United States Code, is amended to read as follows:

"§ 1251. Regular commissioned officers; exceptions

''(a) AGE LIMITS FOR GENERAL AND FLAG OFFICERS.—(1) Unless retired or separated earlier,

each regular commissioned officer of the Army, Air Force, or Marine Corps serving in a grade at or above brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 64 years of age.

''(2) Notwithstanding paragraph (1), the Secretary of Defense may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 66 years of age.

''(3) Notwithstanding paragraphs (1) and (2), the President may defer the retirement of an officer serving in a position that carries a grade above major general or rear admiral, but such a deferment may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(b) AGE LIMITS FOR OTHER OFFICERS.—Unless retired or separated earlier, each regular commissioned officer of the Army, Air Force, or Marine Corps other than an officer covered by section 1252 of this title or a commissioned warrant officer) serving in a grade below brigadier general, or rear admiral (lower half) in the case of an officer in the Navy, shall be retired on the first day of the month following the month in which the officer becomes 62 years of age.

''(c) DEFERRED RETIREMENT OF HEALTH PROFESSIONS OFFICERS.—(1) The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

''(2) For purposes of this subsection, a health professions officer is—

''(A) a medical officer;

''(B) a dental officer; or

''(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.

''(d) DEFERRED RETIREMENT OF CHAPLAINS.—The Secretary of the military department concerned may, subject to subsection (e), defer the retirement under subsection (b) of an officer who is appointed or designated as a chaplain if the Secretary determines that such deferral is in the best interest of the military department concerned.

''(e) LIMITATION ON DEFERRAL OF RETIREMENTS.—(1) Except as provided in paragraph (2), a deferment under subsection (c) or (d) may not extend beyond the first day of the month following the month in which the officer becomes 68 years of age.

''(2) The Secretary of the military department concerned may extend a deferment under subsection (c) or (d) beyond the day referred to in paragraph (1) if the Secretary determines that extension of the deferment is necessary for the needs of the military department concerned. Such an extension shall be made on a case-by-case basis and shall be for such period as the Secretary considers appropriate.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of such title is amended by striking the item relating to section 1251 and inserting the following new item:

''1251. Regular commissioned officers; exceptions.''.

SEC. 504. MODIFICATION OF AUTHORITIES ON SENIOR MEMBERS OF THE JUDGE ADVOCATE GENERAL'S CORPS.

(a) DEPARTMENT OF THE ARMY.—

(1) GRADE OF JUDGE ADVOCATE GENERAL.—Subsection (a) of section 3037 of title 10, United States Code, is amended by striking the third sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(2) REDESIGNATION OF ASSISTANT JUDGE ADVOCATE GENERAL AS DEPUTY JUDGE ADVOCATE GENERAL.—Such section is further amended—

(A) in subsection (a), by striking ''Assistant Judge Advocate General'' each place it appears and inserting ''Deputy Judge Advocate General''; and

(B) in subsection (d), by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

*(3) CONFORMING AND CLERICAL AMENDMENTS.—(A) The heading of such section is amended by striking ''**Assistant Judge Advocate General**'' and inserting ''**Deputy Judge Advocate General**''.*

(B) The table of sections at the beginning of chapter 305 of such title is amended in the item relating to section 3037 by striking ''Assistant Judge Advocate General'' and inserting ''Deputy Judge Advocate General''.

(b) GRADE OF JUDGE ADVOCATE GENERAL OF THE NAVY.—Section 5148(b) of such title is amended in subsection by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of vice admiral or lieutenant general, as appropriate.''.

(c) GRADE OF JUDGE ADVOCATE GENERAL OF THE AIR FORCE.—Section 8037(a) of such title is amended by striking the last sentence and inserting the following new sentence: ''The Judge Advocate General, while so serving, has the grade of lieutenant general.''.

(d) EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER STRENGTH AND DISTRIBUTION LIMITATIONS.—Section 525(b) of such title is amended by adding at the end the following new paragraph:

''(9) An officer while serving as the Judge Advocate General of the Army, the Judge Advocate General of the Navy, or the Judge Advocate General of the Air Force is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general or rear admiral under paragraph (1) or (2), as applicable.''.

SEC. 505. REQUIREMENT FOR SIGNIFICANT JOINT EXPERIENCE FOR OFFICERS APPOINTED AS SURGEON GENERAL OF THE ARMY, NAVY, AND AIR FORCE.

(a) RESTATEMENT AND STANDARDIZATION OF AUTHORITIES ON SURGEON GENERAL OF THE ARMY.—

(1) IN GENERAL.—Chapter 305 of title 10, United States Code, is amended by inserting after section 3036 the following new section:

''§ 3036a. Surgeon General: appointment; grade

''(a) SURGEON GENERAL.—There is a Surgeon General of the Army who is appointed by the President, by and with the advice and consent of the Senate, from officers in any corps of the Army Medical Department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) TERM OF OFFICE.—An officer appointed as Surgeon General normally holds office for four years.

''(d) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Army requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Army.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) CONFORMING AMENDMENT.—Section 3036(b) of such title is amended in the flush matter following paragraph (2) by striking the second sentence.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 305 of such title is amended by inserting after the item relating to section 3036 the following new item:

''3036a. Surgeon General: appointment; grade.''.

(b) SURGEON GENERAL OF THE NAVY.—

(1) IN GENERAL.—Section 5137 of such title is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT AS CHIEF.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Navy requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Navy.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(2) TECHNICAL AMENDMENTS.—Such section is further amended—

(A) in subsection (a), by inserting ''CHIEF.—'' after ''(a)''; and

(B) in subsection (c), as redesignated by paragraph (1)(A) of this subsection, by inserting ''DEPUTY CHIEF.—'' after ''(c)''.

(c) SURGEON GENERAL OF THE AIR FORCE.—The text of section 8036 of such title is amended to read as follows:

''(a) SURGEON GENERAL.—There is a Surgeon General of the Air Force who is appointed by the President, by and with the advice and consent of the Senate, from officers of the Air Force who are in the Air Force medical department.

''(b) GRADE.—The Surgeon General, while so serving, has the grade of lieutenant general.

''(c) JOINT EXPERIENCE REQUIRED FOR APPOINTMENT.—(1) The Secretary of Defense may not recommend an officer to the President for appointment as Surgeon General unless the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint experience.

''(2) Until October 1, 2010, the Secretary of Defense may waive the limitation in paragraph (1) with respect to the recommendation of an officer as Surgeon General if—

''(A) the Secretary of the Air Force requests the waiver; and

''(B) in the judgment of the Secretary of Defense—

''(i) the officer is qualified for service as Surgeon General; and

''(ii) the waiver is necessary for the good of the Air Force.

''(3) Any waiver under paragraph (2) shall be made on a case-by-case basis.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2008, and shall apply with respect to appointments to the position of Surgeon General of the Army, Surgeon General of the Navy, and Surgeon General of the Air Force that are made on or after that date.

SEC. 506. GRADE AND EXCLUSION FROM ACTIVE-DUTY GENERAL AND FLAG OFFICER DISTRIBUTION AND STRENGTH LIMITATIONS OF OFFICER SERVING AS ATTENDING PHYSICIAN TO THE CONGRESS.

(a) GRADE.—

(1) REGULAR OFFICER.—(A) Chapter 41 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 722. Attending Physician to the Congress: grade

''A general officer serving as Attending Physician to the Congress, while so serving, holds the grade of major general. A flag officer serving as Attending Physician to the Congress, while so serving, holds the grade of rear admiral.''.

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

''722. Attending Physician to the Congress: grade.''.

(2) RESERVE OFFICER.—(A) Section 12210 of such title is amended by striking ''who holds'' and all that follows and inserting ''holds the reserve grade of major general or rear admiral, as appropriate.''.

(B) The heading of such section is amended to read as follows:

''§ 12210. Attending Physician to the Congress: reserve grade''.

(C) The table of sections at the beginning of chapter 1205 of such title is amended by striking the item relating to section 12210 and inserting the following new item:

''12210. Attending Physician to the Congress: reserve grade.''.

(b) DISTRIBUTION LIMITATIONS.—Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) An officer while serving as Attending Physician to the Congress is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above brigadier general or rear admiral (lower half) under subsection (a).''.

(c) ACTIVE-DUTY STRENGTH LIMITATIONS.—Section 526 of such title is amended by adding at the end the following new subsection:

''(f) EXCLUSION OF ATTENDING PHYSICIAN TO THE CONGRESS.—The limitations of this section do not apply to the general or flag officer who is serving as Attending Physician to the Congress.''.

SEC. 507. DISCRETIONARY SEPARATION AND RETIREMENT OF CHIEF WARRANT OFFICERS, W–4, TWICE FAILING SELECTION FOR PROMOTION.

(a) IN GENERAL.—Section 580(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting '', except as provided in paragraph (5),'' after ''shall'';

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively; and

(3) by inserting after paragraph (4) the following new paragraph (5):

''(5) In the case of a warrant officer described in paragraph (1) who is in the grade of chief warrant officer, W–4, the retirement or separation of such member under this subsection shall be subject to the discretion of the Secretary concerned.''.

(b) ELIGIBILITY FOR PROMOTION.—Paragraph (6) of such section, as redesignated by subsection (a)(2) of this section, is further amended—

(1) by striking ''A warrant officer'' and inserting ''(A) Except as provided in subparagraph (B), a warrant officer''; and

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

''(B) A warrant officer who is retained on active duty pursuant to an exercise of the authority in paragraph (5) is eligible for further consideration for promotion while remaining on active duty.''.

SEC. 508. INCREASED MANDATORY RETIREMENT AGES FOR RESERVE OFFICERS.

(a) MAJOR GENERALS AND REAR ADMIRALS.—

(1) INCREASED AGE.—Section 14511 of title 10, United States Code, is amended by striking ''62 years'' and inserting ''64 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14511. Separation at age 64: major generals and rear admirals''.

(b) BRIGADIER GENERALS AND REAR ADMIRALS (LOWER HALF).—

(1) INCREASED AGE.—Section 14510 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14510. Separation at age 62: brigadier generals and rear admirals (lower half)''.

(c) OFFICERS BELOW BRIGADIER GENERAL OR REAR ADMIRAL (LOWER HALF).—

(1) INCREASED AGE.—Section 14509 of such title is amended by striking ''60 years'' and inserting ''62 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half)''.

(d) CERTAIN OTHER OFFICERS.—

(1) INCREASED AGE.—Section 14512 of such title is amended by striking ''64 years'' both places it appears and inserting ''66 years''.

(2) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 14512. Separation at age 66: officers holding certain offices''.

(e) CONFORMING AMENDMENTS.—Section 14508 of such title is amended—

(1) in subsection (c), by striking ''60 years'' and inserting ''62 years''; and

(2) in subsection (d), by striking ''62 years'' and inserting ''64 years''.

(f) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1407 of such title is amended by striking the items relating to sections 14509, 14510, 14511, and 14512 and inserting the following new items:

''14509. Separation at age 62: reserve officers in grades below brigadier general or rear admiral (lower half).

''14510. Separation at age 62: brigadier generals and rear admirals (lower half).

''14511. Separation at age 64: major generals and rear admirals.

''14512. Separation at age 66: officers holding certain offices.''.

SEC. 509. MODIFICATION OF QUALIFICATIONS FOR LEADERSHIP OF THE NAVAL POSTGRADUATE SCHOOL.

Section 7042(a) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by inserting ''active-duty or retired'' after ''An'';

(B) by inserting ''or Marine Corps'' after ''Navy'';

(C) by inserting ''or colonel, respectively'' after ''captain''; and

(D) by inserting ''or assigned'' after ''detailed'';

(2) in paragraph (2), by inserting ''and the Commandant of the Marine Corps'' after ''Operations''; and

(3) in paragraph (4)(A)—

(A) by inserting ''(unless such individual is a retired officer of the Navy or Marine Corps in a grade not below the grade of captain or colonel, respectively)'' after ''in the case of a civilian'';

(B) by inserting ''active-duty or retired'' after ''in the case of an''; and

(C) by inserting ''or Marine Corps'' after ''Navy''.

Part II—Officer Promotion Policy

SEC. 515. PROMOTIONS.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a)(1) of section 624 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Subsection (d) of such section is amended—

(A) in paragraph (1), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''; and

(B) in paragraph (2), by striking ''prescribed by the Secretary concerned'' and inserting ''prescribed by the Secretary of Defense''.

(4) ADDITIONAL BASIS FOR DELAY OF APPOINTMENT.—Subsection (d)(1) of such section is further amended—

(A) in subparagraph (C), by striking ''or'' at the end;

(B) in subparagraph (D), by striking the period at the end and inserting ''; or'';

(C) by inserting after subparagraph (D) the following new subparagraph (E):

''(E) substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(D) in the flush matter following subparagraph (E), as inserted by subparagraph (C) of this paragraph—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Subsection (d)(2) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to such grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to such grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to such grade''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—

(1) CLARIFICATION OF APPROVAL OF SELECTION BOARD REPORTS.—Subsection (a) of section 14308 of title 10, United States Code, is amended by inserting ''or a delegate of the President'' after ''the President''.

(2) DATE OF ESTABLISHMENT OF PROMOTION LIST.—Such subsection is further amended by adding at the end the following new sentence: ''For promotions that occur by and with the advice and consent of the Senate, a promotion list shall be treated as being established for purposes of this chapter on the date on which the list is received by the Senate for consideration.''.

(3) UNIFORM PROCEDURES FOR DELAYS OF APPOINTMENT UPON PROMOTION.—Section 14311 of such title is amended—

(A) in subsection (a)(1), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''; and

(B) in subsection (b), by striking ''Secretary of the military department concerned'' and inserting ''Secretary of Defense''.

(4) ADDITIONAL BASIS FOR ORIGINAL DELAY OF APPOINTMENT.—Section 14311(a) of such title is further amended—

(A) in paragraph (1), by adding at the end the following new subparagraph:

''(E) Substantiated adverse information about the officer that is material to the decision to appoint the officer is under review by the Secretary of Defense or the Secretary concerned.''; and

(B) in paragraph (2)—

(i) by striking ''or if the officer is acquitted'' and inserting ''if the officer is acquitted''; and

(ii) by inserting after ''brought against him,'' the following: ''or if after a review of substantiated adverse information about the officer regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion,''.

(5) ADDITIONAL BASIS FOR DELAY IN APPOINTMENT FOR LACK OF QUALIFICATIONS.—Section 14311(b) of such section is further amended—

(A) in the first sentence, by inserting before ''is mentally, physically,'' the following: ''has not met the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, or''; and

(B) in the second sentence, by striking ''If the Secretary concerned later determines that the officer is qualified for promotion to the higher grade'' and inserting ''If it is later determined by a civilian official of the Department of Defense (not below the level of Secretary of a military department) that the officer is qualified for promotion to the higher grade and, after a review of adverse information regarding the requirement for exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable, the officer is determined to be among the officers best qualified for promotion to the higher grade''.

(c) DEADLINE FOR UNIFORM REGULATIONS ON DELAY OF PROMOTIONS.—The Secretary of Defense shall prescribe the regulations required by section 624(d) of title 10, United States Code (as amended by subsection (a)(3) of this section), and the regulations required by section 14311 of title 10, United States Code (as amended by subsection (b)(3) of this section), not later than March 1, 2008.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to officers on promotion lists established on or after that date.

SEC. 516. CONSIDERATION OF ADVERSE INFORMATION BY PROMOTION SELECTION BOARDS IN RECOMMENDATIONS ON OFFICERS TO BE PROMOTED.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 616(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 615 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14108(b) of such title is amended—

(1) in the heading, by striking ''MAJORITY REQUIRED'' and inserting ''ACTIONS REQUIRED'';

(2) in paragraph (1), by striking ''and'' at the end;

(3) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) a majority of the members of the board, after consideration by all members of the board of any adverse information about the officer that is provided to the board under section 14107 of this title, finds that the officer is among the officers best qualified for promotion to meet the needs of the armed force concerned consistent with the requirement of exemplary conduct set forth in section 3583, 5947, or 8583 of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 517. EXPANDED AUTHORITY FOR REMOVAL FROM REPORTS OF SELECTION BOARDS OF OFFICERS RECOMMENDED FOR PROMOTION TO GRADES BELOW GENERAL AND FLAG GRADES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—Section 618(d) of title 10, United States Code, is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(b) OFFICERS ON RESERVE-ACTIVE STATUS LIST.—Section 14111(b) of such title is amended—

(1) by striking ''The name'' and inserting ''(1) Except as provided in paragraph (2), the name''; and

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

''(2) In the case of an officer recommended by a selection board for promotion to a grade below brigadier general or rear admiral (lower half), the name of the officer may also be removed from the report of the selection board by the Secretary of Defense or the Deputy Secretary of Defense.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 518. CLARIFICATION OF NONDISCLOSURE REQUIREMENTS APPLICABLE TO PROMOTION SELECTION BOARD PROCEEDINGS.

(a) SELECTION BOARD PROCEEDINGS FOR ACTIVE DUTY OFFICERS.—Subsection (f) of section 618 of title 10, United States Code, is amended to read as follows:

''(f)(1) Proceedings of a selection board convened under section 611 of this title shall not be disclosed to any person not a member of the board.

''(2) Discussions and deliberations of a selection board described in paragraph (1), and any written or documentary records thereof, shall—

''(A) be immune from legal process;

''(B) not be admitted as evidence; and

''(C) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(b) SELECTION BOARD PROCEEDINGS FOR RESERVE OFFICERS.—

(1) IN GENERAL.—Section 14104 of such title is amended to read as follows:

''§ 14104. Nondisclosure of board proceedings

''(a) IN GENERAL.—The proceedings of a selection board convened under section 14101 of this title shall not be disclosed to any person not a member of the board.

''(b) DISCUSSIONS AND DELIBERATIONS.—Discussions and deliberations of a selection board described in subsection (a), and any written or documentary records thereof, shall—

''(1) be immune from legal process;

''(2) not be admitted as evidence; and

''(3) not be used for any purpose in any action, suit, or judicial or administrative proceeding without the consent of the Secretary of the military department concerned.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1403 of such title is amended by striking the item relating to section 14104 and inserting the following new item:

''14104. Nondisclosure of board proceedings.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the proceedings of any promotion selection board, whether convened before, on, or after such date.

SEC. 519. SPECIAL SELECTION BOARD AUTHORITIES.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) BOARDS FOR ADMINISTRATIVE ERROR AVAILABLE ONLY TO OFFICERS IN OR ABOVE PROMOTION ZONE.—Subsection (a)(1) of section 628 of title 10, United States Code, is amended by inserting ''from in or above the promotion zone'' after ''for selection for promotion''.

(2) ACTIONS TREATABLE AS MATERIAL UNFAIRNESS.—Subsection (b)(1)(A) of such section is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(b) OFFICERS ON RESERVE ACTIVE-STATUS LIST.—Section 14502(b)(1)(A) of such title is amended by inserting ''in a matter material to the decision of the board'' after ''contrary to law''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007, and shall apply with respect to promotion selection boards convened on or after that date.

SEC. 520. REMOVAL FROM PROMOTION LISTS OF OFFICERS RETURNED TO THE PRESIDENT BY THE SENATE.

(a) OFFICERS ON ACTIVE-DUTY LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 629 of title 10, United States Code, is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c)(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be,

shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in paragraph (1) of subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(b) OFFICERS ON RESERVE ACTIVE STATUS LIST.—

(1) CLARIFICATION OF REMOVAL AUTHORITY.—Subsection (a) of section 14310 of such title is amended by inserting ''or a delegee of the President'' after ''The President''.

(2) REMOVAL FOLLOWING RETURN.—Such section is further amended—

(A) by redesignating subsection (c) as subsection (d);

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

''(c) REMOVAL FOLLOWING RETURN BY THE SENATE TO THE PRESIDENT.—(1) If an officer or group of officers on a list of officers approved for promotion by the President and submitted to the Senate for consideration is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list at the end of the 365-day period beginning on the date of such return.

''(2) Prior to the end of the 365-day period referred to in paragraph (1), the President may extend by an additional 365 days the period specified in that paragraph for the removal of an officer or group of officers from a list of officers approved for promotion by the President.

''(3) The President may, during the period specified in paragraph (1), as extended (if at all) under paragraph (2), resubmit to the Senate any officer or group of officers removed under paragraph (1) from a list of officers approved for promotion by the President.

''(4) If an officer or group of officers resubmitted to the Senate under paragraph (3) is returned by the Senate to the President pursuant to the rules and procedures of the Senate, the officer or group of officers, as the case may be, shall automatically be removed from the list of officers approved for promotion by the President.''; and

(C) in subsection (d), as redesignated by paragraph (1) of this subsection, by striking ''or (b)'' and inserting ''(b), or (c)''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 2007.

(2) APPLICABILITY TO CERTAIN OFFICERS.—The amendments made by this section shall not apply to any officer on the active-duty list or reserve active status list whose name is on a promotion list or report of a selection board on the date of the enactment of this Act. Any officer whose name is on a promotion list as of the date of the enactment of this Act following the return of the officer's nomination to the President by the Senate and who is eligible as of that date for retirement for years of service shall be retired not later than October 1, 2008.

SEC. 521. REPORT ON JOINT OFFICER PROMOTION BOARDS.

(a) REPORT REQUIRED.—Not later than June 1, 2007, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and House of Representatives a report on the desirability and feasibility of conducting joint officer promotion selection boards.

(b) ELEMENTS.—The report under subsection (a) shall include—

(1) a discussion of the limitations in existing officer career paths and promotion procedures that might warrant the conduct of joint officer promotion selection boards;

(2) an identification of the requirements for officers for which joint officer promotion selection boards would be advantageous;

(3) recommendations on methods to demonstrate how joint officer promotion selection boards might be structured, and an evaluation of the feasibility of such methods; and

(4) any proposals for legislative action that the Secretary considers appropriate.

Part III—Joint Officer Management Requirements

SEC. 526. MODIFICATION AND ENHANCEMENT OF GENERAL AUTHORITIES ON MANAGEMENT OF JOINT QUALIFIED OFFICERS.

(a) REDESIGNATION OF APPLICABILITY OF POLICIES TOWARD JOINT QUALIFICATION.—Subsection (a) of section 661 of title 10, United States Code, is amended by striking the last sentence and inserting the following new sentence: ''For purposes of this chapter, officers to be managed by such policies, procedures, and practices are referred to as 'joint qualified'.''.

(b) NUMBERS AND DESIGNATION.—Subsection (b) of such section is amended—

(1) in the heading, by striking ''SELECTION'' and inserting ''DESIGNATION'';

(2) in paragraph (1), by striking ''of officers with the joint specialty'' and inserting ''and levels of joint qualified officers'';

(3) in paragraph (2)—

(A) by striking ''selected for the joint specialty'' and inserting ''designated as joint qualified officers''; and

(B) by striking the second and third sentences and inserting the following new sentence: ''Officers considered for joint qualification shall—

''(A) meet criteria prescribed by the Secretary of Defense; and

''(B) be those officers who are serving in the grade of captain or, in the case of the Navy, lieutenant, or a higher grade.''; and

(4) in paragraph (3)—

(A) by striking ''select officers for the joint specialty'' and inserting ''designate officers as joint qualified officers''; and

(B) by striking ''the Deputy Secretary of Defense'' and inserting ''the Under Secretary of Defense for Personnel and Readiness''.

(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—Subsection (c) of such section is amended to read as follows:

''(c) EDUCATION AND EXPERIENCE REQUIREMENTS.—(1) An officer may not be designated as a joint qualified officer until the officer—

''(A)(i) successfully completes an appropriate program at a joint professional military education school; and

''(ii) successfully completes a full tour of duty in a joint duty assignment (as described in section 664(f) of this title (other than in paragraph (2) of such section)); or

''(B) under regulations and policy prescribed by the Secretary of Defense, successfully demonstrates a mastery of knowledge, skills, and abilities in joint matters.

''(2)(A) In the case of an officer who has completed two full tours of duty in a joint duty assignment (as described in section 664(f) of this title) and demonstrates a mastery of knowledge, skills, and abilities on joint matters, the Secretary of Defense may waive the requirement that the officer have successfully completed a program of education referred to in paragraph (1)(A)(i) if the Secretary determines that the types of joint duty experiences completed by the officer have been of sufficient breadth to prepare the officer adequately for the highest level of joint qualification.

''(B) The authority of the Secretary of Defense to grant a waiver under subparagraph (A) may be delegated only to the Under Secretary of Defense for Personnel and Readiness.

''(C)(i) A waiver under subparagraph (A) may be granted only on a case-by-case basis.

''(ii) A waiver under subparagraph (A) may be granted only under circumstances justifying variation from the requirements of paragraph (1) for designation of an officer for the highest level of joint qualification as specified by the Secretary of Defense.

''(iii) In the case of a general or flag officer, a waiver under subparagraph (A) may be granted only under circumstances described in clause (ii) and circumstances in which the waiver is necessary to meet a critical need of the Armed Forces, as determined by the Chairman of the Joint Chiefs of Staff.

''(iv) In the case of officers in grades below brigadier general or rear admiral (lower half), the total number of waivers granted under subparagraph (A) for officers in the same pay grade during a fiscal year may not exceed 10 percent of the total number of officers in that pay grade selected for the highest level of joint qualification during that fiscal year.

''(D) There may not be more than 32 general and flag officers on active duty at the same time who were selected for the joint specialty or highest level of joint qualification while holding a general or flag officer grade and for whom a waiver was granted under subparagraph (A).''.

(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—Subsection (d) of such section is amended to read as follows:

''(d) NUMBER OF JOINT DUTY ASSIGNMENTS.—(1) The Secretary of Defense shall ensure that approximately one-half of the joint duty assignment positions in grades above major or, in the case of the Navy, lieutenant commander are filled at any time by officers who have the highest level of joint qualification.

''(2) The Secretary of Defense, with the advice of the Chairman of the Joint Chiefs of Staff, shall designate an appropriate number of joint duty assignment positions as critical joint duty assignment positions. A position may be designated as a critical joint duty assignment position only if the duties and responsibilities of the position make it important that the occupant be particularly trained in, and oriented toward, joint matters.

''(3)(A) Except as provided in subparagraph (B), a position designated under paragraph (2) may be held only by an officer who has the highest level of joint qualification.

''(B) The Secretary of Defense may waive the requirement in subparagraph (A) with respect to the assignment of an officer to a position designated under paragraph (1). Any such waiver shall be granted on a case-by-case basis. The authority of the Secretary to grant such a waiver may be delegated only to the Chairman of the Joint Chiefs of Staff.

''(4) The Secretary of Defense shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.''.

(e) CAREER GUIDELINES.—Subsection (e) of such section is amended by striking ''officers with the joint specialty'' and inserting ''officers who are joint qualified officers''.

(f) TREATMENT OF CERTAIN SERVICE.—Subsection (f) of such section is amended by striking ''(including section 619(e)(1) of this title)''.

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 38 of such title is amended by striking the item relating to section 661 and inserting the following new item:

''661. Management policies for joint qualified officers.''.

SEC. 527. MODIFICATION OF PROMOTION POLICY OBJECTIVES FOR JOINT OFFICERS.

Section 662(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by inserting ''and'' after the semicolon; and

(2) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) officers who are serving in or have served in joint duty assignments are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for all officers of the same armed force in the same grade and competitive category.''.

SEC. 528. APPLICABILITY OF JOINT DUTY ASSIGNMENT REQUIREMENTS LIMITED TO GRADUATES OF NATIONAL DEFENSE UNIVERSITY SCHOOLS.

(a) APPLICABILITY.—Section 663 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(2) in subsection (b)—

(A) in paragraph (1), by striking ''a joint professional military education school'' and inserting ''a school within the National Defense University''; and

(B) in paragraph (2), by striking ''a joint professional military education school'' and inserting ''a school referred to in paragraph (1)''.

(b) DEFINITION.—Such section is further amended by adding at the end the following new subsection:

''(c) SCHOOL WITHIN THE NATIONAL DEFENSE UNIVERSITY.—For purposes of this section, a school within the National Defense University includes a school as follows:

''(1) The National War College.

''(2) The Industrial College of the Armed Forces.

''(3) The Joint Advanced Warfighting School.

''(4) The Joint Forces Staff College.''.

SEC. 529. MODIFICATION OF DEFINITIONS RELATING TO JOINTNESS.

(a) MODIFICATION OF DEFINITION OF ''JOINT MATTERS''.—Subsection (a) of section 668 of title 10, United States Code, is amended to read as follows:

''(a) JOINT MATTERS.—In this chapter, the term 'joint matters' means matters involving the integrated use of military forces relating to national military strategy, strategic and contingency planning, and command and control of operations under unified command that may be conducted under unified action on land, sea, or air, in space, or in the information environment with participants from multiple armed forces, the armed forces and other departments and agencies of the United States Government, the armed forces and the military forces or agencies of other countries, the armed forces and nongovernmental persons or entities, or any combination thereof.''.

(b) MODIFICATION OF DEFINITION OF ''JOINT DUTY ASSIGNMENT''.—Paragraph (1) of subsection (b) of such section is amended by striking ''and shall exclude'' and all that follows and inserting a period.

(c) RESTATEMENT OF DEFINITION OF ''CRITICAL OCCUPATIONAL SPECIALTY''.—

(1) IN GENERAL.—Section 668 of such title is further amended by adding at the end the following new subsection:

''(d) CRITICAL OCCUPATIONAL SPECIALTY.—In this chapter, the term 'critical occupational specialty' means a military occupational specialty within a combat arm of the Army, or an equivalent arm of the Navy, Air Force, and Marine Corps, that is designated by the Secretary of Defense as a critical occupational specialty because such combat arm is experiencing a severe shortage of trained officers in that military occupational specialty.''.

(2) CONFORMING AMENDMENTS.—The following provisions of such title are each amended by striking ''under section 661(c)(2) of this title'':

(A) Section 664(c)(2).

(B) Section 667(3).

SEC. 530. CONDITION ON APPOINTMENT OF COMMISSIONED OFFICERS TO POSITION OF DIRECTOR OF NATIONAL INTELLIGENCE OR DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY.

(a) CONDITION.—

(1) IN GENERAL.—Chapter 32 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency

''As a condition of appointment to the position of Director of National Intelligence or Director of the Central Intelligence Agency, an officer shall acknowledge that upon termination of service in such position the officer shall be retired in accordance with section 1253 of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 32 of such title is amended by adding at the end the following new item:

''529. Condition on appointment to certain positions: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(b) RETIREMENT.—

(1) IN GENERAL.—Chapter 63 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency

''Upon termination of the appointment of an officer to the position of Director of National Intelligence or Director of the Central Intelligence Agency, the Secretary of the military department concerned shall retire the officer under any provision of this title under which the officer is eligible to retire.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 63 of such title is amended by adding at the end the following new item:

''1253. Mandatory retirement: Director of National Intelligence; Director of the Central Intelligence Agency.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to appointments of commissioned officers of the Armed Forces to the position of Director of National Intelligence or Director of the Central Intelligence Agency on or after that date.

Subtitle B—Reserve Component Personnel Matters

SEC. 531. ENHANCED FLEXIBILITY IN THE MANAGEMENT OF RESERVE COMPONENT PERSONNEL.

(a) CLARIFICATION OF DEFINITION OF ''ACTIVE GUARD AND RESERVE DUTY'' UNDER TITLE 10, UNITED STATES CODE.—Section 101(d)(6)(A) of title 10, United States Code, is amended—

(1) by striking ''or full-time National Guard duty'' the first place it appears;

(2) by striking ''to active duty or'' and inserting ''to'';

(3) by striking ''Guard, pursuant'' and inserting ''Guard pursuant''; and

(4) by inserting a comma before ''for a period''.

(b) EXPANSION OF ACTIVE GUARD AND RESERVE DUTY TO INCLUDE SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Section 12310 of title 10, United States Code, is amended—

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

(2) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) ACTIVE GUARD AND RESERVE DUTY.—The Secretary concerned may order a Reserve ordered to or retained on active duty under section 12301(d) of this title to perform active Guard and Reserve duty.

''(b) ADDITIONAL DUTIES.—A Reserve on active duty as described in subsection (a) who is performing active Guard and Reserve duty pursuant to an order under that subsection may be assigned additional duties (to the extent such duties do not interfere with the performance by the Reserve of active Guard and Reserve duty under that subsection) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the reserve components.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the same armed force; or

''(B) a joint forces unit that includes—

''(i) one or more reserve component units; or

''(ii) a member of a reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Advising the Secretary of Defense, the Secretaries of the military departments, the Joint Chiefs of Staff, and the commanders of the combatant commands on reserve component matters.

''(4) Instructing or training members of the armed forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.

''(c) GRADE WHEN ORDERED TO ACTIVE DUTY.—A Reserve ordered to active duty under subsection (a) shall be ordered in his reserve grade. While so serving, he continues to be eligible for promotion as a Reserve, if he is otherwise qualified.''; and

(3) in paragraph (1) of subsection (d), as so redesignated—

(A) by striking ''Notwithstanding subsection (b), a Reserve'' and inserting ''A Reserve''; and

(B) by striking ''functions'' and inserting ''duty''.

(c) EXPANSION OF DUTIES OF MILITARY TECHNICIANS (DUAL STATUS).—

(1) GENERAL DUTIES.—Section 10216(a)(1)(C) of such title is amended by striking ''administration and'' and inserting ''organizing, administering, instructing, or''.

(2) SUPPORT OF RESERVE COMPONENT OPERATIONS AND ADDITIONAL INSTRUCTION AND TRAINING.—Chapter 1007 of such title is amended by inserting after section 10216 the following new section:

''§ 10216a. Military technicians (dual status): additional duties

''A military technician (dual status) who is employed under section 3101 of title 5 may perform additional duties (to the extent such duties do not interfere with the performance by the military technician of duties assigned under section 10216(a)(1)(C) of this title) as follows:

''(1) Supporting operations or missions assigned in whole or in part to the military technician's unit.

''(2) Supporting operations or missions performed or to be performed by—

''(A) a unit composed of elements from more than one component of the military technician's armed force; or

''(B) a joint forces unit that includes—

''(i) one or more units of the military technician's reserve component; or

''(ii) a member of the military technician's reserve component whose reserve component assignment is in a position in an element of the joint forces unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

(3) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1007 of such title is amended by inserting after the item relating to section 10216 the following new item:

''10216a. Military technicians (dual status): additional duties.''.

(d) ORDER OF NATIONAL GUARD MEMBERS TO PERFORM NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY AND ADDITIONAL DUTIES.—

(1) DEFINITION OF ''NATIONAL GUARD ACTIVE GUARD AND RESERVE DUTY''.—Section 101 of title 32, United States Code, is amended by adding at the end the following:

''(20)(A) 'National Guard active Guard and Reserve duty' means full-time National Guard duty performed by a member of the National Guard pursuant to an order to full-time National Guard duty, for a period of 180 consecutive days or more for the purpose of organizing,

administering, recruiting, instructing, or training the reserve components.

''(B) Such term does not include the following:

''(i) Duty performed as a member of the Reserve Forces Policy Board under section 10301 of title 10.

''(ii) Duty performed as a property and fiscal officer under section 708 of this title.

''(iii) Duty performed for the purpose of interdiction and counter-drug activities for which funds have been provided under section 112 of this title.

''(iv) Duty performed as a general or flag officer.

''(v) Service as a State director of the Selective Service System under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)).''.

(2) ORDER TO PERFORM DUTY.—Chapter 3 of such title is amended by adding at the end the following new section:

''§ 328. National Guard active Guard and Reserve duty; additional duties

''(a) AUTHORITY TO ORDER TO DUTY.—The Governor of his State or Territory or Puerto Rico, or commanding general of the District of Columbia National Guard, as the case may be, with the consent of the Secretary concerned, may order a member of the National Guard to perform National Guard active Guard and Reserve duty.

''(b) NATURE OF DUTY.—(1) A member of the National Guard may be ordered to perform duty under subsection (a)—

''(A) without his consent, but with the pay and allowances provided by law; or

''(B) with his consent, either with or without pay and allowances.

''(2) Duty without pay shall be considered for all purposes as if it were duty with pay.

''(c) DUTIES.—A member of the National Guard performing duty under subsection (a) may perform the following additional duties (to the extent such duties do not interfere with the performance by the member of National Guard active Guard and Reserve duty under that subsection) as follows:

''(1) Support of operations or missions undertaken by the member's unit at the request of the President or the Secretary of Defense.

''(2) Support of Federal training operations or Federal training missions assigned in whole or in part to the member's unit.

''(3) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

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

''328. National Guard active Guard and Reserve duty; additional duties.''.

(e) EXPANSION OF DUTIES OF NATIONAL GUARD TECHNICIANS.—Section 709(a) of such title is amended—

(1) in paragraph (1)—

(A) by striking ''administration and'' and inserting ''organizing, administering, instructing, or''; and

(B) by striking ''and'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

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

''(3) the performance of additional duties (to the extent such duties do not interfere with the performance by the technician of duties under paragraphs (1) and (2)) as follows:

''(A) Support of operations or missions undertaken by the technician's unit at the request of the President or the Secretary of Defense.

''(B) Support of Federal training operations or Federal training missions assigned in whole or in part to the technician's unit.

''(C) Instructing or training members of the Armed Forces on active duty, members of foreign military forces (under authorities and limitations applicable to the provision of such instruction or training by members of the Armed Forces on active duty), Department of Defense contractor personnel, and Department of Defense civilian employees.''.

SEC. 532. EXPANSION OF ACTIVITIES AUTHORIZED FOR RESERVES UNDER WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) IN GENERAL.—Subsection (d) of section 12310 of title 10, United States Code, as redesignated and amended by section 531(b) of this Act, is further amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by inserting ''in the United States, Canada, or the United Mexican States'' after ''title''; and

(ii) by striking ''or'' at the end;

(B) in subparagraph (B)—

(i) by inserting '', Canada, or the United Mexican States'' after ''United States''; and

(ii) by striking the period at the end and inserting a semicolon; and

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

''(C) the intentional or unintentional release of nuclear, biological, radiological, or toxic or poisonous chemical materials in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property; or

''(D) a natural or manmade disaster in the United States, Canada, or the United Mexican States that results, or could result, in catastrophic loss of life or property.''; and

(2) by striking paragraph (3) and inserting the following new paragraph (3):

''(3)(A) A Reserve may perform duties described in subparagraph (A), (B), or (C) of paragraph (1)—

''(i) only while assigned to a reserve component civil support team; and

''(ii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(B) A Reserve may perform the duties described in paragraph (1)(D)—

''(i) only while assigned to a reserve component civil support team;

''(ii) only with the approval of the Secretary of Defense; and

''(iii) if performing those duties in Canada or the United Mexican States, only after being ordered to active duty under this title.

''(C) Any duties described in paragraph (1) that are performed in Canada or the United Mexican States may occur, with consultation of the Secretary of State, at any distance beyond the borders of the United States with such country as is agreed to by appropriate authorities in such country.''.

(b) DEFINITION OF ''UNITED STATES''.—Such subsection is further amended by adding at the end the following new paragraph:

''(7) In this subsection, the term 'United States' means each of the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.''.

(c) CONFORMING AMENDMENTS.—Such subsection is further amended—

(1) in the heading, by inserting '', TERRORIST ATTACK, AND NATURAL OR MANMADE DISASTER'' after ''MASS DESTRUCTION'';

(2) in paragraph (5), by striking ''rapid assessment element team'' and inserting ''civil support team''; and

(3) in paragraph (6)(B), by striking ''paragraph (3)(B)'' and inserting ''that paragraph''.

SEC. 533. MODIFICATION OF AUTHORITIES RELATING TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES.

(a) ANNUITIES AND PAY OF MEMBERS ON FEDERAL REEMPLOYMENT.—Subsection (e) of section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1882), as amended by section 516 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3237), is further amended by adding at the end the following new paragraph:

''(3) If warranted by circumstances described in subparagraph (A) or (B) of section 8344(i)(1) of title 5, United States Code, or by circumstances described in subparagraph (A) or (B) of section 8468(f)(1) of such title, as applicable, the chairman of the Commission may exercise, with respect to the members of the Commission, the same waiver authority as would be available to the Director of the Office of Personnel Management under such section.''.

(b) FINAL REPORT.—Subsection (f)(2) of such section 513 is amended by striking ''one year'' and inserting ''18 months''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. The amendment made by subsection (a) shall apply to members of the Commission on the National Guard and Reserves appointed on or after that date.

SEC. 534. PILOT PROGRAM ON REINTEGRATION OF MEMBERS OF THE NATIONAL GUARD INTO CIVILIAN LIFE AFTER DEPLOYMENT.

(a) PILOT PROGRAM REQUIRED.—The Secretary of the Army shall carry out a pilot program to assess the feasibility and advisability of utilizing the mechanisms specified in this section to facilitate the reintegration of members of the National Guard into civilian life after their return from deployment overseas.

(b) LIMITATION ON LOCATION.—The pilot program required by subsection (a) may only be carried out in a State that has a National Guard brigade that is returning from deployment overseas during the period of the pilot program.

(c) PROGRAM ELEMENTS.—The mechanisms under the pilot program required by subsection (a) shall include the following:

(1) INITIAL REINTEGRATION TRAINING.—Training (to be known as ''initial reintegration training'') of members of the National Guard described in subsection (a) to facilitate the reintegration of such members with their families and communities after their return from deployment as described in that subsection. Such training shall be conducted immediately after the return of such members from such deployment. Participation in such training shall be voluntary.

(2) 30-DAY REINTEGRATION TRAINING.—Training (to be known as ''30-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in identifying the signs and symptoms of combat stress. Such training shall be conducted approximately 30 days after provision of training under paragraph (1). Participation in such training shall be voluntary.

(3) 60-DAY REINTEGRATION TRAINING.—Training (to be known as ''60-day reintegration training'') of members of the National Guard described in subsection (a) to assist such members in matters relating to combat stress, including chemical dependency, anger management, and gambling abuse. Such training shall be conducted approximately 30 days after provision of training under paragraph (2). Participation in such training shall be voluntary.

(4) 90-DAY REINTEGRATION TRAINING.—Training (to be known as ''90-day reintegration training'') of members of the National Guard described in subsection (a) to ensure a thorough physical and mental health assessment of such members after deployment as described in that subsection. Such training shall be conducted approximately 30 days after provision of training under paragraph (3). Participation in such training shall be voluntary.

(5) EDUCATIONAL MATERIALS.—The development and distribution of educational materials for families of members of the National Guard described in subsection (a), and for the communities in which such members and families reside, on matters relating to the reintegration of such members into civilian life after their return from deployment overseas.

(d) REPORT.—Not later than one year after the commencement of the pilot program required by subsection (a), the Secretary shall submit to the congressional defense committees a report on the pilot program. The report shall include—

(1) a description of the activities undertaken under the pilot program;

(2) an assessment of the effectiveness of such mechanisms in facilitating the reintegration of members of the National Guard into civilian life after their return from deployment overseas; and

(3) such recommendations for legislative or administrative action as the Secretary considers appropriate in light of the pilot program.

(e) FUNDING.—Of the amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard, $6,663,000 may be available for the pilot program required by subsection (a).

Subtitle C—Military Justice and Related Matters

SEC. 551. APPLICABILITY OF UNIFORM CODE OF MILITARY JUSTICE TO MEMBERS OF THE ARMED FORCES ORDERED TO ACTIVE DUTY OVERSEAS IN INACTIVE DUTY FOR TRAINING STATUS.

Not later than March 1, 2007, the Secretaries of the military departments shall prescribe regulations, or amend current regulations, in order to provide that officers and enlisted personnel of the Armed Forces who are ordered to active duty at locations overseas in an inactive duty for training status are subject to the jurisdiction of the Uniform Code of Military Justice, pursuant to the provisions of section 802(a)(3) of title 10, United States Code (article 2(a)(3) of the Uniform Code of Military Justice), continuously from the commencement of execution of such orders to the conclusion of such orders.

SEC. 552. CLARIFICATION OF APPLICATION OF UNIFORM CODE OF MILITARY JUSTICE DURING A TIME OF WAR.

Paragraph (10) of section 802(a) of title 10, United States Code (article 2(a) of the Uniform Code of Military Justice), is amended by striking ''war'' and inserting ''declared war or a contingency operation''.

Subtitle D—Education and Training Matters

SEC. 561. DETAIL OF COMMISSIONED OFFICERS AS STUDENTS AT MEDICAL SCHOOLS.

(a) IN GENERAL.—Chapter 101 of title 10, United States Code, is amended by inserting after section 2004 the following new section:

''§ 2004a. Detail of commissioned officers as students at medical schools

''(a) DETAIL AUTHORIZED.—The Secretary of each military department may detail commissioned officers of the Armed Forces as students at accredited medical schools or schools of osteopathy located in the United States for a period of training leading to the degree of doctor of medicine. No more than 25 officers from each military department may commence such training in any single fiscal year.

''(b) ELIGIBILITY FOR DETAIL.—To be eligible for detail under subsection (a), an officer must be a citizen of the United States and must—

''(1) have served on active duty for a period of not less than two years nor more than six years and be in the pay grade 0–3 or below as of the time the training is to begin; and

''(2) sign an agreement that unless sooner separated the officer will—

''(A) complete the educational course of medical training;

''(B) accept transfer or detail as a medical officer within the military department concerned when the officer's training is completed; and

''(C) agree to serve on active duty following completion of training for a period of two years for each year or part thereof of the officer's medical training under subsection (a).

''(c) SELECTION OF OFFICERS FOR DETAIL.—Officers detailed for medical training under subsection (a) shall be selected on a competitive basis by the Secretary of the military department concerned.

''(d) RELATION OF SERVICE OBLIGATIONS TO OTHER SERVICE OBLIGATIONS.—Any service obligation incurred by an officer under an agreement entered into under subsection (b) shall be in addition to any service obligation incurred by the officer under any other provision of law or agreement.

''(e) EXPENSES.—Expenses incident to the detail of officers under this section shall be paid from any funds appropriated for the military department concerned.

''(f) FAILURE TO COMPLETE PROGRAM.—(1) An officer who is dropped from a program of medical training to which detailed under subsection (a) for deficiency in conduct or studies, or for other reasons, may be required to perform active duty in an appropriate military capacity in accordance with the active duty obligation imposed on the officer under regulations issued by the Secretary of Defense for purposes of this section.

''(2) In no case shall an officer be required to serve on active duty under this subsection for any period in excess of one year for each year or part thereof the officer participated in the program.

''(g) LIMITATION ON DETAILS.—(1) No agreement detailing an officer of the Armed Forces to an accredited medical school or school of osteopathy may be entered into during any period in which the President is authorized by law to induct persons into the Armed Forces involuntarily.

''(2) Nothing in this subsection shall affect any agreement entered into during any period when the President is not authorized by law to so induct persons into the Armed Forces.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 101 of such title is amended by inserting after the item relating to section 2004 the following new item:

''2004a. Detail of commissioned officers as students at medical schools.''.

SEC. 562. EXPANSION OF ELIGIBILITY TO PROVIDE JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTION.

(a) ELIGIBILITY OF RETIRED MEMBERS OF NATIONAL GUARD AND RESERVES.—Section 2031 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(e) Instead of, or in addition to, the detailing of active duty officers and noncommissioned officers under subsection (c)(1), and the employment of retired officers, noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve under subsection (d), the Secretary of the military department concerned may authorize qualified institutions to employ as administrators and instructors in the program retired officers and noncommissioned officers who qualify for retired pay for non-regular service under section 12731 of this title (other than those who qualify for age under subsection (a)(1) of such section) whose qualifications are approved by the Secretary and the institution concerned and who request such employment, subject to the following:

''(1) The Secretary shall pay to the institution an amount equal to one-half of the amount paid to the member by the institution for any period up to a maximum of one-half of the difference between the retired or retainer pay for an active duty officer or noncommissioned offer of the same grade and years of service for such period and the active duty pay and allowances which the member would have received for such period if on active duty. Amounts may be paid with respect to members under this subsection after such members reach the age of 60. Payments by the Secretary under this paragraph shall be made from funds appropriated for that purpose.

''(2) Notwithstanding any other provision of law, such a member is not, while so employed, considered to be on active duty or inactive duty training for any purpose.''.

(b) CLARIFICATION OF STATUS OF RETIRED MEMBERS CURRENTLY PROVIDING INSTRUCTION.—Subsection (d) of such section is amended in the matter preceding paragraph (1) by striking ''and noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve'' and inserting '', noncommissioned officers, and members of the Fleet Reserve and Fleet Marine Corps Reserve who are drawing retired or retained pay''.

SEC. 563. INCREASE IN MAXIMUM AMOUNT OF REPAYMENT UNDER EDUCATION LOAN REPAYMENT FOR OFFICERS IN SPECIFIED HEALTH PROFESSIONS.

(a) INCREASE IN MAXIMUM AMOUNT.—Section 2173(e)(2) of title 10, United States Code, is amended by striking ''$22,000'' and inserting ''$60,000''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect agreements entered into under section 2173 of title 10, United States Code, on or after that date.

(2) PROHIBITION ON ADJUSTMENT.—The adjustment required by the second sentence of section 2173(e)(2) of title 10, United States Code, to be made on October 1, 2006, shall not be made.

SEC. 564. INCREASE IN BENEFITS UNDER HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) STIPEND.—Section 2121(d) of title 10, United States Code, is amended—

(1) by striking ''the rate of $579 per month'' and inserting ''in an amount not to exceed $30,000 per year''; and

(2) by striking ''That rate'' and inserting ''The maximum amount of the stipend''.

(b) ANNUAL GRANT.—Section 2127(e) of such title is amended—

(1) by striking ''$15,000'' and inserting ''in an amount not to exceed $45,000''; and

(2) by striking ''The amount'' and inserting ''The maximum amount''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

(d) PROHIBITION ON ADJUSTMENTS IN 2007.—No adjustment under subsection (d) of section 2122 of title 10, United States Code, in the maximum amount of the stipend payable under such section 2122, and no adjustment under subsection (e) of section 2127 of such title in the maximum amount of the annual grant payable under such section 2127, shall be made in 2007.

SEC. 565. REPORT ON HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM.

(a) REPORT REQUIRED.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the health professions scholarship and financial assistance program for active service under subchapter I of chapter 105 of title 10, United States Code.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An assessment of the success of each military department in achieving its recruiting goals under the health professions scholarship and financial assistance program for active service during each of fiscal years 2000 through 2006.

(2) If any military department failed to achieve its recruiting goals under the program during any fiscal year covered by paragraph (1), an explanation of the failure of the military department to achieve such goal during such fiscal year.

(3) An assessment of the adequacy of the stipend authorized by section 2121(d) of title 10, United States Code, in meeting the objectives of the program.

(4) Such recommendations for legislative or administrative action as the Secretary considers appropriate to enhance the effectiveness of the program in meeting the annual recruiting goals of the military departments for medical personnel covered by the program.

SEC. 566. EXPANSION OF INSTRUCTION AVAILABLE AT THE NAVAL POSTGRADUATE SCHOOL FOR ENLISTED MEMBERS OF THE ARMED FORCES.

(a) CERTIFICATE PROGRAMS AND COURSES.—Subparagraph (C) of subsection (a)(2) of section 7045 of title 10, United States Code, is amended by striking ''Navy or Marine Corps'' and inserting ''armed forces''.

(b) GRADUATE LEVEL INSTRUCTION.—Such subsection is further amended—

(1) by redesignating subparagraph (D) as subparagraph (E);

(2) by inserting after subparagraph (C) the following new subparagraph (D):

''(D)(i) The Secretary may, pursuant to regulations prescribed by the Secretary, permit an eligible enlisted member of the armed forces to receive graduate level instruction at the Naval Postgraduate School in a program leading to a master's degree in a technical, analytical, or engineering curricula.

''(ii) To be eligible for instruction under this subparagraph, an enlisted member shall hold a baccalaureate degree granted by an institution of higher education.

''(iii) Instruction shall be provided under this subparagraph on a space-available basis.

''(iv) An enlisted member who successfully completes a course of instruction under this subparagraph may be awarded a master's degree under section 7048 of this title.

''(v) The regulations prescribed under clause (i) may include criteria for eligibility of enlisted members for instruction under this subparagraph and obligations for further service in the armed forces by enlisted members relating to receipt of such instruction.''; and

(3) in subparagraph (E), as so redesignated, by striking ''and (C)'' and inserting ''(C), and (D)''.

(c) CONFORMING AMENDMENT.—Subsection (b)(2) of such section is amended by striking ''(a)(2)(D)'' and inserting ''(a)(2)(E)''.

(d) REPEAL OF CERTAIN REQUIREMENTS ON INSTRUCTION.—Section 526 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) is amended by striking subsections (c) and (d).

SEC. 567. MODIFICATION OF ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.

(a) CLARIFICATION OF SCOPE OF ACTIONS.—Section 527 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1468; 10 U.S.C. 4331 note) is amended—

(1) in subsection (a)—

(A) in the subsection caption, by inserting ''SEXUAL'' before ''VIOLENCE''; and

(B) in paragraph (1)—

(i) in subparagraph (A), by striking ''personnel of'' and inserting ''cadets at'';

(ii) in subparagraph (B), by striking ''personnel of'' and inserting ''midshipmen at''; and

(iii) in subparagraph (C), by striking ''personnel of'' and inserting ''cadets at'';

(2) by inserting ''sexual'' before ''violence'' each place it appears; and

(3) by striking ''academy personnel'' each place it appears and inserting ''cadets or midshipmen''.

(b) ASSESSMENTS OF ACADEMY POLICIES.—

(1) ADMINISTRATION OF ASSESSMENTS.—Subsection (b) of such section is further amended—

(A) in paragraph (1)—

(i) by striking ''to conduct'' and inserting ''to provide''; and

(ii) by inserting ''(to be administered by the Department of Defense)'' after ''an assessment''; and

(B) in paragraph (2), by striking ''shall conduct'' and inserting ''shall provide for the conduct of''.

(2) SCHEDULE FOR ASSESSMENTS.—Such subsection is further amended—

(A) in the subsection caption, by striking ''ANNUAL ASSESSMENT'' and inserting ''ASSESSMENTS REQUIRED'';

(B) in paragraph (1), by inserting ''specified in paragraph (2)'' after ''each program year''; and

(C) in paragraph (2), by striking ''2007, and 2008'' and inserting ''2008, and 2010''.

(c) REPORTS ON ACTIVITIES ON CAMPUS.—Subsection (c) of such section is further amended—

(1) in the subsection caption, by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in paragraph (1), by striking ''2007, and 2008'' and inserting ''2008, and 2010'';

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ''The annual report'' and inserting ''The report''; and

(B) in subparagraph (D), by striking ''each of the subsequent academy program years'' and inserting ''each other academy program year covered by this subsection''; and

(4) in paragraphs (3) and (4), by striking ''the annual'' and inserting ''each''.

(d) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

"SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND SEXUAL VIOLENCE AT THE SERVICE ACADEMIES.".

SEC. 568. DEPARTMENT OF DEFENSE POLICY ON SERVICE ACADEMY AND ROTC GRADUATES SEEKING TO PARTICIPATE IN PROFESSIONAL SPORTS BEFORE COMPLETION OF THEIR ACTIVE-DUTY SERVICE OBLIGATIONS.

(a) POLICY REQUIRED.—

(1) IN GENERAL.—Not later than July 1, 2007, the Secretary of Defense shall prescribe the policy of the Department of Defense on—

(A) whether to authorize graduates of the service academies and the Reserve Officers' Training Corps to participate in professional sports before the completion of their obligations for service on active duty as commissioned officers; and

(B) if so, the obligations for service on active duty as commissioned officers of such graduates who participate in professional sports before the satisfaction of the obligations referred to in subparagraph (A).

(2) REVIEW OF CURRENT POLICIES.—In prescribing the policy, the Secretary shall review current policies, practices, and regulations of the military departments on the obligations for service on active duty as commissioned officers of graduates of the service academies and the Reserve Officers' Training Corps, including policies on authorized leaves of absence and policies under excess leave programs.

(3) CONSIDERATIONS.—In prescribing the policy, the Secretary shall take into account the following:

(A) The compatibility of participation in professional sports (including training for professional sports) with service on active duty in the Armed Forces or as a member of a reserve component of the Armed Forces.

(B) The benefits for the Armed Forces of waiving obligations for service on active duty for cadets, midshipmen, and commissioned officers in order to permit such individuals to participate in professional sports.

(C) The manner in which the military departments have resolved issues relating to the participation of personnel in professional sports, including the extent of and any reasons for, differences in the resolution of such issues by such departments.

(D) The recoupment of the costs of education provided by the service academies or under the Reserve Officers' Training Corps program if graduates of the service academies or the Reserve Officers' Training Corps, as the case may be, do not complete the period of obligated service to which they have agreed by reason of participation in professional sports.

(E) Any other matters that the Secretary considers appropriate.

(b) ELEMENTS OF POLICY.—The policy prescribed under subsection (a) shall address the following matters:

(1) The eligibility of graduates of the service academies and the Reserve Officers' Training Corps for a reduction in the obligated length of service on active duty as a commissioned officer otherwise required of such graduates on the basis of their participation in professional sports.

(2) Criteria for the treatment of an individual as a participant or potential participant in professional sports.

(3) The effect on obligations for service on active duty as a commissioned officer of any unsatisfied obligations under prior enlistment contracts or other forms of advanced education assistance.

(4) Any authorized variations in the policy that are warranted by the distinctive requirements of a particular Armed Force.

(5) The eligibility of individuals for medical discharge or disability benefits as a result of injuries incurred while participating in professional sports.

(6) A prospective effective date for the policy and for the application of the policy to individuals serving on such effective date as a commissioned officer, cadet, or midshipman.

(c) APPLICATION OF POLICY TO ARMED FORCES.—Not later than December 1, 2007, the Secretary of each military department shall prescribe regulations, or modify current regulations, in order to implement the policy prescribed by the Secretary of Defense under subsection (a) with respect to the Armed Forces under the jurisdiction of such Secretary.

SEC. 569. REVIEW OF LEGAL STATUS OF JUNIOR ROTC PROGRAM.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the 1976 legal opinion issued by the General Counsel of the Department of Defense regarding instruction of non-host unit students participating in Junior Reserve Officers' Training Corps programs. The review shall consider whether changes to law after the issuance of that opinion allow in certain circumstances for the arrangement for assignment of instructors that provides for the travel of an instructor from one educational institution to another once during the regular school day for the purposes of the Junior Reserve Officers' Training Corps program as an authorized arrangement that enhances administrative efficiency in the management of the program. If the Secretary, as a result of the review, determines that such authority is not available, the Secretary should also consider whether such authority should be available and whether there should be authority to waive the restrictions under certain circumstances.

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

(c) INTERIM AUTHORITY.—A current institution that has more than 70 students and is providing support to another educational institutional with more than 70 students and has been providing for the assignment of instructors from one school to the other may continue to provide such support until 180 days following receipt of the report under subsection (b).

SEC. 570. JUNIOR RESERVE OFFICERS' TRAINING CORPS INSTRUCTOR QUALIFICATIONS.

(a) IN GENERAL.—Chapter 102 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2033. Instructor qualifications

''(a) IN GENERAL.—In order for a retired officer or noncommissioned officer to be employed

as an instructor in the program, the officer must be certified by the Secretary of the military department concerned as a qualified instructor in leadership, wellness and fitness, civics, and other courses related to the content of the program, according to the qualifications set forth in subsection (b)(2) or (c)(2), as appropriate.

''(b) SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Senior military instructors shall be retired officers of the armed forces and shall serve as instructional leaders who oversee the program.

''(2) QUALIFICATIONS.—A senior military instructor shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of a baccalaureate degree from an institution of higher learning.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.

''(c) NON-SENIOR MILITARY INSTRUCTORS.—

''(1) ROLE.—Non-senior military instructors shall be retired noncommissioned officers of the armed forces and shall serve as instructional leaders and teach independently of, but share program responsibilities with, senior military instructors.

''(2) QUALIFICATIONS.—A non-senior military instructor shall demonstrate a depth of experience, proficiency, and expertise in coaching, mentoring, and practical arts in executing the program, and shall have the following qualifications:

''(A) Professional military qualification, as determined by the Secretary of the military department concerned.

''(B) Award of an associates degree from an institution of higher learning within 5 years of employment.

''(C) Completion of secondary education teaching certification requirements for the program as established by the Secretary of the military department concerned.

''(D) Award of an advanced certification by the Secretary of the military department concerned in core content areas based on—

''(i) accumulated points for professional activities, services to the profession, awards, and recognitions;

''(ii) professional development to meet content knowledge and instructional skills; and

''(iii) performance evaluation of competencies and standards within the program through site visits and inspections.''.

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

''2033. Instructor qualifications.''.

SEC. 570A. MODIFICATION OF TIME LIMIT FOR USE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE FOR RESERVE COMPONENT MEMBERS SUPPORTING CONTINGENCY OPERATIONS AND OTHER OPERATIONS.

(a) MODIFICATION.—Section 16164(a) of title 10, United States Code, is amended by striking ''this chapter while serving—'' and all that follows and inserting ''this chapter—

''(1) while the member is serving—

''(A) in the Selected Reserve of the Ready Reserve, in the case of a member called or ordered to active service while serving in the Selected Reserve; or

''(B) in the Ready Reserve, in the case of a member ordered to active duty while serving in the Ready Reserve (other than the Selected Reserve); and

''(2) in the case of a person who separates from the Selected Reserve of the Ready Reserve after completion of a period of active service described in section 16163 of this title and completion of a service contract under other than dishonorable conditions, during the 10-year period beginning on the date on which the person separates from the Selected Reserve.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 16165(a) of such title is amended to read as follows:

''(2) when the member separates from the Ready Reserve as provided in section 16164(a)(1) of this title, or upon completion of the period provided for in section 16164(a)(2) of this title, as applicable.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 28, 2004, as if included in the enactment of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375), to which such amendments relate.

Subtitle E—Defense Dependents Education Matters

SEC. 571. FUNDING FOR ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) FUNDING FOR FISCAL YEAR 2007.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3271; 20 U.S.C. 7703b); and

(2) $10,000,000 shall be available only for the purpose of providing assistance to local educational agencies under section 572(b) of that Act.

(b) TREATMENT OF FUNDING FOR NOTIFICATION PURPOSES.—The funding provided under subsection (a) for fiscal year 2007 shall be treated as funding for that fiscal year for purposes of the notification of local educational agencies required by section 572(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3272).

(c) TRANSITION OF MILITARY DEPENDENTS FROM MILITARY TO CIVILIAN SCHOOLS.—

(1) IN GENERAL.—The Secretary of Defense shall work collaboratively with the Secretary of Education in any efforts to ease the transition of dependents of members of the Armed Forces from attendance in Department of Defense dependent schools to civilian schools in systems operated by local educational agencies.

(2) UTILIZATION OF EXISTING RESOURCES.—In working with the Secretary of Education under paragraph (1), the Secretary of Defense may utilize funds authorized to be appropriated for operation and maintenance for Defense-wide activities to share expertise and experience of the Department of Defense Education Activity with local educational agencies as dependents of members of the Armed Forces make the transition from attendance at Department of Defense dependent schools to attendance at civilian schools in systems operated by such local educational agencies, including such transitions resulting from defense base closure and realignment, global rebasing, and force restructuring.

(3) DEFINITIONS.—In this subsection:

(A) The term ''expertise and experience'', with respect to the Department of Defense Education Activity, means resources of such activity relating to—

(i) academic strategies which result in increased academic achievement;

(ii) curriculum development consultation and materials;

(iii) teacher training resources and materials;

(iv) access to virtual and distance learning technology capabilities and related applications for teachers; and

(v) such other services as the Secretary of Defense considers appropriate to improve the academic achievement of such students.

(B) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

(4) EXPIRATION.—The authority of the Secretary of the Defense under this subsection shall expire on September 30, 2011.

SEC. 572. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

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

SEC. 573. PLAN TO ASSIST LOCAL EDUCATIONAL AGENCIES EXPERIENCING GROWTH IN ENROLLMENT DUE TO FORCE STRUCTURE CHANGES, RELOCATION OF MILITARY UNITS, OR BRAC.

(a) PLAN REQUIRED.—Not later than January 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan to provide assistance to local educational agencies that experience growth in the enrollment of military dependent students as a result of any of the following events:

(1) Force structure changes.

(2) The relocation of a military unit.

(3) The closure or realignment of military installations pursuant to defense base closure and realignment under the base closure laws.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An identification, current as of the date of the report, of the total number of military dependent students who are anticipated to be arriving at or departing from military installations as a result of any event described in subsection (a), including—

(A) an identification of the military installations affected by such arrivals and departures;

(B) an estimate of the number of such students arriving at or departing from each such installation; and

(C) the anticipated schedule of such arrivals and departures.

(2) Such recommendations as the Office of Economic Adjustment of the Department of Defense considers appropriate for means of assisting affected local educational agencies in accommodating increases in enrollment of military dependent students as a result of any such event.

(3) A plan for outreach to be conducted to affected local educational agencies, commanders of military installations, and members of the Armed Forces and civilian personnel of the Department of Defense regarding information on the assistance to be provided under the plan under subsection (a).

(c) UPDATE.—Not later than July 1, 2007, and every six months thereafter through January 1, 2011, the Secretary shall submit to the congressional defense committees an update of the report required by subsection (a). Each update shall include an update of each matter required under subsection (b) current as of the date of such update.

(d) DEFINITIONS.—In this section:

(1) The term ''base closure law'' has the meaning given that term in section 101 of title 10, United States Code.

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

(3) The term ''military dependent students'' refers to—

(A) elementary and secondary school students who are dependents of members of the Armed Forces; and

(B) elementary and secondary school students who are dependents of civilian employees of the Department of Defense.

SEC. 574. PILOT PROGRAM ON PARENT EDUCATION TO PROMOTE EARLY CHILDHOOD EDUCATION FOR DEPENDENT CHILDREN AFFECTED BY MILITARY DEPLOYMENT OR RELOCATION OF MILITARY UNITS.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Defense shall carry out a pilot program on the provision of educational and support tools to the parents of preschool-age children—

(1) whose parent or parents serve as members of the Armed Forces on active duty (including members of the Selected Reserve on active duty pursuant to a call or order to active duty of 180 days or more); and

(2) who are affected by the deployment of their parent or parents or the relocation of the military unit of which their parent or parents are a member.

(b) PURPOSE.—The purpose of the pilot program is to develop models for improving the capability of military child and youth programs on or near military installations to provide assistance to military parents with young children through a program of activities focusing on the unique needs of children described in subsection (a).

(c) DURATION OF PROGRAM.—The pilot program shall commence on October 1, 2007, and shall conclude on September 30, 2010.

(d) SCOPE OF PROGRAM.—The pilot program shall utilize one or more models (demonstrated through research) of universal access of parents of children described in subsection (a) to assistance under the pilot program in order to achieve the following goals:

(1) The identification and mitigation of specific risk factors for such children related to military life.

(2) The maximization of the educational readiness of such children.

(e) LOCATIONS.—

(1) IN GENERAL.—The pilot program shall be carried out at military installations selected by the Secretary for purposes of this section from among military installations whose military personnel are experiencing significant transition or deployment or which are undergoing transition as a result of the relocation or activation of military units or activities relating to defense base closure and realignment.

(2) SELECTION OF CERTAIN INSTALLATIONS.—At least one of the installations selected by the Secretary under paragraph (1) shall be an installation that permits the meaningful evaluation of a model under subsection (d) that provides outreach to parents in families with a parent who is a member of the National Guard or Reserve, which families live more than 40 miles from the installation so selected.

(f) GOALS OF PARTICIPATING INSTALLATIONS.—Appropriate personnel at each military installation selected for participation in the pilot program shall develop goals, and specific outcome measures with respect to such goals, for the conduct of the pilot program at such installation.

(g) EVALUATION.—

(1) EVALUATION REQUIRED.—Upon completion of the pilot program at a military installation, the personnel referred to in subsection (f) at such installation shall conduct an evaluation and assessment of the success of the pilot program at such installation in meeting the goals developed under that subsection.

(2) REPORT.—Upon completion of the evaluations under paragraph (1) for all military installations participating in the pilot program, the Secretary of Defense shall submit to the congressional defense committees a report on such evaluations. The report shall describe the results of such evaluations, and may include such recommendations for legislative or administrative action as the Secretary considers appropriate in light of such evaluations, including recommendations for the continuation of the pilot program.

(h) GUIDELINES.—The Secretary shall issue guidelines applicable to the pilot program, including guidelines on the goals to be developed under subsection (f), specific outcome measures, and guidelines on the selection of curriculum and the conduct of developmental screening under the pilot program.

(i) FUNDING.—Of the amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army, $1,500,000 shall be available to carry out the pilot program in fiscal year 2007.

Subtitle F—Other Matters

SEC. 581. ADMINISTRATION OF OATHS.

(a) IN GENERAL.—Section 502 of title 10, United States Code, is amended by striking the flush matter at the end and inserting the following new flush matter:

''This oath may be taken before the President, the Vice President, the Secretary of Defense, any commissioned officer of any armed force, or any other person designated under regulations prescribed by the Secretary of Defense.''.

(b) CONFORMING AMENDMENT.—Section 1031 of such title is amended by striking ''Any commissioned officer'' and all that follows through ''on active duty,'' and inserting ''The President, the Vice President, the Secretary of Defense, any commissioned officer of an armed force, or any other person designated under regulations prescribed by the Secretary of Defense''.

SEC. 582. MILITARY ID CARDS FOR RETIREE DEPENDENTS WHO ARE PERMANENTLY DISABLED.

(a) IN GENERAL.—Subsection (a) of section 1060b of title 10, United States Code, is amended to read as follows:

''(a) ISSUANCE OF PERMANENT ID CARD.—(1) In issuing military ID cards to retiree dependents, the Secretary concerned shall issue a permanent ID card (not subject to renewal) to any such retiree dependent as follows:

''(A) A retiree dependent who has attained 75 years of age.

''(B) A retiree dependent who is permanently disabled.

''(2) A permanent ID card shall be issued to a retiree dependent under paragraph (1)(A) upon the expiration, after the retiree dependent attains 75 years of age, of any earlier, renewable military card or, if earlier, upon the request of the retiree dependent after attaining age 75.''.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) HEADING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 1060b. Military ID cards: dependents and survivors of retirees''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 53 of such title is amended by striking the item relating to section 1060b and inserting the following new item:

''1060b. Military ID cards: dependents and survivors of retirees.''.

SEC. 583. MILITARY VOTING MATTERS.

(a) REPEAL OF PERIODIC INSPECTOR GENERAL INSTALLATION VISITS FOR ASSESSMENT OF VOTING ASSISTANCE PROGRAMS.—Section 1566 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (i) as subsections (d) through (h), respectively.

(b) COMPTROLLER GENERAL REPORT.—Not later than March 1, 2007, the Comptroller General of the United States shall submit to Congress a report containing the assessment of the Comptroller General with respect to the following:

(1) The programs and activities undertaken by the Department of Defense to facilitate voter registration, transmittal of ballots to absentee voters, and voting utilizing electronic means of communication (such as electronic mail and fax transmission) for military and civilian personnel covered by the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(2) The progress of the Department of Defense and the Election Assistance Commission in developing a secure, deployable system for Internet-based electronic voting pursuant to the amendment made by section 567 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 1919).

(c) USE OF ELECTRONIC VOTING TECHNOLOGY.—

(1) CONTINUATION OF INTERIM VOTING ASSISTANCE SYSTEM.—The Secretary of Defense shall continue the Interim Voting Assistance System (IVAS) ballot request program with respect to all absent uniformed services voters (as defined under section 107(1) of the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff–6(1))), overseas employees of the Department of Defense, and the dependents of such voters and employees, for the general election and all elections through December 31, 2006.

(2) REPORTS.—

(A) IN GENERAL.—Not later than 30 days after the date of the regularly scheduled general election for Federal office for November 2006, the Secretary of Defense shall submit to the congressional defense committees a report setting forth—

(i) an assessment of the success of the implementation of the Interim Voting Assistance System ballot request program carried out under paragraph (1);

(ii) recommendations for continuation of the Interim Voting Assistance System and for improvements to that system; and

(iii) an assessment of available technologies and other means of achieving enhanced use of electronic and Internet-based capabilities under the Interim Voting Assistance System.

(B) FUTURE ELECTIONS.—Not later than May 15, 2007, the Secretary of Defense shall submit to the congressional defense committees a report detailing plans for expanding the use of electronic voting technology for individuals covered under the Uniformed Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.) for elections through November 30, 2010.

SEC. 584. PRESENTATION OF MEDAL OF HONOR FLAG TO PRIMARY NEXT OF KIN OF MEDAL OF HONOR RECIPIENTS.

(a) ARMY RECIPIENTS.—Section 3755 of title 10, United States Code, is amended—

(1) by inserting ''(a) PRESENTATION TO MEDAL OF HONOR RECIPIENTS.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(b) NAVY AND MARINE CORPS RECIPIENTS.—Section 6257 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(c) AIR FORCE RECIPIENTS.—Section 8755 of such title is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Defense in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

(d) COAST GUARD RECIPIENTS.—Section 505 of title 14, United States Code, is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''The President''; and

(2) by striking ''after October 23, 2002''; and

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

''(b) PRESENTATION TO PRIMARY NEXT OF KIN.—The President may provide for the presentation of a Medal of Honor Flag to the primary living next of kin (as designated by the Secretary of Homeland Security in regulations prescribed for purposes of this section) of a deceased medal of honor recipient described in subsection (a).''.

SEC. 585. MODIFICATION OF EFFECTIVE PERIOD OF AUTHORITY TO PRESENT RECOGNITION ITEMS FOR RECRUITMENT AND RETENTION PURPOSES.

Subsection (d) of section 2261 of title 10, United States Code, is amended to read as follows:

''(d) EFFECTIVE PERIOD.—The authority under this section shall be in effect during the period of any war or national emergency declared by the President or Congress.''.

SEC. 586. MILITARY SEVERELY INJURED CENTER.

(a) CENTER REQUIRED.—In support of the comprehensive policy on the provision of assistance to severely wounded or injured servicemembers required by section 563 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3269; 10 U.S.C. 113 note), the Secretary of Defense shall establish within the Department of Defense a center to augment and support the programs and activities of the military departments for the provision of such assistance, including the programs of the military departments referred to in subsection (c).

(b) DESIGNATION.—The center established under subsection (a) shall be known as the ''Military Severely Injured Center'' (in this section referred to as the ''Center'').

(c) PROGRAMS OF THE MILITARY DEPARTMENTS.—The programs of the military departments referred to in this subsection are as follows:

(1) The Army Wounded Warrior Support Program.

(2) The Navy Safe Harbor Program.

(3) The Palace HART Program of the Air Force.

(4) The Marine for Life Injured Support Program of the Marine Corps.

(d) ACTIVITIES OF CENTER.—

(1) IN GENERAL.—The Center shall carry out such programs and activities to augment and support the programs and activities of the military departments for the provision of assistance through individual case management to severely wounded or injured servicemembers and their families as the Secretary of Defense, in consultation with the Secretaries of the military departments and the heads of other appropriate departments and agencies of the Federal Government (including the Department of Labor and the Department of Veterans Affairs), shall assign the Center.

(2) DATABASE.—The activities of the Center under this subsection shall include the establishment and maintenance of a central database of information for purposes of tracking severely wounded or injured servicemembers.

(e) RESOURCES.—The Secretary of Defense shall allocate to the Center such personnel and other resources as the Secretary of Defense, in consultation with the Secretaries of the military departments, considers appropriate in order to permit the Center to carry out effectively the programs and activities assigned to the Center under subsection (d).

SEC. 587. SENSE OF SENATE ON NOTICE TO CONGRESS OF RECOGNITION OF MEMBERS OF THE ARMED FORCES FOR EXTRAORDINARY ACTS OF BRAVERY, HEROISM, AND ACHIEVEMENT.

It is the sense of the Senate that the Secretary of Defense or the Secretary of the military department concerned should, upon awarding a medal to a member of the Armed Forces or otherwise commending or recognizing a member of the Armed Forces for an act of extraordinary heroism, bravery, achievement, or other distinction, notify the Committee on Armed Services of the Senate and House of Representatives, the Senators from the State in which such member resides, and the Member of the House of Representatives from the district in which such member resides of such extraordinary award, commendation, or recognition.

SEC. 588. REPORT ON PROVISION OF ELECTRONIC COPY OF MILITARY RECORDS ON DISCHARGE OR RELEASE OF MEMBERS FROM THE ARMED FORCES.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the feasibility and advisability of providing an electronic copy of military records (including all military service, medical, and other military records) to members of the Armed Forces on their discharge or release from the Armed Forces.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) An estimate of the costs of the provision of military records as described in subsection (a).

(2) An assessment of providing military records as described in that subsection through the distribution of a portable, readily accessible medium (such as a computer disk or other similar medium) containing such records.

(3) A description and assessment of the mechanisms required to ensure the privacy of members of the Armed Forces in providing military records as described in that subsection.

(4) An assessment of the benefits to the members of the Armed Forces of receiving their military records as described in that subsection.

(5) If the Secretary determines that providing military records to members of the Armed Forces as described in that subsection is feasible and advisable, a plan (including a schedule) for providing such records to members of the Armed Forces as so described in order to ensure that each member of the Armed Forces is provided such records upon discharge or release from the Armed Forces.

(6) Any other matter to relating to the provision of military records as described in that subsection that the Secretary considers appropriate.

SEC. 589. PURPLE HEART AWARD ELIGIBILITY.

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

(1) The Purple Heart is the oldest military decoration in the world in present use.

(2) The Purple Heart was established on August 7, 1782, during the Revolutionary War, when General George Washington issued an order establishing the Honorary Badge of Distinction, otherwise known as the Badge of Military Merit.

(3) The award of the Purple Heart ceased with the end of the Revolutionary War, but was revived in 1932, the 200th anniversary of George Washington's birth, out of respect for his memory and military achievements by War Department General Orders No. 3, dated February 22, 1932.

(4) The criteria for the award was originally announced in War Department Circular dated February 22, 1932, and revised by Presidential Executive Order 9277, dated December 3, 1942; Executive Order 10409, dated February 12, 1952; Executive Order 11016, dated April 25, 1962; and Executive Order 12464, dated February 23, 1984.

(5) The Purple Heart is awarded in the name of the President of the United States as Commander in Chief to members of the Armed Forces who qualify under criteria set forth by Presidential Executive Order.

(b) DETERMINATION.—As part of the review and report required in subsection (d), the President shall make a determination on expanding eligibility to all deceased servicemembers held as a prisoner of war after December 7, 1941, and who meet the criteria establishing eligibility for the prisoner-of-war medal under section 1128 of title 10, but who do not meet the criteria establishing eligibility for the Purple Heart.

(c) REQUIREMENTS.—In making the determination described in subsection (b), the President shall take into consideration—

(1) the brutal treatment endured by thousands of POWs incarcerated by enemy forces;

(2) that many service members died due to starvation, abuse, the deliberate withholding of medical treatment for injury or disease, or other causes which do not currently meet the criteria for award of the Purple Heart;

(3) the views of veteran organizations, including the Military Order of the Purple Heart;

(4) the importance and gravity that has been assigned to determining all available facts prior to a decision to award the Purple Heart; and

(5) the views of the Secretary of Defense and the Joint Chiefs of Staff.

(d) REPORT.—Not later than March 1, 2007, the President shall provide the Committees on Armed Services of the Senate and House of Representatives a report on the advisability of modifying the criteria for the award of the Purple Heart to authorize the award of the Purple Heart to military members who die in captivity under unknown circumstances or as a result of conditions and treatment which currently do not qualify the decedent for award of the Purple Heart; and for military members who survive captivity as prisoners of war, but die thereafter as a result of disease or disability incurred during captivity.

SEC. 590. COMPREHENSIVE REVIEW ON PROCEDURES OF THE DEPARTMENT OF DEFENSE ON MORTUARY AFFAIRS.

(a) REPORT.—As soon as practicable after the completion of the comprehensive review of the procedures of the Department of Defense on mortuary affairs, the Secretary of Defense shall submit to the congressional defense committees a report on the review.

(b) ADDITIONAL ELEMENTS.—In conducting the comprehensive review described in subsection (a), the Secretary shall also address, in addition to any other matters covered by the review, the following:

(1) The utilization of additional or increased refrigeration (including icing) in combat theaters in order to enhance preservation of remains.

(2) The relocation of refrigeration assets further forward in the field.

(3) Specific time standards for the movement of remains from combat units.

(4) The forward location of autopsy and embalming operations.

(5) Any other matters that the Secretary considers appropriate in order to speed the return of remains to the United States in a non-decomposed state.

(c) ADDITIONAL ELEMENT OF POLICY ON CASUALTY ASSISTANCE TO SURVIVORS OF MILITARY DECEDENTS.—Section 562(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3267; 10 U.S.C. 1475 note) is amended by adding at the end the following new paragraph:

''(12) The process by which the Department of Defense, upon request, briefs survivors of military decedents on the cause of, and any investigation into, the death of such military decedents and on the disposition and transportation of the remains of such decedents, which process shall—

''(A) provide for the provision of such briefings by fully qualified Department personnel;

''(B) ensure briefings take place as soon as possible after death and updates are provided in a timely manner when new information becomes available;

''(C) ensure that—

''(i) such briefings and updates relate the most complete and accurate information available at the time of such briefings or updates, as the case may be; and

''(ii) incomplete or unverified information is identified as such during the course of such briefings or updates; and

''(D) include procedures by which such survivors shall, upon request, receive updates or supplemental information on such briefings or updates from qualified Department personnel.''.

SEC. 591. REPORT ON OMISSION OF SOCIAL SECURITY NUMBERS ON MILITARY IDENTIFICATION CARDS.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report setting forth the assessment of the Secretary of the feasibility of utilizing military identification cards that do not contain, display or exhibit the Social Security Number of the individual identified by such military identification card.

(b) MILITARY IDENTIFICATION CARD DEFINED.—In this section, the term ''military identification card'' has the meaning given the term ''military ID card'' in section 1060b(b)(1) of title 10, United States Code.

SEC. 592. FUNERAL CEREMONIES FOR VETERANS.

(a) SUPPORT FOR CEREMONIES BY DETAILS CONSISTING SOLELY OF MEMBERS OF VETERANS AND OTHER ORGANIZATIONS.—

(1) SUPPORT OF CEREMONIES.—Section 1491 of title 10, United States Code, is amended—

(A) by redesignating subsections (e), (f), (g), and (h) as subsections (f), (g), (h), and (i), respectively; and

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

''(e) SUPPORT FOR FUNERAL HONORS DETAILS COMPOSED OF MEMBERS OF VETERANS ORGANIZATIONS.—(1) Subject to such regulations and procedures as the Secretary of Defense may prescribe, the Secretary of the military department of which a veteran was a member may support the conduct of funeral honors for such veteran that are provided solely by members of veterans organizations or other organizations referred to in subsection (b)(2).

''(2) The provision of support under this subsection is subject to the availability of appropriations for that purpose.

''(3) The support provided under this subsection may include the following:

''(A) Reimbursement for costs incurred by organizations referred to in paragraph (1) in providing funeral honors, including costs of transportation, meals, and similar costs.

''(B) Payment to members of such organizations providing such funeral honors of the daily stipend prescribed under subsection (d)(2).''.

(2) CONFORMING AMENDMENTS.—Such section is further amended—

(A) in subsection (d)(2), by inserting ''and subsection (e)'' after ''paragraph (1)(A)''; and

(B) in paragraph (1) of section (f), as redesignated by subsection (a)(1) of this section, by inserting ''(other than a requirement in subsection (e)'' after ''pursuant to this section''.

(b) USE OF EXCESS M–1 RIFLES FOR CEREMONIAL AND OTHER PURPOSES.—Section 4683 of such title is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

''(3) Rifles loaned or donated under paragraph (1) may be used by an eligible designee for funeral ceremonies of a member or former member of the armed forces and for other ceremonial purposes.'';

(2) in subsection (c), by inserting after ''accountability'' the following: '', provided that such conditions do not unduly hamper eligible designees from participating in funeral ceremonies of a member or former member of the armed forces or other ceremonies'';

(3) in subsection (d)—

(A) in paragraph (2), by striking ''; or'' and inserting ''or fire department;'';

(B) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) any other member in good standing of an organization described in paragraphs (1), (2), or (3).''; and

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

''(e) ELIGIBLE DESIGNEE DEFINED.—In this section, the term 'eligible designee' means a designee of an eligible organization who—

''(1) is a spouse, son, daughter, nephew, niece, or other family relation of a member or former member of the armed forces;

''(2) is at least 18 years of age; and

''(3) has successfully completed a formal firearm training program or a hunting safety program.''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. FISCAL YEAR 2007 INCREASE IN MILITARY BASIC PAY AND REFORM OF BASIC PAY RATES.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2007 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) JANUARY 1, 2007, INCREASE IN BASIC PAY.—Effective on January 1, 2007, the rates of monthly basic pay for members of the uniformed services are increased by 2.2 percent.

(c) REFORM OF BASIC PAY RATES.—Effective on April 1, 2007, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

MONTHLY BASIC PAY

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,453.10	8,729.70	8,913.60	8,964.90	9,194.10
O–7	7,023.90	7,350.00	7,501.20	7,621.20	7,838.40
O–6	5,206.20	5,719.20	6,094.50	6,094.50	6,117.60
O–5	4,339.80	4,888.80	5,227.50	5,291.10	5,502.00
O–4	3,744.60	4,334.70	4,623.90	4,688.40	4,956.90
O–3[3]	3,292.20	3,732.30	4,028.40	4,392.00	4,602.00
O–2[3]	2,844.30	3,239.70	3,731.40	3,857.40	3,936.60
O–1[3]	2,469.30	2,569.80	3,106.50	3,106.50	3,106.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	9,577.20	9,666.30	10,030.20	10,134.30	10,447.80
O–7	8,052.90	8,301.30	8,548.80	8,797.20	9,577.20
O–6	6,380.10	6,414.60	6,414.60	6,779.10	7,423.80
O–5	5,628.60	5,906.40	6,110.10	6,373.20	6,776.40
O–4	5,244.60	5,602.80	5,882.40	6,076.20	6,187.50
O–3[3]	4,833.30	4,982.70	5,228.40	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$13,659.00	$13,725.90	$14,011.20	$14,508.60
O–9	0.00	11,946.60	12,118.50	12,367.20	12,801.30
O–8	10,900.80	11,319.00	11,598.30	11,598.30	11,598.30
O–7	10,236.00	10,236.00	10,236.00	10,236.00	10,287.90
O–6	7,802.10	8,180.10	8,395.20	8,613.00	9,035.70
O–5	6,968.10	7,158.00	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60

MONTHLY BASIC PAY—Continued

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 18	Over 20	Over 22	Over 24	Over 26
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 28	Over 30	Over 32	Over 34	Over 36
O–10[2] ...	$14,508.60	$15,234.00	$15,234.00	$15,995.70	$15,995.70
O–9	12,801.30	13,441.50	13,441.50	14,113.50	14,113.50
O–8	11,598.30	11,888.40	11,888.40	12,185.70	12,185.70
O–7	10,287.90	10,493.70	10,493.70	10,493.70	10,493.70
O–6	9,035.70	9,216.30	9,216.30	9,216.30	9,216.30
O–5	7,373.10	7,373.10	7,373.10	7,373.10	7,373.10
O–4	6,252.30	6,252.30	6,252.30	6,252.30	6,252.30
O–3[3]	5,355.90	5,355.90	5,355.90	5,355.90	5,355.90
O–2[3]	3,936.60	3,936.60	3,936.60	3,936.60	3,936.60
O–1[3]	3,106.50	3,106.50	3,106.50	3,106.50	3,106.50
	Over 38	Over 40			
O–10[2] ...	$16,795.50	$16,795.50			
O–9	14,819.10	14,819.10			
O–8	12,185.70	12,185.70			
O–7	10,493.70	10,493.70			
O–6	9,216.30	9,216.30			
O–5	7,373.10	7,373.10			
O–4	6,252.30	6,252.30			
O–3[3]	5,355.90	5,355.90			
O–2[3]	3,936.60	3,936.60			
O–1[3]	3,106.50	3,106.50			

[1] *Notwithstanding the pay rates specified in this table, the actual basic pay for commissioned officers in grades O–7 through O–10 may not exceed the rate of pay for level II of the Executive Schedule and the actual basic pay for all other officers, including warrant officers, may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code), basic pay for this grade is calculated to be $17,972.10, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.*

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E ..	$0.00	$0.00	$0.00	$4,392.00	$4,602.00
O–2E ..	0.00	0.00	0.00	3,857.40	3,936.60
O–1E ..	0.00	0.00	0.00	3,106.50	3,317.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E ..	$4,833.00	$4,982.70	$5,228.40	$5,435.40	$5,554.20
O–2E ..	4,062.00	4,273.50	4,437.00	4,558.80	4,558.80
O–1E ..	3,440.10	3,565.50	3,688.80	3,857.40	3,857.40
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 28	Over 30	Over 32	Over 34	Over 36
O–3E ..	$5,715.90	$5,715.90	$5,715.90	$5,715.90	$5,715.90
O–2E ..	4,558.80	4,558.80	4,558.80	4,558.80	4,558.80
O–1E ..	3,857.40	3,857.40	3,857.40	3,857.40	3,857.40
	Over 38	Over 40			
O–3E ..	$5,715.90	$5,715.90			
O–2E ..	4,558.80	4,558.80			
O–1E ..	3,857.40	3,857.40			

WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,402.00	3,660.00	3,765.00	3,868.50	4,046.40

WARRANT OFFICERS—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–3	3,106.80	3,236.40	3,369.00	3,412.80	3,552.00
W–2	2,749.20	3,009.30	3,089.40	3,144.60	3,322.80
W–1	2,413.20	2,672.40	2,742.90	2,890.50	3,065.10
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	4,222.20	4,400.70	4,669.20	4,904.40	5,128.20
W–3	3,825.90	4,110.90	4,245.30	4,400.40	4,560.30
W–2	3,600.00	3,737.10	3,872.40	4,037.70	4,166.70
W–1	3,322.20	3,442.20	3,610.20	3,775.50	3,905.10
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$6,049.50	$6,356.40	$6,585.00	$6,838.20
W–4	5,310.90	5,489.70	5,752.20	5,967.60	6,213.60
W–3	4,847.70	5,042.40	5,158.50	5,282.10	5,450.10
W–2	4,284.00	4,423.80	4,515.90	4,589.40	4,589.40
W–1	4,024.50	4,170.00	4,170.00	4,170.00	4,170.00
	Over 28	Over 30	Over 32	Over 34	Over 36
W–5	$6,838.20	$7,180.20	$7,180.20	$7,539.30	$7,539.30
W–4	6,213.60	6,337.80	6,337.80	6,337.80	6,337.80
W–3	5,450.10	5,450.10	5,450.10	5,450.10	5,450.10
W–2	4,589.40	4,589.40	4,589.40	4,589.40	4,589.40
W–1	4,170.00	4,170.00	4,170.00	4,170.00	4,170.00
	Over 38	Over 40			
W–5	$7,916.40	$7,916.40			
W–4	6,337.80	6,337.80			
W–3	5,450.10	5,450.10			
W–2	4,589.50	4,589.40			
W–1	4,170.00	4,170.00			

ENLISTED MEMBERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,339.10	2,553.00	2,650.80	2,780.70	2,881.50
E–6	2,023.20	2,226.00	2,324.40	2,419.80	2,519.40
E–5	1,854.00	1,977.90	2,073.30	2,171.40	2,323.80
E–4	1,699.50	1,786.50	1,883.10	1,978.50	2,062.80
E–3	1,534.20	1,630.80	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	[3]1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$4,110.60	$4,203.90	$4,321.20	$4,459.50
E–8	3,364.80	3,513.90	3,606.00	3,716.40	3,835.80
E–7	3,055.20	3,152.70	3,326.70	3,471.00	3,569.70
E–6	2,744.10	2,831.40	3,000.00	3,051.90	3,089.70
E–5	2,483.70	2,613.90	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$4,598.40	$4,821.60	$5,010.30	$5,209.20	$5,512.80
E–8	4,051.80	4,161.30	4,347.30	4,450.50	4,704.90
E–7	3,674.40	3,715.50	3,852.00	3,925.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 28	Over 30	Over 32	Over 34	Over 36
E–9[2]	$5,512.80	$5,788.50	$5,788.50	$6,078.00	$6,078.00
E–8	4,704.90	4,799.10	4,799.10	4,799.10	4,799.10
E–7	4,204.20	4,204.20	4,204.20	4,204.20	4,204.20
E–6	3,133.50	3,133.50	3,133.50	3,133.50	3,133.50

ENLISTED MEMBERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 28	Over 30	Over 32	Over 34	Over 36
E–5	2,630.10	2,630.10	2,630.10	2,630.10	2,630.10
E–4	2,062.80	2,062.80	2,062.80	2,062.80	2,062.80
E–3	1,729.20	1,729.20	1,729.20	1,729.20	1,729.20
E–2	1,458.90	1,458.90	1,458.90	1,458.90	1,458.90
E–1	1,301.40	1,301.40	1,301.40	1,301.40	1,301.40
	Over 38	Over 40			
E–9[2]	$6,381.90	$6,381.90			
E–8	4,799.10	4,799.10			
E–7	4,204.20	4,204.20			
E–6	3,133.50	3,133.50			
E–5	2,630.10	2,630.10			
E–4	2,062.80	2,062.80			
E–3	1,729.20	1,729.20			
E–2	1,458.90	1,458.90			
E–1	1,301.40	1,301.40			

[1] *Notwithstanding the pay rates specified in this table, the actual basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, Master Chief Petty Officer of the Coast Guard, or Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, basic pay for this grade is $6,642.60, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $1,203.90.*

SEC. 602. INCREASE IN MAXIMUM RATE OF BASIC PAY FOR GENERAL AND FLAG OFFICER GRADES.

(a) INCREASE.—Section 203(a)(2) of title 37, United States Code, is amended by striking ''level III of the Executive Schedule'' and inserting ''level II of the Executive Schedule''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007, and shall apply with respect to months beginning on or after that date.

SEC. 603. CLARIFICATION OF EFFECTIVE DATE OF PROHIBITION ON COMPENSATION FOR CORRESPONDENCE COURSES.

Section 206(d) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(3) The prohibition in this subsection (including the prohibition as it relates to a member of the National Guard while not in Federal service) shall apply to—

''(A) any work or study performed on or after September 7, 1962; and

''(B) any claim based on such work or study arising after that date.''.

SEC. 604. ONE-YEAR EXTENSION OF PROHIBITION AGAINST REQUIRING CERTAIN INJURED MEMBERS TO PAY FOR MEALS PROVIDED BY MILITARY TREATMENT FACILITIES.

(a) EXTENSION.—Section 402(h)(3) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPORT ON ADMINISTRATION OF PROHIBITION.—Not later than February 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the administration of section 402(h)(3) of title 37, United States Code (as amended by subsection (a)). The report shall include—

(1) a description and assessment of the mechanisms used by the military departments to implement the prohibition contained in such section; and

(2) such recommendations as the Secretary considers appropriate regarding making such prohibition permanent.

SEC. 605. ADDITIONAL HOUSING ALLOWANCE FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Section 403(g) of title 37, United States Code, is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2)(A) Under regulations prescribed by the Secretary of Defense and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Department of the Navy, the Secretary concerned may authorize payment of a housing allowance to a member described in paragraph (1) at a monthly rate equal to the rate of the basic allowance for housing under subsection (b) or the overseas basic allowance for housing under subsection (c), whichever applies to that location, for members of the regular components at that location in the same grade without dependents.

''(B) A member may concurrently receive a basic allowance for housing under paragraph (1) and a housing allowance under this paragraph, but may not receive the portion of the allowance, if any, authorized under section 404 of this title for lodging expenses if a housing allowance is authorized to be paid under this paragraph.''; and

(3) in paragraph (3), as so redesignated, by striking ''Paragraph (1)'' and inserting ''Paragraphs (1) and (2)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to months beginning on or after that date.

SEC. 606. EXTENSION OF TEMPORARY CONTINUATION OF HOUSING ALLOWANCE FOR DEPENDENTS OF MEMBERS DYING ON ACTIVE DUTY TO SPOUSES WHO ARE MEMBERS OF THE UNIFORMED SERVICES.

(a) IN GENERAL.—Section 403(l) of title 37, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4);

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) A member of the uniformed services who is the spouse of a deceased member described in paragraph (2) may be paid a basic allowance for housing as provided for in that paragraph. An allowance paid under this paragraph is in addition to any other pay and allowances to which the member of the uniformed services is entitled under any other provision of law.''; and

(3) in paragraph (4), as so redesignated, by striking ''(2)'' and inserting ''(2) or (3)''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to deaths occurring on or after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(g) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) SELECTED RESERVE AFFILIATION OR ENLISTMENT BONUS.—Section 308c(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) READY RESERVE ENLISTMENT BONUS FOR PERSONS WITHOUT PRIOR SERVICE.—Section 308g(f)(2) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308h(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) SELECTED RESERVE ENLISTMENT BONUS FOR PERSONS WITH PRIOR SERVICE.—Section 308i(f) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 612. EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2007'' and inserting ''January 1, 2008''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is

amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) ACCESSION BONUS FOR PHARMACY OFFICERS.—Section 302j(a) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

SEC. 613. EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007.

SEC. 614. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(b) ASSIGNMENT INCENTIVE PAY.—Section 307a(g) of such title is amended by striking ''December 31, 2007'' and inserting ''December 31, 2008''.

(c) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(d) ENLISTMENT BONUS.—Section 309(e) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(e) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS OR ASSIGNED TO HIGH PRIORITY UNITS.—Section 323(i) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(f) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(g) INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.—Section 326(g) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2007''.

(h) INCENTIVE BONUS FOR TRANSFER BETWEEN THE ARMED FORCES.—Section 327(h) of such title is amended by striking ''December 31, 2006'' and inserting ''December 31, 2009''.

SEC. 615. INCREASE IN SPECIAL PAY FOR SELECTED RESERVE HEALTH CARE PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.

(a) Increase in Special Pay.—Section 302g(a) of title 37, United States Code, is amended by striking ''$10,000'' and inserting ''$25,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply to written agreements entered into under section 302g of title 37, United States Code, on or after that date.

SEC. 616. EXPANSION AND ENHANCEMENT OF ACCESSION BONUS AUTHORITIES FOR CERTAIN OFFICERS IN HEALTH CARE SPECIALITIES.

(a) INCREASE IN ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(2) of title 37, United States Code, is amended by striking ''$30,000'' and inserting ''$200,000''.

(b) ACCESSION BONUS FOR MEDICAL OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302j the following new section:

''§302k. Special pay: accession bonus for medical officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited school of medicine or osteopathy in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in medicine or osteopathy; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a doctor or osteopath in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Medical Corps of the Army or the Navy or as an officer of the Air Force designated as a medical officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a doctor or osteopath, as the case may be, or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(c) ACCESSION BONUS FOR DENTAL SPECIALIST OFFICERS IN CRITICALLY SHORT WARTIME SPECIALITIES.—Chapter 5 of title 37, United States Code, as amended by subsection (b), is further amended by inserting after section 302k the following new section:

''§302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties

''(a) ACCESSION BONUS AUTHORIZED.—(1) A person who is a graduate of an accredited dental school in a specialty described in subsection (c) and who executes a written agreement described in subsection (d) to accept a commission as an officer of the Armed Forces and remain on active duty for a period of not less than four consecutive years may, upon the acceptance of the agreement by the Secretary concerned, be paid an accession bonus in the amount determined by the Secretary concerned.

''(2) The amount of an accession bonus under paragraph (1) may not exceed $400,000.

''(b) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as an officer, received financial assistance from the Department of Defense to pursue a course of study in dentistry; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain certified as a dentist in a specialty described in subsection (c).

''(c) COVERED SPECIALTIES.—A specialty described in this subsection is a specialty designated by regulations as a critically short wartime specialty.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the armed service concerned, the person executing the agreement will be assigned to duty, for the period of obligated service covered by the agreement, as an officer of the Dental Corps of the Army or the Navy or as an officer of the Air Force designated as a dental officer in a specialty described in subsection (c).

''(e) REPAYMENT.—A person who, after executing an agreement under subsection (a) is not commissioned as an officer of the armed forces, does not become licensed as a dentist or does not complete the period of active duty in a specialty specified in the agreement, shall be subject to the repayment provisions of section 303a(e) of this title.

''(f) COORDINATION WITH OTHER ACCESSION BONUS AUTHORITY.—A person eligible to execute an agreement under both subsection (a) and section 302h of this title shall elect which authority to execute the agreement under. A person may not execute an agreement under both subsection (a) and such section 302h.

''(g) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2007.''.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by inserting after the item relating to section 302j the following new item:

''302k. Special pay: accession bonus for medical officers in critically short wartime specialties.

''302l. Special pay: accession bonus for dental specialist officers in critically short wartime specialties.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 617. INCREASE IN NUCLEAR CAREER ACCESSION BONUS FOR NUCLEAR-QUALIFIED OFFICERS.

(a) INCREASE.—Section 312b(a)(1) of title 37, United States Code, is amended by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to agreements under section 312b of title 37, United States Code, entered into on or after that date.

SEC. 618. MODIFICATION OF CERTAIN AUTHORITIES APPLICABLE TO THE TARGETED SHAPING OF THE ARMED FORCES.

(a) VOLUNTARY SEPARATION PAY AND BENEFITS.

(1) INCREASE IN MAXIMUM AMOUNT OF PAY.—Subsection (f) of section 1175a of title 10, United States Code, is amended by striking ''two times'' and inserting ''four times''.

(2) EXTENSION OF AUTHORITY.—Subsection (k)(1) of such section is amended by striking ''December 31, 2008'' and inserting ''December 31, 2012''.

(3) REPEAL OF LIMITATION ON APPLICABILITY.—Subsection (b) of section 643 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310; 10 U.S.C. 1175a note) is repealed.

(b) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Section 638(a)(2) of title 10, United States Code, is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(c) ENHANCED AUTHORITY FOR SELECTIVE EARLY RETIREMENT AND EARLY DISCHARGES.—

(1) RENEWAL OF AUTHORITY.—Subsection (a) of section 638a of title 10, United States Code, is amended by inserting ''and during the period beginning on October 1, 2006, and ending on December 31, 2012,'' after ''December 31, 2001,''.

(2) RELAXATION OF LIMITATION ON SELECTIVE EARLY RETIREMENT.—Subsection (c)(1) of such section is amended by adding at the end the following new sentence: ''However, during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the number of officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade.''.

(3) RELAXATION OF LIMITATION ON SELECTIVE EARLY DISCHARGE.—Subsection (d)(2) of such section is amended—

(A) in subparagraph (A), by inserting before the semicolon the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''; and

(B) in subparagraph (B), by inserting before the period the following: '', except that during the period beginning on October 1, 2006, and ending on December 31, 2012, such number may be more than 30 percent of the officers considered in each competitive category, but may not be more than 30 percent of the number of officers considered in each grade''.

(d) INCREASE IN AMOUNT OF INCENTIVE BONUS FOR TRANSFER BETWEEN ARMED FORCES.—Section 327(d)(1) of title 37, United States Code, is amended by striking ''$2,500'' and inserting ''$10,000''.

SEC. 619. EXTENSION OF PILOT PROGRAM ON CONTRIBUTIONS TO THRIFT SAVINGS PLAN FOR INITIAL ENLISTEES IN THE ARMY.

(a) EXTENSION.—Subsection (a) of section 606 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3287; 37 U.S.C. 211 note) is amended by striking ''During fiscal year 2006'' and inserting ''During the period beginning on January 6, 2006, and ending on December 31, 2008''.

(b) REPORT DATE.—Subsection (d)(1) of such section is amended by striking ''February 1, 2007'' and inserting ''February 1, 2008''.

SEC. 620. ACCESSION BONUS FOR MEMBERS OF THE ARMED FORCES APPOINTED AS COMMISSIONED OFFICERS AFTER COMPLETING OFFICER CANDIDATE SCHOOL.

(a) ACCESSION BONUS AUTHORIZED.—

(1) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

''§ 329. Special pay: accession bonus for officer candidates

''(a) ACCESSION BONUS AUTHORIZED.—Under regulations prescribed by the Secretary concerned, a person who, during the period beginning on October 1, 2006, and ending on December 31, 2007, executes a written agreement described in subsection (b) may, upon acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount not to exceed $8,000 determined by the Secretary concerned.

''(b) AGREEMENT.—A written agreement described in this subsection is a written agreement by a person—

''(1) to complete officer candidate school;

''(2) to accept a commission or appointment as an officer of the armed forces; and

''(3) to serve on active duty as a commissioned officer for a period specified in such agreement.

''(c) PAYMENT METHOD.—Upon acceptance of a written agreement under subsection (a) by the Secretary concerned, the total amount of the accession bonus payable under the agreement becomes fixed. The agreement shall specify whether the accession bonus will be paid in a lump sum or installments.

''(d) REPAYMENT.—A person who, having received all or part of the bonus under a written agreement under subsection (a), does not complete the total period of active duty as a commissioned officer as specified in such agreement shall be subject to the repayment provisions of section 303a(e) of this title.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by adding at the end the following new item:

''329. Special pay: accession bonus for officer candidates.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 2006.

(b) AUTHORITY FOR PAYMENT OF BONUS UNDER EARLIER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of the Army may pay a bonus to a person who, during the period beginning on April 1, 2005, and ending on April 6, 2006, executed an agreement to enlist for the purpose of attending officer candidate school and receive a bonus under section 309 of title 37, United States Code, and who has completed the terms of the agreement required for payment of the bonus.

(2) LIMITATION ON AMOUNT.—The amount of the bonus payable to a person under this subsection may not exceed $8,000.

(3) CONSTRUCTION WITH ENLISTMENT BONUS.—The bonus payable under this subsection is in addition to a bonus payable under section 309 of title 37, United States Code, or any other provision of law.

SEC. 621. ENHANCEMENT OF BONUS TO ENCOURAGE MEMBERS OF THE ARMY TO REFER OTHER PERSONS FOR ENLISTMENT IN THE ARMY.

(a) INDIVIDUALS ELIGIBLE FOR BONUS.—Subsection (a) of section 645 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3310) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) by striking ''a member of the Army, whether in the regular component of the Army or in the Army National Guard or Army Reserve,'' and inserting ''an individual referred to in paragraph (2)''; and

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

''(2) INDIVIDUALS ELIGIBLE FOR BONUS.—Subject to subsection (c), the following individuals are eligible for a referral bonus under this section:

''(A) A member in the regular component of the Army.

''(B) A member of the Army National Guard.

''(C) A member of the Army Reserve.

''(D) A member of the Army in a retired status, including a member under 60 years of age who, but for age, would be eligible for retired pay.

''(E) A civilian employee of the Department of the Army.''.

(b) AMOUNT OF BONUS.—Subsection (d) of such section is amended to read as follows:

''(d) AMOUNT OF BONUS.—The amount of the bonus payable for a referral under subsection (a) may not exceed $2,000. The amount shall be payable in two lump sums as provided in subsection (e).''.

(c) PAYMENT OF BONUS.—Subsection (e) of such section is amended to read as follows:

''(e) PAYMENT.—A bonus payable for a referral of a person under subsection (a) shall be paid as follows:

''(1) Not more than $1,000 shall be paid upon the commencement of basic training by the person referred.

''(2) Not more than $1,000 shall be paid upon the completion of basic training and individual advanced training by the person referred.''.

(d) COORDINATION WITH RECEIPT OF RETIRED PAY.—Such section is further amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection (g):

''(g) COORDINATION WITH RECEIPT OF RETIRED PAY.—A bonus paid under this section to a member of the Army in a retired status is in addition to any compensation to such member is entitled under title 10, 37, or 38, United States Code, or under any other provision of law.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to bonuses payable under section 645 of the National Defense Authorization Act for Fiscal Year 2006, as amended by this section, on or after that date.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXPANSION OF PAYMENT OF REPLACEMENT VALUE OF PERSONAL PROPERTY DAMAGED DURING TRANSPORT AT GOVERNMENT EXPENSE.

(a) COVERAGE OF PROPERTY OF CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE.—Subsection (a) of section 2636a of title 10, United States Code, is amended by inserting ''or civilian employees of the Department of Defense'' after ''members of the armed forces''.

(b) REQUIREMENT FOR PAYMENT.—Effective March 1, 2008, such subsection is further amended by striking ''may include'' and inserting ''shall include''.

(c) REQUIREMENT FOR DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—Subsection (b) of such section is amended by striking ''may be deducted'' and inserting ''shall be deducted''.

(d) CERTIFICATION ON FAMILIES FIRST PROGRAM.—The Secretary of Defense shall submit to the congressional defense committees a report containing the certifications of the Secretary on the following matters with respect to the program of the Department of Defense known as ''Families First'':

(1) Whether there is an alternative to the system under the program that would provide equal or greater capability at less cost.

(2) Whether the estimates on costs, and the anticipated schedule and performance parameters, for the program and system are reasonable.

(3) Whether the management structure for the program is adequate to manage and control program costs.

(e) COMPTROLLER GENERAL REPORTS ON FAMILIES FIRST PROGRAM.—

(1) REVIEW.—The Comptroller General of the United States shall conduct a review and assessment of the progress of the Department of Defense in implementing the Families First program.

(2) ELEMENTS.—In conducting the review and assessment required by paragraph (1), the Comptroller General shall—

(A) assess the progress of the Department in achieving the goals of the Families First program, including progress in the development and deployment of the Defense Personal Property System;

(B) assess the organization, staffing, resources, and capabilities of the Defense Personal Property System Project Management Office established on April 7, 2006;

(C) evaluate the growth in cost of the program since the previous assessment of the program by the Comptroller General, and estimate the current annual cost of the Defense Personal Property System and each component of that system; and

(D) assess the feasibility of implementing processes and procedures, pending the satisfactory development of the Defense Personal Property System, which would achieve the goals of the program of providing improved personal property management services to members of the Armed Forces.

(3) REPORTS.—The Comptroller General shall submit to the Committees on Armed Services of

the Senate and the House of Representatives reports as follows:

(A) An interim report on the review and assessment required by paragraph (1) not later than December 1, 2006.

(B) A final report on the review and assessment by not later than June 1, 2007.

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. MODIFICATION OF DEPARTMENT OF DEFENSE CONTRIBUTIONS TO MILITARY RETIREMENT FUND AND GOVERNMENT CONTRIBUTIONS TO MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) DEPARTMENT OF DEFENSE MILITARY RETIREMENT FUND.—

(1) DETERMINATION OF CONTRIBUTIONS.—Section 1465 of title 10, United States Code, is amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A)(ii)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', except that amounts expected to be paid to members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(ii) in subparagraph (B)(ii)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting ''other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section,'' after ''full-time National Guard duty,''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(2) PAYMENTS.—Section 1466(a) of such title is amended—

(A) in paragraph (1)(B)—

(i) by striking ''(other than active duty for training)'';

(ii) by striking ''(other than full-time National Guard duty for training only)''; and

(iii) by inserting before the period at the end the following: '', except that amounts accrued for that month by members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section shall be excluded''; and

(B) in paragraph (2)(B)—

(i) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(ii) by striking ''and other than members on full-time National Guard duty other than for training) who are'' and inserting '') for duty''.

(b) DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.—

(1) EXCLUSION OF CADETS AND MIDSHIPMEN FROM TREATMENT ON ACTIVE DUTY.—Section 1111(b) of such title is amended by adding at the end the following new paragraph:

''(5) The term 'members of the uniformed services on active duty' does not include a cadet at the United States Military Academy, the United States Air Force Academy, or the United States Coast Guard Academy, or a midshipman at the United States Naval Academy.''.

(2) DETERMINATION OF CONTRIBUTIONS.—Section 1115 of such title is amended—

(A) in subsection (b)—

(i) in paragraph (1)(B)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the period at the end the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in paragraph (2)(B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''other than members on full-time National Guard duty other than for training)''; and

(B) in subsection (c)(1)—

(i) in subparagraph (A)—

(I) by striking ''(other than active duty for training)'';

(II) by striking ''(other than full-time National Guard duty for training only)''; and

(III) by inserting before the semicolon the following: '', other than members who would be excluded from counting for active-duty end strength purposes by section 115(i) of this title for duty covered by such section''; and

(ii) in subparagraph (B)—

(I) by striking ''Ready Reserve'' and inserting ''Selected Reserve''; and

(II) by striking ''(other than members on full-time National Guard duty other than for training)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2007.

SEC. 642. REPEAL OF REQUIREMENT OF REDUCTION OF SBP SURVIVOR ANNUITIES BY DEPENDENCY AND INDEMNITY COMPENSATION.

(a) REPEAL.—

(1) IN GENERAL.—Subchapter II of chapter 73 of title 10, United States Code, is amended as follows:

(A) In section 1450, by striking subsection (c).

(B) In section 1451(c)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—Such subchapter is further amended as follows:

(A) In section 1450—

(i) by striking subsection (e); and

(ii) by striking subsection (k).

(B) In section 1451(g)(1), by striking subparagraph (C).

(C) In section 1452—

(i) in subsection (f)(2), by striking ''does not apply—'' and all that follows and inserting ''does not apply in the case of a deduction made through administrative error.''; and

(ii) by striking subsection (g).

(D) In section 1455(c), by striking '', 1450(k)(2),''.

(b) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person for any period before the effective date provided under subsection (e) by reason of the amendments made by subsection (a).

(c) RETURN OF SBP PREMIUMS PREVIOUSLY REFUNDED TO SBP RECIPIENTS.—

(1) RETURN OF CERTAIN REFUNDED AMOUNTS REQUIRED.—Under regulations prescribed by the Secretary of Defense, a surviving spouse who is or has been in receipt of an annuity under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, that is in effect before the effective date provided under subsection (e) and that is adjusted by reason of the amendments made by subsection (a) and who has received a refund of retired pay under section 1450(e) of title 10, United States Code (as in effect on the day before the effective date provided under subsection (e)), shall be required to repay such refund to the United States.

(2) TERMS AND CONDITIONS.—A surviving spouse repaying a refund to the United States under this subsection shall not be required to pay the United States any interest that would otherwise accrue or have accrued on any balance of such refund while such balance remains unpaid to the United States under this subsection. The amount repayable to the United States shall be repayable in a lump sum or over a period of years (not to exceed 10 years) agreed to by the surviving spouse or specified by the Secretary of Defense, in the absence of such an agreement.

(3) WAIVER OF REPAYMENT.—The Secretary of Defense may waive the repayment of a refund under this subsection if the Secretary determines that—

(A) hardship or other circumstances make repayment of such refund unwarranted;

(B) repayment of such refund would otherwise not be in the best interests of the United States.

(d) RECONSIDERATION OF OPTIONAL ANNUITY.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by adding at the end the following new sentences: ''The surviving spouse, however, may elect to terminate an annuity under this subparagraph in accordance with regulations prescribed by the Secretary concerned. Upon such an election, payment of an annuity to dependent children under this subparagraph shall terminate effective on the first day of the first month that begins after the date on which the Secretary concerned receives notice of the election, and, beginning on that day, an annuity shall be paid to the surviving spouse under paragraph (1) instead.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the later of—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted.

SEC. 643. EFFECTIVE DATE OF PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452(j) of title 10, United States Code, is amended by striking ''October 1, 2008'' and inserting ''October 1, 2006''.

SEC. 644. EXPANSION OF CONDITIONS FOR DIRECT PAYMENT OF DIVISIBLE RETIRED PAY.

(a) REPEAL OF CERTAIN CONDITION.—Section 1408(d) of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act.

(2) PROHIBITION ON RETROACTIVE PAYMENTS.—No payment may be made under section 1408(d) of title 10, United States Code, to or for the benefit of any person covered by paragraph (2) of such section (as in effect on the day before the effective date specified in paragraph (1)) for any period before such effective date.

SEC. 645. AUTHORITY FOR COST OF LIVING ADJUSTMENTS OF RETIRED PAY TREATED AS DIVISIBLE PROPERTY.

(a) IN GENERAL.—Section 1408 of title 10, United States Code, is amended—

(1) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively; and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) COST OF LIVING ADJUSTMENTS OF DIVISIBLE PROPERTY.—A court order under subsection (a)(2)(C) may provide for the adjustment of the amount, if expressed in dollars, payable from the disposable retired pay of a member at the same time and in the same manner as retired pay is adjusted to reflect changes in the Consumer Price Index under section 1401a of this title.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of

the enactment of this Act, and shall apply with respect to court orders that become effective after the end of the 90-day period beginning on the date of enactment of this Act.

SEC. 646. NOTICE AND COPY TO MEMBERS OF COURT ORDERS ON PAYMENT OF RETIRED PAY.

(a) WAIVER OF NOTICE.—Subsection (g) of section 1408 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''A person''; and

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

''(2) A member may waive receipt of notice on a court order otherwise required by paragraph (1). The waiver shall take such form and include such requirements as the Secretary concerned may prescribe.''.

(b) COPY OF COURT ORDER UPON REQUEST.—Such subsection is further amended—

(1) in paragraph (1), as designated by subsection (a)(1) of this section, by striking ''(together with a copy of such order)''; and

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

''(3) Upon the request of a member, written notice of a court order under paragraph (1) shall include a copy of the court order.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 90 days after the date of the enactment of this Act, and shall apply with respect to court orders received on or after such date.

SEC. 647. RETENTION OF ASSISTIVE TECHNOLOGY AND DEVICES BY CERTAIN MEMBERS OF THE ARMED FORCES AFTER SEPARATION FROM SERVICE.

(a) RETENTION AUTHORIZED.—Chapter 58 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1154. Retention of assistive technology and devices provided before separation

''(a) IN GENERAL.—Under regulations prescribed by the Secretary of Defense, a member of the armed forces who is provided an assistive technology or assistive technology device while a member of the armed forces for a severe or debilitating illness or injury incurred or aggravated by such member on active duty may retain such assistive technology or assistive technology device after separation from the armed forces.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology' and 'assistive technology device' have the meaning given such terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 58 of such title is amended by adding at the end the following new item:

''1154. Retention of assistive technology and devices provided before separation.''.

SEC. 648. RENAMING OF DEATH GRATUITY PAYABLE FOR DEATHS OF MEMBERS OF THE ARMED FORCES AS FALLEN HERO COMPENSATION.

(a) IN GENERAL.—Subchapter II of chapter 75 of title 10, United States Code, is amended as follows:

(1) In section 1475(a), by striking ''have a death gratuity paid'' and inserting ''have fallen hero compensation paid''.

(2) In section 1476(a)—

(A) in paragraph (1), by striking ''a death gratuity'' and inserting ''fallen hero compensation''; and

(B) in paragraph (2), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(3) In section 1477(a), by striking ''A death gratuity'' and inserting ''Fallen hero compensation''.

(4) In section 1478(a), by striking ''The death gratuity'' and inserting ''The amount of fallen hero compensation''.

(5) In section 1479(1), by striking ''the death gratuity'' and inserting ''fallen hero compensation''.

(6) In section 1489—

(A) in subsection (a), by striking ''a gratuity'' in the matter preceding paragraph (1) and inserting ''fallen hero compensation''; and

(B) in subsection (b)(2), by inserting ''or other assistance'' after ''lesser death gratuity''.

(b) CLERICAL AMENDMENTS.—

*(1) HEADING AMENDMENTS.—Such subchapter is further amended by striking ''**Death Gratuity:**'' each place it appears in the heading of sections 1475 through 1480 and 1489 and inserting ''**Fallen Hero Compensation:**''.*

(2) TABLE OF SECTIONS.—The table of sections at the beginning of such subchapter is amended by striking ''Death gratuity:'' in the items relating to sections 1474 through 1480 and 1489 and inserting ''Fallen hero compensation:''.

(c) GENERAL REFERENCES.—Any reference to a death gratuity payable under subchapter II of chapter 75 of title 10, United States Code, in any law, regulation, document, paper, or other record of the United States shall be deemed to be a reference to fallen hero compensation payable under such subchapter, as amended by this section.

SEC. 649. EFFECTIVE DATE OF TERMINATION OF PHASE-IN OF CONCURRENT RECEIPT FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES RATED AS TOTAL BY VIRTUE OF UNEMPLOYABILITY.

(a) IN GENERAL.—Section 1414(a)(1) of title 10, United States Code, is amended by striking ''100 percent'' the first place it appears and all that follows and inserting ''100 percent and in the case of a qualified retiree receiving veterans' disability compensation at the rate payable for a 100 percent disability by reason of a determination of individual unemployability, payment of retired pay to such veteran is subject to subsection (c) only during the period beginning on January 1, 2004, and ending on December 31, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on December 31, 2004.

SEC. 650. DETERMINATION OF RETIRED PAY BASE OF GENERAL AND FLAG OFFICERS BASED ON RATES OF BASIC PAY PROVIDED BY LAW.

(a) DETERMINATION OF RETIRED PAY BASE.—

(1) IN GENERAL.—Chapter 71 of title 10, United States Code, is amended by inserting after section 1407 the following new section:

''§ 1407a. Retired pay base: members who were general or flag officers

''Notwithstanding any other provision of law, if the determination of the retired pay base or retainer pay base under section 1406 or 1407 of this title with respect to a person who was a commissioned officer in pay grades O–7 through O–10 involves a rate or rates of basic pay that were subject to a reduction under section 203(a)(2) of title 37, such determination shall be made utilizing such rate or rates of basic pay in effect as provided by law rather than such rate or rates as so reduced under section 203(a)(2) of title 37.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 71 of such title is amended by inserting after the item relating to section 1407 the following new item:

''1407a. Retired pay base: members who were general or flag officers.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006, and shall apply with respect to the computation of retired pay for members of the Armed Forces who retire on or after that date.

SEC. 651. INAPPLICABILITY OF RETIRED PAY MULTIPLIER MAXIMUM PERCENTAGE TO SERVICE OF MEMBERS OF THE ARMED FORCES IN EXCESS OF 30 YEARS.

(a) IN GENERAL.—Paragraph (3) of section 1409(b) of title 10, United States Code, is amended to read as follows:

''(3) 30 YEARS OF SERVICE.—

''(A) RETIREMENT BEFORE JANUARY 1, 2007.—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

''(B) RETIREMENT AFTER DECEMBER 31, 2006.—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

''(i) 75 percent; and

''(ii) the product (stated as a percentage) of—

''(I) 2½; and

''(II) the member's years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service in any service, regardless of when served, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.''.

(b) RETIRED PAY FOR NON-REGULAR SERVICE.—Section 12739(c) of such title is amended—

(1) by striking ''The total amount'' and inserting ''(1) Except as provided in paragraph (2), the total amount''; and

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

''(2) In the case of a person who retires after December 31, 2006, with more than 30 years of service credited to that person under section 12733 of this title, the total amount of the monthly retired pay computed under subsections (a) and (b) may not exceed the sum of—

''(A) 75 percent of the retired pay base upon which the computation is based; and

''(B) the product of—

''(i) the retired pay base upon which the computation is based; and

''(ii) 2½ percent of the years of service credited to that person under section 12733 of this title for service, regardless of when served, under conditions authorized for purposes of this paragraph during a period designated by the Secretary of Defense for purposes of this paragraph.''.

SEC. 652. MODIFICATION OF ELIGIBILITY FOR COMMENCEMENT OF AUTHORITY FOR OPTIONAL ANNUITIES FOR DEPENDENTS UNDER THE SURVIVOR BENEFIT PLAN.

(a) IN GENERAL.—Section 1448(d)(2)(B) of title 10, United States Code, is amended by striking ''who dies after November 23, 2003'' and inserting ''who dies after October 7, 2001''.

(b) APPLICABILITY.—Any annuity payable to a dependent child under subchapter II of chapter 73 of title 10, United States Code, by reason of the amendment made by subsection (a) shall be payable only for months beginning on or after the date of the enactment of this Act.

SEC. 653. COMMENCEMENT OF RECEIPT OF NON-REGULAR SERVICE RETIRED PAY BY MEMBERS OF THE READY RESERVE ON ACTIVE FEDERAL STATUS OR ACTIVE DUTY FOR SIGNIFICANT PERIODS.

(a) REDUCED ELIGIBILITY AGE.—Section 12731 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following:

''(1) has attained the eligibility age applicable under subsection (f) to that person;''; and

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

''(f)(1) Subject to paragraph (2), the eligibility age for purposes of subsection (a)(1) is 60 years of age.

''(2)(A) In the case of a person who as a member of the Ready Reserve serves on active duty or performs active service described in subparagraph (B) after September 11, 2001, the eligibility age for purposes of subsection (a)(1) shall be reduced below 60 years of age by three months for each aggregate of 90 days on which such person so performs in any fiscal year after such date, subject to subparagraph (C). A day of duty may be included in only one aggregate of 90 days for purposes of this subparagraph.

''(B)(i) Service on active duty described in this subparagraph is service on active duty pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of this title or under section 12301(d) of this title. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of this title.

''(ii) Active service described in this subparagraph is service under a call to active service authorized by the President or the Secretary of Defense under section 502(f) of title 32 for purposes of responding to a national emergency declared by the President or supported by Federal funds.

''(C) The eligibility age for purposes of subsection (a)(1) may not be reduced below 50 years of age for any person under subparagraph (A).''.

(b) CONTINUATION OF AGE 60 AS MINIMUM AGE FOR ELIGIBILITY OF NON-REGULAR SERVICE RETIREES FOR HEALTH CARE.—Section 1074(b) of such title is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2) Paragraph (1) does not apply to a member or former member entitled to retired pay for nonregular service under chapter 1223 of this title who is under 60 years of age.''.

(c) ADMINISTRATION OF RELATED PROVISIONS OF LAW OR POLICY.—With respect to any provision of law, or of any policy, regulation, or directive of the executive branch that refers to a member or former member of the uniformed services as being eligible for, or entitled to, retired pay under chapter 1223 of title 10, United States Code, but for the fact that the member or former member is under 60 years of age, such provision shall be carried out with respect to that member or former member by substituting for the reference to being 60 years of age a reference to having attained the eligibility age applicable under subsection (f) of section 12731 of title 10, United States Code (as added by subsection (a)), to such member or former member for qualification for such retired pay under subsection (a) of such section.

(d) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to applications for retired pay that are submitted under section 12731(a) of title 10, United States Code, on or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 661. AUDIT OF PAY ACCOUNTS OF MEMBERS OF THE ARMY EVACUATED FROM A COMBAT ZONE FOR INPATIENT CARE.

(a) AUDIT REQUIRED.—

(1) IN GENERAL.—The Secretary of the Army shall conduct a complete audit of the pay accounts of each member of the Army wounded or injured in a combat zone who was evacuated from a theater of operations for inpatient care during the period beginning on May 1, 2005, and ending on April 30, 2006.

(2) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the audit conducted under paragraph (1).

(3) REPORT ELEMENTS.—The report under paragraph (2) shall include the following:

(A) A list of each member of the Army described in paragraph (1) identified (in a manner that protects the privacy of members so listed) by—

(i) date of wound or injury on which inclusion of such member on the list is based; and

(ii) grade and unit designation as of such date.

(B) For each member so listed, a statement of any underpayment of each of any pay, allowance, or other monetary benefit to which such member was entitled during the period beginning on the date of such wound or injury and ending on April 30, 2006, including basic pay, hazardous duty pay, imminent danger pay, basic allowance for housing, basic allowance for subsistence, any family separation allowance, any tax exclusion for combat duty, and any other pay, allowance, or monetary benefit to which such member was entitled during such period.

(C) For each member so listed, a statement of any disbursements made to correct underpayments made to such member as identified under subparagraph (B).

(D) For each member so listed, a statement of any debts to the United States collected or pending collection from such member.

(E) For each member so listed, a statement of any reimbursements or debt relief granted to such member for a debt identified under subparagraph (D).

(F) For each member so listed who has applied to the United States for a relief of debt—

(i) a description of the nature of the debt for which relief was applied; and

(ii) a description of the disposition of the application, including, if granted, the date of disbursement for relief granted, and, if denied, the reasons for the denial.

(G) For each member so listed, a report of any referral of such member to a collection or credit agency.

(4) FORM.—The report under paragraph (2) shall be in unclassified form, but may include a classified annex.

(b) ASSISTANCE WITH PAY OR ACCOUNT DIFFICULTIES.—

(1) CALL ASSISTANCE CENTER.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall establish within the Department of Defense an assistance center, accessible by toll-free telephone call, through which a covered member of the Armed Forces, or the primary next of kin of such a member in the case of such a member who dies, may secure assistance in resolving difficulties relating to the military pay or accounts of such member.

(2) REQUESTS FOR ASSISTANCE.—A request for assistance under paragraph (1) may be made—

(A) by a covered member of the Armed Forces; or

(B) by the primary next of kin on behalf of, or with respect to, a covered member of the Armed Forces.

(3) RESPONSE TO REQUESTS FOR ASSISTANCE.—The Secretary shall ensure that, in providing assistance under paragraph (1) to a covered member of the Armed Forces or next of kin of such a member, personnel of the assistance center established under that paragraph—

(A) provide an initial response to the request for assistance under paragraph (2) not later than 10 days after receipt of such request; and

(B) provide a final response to the request for assistance under that paragraph not later than 30 days after receipt of such request.

(4) COVERED MEMBER OF THE ARMED FORCES DEFINED.—In this subsection, the term ''covered member of the Armed Forces'' means a member of the Armed Forces wounded or injured in a combat zone who is evacuated from a theater of operations for inpatient care.

SEC. 662. PILOT PROGRAM ON TROOPS TO NURSE TEACHERS.

(a) PILOT PROGRAM REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall, in coordination with the Secretary of Health and Human Services and the Secretary of Education, conduct a pilot program to assess the feasibility and potential benefits of a program to—

(A) assist nurse corps officers described in subsection (c) in achieving necessary qualifications to become nurse educators and in securing employment as nurse educators at accredited schools of nursing;

(B) provide scholarships to nurse corps officers described in subsection (c) in return for continuing service in the Selected Reserve or other forms of public service; and

(C) help alleviate the national shortage of nurse educators and registered nurses.

(2) DURATION.—Except as provided in subsection (h), the pilot program shall be conducted during the period beginning on January 1, 2007, and ending on December 31, 2012. A nurse corps officer may not enter into an agreement to participate in the pilot program after December 31, 2012.

(3) REGULATIONS.—The pilot program shall be conducted under regulations prescribed by the Secretary of Defense in consultation with the Secretary of Health and Human Services and the Secretary of Education.

(b) DESIGNATION.—The pilot program required by subsection (a) shall be known as the ''Troops to Nurse Teachers Pilot Program'' (in this section referred to as the ''Program'').

(c) NURSE CORPS OFFICERS.—A nurse corps officer described in this subsection is any commissioned officer of the Armed Forces qualified and designated as an officer in a Nurse Corps of the Armed Forces who is—

(1) serving in a reserve component of the Armed Forces;

(2) honorably discharged from the Armed Forces; or

(3) a retired member of the Armed Forces.

(d) SELECTION OF PARTICIPANTS IN PROGRAM.—

(1) APPLICATION.—An eligible nurse corps officer seeking to participate in the Program shall submit to the Secretary of Defense an application therefor. The application shall be in such form, and contain such information, as the Secretary may require.

(2) SELECTION.—The Secretary shall select participants in the Program from among qualified nurse corps officers submitting applications therefor under paragraph (1).

(e) PARTICIPANT AGREEMENT.—

(1) IN GENERAL.—A nurse corps officer selected under subsection (d) to participate in the Program shall enter into an agreement with the Secretary of Defense relating to participation in the Program.

(2) ELEMENTS.—The agreement of a nurse corps officer under the program shall, at the election of the Secretary for purposes of the Program and as appropriate with respect to that status of such nurse corps officer—

(A) require such nurse corps officer, within such time as the Secretary may require, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than one year; or

(B) require such nurse corps officer—

(i) within such time as the Secretary may require, to successfully complete a program leading to a master's degree or doctoral degree in a nursing field from an accredited school of nursing or to a doctoral degree in a related field from an accredited institution of higher education;

(ii) to serve in the Selected Reserve or some other form of public service under terms and conditions established by the Secretary; and

(iii) upon completion of such program and service, to accept an offer of full-time employment as a nurse educator from an accredited school of nursing for a period of not less than 3 years.

(f) ASSISTANCE.—

(1) TRANSITION ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(A) assistance as follows:

(A) Career placement assistance in securing full-time employment as a nurse educator at an accredited school of nursing.

(B) A stipend in an amount not to exceed $5,000 for transition to employment referred to in paragraph (1), and for educational training for such employment, for a period not to exceed two years after entry by such participant into an agreement under subsection (e).

(2) SCHOLARSHIP ASSISTANCE.—The Secretary of Defense may provide a participant in the Program who enters into an agreement described in subsection (e)(2)(B) scholarship assistance to pursue a degree described in subsection (e)(2)(B)(i) in an amount not to exceed $30,000 annually for a period of not more than four years.

(g) TREATMENT OF ASSISTANCE.—A stipend or scholarship provided under subsection (f) shall not be taken into account in determining the eligibility of a participant in the Program for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(h) ADMINISTRATION AFTER INITIAL PERIOD.—

(1) IN GENERAL.—The termination of the Program on December 31, 2012, under subsection (a)(2) shall not terminate the entitlement to assistance under the Program of any nurse corps officer entering into an agreement to participate in the Program under subsection (e) that continues in force after that date.

(2) ADMINISTRATION.—The Secretary of Education shall undertake any administration of the Program that is required after December 31, 2012, including responsibility for any funding necessary to provide assistance under the Program after that date.

(i) REPORT.—

(1) IN GENERAL.—Not later than three years after the commencement of the Program, the Secretary of Defense shall, in consultation with the Secretary of Health and Human Services and the Secretary of Education, submit to Congress a report on the Program.

(2) ELEMENTS.—The report shall—

(A) describe the activities undertaken under the Program; and

(B) include an assessment of the effectiveness of the Program in—

(i) facilitating the development of nurse educators;

(ii) encouraging service in the Selected Reserve and other forms of public service; and

(iii) helping alleviate the national shortage of nurse educators and registered nurses.

(j) DEFINITIONS.—In this section:

(1) NURSE EDUCATOR.—The term ''nurse educator'' means a registered nurse who—

(A) is a member of the nursing faculty at an accredited school of nursing;

(B) holds a graduate degree in nursing from an accredited school of nursing or a doctoral degree in a related field from an accredited institution of higher education;

(C) holds a valid, unrestricted license to practice nursing from a State; and

(D) has successfully completed additional course work in education and demonstrates competency in an advanced practice area of nursing.

(2) SCHOOL OF NURSING.—The term ''school of nursing'' means a school of nursing (as that term is defined in section 801 of the Public Health Service Act (42 U.S.C. 296)) that is accredited (as that term is defined in section 801(6) of the Public Health Service Act).

(k) FUNDING.—From amounts authorized to be appropriated for the Department of Defense, $5,000,000 may be available for the Program.

SEC. 663. EXPANSION AND ENHANCEMENT OF AUTHORITY TO REMIT OR CANCEL INDEBTEDNESS OF MEMBERS OF THE ARMED FORCES.

(a) MEMBERS OF THE ARMY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Army'' and all that follows through ''in an active status'' and inserting ''a member of the Army (including a member on active duty or a member of a reserve component in an active status), a retired member of the Army, or a former member of the Army''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Army covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3322; 10 U.S.C. 4837 note) is repealed.

(b) MEMBERS OF THE NAVY.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Section 6161 of title 10, United States Code, is amended by striking ''a member of the Navy'' and all that follows through ''in an active status'' and inserting ''a member of the Navy (including a member on active duty or a member of a reserve component in an active status), a retired member of the Navy , or a former member of the Navy''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Navy covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(b) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3323; 10 U.S.C. 6161 note) is repealed.

(c) MEMBERS OF THE AIR FORCE.—

(1) COVERAGE OF ALL MEMBERS AND FORMER MEMBERS.—Subsection (a) of section 4837 of title 10, United States Code, is amended by striking ''a member of the Air Force'' and all that follows through ''in an active status'' and inserting ''a member of the Air Force (including a member on active duty or a member of a reserve component in an active status), a retired member of the Air Force, or a former member of the Air Force''.

(2) TIME FOR EXERCISE OF AUTHORITY.—Subsection (b) of such section is amended—

(A) in paragraph (1), by adding ''or'' at the end; and

(B) by striking paragraphs (2) and (3) and inserting the following new paragraph (2):

''(2) in the case of any other member of the Air Force covered by subsection (a), during such period or periods as the Secretary of Defense may provide in regulations prescribed by the Secretary of Defense.''.

(3) REPEAL OF TERMINATION OF MODIFIED AUTHORITY.—Paragraph (3) of section 683(c) of the National Defense Authorization Act for Fiscal Year 2006 (119 Stat. 3324; 10 U.S.C. 9837 note) is repealed.

(d) DEADLINE FOR REGULATIONS.—The Secretary of Defense shall prescribe the regulations required for purposes of sections 4837, 6161, and 9837 of title 10, United States Code, as amended by this section, not later than March 1, 2007.

SEC. 664. EXCEPTION FOR NOTICE TO CONSUMER REPORTING AGENCIES REGARDING DEBTS OR ERRONEOUS PAYMENTS PENDING A DECISION TO WAIVE, REMIT, OR CANCEL.

(a) EXCEPTION.—Section 2780(b) of title 10, United States Code, is amended—

(1) by striking ''The Secretary'' and inserting ''(1) Except as provided in paragraph (2), the Secretary''; and

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

''(2) No disclosure shall be made under paragraph (1) with respect to an indebtedness while a decision regarding waiver of collection is pending under section 2774 of this title, or a decision regarding remission or cancellation is pending under section 4837, 6161, or 9837 of this title, unless the Secretary concerned (as defined in section 101(5) of title 37), or the designee of such Secretary, determines that disclosure under that paragraph pending such decision is in the best interests of the United States.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on March 1, 2007.

(2) APPLICATION TO PRIOR ACTIONS.—Paragraph (2) of section 2780(b) of title 10, United States Code (as added by subsection (a)), shall not be construed to apply to or invalidate any action taken under such section before March 1, 2007.

(c) REPORT.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in section 2780(b) of title 10, United States Code, including—

(1) the total number of members of the Armed Forces who have been reported to consumer reporting agencies under such section;

(2) the circumstances under which such authority has been exercised, or waived (as provided in paragraph (2) of such section (as amended by subsection (a))), and by whom;

(3) the cost of contracts for collection services to recover indebtedness owed to the United States that is delinquent;

(4) an evaluation of whether or not such contracts, and the practice of reporting military debtors to collection agencies, has been effective in reducing indebtedness to the United States; and

(5) such recommendations as the Secretary considers appropriate regarding the continuing use of such authority with respect to members of the Armed Forces.

SEC. 665. ENHANCEMENT OF AUTHORITY TO WAIVE CLAIMS FOR OVERPAYMENT OF PAY AND ALLOWANCES.

(a) CLARIFICATION OF PAY AND ALLOWANCES.—Subsection (a) of section 2774 of title 10, United States Code, is amended in the matter preceding paragraph (1) by inserting ''(including any bonus or special or incentive pay)'' after ''pay or allowances''.

(b) WAIVER BY SECRETARIES CONCERNED.—Paragraph (2) of such subsection is amended—

(1) in the matter preceding subparagraph (A), by inserting ''or the designee of such Secretary'' after ''title 37,''; and

(2) in subparagraph (A), by striking ''$1,500'' and inserting ''$10,000''.

(c) TIME FOR WAIVER.—Subsection (b)(2) of such section is amended by striking ''three years'' and inserting ''five years''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on March 1, 2007.

(e) DEADLINE FOR REVISED STANDARDS.—The Director of the Office of Management and Budget and the Secretary of Defense shall prescribe any modifications to the standards under section 2774 of title 10, United States Code, that are required or authorized by reason of the amendments made by this section not later than March 1, 2007.

SEC. 666. TERMS OF CONSUMER CREDIT EXTENDED TO SERVICEMEMBER OR SERVICEMEMBER'S DEPENDENT.

(a) TERMS OF CONSUMER CREDIT.—Title II of the Servicemembers Civil Relief Act (50 U.S.C. App. 521 et seq.) is amended by adding at the end the following new section:

''SEC. 208. TERMS OF CONSUMER CREDIT.

''(a) INTEREST.—A creditor who extends consumer credit to a servicemember or a servicemember's dependent shall not require the servicemember or the servicemember's dependent to pay interest with respect to the extension of such credit, except as—

''(1) agreed to under the terms of the credit agreement or promissory note;

''(2) authorized by applicable State or Federal law; and

''(3) not specifically prohibited by this section.

''(b) ANNUAL PERCENTAGE RATE.—A creditor described in subsection (a) shall not impose an annual percentage rate greater than 36 percent with respect to the consumer credit extended to a servicemember or a servicemember's dependent.

''(c) MANDATORY LOAN DISCLOSURES.—

''(1) INFORMATION REQUIRED.—With respect to any extension of consumer credit to a servicemember or a servicemember's dependent, a creditor shall provide to the servicemember or the servicemember's dependent the following information in writing, at or before the issuance of the credit:

''(A) A statement of the annual percentage rate applicable to the extension of credit.

''(B) Any disclosures required under the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(C) A clear description of the payment obligations of the servicemember or the servicemember's dependent, as applicable.

''(2) TERMS.—Such disclosures shall be presented in accordance with terms prescribed by the regulations issued by the Board of Governors of the Federal Reserve System to implement the Truth in Lending Act (15 U.S.C. 1601 et seq.).

''(d) LIMITATION.—A creditor described in subsection (a) shall not automatically renew, repay, refinance, or consolidate with the proceeds of other credit extended by the same creditor any consumer credit extended to a servicemember or a servicemember's dependent without—

''(1) executing new loan documentation signed by the servicemember or the servicemember's dependent, as applicable; and

''(2) providing the loan disclosures described in subsection (c) to the servicemember or the servicemember's dependent.

''(e) PREEMPTION.—Except as provided in subsection (f)(2), this section preempts any State or Federal law, rule, or regulation, including any State usury law, to the extent that such laws, rules, or regulations are inconsistent with this section, except that this section shall not preempt any such law, rule, or regulation that provides additional protection to a servicemember or a servicemember's dependent.

''(f) PENALTIES.—

''(1) MISDEMEANOR.—Any creditor who knowingly violates this section shall be fined as provided in title 18, United States Code, or imprisoned for not more than one year, or both.

''(2) PRESERVATION OF OTHER REMEDIES.—The remedies and rights provided under this section are in addition to and do not preclude any remedy otherwise available under law to the person claiming relief under this section, including any award for consequential and punitive damages.

''(g) DEFINITION.—For purposes of this section, the term 'interest' includes service charges, renewal charges, fees, or any other charges (except bona fide insurance) with respect to the extension of consumer credit.''.

(b) CLERICAL AMENDMENT.—The table of contents of the Servicemembers Civil Relief Act (50 U.S.C. App. 501) is amended by inserting after the item relating to section 207 the following new item:

''Sec. 208. Terms of consumer credit''.

SEC. 667. JOINT FAMILY SUPPORT ASSISTANCE PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a joint family support assistance program for the purpose of providing assistance to families of members of the Armed Forces.

(b) LOCATIONS.—

(1) IN GENERAL.—The Secretary shall carry out the program for at least six regions of the country through sites established by the Secretary for purposes of the program in such regions.

(2) LOCATION OF CERTAIN SITES.—At least three of the sites established under paragraph (1) shall be located in an area that it geographically isolated from military installations.

(c) FUNCTIONS.—The Secretary shall provide assistance to families of the members of the Armed Forces under the program by providing at each site established for purposes of the program under subsection (b) the following:

(1) Financial, material, and other assistance to families of members of the Armed Forces.

(2) Mobile support services to families of members of the Armed Forces.

(3) Sponsorship of volunteers and family support professionals for the delivery of support services to families of members of the Armed Forces.

(4) Coordination of family assistance programs and activities provided by Military OneSource, Military Family Life Consultants, counselors, the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and nonprofit entities.

(5) Facilitation of discussion on military family assistance programs, activities, and initiatives between and among the organizations, agencies, and entities referred to in paragraph (4).

(d) RESOURCES.—

(1) IN GENERAL.—The Secretary shall provide personnel and other resources necessary for the implementation and operation of the program at each site established under subsection (b).

(2) ACCEPTANCE OF CERTAIN SERVICES.—In providing resources under paragraph (1), the Secretary may accept and utilize the services of non-Federal Government volunteers and nonprofit entities.

(e) PROCEDURES.—The Secretary shall establish procedures for the operation of each site established under subsection (b) and for the provision of assistance to families of members of the Armed Forces at such site.

(f) IMPLEMENTATION PLAN.—

(1) PLAN REQUIRED.—Not later than 30 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report setting forth a plan for the implementation of the program.

(2) ELEMENTS.—The plan required under paragraph (1) shall include the following:

(A) A description of the actions taken to select and establish sites for the program under subsection (b).

(B) A description of the procedures established under subsection (d).

(C) A review of proposed actions to be taken under the program to improve coordination on family assistance program and activities between and among the Department of Defense, other departments and agencies of the Federal Government, State and local agencies, and nonprofit entities.

(g) REPORT.—

(1) IN GENERAL.—Not later than 270 days after the first obligation of amounts for the program, the Secretary shall submit to the congressional defense committees a report on the program.

(2) ELEMENTS.—The report shall include the following:

(A) A description of the program, including each site established for purposes of the program, the procedures established under subsection (d) for operations at each such site, and the assistance provided through each such site for families of members of the Armed Forces.

(B) An assessment of the effectiveness of the program in providing assistance to families of members of the Armed Forces.

(C) An assessment of the advisability of extending the program or making it permanent.

(h) ASSISTANCE TO NON-PROFIT ENTITIES PROVIDING ASSISTANCE TO MILITARY FAMILIES.—The Secretary may provide financial, material, and other assistance to non-profit entities in order to facilitate the provision by such entities of assistance to geographically isolated families of members of the Armed Forces.

(i) SUNSET.—The program required by this section, and the authority to provide assistance under subsection (h), shall cease upon the date that is three years after the first obligation of amounts for the program.

(j) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $5,000,000 may be available for the program required by this section and the provision of assistance under subsection (h).

SEC. 668. IMPROVEMENT OF MANAGEMENT OF ARMED FORCES RETIREMENT HOME.

(a) REDESIGNATION OF CHIEF OPERATING OFFICER AS CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—Section 1515 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 415) is amended—

(A) by striking ''Chief Operating Officer'' each place it appears and inserting ''Chief Executive Officer''; and

(B) in subsection (e)(1), by striking ''Chief Operating Officer's'' and inserting ''Chief Executive Officer's''.

(2) CONFORMING AMENDMENTS.—Such Act is further amended by striking ''Chief Operating Officer'' each place it appears in a provision as follows and inserting ''Chief Executive Officer'':

(A) Section 1511 (24 U.S.C. 411).

(B) Section 1512 (24 U.S.C. 412).

(C) Section 1513(a) (24 U.S.C. 413(a)).

(D) Section 1514(c)(1) (24 U.S.C. 414(c)(1)).

(E) Section 1516(b) (24 U.S.C. 416(b)).

(F) Section 1517 (24 U.S.C. 417).

(G) Section 1518(c) (24 U.S.C. 418(c)).

(H) Section 1519(c) (24 U.S.C. 419(c)).

(I) Section 1521(a) (24 U.S.C. 421(a)).

(J) Section 1522 (24 U.S.C. 422).

(K) Section 1523(b) (24 U.S.C. 423(b)).

(L) Section 1531 (24 U.S.C. 431).

(3) CLERICAL AMENDMENTS.—(A) The heading of section 1515 of such Act is amended to read as follows:

''SEC. 1515. CHIEF EXECUTIVE OFFICER.''.

(B) The table of contents for such Act is amended by striking the item relating to section 1515 and inserting the following new item:

''Sec. 1515. Chief Executive Officer.''.

(4) REFERENCES.—Any reference in any law, regulation, document, record, or other paper of the United States to the Chief Operating Officer of the Armed Forces Retirement Home shall be considered to be a reference to the Chief Executive Officer of the Armed Forces Retirement Home.

(b) DIRECTOR AND DEPUTY DIRECTOR OF FACILITIES.—

(1) MILITARY DIRECTOR.—Subsection (b)(1) of section 1517 of such Act (24 U.S.C. 417) is amended by striking ''a civilian with experience as a continuing care retirement community professional or''.

(2) CIVILIAN DEPUTY DIRECTOR.—Subsection (d)(1)(A) of such section is amended by striking ''or a member'' and all that follows and inserting ''; and''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act, and shall apply with respect to any vacancy that occur in the position of Director or Deputy Director of a facility of the Armed Forces Retirement Home that occurs on or after that date.

(c) CLARIFICATION OF MEMBERSHIP ON LOCAL BOARD OF TRUSTEES.—Section 1516(c)(1)(H) of such Act (24 U.S.C. 416(c)(1)(K)) is amended by inserting before the period at the end the following: '', who shall be a member of the Armed Forces serving on active duty in the grade of brigadier general, or in the case of the Navy, rear admiral (lower half)''.

Subtitle F—Transition Assistance for Members of the National Guard and Reserve Returning From Deployment in Operation Iraqi Freedom or Operation Enduring Freedom

SEC. 681. SHORT TITLE.

This subtitle may be cited as the ''Heroes at Home Act of 2006''.

SEC. 682. SPECIAL WORKING GROUP ON TRANSITION TO CIVILIAN EMPLOYMENT OF MEMBERS OF THE NATIONAL GUARD AND RESERVE RETURNING FROM DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) WORKING GROUP REQUIRED.—The Secretary of Defense shall establish within the Department of Defense a working group to identify and assess the needs of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom in transitioning to civilian employment on their return from such deployment.

(b) MEMBERS.—The working group established under subsection (a) shall include a balance of individuals appointed by the Secretary of Defense from among the following:

(1) Personnel of the Department of Defense.

(2) With the concurrence of the Secretary of Veterans Affairs, personnel of the Department of Veterans Affairs.

(3) With the concurrence of the Secretary of Labor, personnel of the Department of Labor.

(c) RESPONSIBILITIES.—The working group established under subsection (a) shall—

(1) identify and assess the needs of members of the National Guard and Reserve described in subsection (a) in transitioning to civilian employment on their return from deployment as described in that subsection, including the needs of—

(A) members who were self-employed before deployment and seek to return to such employment after deployment;

(B) members who were students before deployment and seek to return to school or commence employment after deployment;

(C) members who have experienced multiple recent deployments; and

(D) members who have been wounded or injured during deployment; and

(2) develop recommendations on means of improving assistance to members of the National Guard and Reserve described in subsection (a) in meeting the needs identified in paragraph (1) on their return from deployment as described in subsection (a).

(d) CONSULTATION.—In carrying out its responsibilities under subsection (c), the working group established under subsection (a) shall consult with the following:

(1) Appropriate personnel of the Small Business Administration.

(2) Representatives of employers who employ members of the National Guard and Reserve described in subsection (a) on their return to civilian employment as described in that subsection.

(3) Representatives of employee assistance organizations.

(4) Representatives of associations of employers.

(5) Representatives of organizations that assist wounded or injured members of the National Guard and Reserves in finding or sustaining employment.

(6) Representatives of such other public or private organizations and entities as the working group considers appropriate.

(e) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the working group established under subsection (a) shall submit to the Secretary of Defense and Congress a report on its activities under subsection (c).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the identification and assessment required under subsection (c)(1).

(B) The recommendations developed under subsection (c)(2), including recommendations on the following:

(i) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the employment and transition needs of members of the National Guard and Reserve described in subsection (a) upon their return from deployment as described in that subsection.

(ii) The provision of outreach and training to employers, employment assistance organizations, and associations of employers on the needs of family members of such members.

(iii) The improvement of collaboration between the pubic and private sectors in order to ensure the successful transition of such members into civilian employment upon their return from such deployment.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make the report under paragraph (1) available to the public, including through the Internet website of the Department of Defense.

(f) TERMINATION.—

(1) IN GENERAL.—The working group established under subsection (a) shall terminate on the date that is two years after the date of the enactment of this Act.

(2) INTERIM DUTIES.—During the period beginning on the date of the submittal of the report required by subsection (e) and the termination of the working group under paragraph (1), the working group shall serve as an advisory board to the Office for Employers and Employment Assistance Organizations under section 683.

(g) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or retaining employment, including organizations and entities under military career support programs.

SEC. 683. OFFICE FOR EMPLOYERS AND EMPLOYMENT ASSISTANCE ORGANIZATIONS.

(a) DESIGNATION OF OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall designate an office within the Department of Defense to assist employers, employment assistance organizations, and associations of employers in facilitating the successful transition to civilian employment of members of the National Guard and Reserve returning from deployment in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) NAME.—The office designated under this subsection shall be known as the ''Office for Employers and Employment Assistance Organizations'' (in this section referred to as the ''Office'').

(3) HEAD.—The Secretary shall designate an individual to act as the head of the Office.

(4) INTEGRATION.—In designating the Office, the Secretary shall ensure close communication between the Office and the military departments, including the commands of the reserve components of the Armed Forces.

(b) FUNCTIONS.—The Office shall have the following functions:

(1) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful transition to civilian employment of members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection.

(2) To provide education and technical assistance to employers, employment assistance organizations, and associations of employers to assist them in facilitating the successful adjustment of family members of the National Guard and Reserve to the deployment and return from deployment of members of the National Guard and Reserve as described in that subsection.

(c) RESOURCES TO BE PROVIDED.—

(1) IN GENERAL.—In carrying out the functions specified in subsection (b), the Office shall provide employers, employment assistance organizations, and associations of employers resources, services, and assistance that include the following:

(A) Guidelines on best practices and effective strategies.

(B) Education on the physical and mental health conditions that can and may be experienced by members of the National Guard and Reserve described in subsection (a) on their return from deployment as described in that subsection in transitioning to civilian employment, including Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI), including education on—

(i) the detection of warning signs of such conditions;

(ii) the medical, mental health, and employment services available to such members, including materials on services offered by the Department of Defense, the Department of Veterans Affairs (including through the vet center program under section 1712A of title 38, United States Code), the Department of Labor, military support programs, and community mental health clinics; and

(iii) the mechanisms for referring such members for services described in clause (ii) and for other medical and mental health screening and care when appropriate.

(C) Education on the range and types of potential physical and mental health effects of deployment and post-deployment adjustment on family members of members of the National Guard and Reserve described in subsection (a), including education on—

(i) the detection of warning signs of such effects on family members of members of the National Guard and Reserves;

(ii) the medical, mental health, and employment services available to such family members, including materials on such services as described in subparagraph (B)(ii); and

(iii) mechanisms for referring such family members for services described in clause (ii) and for medical and mental health screening and care when appropriate.

(D) Education on mechanisms, strategies, and resources for accommodating and employing wounded or injured members of the National Guard and Reserves in work settings.

(2) PROVISION OF RESOURCES.—The Office shall make resources, services, and assistance available under this subsection through such mechanisms as the head of the Office considers appropriate, including the Internet, video conferencing, telephone services, workshops, trainings, presentations, group forums, and other mechanisms.

(d) PERSONNEL AND OTHER RESOURCES.—The Secretary of Defense shall assign to the Office such personnel, funding, and other resources as are required to ensure the effective discharge by the Office of the functions under subsection (b).

(e) REPORTS ON ACTIVITIES.—

(1) ANNUAL REPORT BY OFFICE.—Not later than one year after the designation of the Office, and annually thereafter, the head of the Office, in consultation with the working group established pursuant to section 682 (while in effect), shall submit to the Secretary of Defense a written report on the progress and outcomes of the Office during the one-year period ending on the date of such report.

(2) TRANSMITTAL TO CONGRESS.—Not later than 60 days after receipt of a report under paragraph (1), the Secretary shall transmit such report to the Committees on Armed Services of the Senate and the House of Representatives, together with—

(A) such comments on such report, and such assessment of the effectiveness of the Office, as the Secretary considers appropriate; and

(B) such recommendations on means of improving the effectiveness of the Office as the Secretary considers appropriate.

(3) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under paragraph (2) available to the public, including through the Internet website of the Office.

(f) EMPLOYMENT ASSISTANCE ORGANIZATION DEFINED.—In this section, the term ''employment assistance organization'' means an organization or entity, whether public or private, that provides assistance to individuals in finding or

retaining employment, including organizations and entities under military career support programs.

SEC. 684. ADDITIONAL RESPONSIBILITIES OF DEPARTMENT OF DEFENSE TASK FORCE ON MENTAL HEALTH RELATING TO MENTAL HEALTH OF MEMBERS OF THE NATIONAL GUARD AND RESERVE DEPLOYED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) ADDITIONAL RESPONSIBILITIES.—Section 723 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3348) is amended—

(1) by redesignating subsections (d), (e), (f), and (g) as subsections (e), (f), (g), and (h), respectively; and

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

''(d) ASSESSMENT OF MENTAL HEALTH NEEDS OF MEMBERS OF NATIONAL GUARD AND RESERVE DEPLOYED IN OIF OR OEF.—

''(1) IN GENERAL.—In addition to the activities required under subsection (c), the task force shall, not later than 12 months after the date of the enactment of the Heroes at Home Act of 2006, submit to the Secretary a report containing an assessment and recommendations on the needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(2) ELEMENTS.—The assessment and recommendations required by paragraph (1) shall include the following:

''(A) An assessment of the specific needs with respect to mental health of members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(B) An identification of mental health conditions and disorders (including Post Traumatic Stress Disorder (PTSD), suicide attempts, and suicide) occurring among members of the National Guard and Reserve who undergo multiple deployments in Operation Iraqi Freedom or Operation Enduring Freedom upon their return from such deployment.

''(C) Recommendations on mechanisms for improving the mental health services available to members of the National Guard and Reserve who are deployed in Operation Iraqi Freedom or Operation Enduring Freedom, including such members who undergo multiple deployments in such operations, upon their return from such deployment.''.

(b) REPORT.—Subsection (f) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) in the subsection heading, by striking ''REPORT'' and inserting ''REPORTS'';

(2) by striking paragraph (1) and inserting the following new paragraph (1):

''(1) IN GENERAL.—The report submitted to the Secretary under each of subsections (c) and (d) shall include—

''(A) a description of the activities of the task force under such subsection;

''(B) the assessment and recommendations required by such subsection; and

''(C) such other matters relating to the activities of the task force under such subsection as the task force considers appropriate.''; and

(3) in paragraph (2)—

(A) by striking ''the report under paragraph (1)'' and inserting ''a report under paragraph (1)''; and

(B) by striking ''the report as'' and inserting ''such report as''.

(c) PLAN MATTERS.—Subsection (g) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by striking ''the report from the task force under subsection (e)(1)'' and inserting ''a report from the task force under subsection (f)(1)''; and

(2) by inserting ''contained in such report'' after ''the task force'' the second place it appears.

(d) TERMINATION.—Subsection (h) of such section, as redesignated by subsection (a)(1) of this section, is further amended—

(1) by inserting ''with respect to the assessment and recommendations required by subsection (d)'' after ''the task force''; and

(2) by striking ''subsection (e)(2)'' and inserting ''subsection (f)(2)''.

SEC. 685. GRANTS ON ASSISTANCE IN COMMUNITY-BASED SETTINGS FOR MEMBERS OF THE NATIONAL GUARD AND RESERVE AND THEIR FAMILIES AFTER DEPLOYMENT IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) IN GENERAL.—The Secretary of Defense may award grants to eligible entities to carry out demonstration projects to assess the feasibility and advisability of utilizing community-based settings for the provision of assistance to members of the National Guard and Reserve who serve in Operation Iraqi Freedom or Operation Enduring Freedom, and their families, after the return of such members from deployment in Operation Iraqi Freedom or Operation Enduring Freedom, as the case may be, including—

(1) services to improve the reuniting of such members of the National Guard and Reserve and their families;

(2) education to increase awareness of the physical and mental health conditions that members of the National Guard and Reserve can and may experience on their return from such deployment, including education on—

(A) Post Traumatic Stress Disorder (PTSD) and traumatic brain injury (TBI); and

(B) mechanisms for the referral of such members of the National Guard and Reserve for medical and mental health screening and care when necessary; and

(3) education to increase awareness of the physical and mental health conditions that family members of such members of the National Guard and Reserve can and may experience on the return of such members from such deployment, including education on—

(A) depression, anxiety, and relationship problems; and

(B) mechanisms for medical and mental health screening and care when appropriate.

(b) ELIGIBLE ENTITIES.—An entity eligible for the award of a grant under this section is any public or private non-profit organization, such as a community mental health clinic, family support organization, military support organization, law enforcement agency, community college, or public school.

(c) APPLICATION.—An eligible entity seeking a grant under this section shall submit to the Secretary of Defense an application therefor in such manner, and containing such information, as the Secretary may require for purposes of this section, including a description of how such entity will work with the Department of Defense, the Department of Veterans Affairs, State health agencies, other appropriate Federal, State, and local agencies, family support organizations, and other community organization in undertaking activities described in subsection (a).

(d) ANNUAL REPORTS BY GRANT RECIPIENTS.—An entity awarded a grant under this section shall submit to the Secretary of Defense on an annual basis a report on the activities undertaken by such entity during the preceding year utilizing amounts under the grant. Each report shall include such information as the Secretary shall specify for purposes of this subsection.

(e) ANNUAL REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall submit to Congress a report on activities undertaken under the grants awarded under this section. The report shall include recommendations for legislative, programmatic, or administrative action to improve or enhance activities under the grants awarded under this section.

(2) AVAILABILITY TO PUBLIC.—The Secretary shall take appropriate actions to make each report under this subsection available to the public.

SEC. 686. LONGITUDINAL STUDY ON TRAUMATIC BRAIN INJURY INCURRED BY MEMBERS OF THE ARMED FORCES IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, conduct a longitudinal study on the effects of traumatic brain injury incurred by members of the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom. The duration of the longitudinal study shall be 15 years.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The long-term physical and mental health effects of traumatic brain injuries incurred by members of the Armed Forces during service in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) The health care, mental health care, and rehabilitation needs of such members for such injuries after the completion of inpatient treatment through the Department of Defense, the Department of Veterans Affairs, or both.

(3) The type and availability of long-term care rehabilitation programs and services within and outside the Department of Defense and the Department of Veterans Affairs for such members for such injuries, including community-based programs and services and in-home programs and services.

(c) REPORTS.—

(1) PERIODIC AND FINAL REPORTS.—After the third, seventh, eleventh, and fifteenth years of the study required by subsection (a), the Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, submit to Congress a comprehensive report on the results of the study during the preceding years. Each report shall include the following:

(A) Current information on the cumulative outcomes of the study.

(B) Such recommendations as the Secretary of Defense and the Secretary of Veterans Affairs jointly consider appropriate based on the outcomes of the study, including recommendations for legislative, programmatic, or administrative action to improve long-term care and rehabilitation programs and services for members of the Armed Forces with traumatic brain injuries.

(2) AVAILABILITY TO PUBLIC.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly take appropriate actions to make each report under this subsection available to the public.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $5,000,000.

(B) For each of fiscal years 2008 through 2021, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $5,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

SEC. 687. TRAINING CURRICULA FOR FAMILY CAREGIVERS ON CARE AND ASSISTANCE FOR MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES WITH TRAUMATIC BRAIN INJURY INCURRED IN OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM.

(a) TRAUMATIC BRAIN INJURY FAMILY CAREGIVER PANEL.—

(1) ESTABLISHMENT.—The Secretary of Defense shall, in consultation with the Secretary

of Veterans Affairs, establish within the Department of Defense a panel to develop coordinated, uniform, and consistent training curricula to be used in training family members in the provision of care and assistance to members and former members of the Armed Forces for traumatic brain injuries incurred during service in the Armed Forces in Operation Iraqi Freedom or Operation Enduring Freedom.

(2) DESIGNATION OF PANEL.—The panel established under paragraph (1) shall be known as the ''Traumatic Brain Injury Family Caregiver Panel''.

(3) MEMBERS.—The Traumatic Brain Injury Family Caregiver Panel established under paragraph (1) shall consist of 15 members appointed by the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, equally represented from among—

(A) physicians, nurses, rehabilitation therapists, and other individuals with an expertise in caring for and assisting individuals with traumatic brain injury, including those who specialize in caring for and assisting individuals with traumatic brain injury incurred in war;

(B) representatives of family caregivers or family caregiver associations;

(C) Department of Defense and Department of Veterans Affairs health and medical personnel with expertise in traumatic brain injury, and Department of Defense personnel and readiness representatives with expertise in traumatic brain injury;

(D) psychologists or other individuals with expertise in the mental health treatment and care of individuals with traumatic brain injury;

(E) experts in the development of training curricula; and

(F) any other individuals the Secretary considers appropriate.

(b) DEVELOPMENT OF CURRICULA.—

(1) IN GENERAL.—The Traumatic Brain Injury Family Caregiver Panel shall develop training curricula to be utilized during the provision of training to family members of members and former members of the Armed Forces described in subsection (a) on techniques, strategies, and skills for care and assistance for such members and former members with the traumatic brain injuries described in that subsection.

(2) SCOPE OF CURRICULA.—The curricula shall—

(A) be based on empirical research and validated techniques; and

(B) shall provide for training that permits recipients to tailor caregiving to the unique circumstances of the member or former member of the Armed Forces receiving care.

(3) PARTICULAR REQUIREMENTS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall—

(A) specify appropriate training commensurate with the severity of traumatic brain injury; and

(B) identify appropriate care and assistance to be provided for the degree of severity of traumatic brain injury for caregivers of various levels of skill and capability.

(4) USE OF EXISTING MATERIALS.—In developing the curricula, the Traumatic Brain Injury Family Caregiver Panel shall utilize and enhance any existing training curricula, materials, and resources applicable to such curricula as the Panel considers appropriate.

(5) DEADLINE FOR DEVELOPMENT.—The Traumatic Brain Injury Family Caregiver Panel shall develop the curricula not later than one year after the date of the enactment of this Act.

(c) DISSEMINATION OF CURRICULA.—

(1) IN GENERAL.—The Secretary of Defense shall, in consultation with the Traumatic Brain Injury Family Caregiver Panel, develop mechanisms for the dissemination of the curricula developed under subsection (b) to health care professionals referred to in paragraph (2) who treat or otherwise work with members and former members of the Armed Forces with traumatic brain injury incurred in Operation Iraqi Freedom or Operation Enduring Freedom. In developing such mechanisms, the Secretary may utilize and enhance existing mechanisms, including the Military Severely Injured Center.

(2) HEALTH CARE PROFESSIONALS.—The health care professionals referred to in this paragraph are the following:

(A) Personnel at military medical treatment facilities.

(B) Personnel at the polytrauma centers of the Department of Veterans Affairs.

(C) Personnel and care managers at the Military Severely Injured Center.

(D) Such other health care professionals of the Department of Defense as the Secretary considers appropriate.

(E) Such other health care professionals of the Department of Veterans Affairs as the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, considers appropriate.

(3) PROVISION OF TRAINING TO FAMILY CAREGIVERS.—

(A) IN GENERAL.—Health care professionals referred to in paragraph (2) who are trained in the curricula developed under subsection (b) shall provide training to family members of members and former members of the Armed Forces who incur traumatic brain injuries during service in the Operation Iraqi Freedom or Operation Enduring Freedom in the care and assistance to be provided for such injuries.

(B) TIMING OF TRAINING.—Training under this paragraph shall, to the extent practicable, be provided to family members while the member or former member concerned is undergoing treatment at a facility of the Department of Defense or Department of Veterans Affairs, as applicable, in order to ensure that such family members receive practice on the provision of such care and assistance under the guidance of qualified health professionals.

(C) PARTICULARIZED TRAINING.—Training provided under this paragraph to family members of a particular member or former member shall be tailored to the particular care needs of such member or former member and the particular caregiving needs of such family members.

(4) QUALITY ASSURANCE.—The Secretary shall develop mechanisms to ensure quality in the provision of training under this section to health care professionals referred to in paragraph (2) and in the provision of such training under paragraph (4) by such health care professionals.

(5) REPORT.—Not later than one year after the development of the curricula required by subsection (b), and annually thereafter, the Traumatic Brain Injury Family Caregiver Training Panel shall submit to the Secretary of Defense and the Secretary of Veterans Affairs, and to Congress, a report on the following:

(A) The actions undertaken under this subsection.

(B) The results of the tracking of outcomes based on training developed and provided under this section.

(C) Recommendations for the improvement of training developed and provided under this section.

(d) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Department of Defense to carry out this section amounts as follows:

(A) For fiscal year 2007, $1,000,000.

(B) For each of fiscal years 2008 through 2011, such sums as may be necessary.

(2) OFFSET.—The amount authorized to be appropriated by section 102(a)(2) for weapons procurement for the Navy is hereby reduced by $1,000,000, with the amount of the reduction to be allocated to amounts for the Trident II conventional modification program.

TITLE VII—HEALTH CARE

Subtitle A—Benefits Matters

SEC. 701. IMPROVED PROCEDURES FOR CANCER SCREENING FOR WOMEN.

(a) PRIMARY AND PREVENTIVE HEALTH CARE SERVICES AUTHORITY.—Section 1074d of title 10, United States Code, is amended—

(1) in subsection (a)(1), by adding at the end the following new sentence: ''The services described in paragraphs (1) and (2) of subsection (b) shall be provided under such procedures and at such intervals as the Secretary of Defense shall prescribe.''; and

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following new paragraphs:

''(1) Cervical cancer screening.

''(2) Breast cancer screening.''.

(b) TRICARE PROGRAM.—Section 1079(a)(2) of such title is amended—

(1) in the matter preceding subparagraph (A), by striking ''the schedule of pap smears and mammograms'' and inserting ''the schedule and method of cervical cancer screenings and breast cancer screenings''; and

(2) in subparagraph (B), by striking ''pap smears and mammograms'' and inserting ''cervical and breast cancer screenings''.

SEC. 702. NATIONAL MAIL-ORDER PHARMACY PROGRAM.

(a) AVAILABILITY OF REFILLS OF MAINTENANCE-TYPE MEDICATIONS SOLELY THROUGH PROGRAM.—

(1) IN GENERAL.—Subsection (a)(2) of section 1074g of title 10, United States Code, is amended—

(A) in subparagraph (E), by striking ''Pharmaceutical agents'' and inserting ''Except as provided in subparagraph (F), pharmaceutical agents''; and

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

''(F)(i) Effective April 1, 2007, refills of maintenance medications shall, except as provided under clause (ii), be available to eligible covered beneficiaries solely through the national mail-order pharmacy program referred to in subparagraph (E)(iii).

''(ii) Under such regulations as the Secretary may prescribe under this subparagraph, refills of a maintenance medication may be available to covered eligible beneficiaries through means other than the national mail-order pharmacy program if clinical requirements make it advisable that such medication be available to such beneficiaries through such other means.

''(iii) The Secretary shall specify the pharmaceutical agents constituting maintenance medications for purposes of this subparagraph.''.

(2) CONFORMING AMENDMENT.—Subsection (f)(1) of such section is amended by striking ''subsection (a)(2)(E)'' and inserting ''subparagraphs (E) and (F) of subsection (a)(2)''.

(b) PROHIBITION ON COPAYMENTS FOR CERTAIN PHARMACEUTICALS AVAILABLE THROUGH PROGRAM.—Subsection (a)(6) of such section is amended by adding at the end the following new subparagraph:

''(C) In establishing the cost-sharing requirements, the Secretary may not impose any copayment or cost-sharing requirement with respect to the following:

''(i) Refills of generic medications.

''(ii) Brand name medications determined by a physician to be medically necessary.''.

SEC. 703. AVAILABILITY UNDER TRICARE OF ANESTHESIA FOR CHILDREN IN CONNECTION WITH DENTAL PROCEDURES FOR WHICH DENTAL ANESTHESIA IS INAPPROPRIATE.

Section 1079(a)(1) of title 10, United States Code, is amended by inserting before the period at the end the following: '', except that, pursuant to such regulations as the Secretary of Defense may prescribe, hospitalization and professional services may be provided in connection with the anesthesia of a child under the age of

six years for a dental procedure which, as determined by a qualified dental specialist, is necessary''.

SEC. 704. TRICARE COVERAGE FOR FORENSIC EXAMINATIONS FOLLOWING SEXUAL ASSAULTS AND DOMESTIC VIOLENCE.

Section 1079(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(17) Forensic examinations following a sexual assault or domestic violence may be provided.''.

SEC. 705. PROHIBITION ON INCREASE IN FISCAL YEAR 2007 IN ENROLLMENT FEES FOR COVERAGE UNDER TRICARE PRIME.

(a) PROHIBITION.—Fees charged for enrollment in TRICARE Prime may not be increased during fiscal year 2007.

(b) TRICARE PRIME DEFINED.—In this section, the term ''TRICARE Prime'' means the managed care option of the TRICARE program.

SEC. 706. LIMITATION ON FISCAL YEAR 2007 INCREASE IN PREMIUMS FOR COVERAGE UNDER TRICARE OF MEMBERS OF RESERVE COMPONENTS WHO COMMIT TO CONTINUED SERVICE IN SELECTED RESERVE AFTER RELEASE FROM ACTIVE DUTY.

Any premium charged under subsection (d) of section 1076d of title 10, United States Code, for coverage under TRICARE of members of reserve components who commit to continued service in the Selected Reserve after release from active duty, as authorized by subsection (a) of such section, may not be increased during fiscal year 2007 by an amount which exceeds 2.2 percent of such premium as of September 30, 2006.

SEC. 707. TEMPORARY PROHIBITION ON INCREASE IN COPAYMENTS UNDER RETAIL PHARMACY SYSTEM OF PHARMACY BENEFITS PROGRAM.

Subsection (a)(6) of section 1074g of title 10, United States Code, as amended by section 702(b) of this Act, is further amended by adding at the end the following new subparagraph:

''(D) During the period beginning on October 1, 2006, and ending on September 31, 2007, the cost sharing requirements established under this paragraph for pharmaceutical agents available through retail pharmacies covered by paragraph (2)(E)(ii) may not exceed amounts as follows:

''(i) In the case of generic agents, $3.

''(ii) In the case of formulary agents, $9.

''(iii) In the case of nonformulary agents, $22.''.

SEC. 708. EXPANSION OF ELIGIBILITY OF MEMBERS OF THE SELECTED RESERVE FOR COVERAGE UNDER TRICARE.

(a) IN GENERAL.—Subsection (a) of section 1076b of title 10, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

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

''(4) is an employee of a business with 20 or fewer employees.''.

(b) PREMIUMS.—Subsection (e)(2) of such section is amended by adding at the end the following new subparagraph:

''(C) For members eligible under paragraph (4) of subsection (a), the amount equal to 75 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

Subtitle B—Planning, Programming, and Management

SEC. 721. TREATMENT OF TRICARE RETAIL PHARMACY NETWORK UNDER FEDERAL PROCUREMENT OF PHARMACEUTICALS.

Section 1074g of title 10, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) TRICARE RETAIL PHARMACY NETWORK.—The TRICARE Retail Pharmacy Network under the TRICARE program shall be treated as an element of the Department of Defense for purposes of the procurement of drugs by Federal agencies under section 8126 of title 38 in connection with the provision by pharmacies in the Network of pharmaceutical services to eligible covered beneficiaries under this section.''.

SEC. 722. RELATIONSHIP BETWEEN THE TRICARE PROGRAM AND EMPLOYER-SPONSORED GROUP HEALTH CARE PLANS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097b the following new section:

''§ 1097c. TRICARE program: relationship with employer-sponsored group health plans

''(a) IN GENERAL.—(1) The TRICARE program is the secondary payer for any health care services provided by an employer to a TRICARE eligible employee of such employer, and the spouse of such employee, through any group health plan offered by such employer.

''(2) An employer shall provide that a TRICARE eligible employee of such employer, and the spouse of such employee, is entitled to benefits and services under the group health plan offered by such employer in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(3) An employer of a TRICARE eligible employee may not establish any condition applicable to the participation of the employee in a group health plan offered by such employer in connection with the entitlement of the employee for health care services under the TRICARE program, including any condition on—

''(A) the eligibility of the employee for participation in the plan; or

''(B) benefits or services available to the employee under the plan.

''(b) PROHIBITION ON INCENTIVES FOR TRICARE ELIGIBLE EMPLOYEES NOT TO ENROLL OR TO DISENROLL IN GROUP HEALTH PLANS.—(1) An employer may not offer a TRICARE eligible employee any financial or other benefit (including health services coverage that is supplemental to health services coverage under the TRICARE program) not to enroll, or to disenroll, in the group health plan offered by the employer in order to ensure that the TRICARE program, rather than the plan, is the primary payer for health care services received by the employee.

''(2)(A) An employer who violates the prohibition in paragraph (1) shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each violation.

''(B) Any amounts collected under this paragraph shall be credited to the appropriation available for the TRICARE program for the fiscal year in which such amounts are collected.

''(3)(A) Except as provided in subparagraph (B), the provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a–7a), other than subsections (a) and (b) of such section 1128A, which provisions relate to procedures for the imposition of civil money penalties for certain violations of the Social Security Act, shall apply to the imposition of penalties under paragraph (2).

''(B) The Secretary of Defense may provide in the regulations prescribed under this section for the application to the imposition of penalties under paragraph (2) of procedural requirements specified in such regulations rather than the procedural requirements referred to in subparagraph (A). Any procedural requirements under such regulations shall be comparable to the procedural requirements referred to in subparagraph (A).

''(c) ELECTION OF TRICARE ELIGIBLE EMPLOYEES TO PARTICIPATE IN GROUP HEALTH PLAN.—A TRICARE eligible employee shall have the opportunity to elect to participate in the group health plan offered by the employer of the employee and receive primary coverage for health care services under the plan in the same manner and to the same extent as similarly situated employees of such employer who are not TRICARE eligible employees.

''(d) INAPPLICABILITY TO CERTAIN EMPLOYERS.—The provisions of this section do not apply to any employer who has fewer than 20 employees.

''(e) RETENTION OF ELIGIBILITY FOR COVERAGE UNDER TRICARE.—Nothing in this section, including an election made by a TRICARE eligible employee under subsection (c), shall be construed to effect, modify, or terminate the eligibility of a TRICARE eligible employee or spouse of such employee for health care or dental services under this chapter in accordance with the other provisions of this chapter.

''(f) COLLECTION OF INFORMATION.—(1) To improve the administration of this section, the Secretary of Defense may utilize the authorities on collection of information set forth in paragraphs (1) and (2) of section 1095(k) of this title, including the authority in the second sentence of paragraph (2) of such section.

''(2) Information obtained pursuant to the use of the authorities in paragraph (1) may not be disclosed for any purpose of than to carry out the purpose of this section.

''(g) OUTREACH.—The Secretary of Defense shall, in coordination with the other administering Secretaries, conduct outreach to inform covered beneficiaries who are entitled to health care benefits under the TRICARE program of the rights and responsibilities of such beneficiaries and employers under this section.

''(h) REGULATIONS.—The Secretary of Defense shall prescribe regulations relating to the administration and enforcement of this section. The regulations shall be prescribed in consultation with the other administering Secretaries and the Attorney General, as appropriate.

''(i) DEFINITIONS.—In this section:

''(1) The term 'employer' includes a State or unit of local government.

''(2) The term 'group health plan' means a group health plan (as that term is defined in section 5000(b)(1) of the Internal Revenue Code of 1986 without regard to section 5000(d) of the Internal Revenue Code of 1986).

''(3) The term 'primary payer' means a group health plan that provides a benefit that would be primary under section 1079(j)(1) or 1086(g) of this title.

''(4) The term 'secondary payer' means a plan or program whose medical benefits are payable only after a primary payer has provided medical benefits in accordance with applicable law and the plan of the primary payer.

''(5) The term 'TRICARE eligible employee' means a covered beneficiary under section 1086 of this title entitled to health care benefits under the TRICARE program.

''(j) EFFECTIVE DATE.—This section shall take effect on January 1, 2008.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title is amended by inserting after the item relating to section 1097b the following new item:

''1097c. TRICARE program: relationship with employer-sponsored group health plans.''.

SEC. 723. ENROLLMENT IN THE TRICARE PROGRAM.

(a) SYSTEM OF ENROLLMENT REQUIRED.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097c, as added by section 722(a) of this Act, the following new section:

''§ 1097d. TRICARE program: system of enrollment

''(a) ESTABLISHMENT OF SYSTEM.—Not later than October 1, 2007, the Secretary of Defense shall establish a universal system for enrollment

of all beneficiaries who obtain health care services from military medical treatment facilities or civilian health care providers under the TRICARE program (in this section referred to as 'participating beneficiaries').

''(b) PURPOSES OF SYSTEM.—The purposes of the system required by subsection (a) shall be as follows:

''(1) To ensure the efficient administration of benefits under the TRICARE program, including the Standard option of TRICARE.

''(2) To ensure that the geographic distribution of healthcare providers under the TRICARE program meets the needs of participating beneficiaries for ready access to health care services under the program.

''(3) To promote the implementation of disease management and chronic care management programs authorized by the National Defense Authorization Act for Fiscal Year 2007 and other provisions of law.

''(c) ELEMENTS.—The system required by subsection (a) shall be subject to the following:

''(1) Enrollment is required for all benefits options under the TRICARE program.

''(2) A one-time enrollment fee (in the amount of $25, in the case of an individual enrolling in self only coverage, or $40, in the case of an individual enrolling in self and family coverage) may be collected for all participating beneficiaries who utilize the Standard option of TRICARE, except that such enrollment fee may not be collected from the following:

''(A) Dependents of members of the armed forces on active duty.

''(B) Dependents of Reserves on extended active duty pursuant to a call or order to active duty of 30 days or more.

''(C) Participating beneficiaries who are also eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

''(D) Participating beneficiaries enrolled in TRICARE Reserve Select under section 1076d of this title.

''(3) Enrollment in the system may occur at any time.

''(4) Enrollment in the system shall be by a variety of means utilizing a standard format.

''(d) ADMINISTRATION.—The Secretary shall provide for the administration of the system in each region of the TRICARE program by the TRICARE Regional Director for such region.

''(e) HEALTH RISK ASSESSMENT.—(1) The Secretary of Defense shall provide to each participating beneficiary who enrolls in the system required by subsection (a) a health risk assessment not later than 120 days after the date of the enrollment of such participating beneficiary in the system.

''(2) The Secretary shall provide health risk assessments under paragraph (1) by any means that the Secretary considers appropriate for purposes of this section.

''(f) CONSEQUENCES OF LACK OF PAYMENT OF ENROLLMENT FEE.—(1) In the case of any participating beneficiary who is subject to the payment of an enrollment fee under the authority in subsection (c)(2), payment of the enrollment fee shall, except as provided in paragraph (2), be a condition for receipt of benefits under the TRICARE program.

''(2) The Secretary of Defense may waive the applicability of paragraph (1) to any participating beneficiary or class of participating beneficiaries if the Secretary determines that the waiver is in the best interests of the United States.

''(g) COMMUNICATIONS AND OUTREACH WITH ENROLLEES.—(1) The Secretary of Defense shall, on a periodic basis but not less often than annually, provide to participating beneficiaries who are enrolled in the system required by subsection (a) information on current matters relating to the TRICARE program, including information on benefits available under the TRICARE program and information on preventive health care services and other practices intended to promote health and wellness among such participating beneficiaries.

''(2) The Secretary shall, on a periodic basis, conduct surveys or otherwise collect information on participating beneficiaries enrolled in the system with respect to the following:

''(A) The satisfaction of such beneficiaries who are participants in the option of the TRICARE program known as TRICARE Standard with the nature and scope of, and access to, health care services under that option.

''(B) Other health care insurance, if any, that is available to such beneficiaries.

''(C) Any other matters that the Secretary considers appropriate to improve health care benefits and access to health care services under the TRICARE program.

''(h) CONSULTATION.—The Secretary of Defense shall carry out this section in consultation with the other administering Secretaries.''.

(b) COMPTROLLER GENERAL REPORT ON SYSTEM.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the system of enrollment required by section 1097d of title 10, United States Code (as added by subsection (a)). The report shall include the following:

(1) An assessment of the progress made toward implementation of the system.

(2) A description and assessment of the integration of the system with the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the system by October 1, 2007.

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 1099 of title 10, United States Code, is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 55 of such title is amended—

(1) by inserting after the item relating to section 1097c, as added by section 722(b) of this Act, the following new item:

''1097d. TRICARE program: system of enrollment.'';

and

(2) by striking the item relating to section 1099.

SEC. 724. INCENTIVE PAYMENTS FOR THE PROVISION OF SERVICES UNDER THE TRICARE PROGRAM IN MEDICALLY UNDERSERVED AREAS.

(a) IN GENERAL.—Chapter 55 of title 10, United States Code, is amended by inserting after section 1097d, as added by section 723(a) of this Act, the following new section:

''§ 1097e. TRICARE program: incentive payments for provision of services in medically underserved areas

''(a) INCENTIVE PAYMENTS AUTHORIZED.—(1) Commencing with the calendar quarter beginning on January 1, 2008, the Secretary of Defense, after consultation with the other administering Secretaries, shall make incentive payments under this section to physicians participating in the TRICARE program in a medically underserved area.

''(2) Incentive payments payable under this section shall be paid with respect to physician professional services furnished in medically underserved areas.

''(3) The incentive payment payable under this section with respect to a physician professional service is in addition to any other amounts payable for such service under the TRICARE program.

''(b) MEDICALLY UNDERSERVED AREA.—For purposes of this section, a medically underserved area is either of the following:

''(1) A primary care scarcity county (with respect to a primary care physician) or specialist care scarcity county (with respect to any other physician) identified by the Secretary of Health and Human Services under section 1833(u)(4) of the Social Security Act (42 U.S.C. 1395l(u)(4)).

''(2) A health professional shortage area identified by the Secretary of Health and Human Services under section 1833(m)(1) of the Social Security Act (42 U.S.C. 1395l(m)(1)).

''(c) AMOUNT OF INCENTIVE PAYMENT.—The amount of the incentive payment payable under subsection (a) with respect to a physician professional service is as follows:

''(1) In the case of a service furnished by a primary care physician in a primary care scarcity county or a service furnished by any other physician in a specialist care scarcity county covered by subsection (b)(1), an amount equal to 5 percent of the amount payable for the service under the TRICARE program.

''(2) In the case of a service furnished in an area covered by subsection (b)(2), an amount equal to 10 percent of the amount payable for the service under the TRICARE program.

''(3) In the case of a service provided in a location that is covered by both paragraphs (1) and (2) of subsection (b), an amount equal to 15 percent of the amount payable for the service under the TRICARE program.

''(d) LOCATION OF PROVISION OF SERVICE.—(1) For purposes of identifying the location in which a physician professional service is furnished for purposes of this section, the Secretary of Defense shall use the 5-digit postal ZIP code system.

''(2) If the 5-digit postal ZIP code for an area covers more than one county, the dominant county (as determined by the United States Postal Service or otherwise) shall be used to determine whether the postal ZIP code is in a scarcity county covered by subsection (b)(1).

''(e) FREQUENCY OF PAYMENT.—Incentive payments payable under this section shall be paid on a quarterly basis for incentive payments accrued during the previous calendar quarter.

''(f) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 55 of such title, as amended by section 723(d)(1) of this Act, is further amended by inserting after the item relating to section 1097d the following new item:

''1097e. TRICARE program: incentive payments for provision of services in medically underserved areas.''.

SEC. 725. STANDARDIZATION OF CLAIMS PROCESSING UNDER TRICARE PROGRAM AND MEDICARE PROGRAM.

(a) IN GENERAL.—Effective October 1, 2007, the claims processing requirements under the TRICARE program on the matters described in subsection (b) shall be identical to the claims processing requirements under the Medicare program on such matters.

(b) COVERED MATTERS.—The matters described in this subsection are as follows:

(1) The utilization of single or multiple provider identification numbers for purposes of the payment of health care claims by Department of Defense contractors.

(2) The documentation required to substantiate medical necessity for items and services that are covered under both the TRICARE program and the Medicare program.

(c) IMMEDIATE COLLECTION FROM THIRD-PARTY PAYERS.—

(1) POLICY REQUIRED.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe in regulations a policy for the collection of amounts from third-party payers as authorized by section 1095 of title 10, United States Code, immediately upon the presentation of claims for health care services to the Department of Defense.

(2) OVERPAYMENT.—The policy required by subsection (a) shall include mechanisms for the recoupment by third-party payers of amounts overpaid to the United States under the policy.

(d) ANNUAL REPORTS ON CLAIMS PROCESSING STANDARDIZATION.—

(1) IN GENERAL.—Not later than October 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a complete list of the claims processing requirements under the TRICARE program that differ from claims processing requirements under the Medicare program.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each claims processing requirement listed in such report, a business case that justifies maintaining such requirement under the TRICARE program as a different claims processing requirement than that required under the Medicare program.

(e) DEFINITIONS.—In this section:

(1) The term ''administering Secretaries'' has the meaning given that term in section 1072(3) of title 10, United States Code.

(2) The term ''Medicare program'' means the program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(3) The term ''TRICARE program'' has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 726. REQUIREMENTS FOR SUPPORT OF MILITARY TREATMENT FACILITIES BY CIVILIAN CONTRACTORS UNDER TRICARE.

(a) ANNUAL INTEGRATED REGIONAL REQUIREMENTS ON SUPPORT.—The Regional Director of each region under the TRICARE program shall develop each year integrated, comprehensive requirements for the support of military treatment facilities in such region that is provided by contract civilian health care and administrative personnel under the TRICARE program.

(b) PURPOSES.—The purposes of the requirements established under subsection (a) shall be as follows:

(1) To ensure consistent standards of quality in the support of military treatment facilities by contract civilian health care personnel under the TRICARE program.

(2) To identify targeted, actionable opportunities throughout each region of the TRICARE program for the most efficient delivery of health care and support of military treatment facilities.

(3) To ensure the most effective use of various available contracting methods in securing support of military treatment facilities by civilian personnel under the TRICARE program, including resource-sharing and clinical support agreements, direct contracting, and venture capital investments.

(4) To achieve savings targets for each region under the TRICARE program.

(c) FACILITATION AND ENHANCEMENT OF CONTRACTOR SUPPORT.—

(1) IN GENERAL.—The Secretary of Defense shall take appropriate actions to facilitate and enhance the support of military treatment facilities under the TRICARE program in order to assure maximum quality and productivity.

(2) ACTIONS.—In taking actions under paragraph (1), the Secretary shall—

(A) ensure approval by a Regional Director of all proposals for the support of military treatment facilities in the region concerned in accordance with the most current requirements established by such Regional Director under subsection (a);

(B) ensure the availability of adequate and sustainable funding support for projects which produce a return on investment to the military treatment facilities;

(C) ensure that a portion of any return on investment is returned to the military treatment facility to which such savings are attributable;

(D) require consistent standards of quality for contract civilian health care personnel providing support of military treatment facilities under the TRICARE program, including—

(i) consistent credentialing requirements among military treatment facilities; and

(ii) accreditation of health care staffing firms by the Joint Commission on the Accreditation of Health Care Organization Health Care Staffing Standards;

(E) remove financial disincentives for military treatment facilities and civilian contractors to initiate and sustain agreements for the support of military treatment facilities by such contractors under the TRICARE program;

(F) provide for a consistent process across all regions of the TRICARE program for developing cost benefit analyses of agreements for the support of military treatment facilities by civilian contractors under the TRICARE program based on actual cost and utilization data within each region of the TRICARE program; and

(G) provide for a system for tracking the performance of each project for support of military treatment facilities by a civilian contractor under the TRICARE program.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1 each year, the Secretary shall submit to the congressional defense committees a report on the support of military treatment facilities by civilian contractors under the TRICARE program during the preceding fiscal year.

(2) ELEMENTS.—Each report shall set forth, for the fiscal year covered by such report, the following:

(A) The status of the support of military health treatment facilities that is provided by contract civilian health care personnel under the TRICARE program in each region of the TRICARE program.

(B) An assessment of the compliance of such support with regional requirements under subsection (a).

(C) The number and type of agreements for the support of military treatment facilities by contract civilian health care personnel.

(D) The standards of quality in effect under the requirements under subsection (a).

(E) The savings anticipated, and any savings achieved, as a result of the implementation of the requirements under subsection (a).

SEC. 727. UNIFORM STANDARDS FOR ACCESS TO HEALTH CARE SERVICES FOR WOUNDED OR INJURED SERVICEMEMBERS.

(a) UNIFORM STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations uniform standards for the access of wounded or injured members of the Armed Forces to health care services through the military health care system.

(b) MATTERS COVERED BY STANDARDS.—The standards required by subsection (a) shall establish uniform policy with respect to the following:

(1) The access of wounded or injured members of the Armed Forces to emergency care.

(2) The access of such members to surgical services.

(3) Waiting times for referrals and consultations of such members by medical personnel, dental personnel, mental health specialists, and rehabilitative service specialists, including personnel and specialists with expertise in prosthetics and the in treatment of head, vision, and spinal cord injuries.

(4) Waiting times of such members for acute care and for routine follow-up care.

(c) REFERRAL TO PROVIDERS OUTSIDE MILITARY HEALTH CARE SYSTEM.—To the extent practicable, the Secretary shall require in the standards under subsection (a) that the standards be met through whatever means or mechanisms possible, including through the referral of members described in that subsection to health care providers outside the military health care system.

(d) TRACKING OF PERFORMANCE.—The standards required by subsection (a) shall require each Secretary concerned to establish mechanisms for tracking the performance of the military health care system under the jurisdiction of such Secretary in meeting the requirements for access of wounded or injured members of the Armed Forces to health care services set forth in such standards.

(e) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' has the meaning given that term in section 101(a) of title 10, United States Code.

SEC. 728. DISEASE AND CHRONIC CARE MANAGEMENT.

(a) PROGRAM REQUIRED.—Not later than October 1, 2007, the Secretary of Defense shall establish and implement throughout the military health care system a fully-integrated program on disease and chronic care management that provides, to the extent practicable, uniform policies and practices, and regional execution of such policies and practices, on disease management and chronic care management throughout that system, including both military hospitals and clinics and civilian healthcare providers.

(b) PURPOSES OF PROGRAM.—The purposes of the program required by subsection (a) are as follows:

(1) To facilitate the improvement of the health status of individuals under care in the military health care system.

(2) To ensure the availability of effective health care services in that system for individuals with diseases and other chronic conditions.

(3) To ensure the proper allocation of health care resources for individuals who need care for disease or other chronic conditions.

(c) ELEMENTS.—The program required by subsection (a) shall meet the following requirements:

(1) Based on uniform policies prescribed by the Secretary under subsection (a), the program shall, at a minimum, address the following chronic diseases and conditions:

(A) Diabetes.

(B) Cancer.

(C) Heart disease.

(D) Asthma.

(E) Chronic obstructive pulmonary disorder.

(F) Depression and anxiety disorders.

(2) The program shall meet nationally-recognized accreditation standards for disease and chronic care management.

(3) The program shall include specific outcome measures and objectives on disease and chronic care management.

(4) The program shall include strategies for disease and chronic care management for all beneficiaries, including beneficiaries eligible for benefits under the Medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), for whom the TRICARE program is not the primary payer for health care benefits.

(5) Activities under the program shall conform to applicable laws and regulations relating to the confidentiality of health care information.

(d) DESIGN OF CERTAIN PORTIONS OF PROGRAM.—As part of the program required under subsection (a), the Secretary may contract for the design of a disease and chronic care management program for the military health care system.

(e) ACTIONS TO FACILITATE PROGRAM.—In order to facilitate the carrying out of the program required by subsection (a), the Secretary shall—

(1) require a comprehensive analysis of the disease and chronic care management opportunities within each region of the TRICARE program, including within military treatment facilities and through contractors under the TRICARE program;

(2) ensure continuous, adequate funding of disease and chronic care management activities throughout the military health care system in order to achieve maximum health outcomes and cost avoidance;

(3) eliminate, to the extent practicable, any financial disincentives to sustained investment by military hospitals and health care services contractors of the Department of Defense in the disease and chronic care management activities of the Department;

(4) ensure that appropriate clinical and claims data, including pharmacy utilization data, is available for use in implementing the program;

(5) ensure outreach to eligible beneficiaries, who, on the basis of their clinical conditions, are candidates for the program utilizing print and electronic media, telephone, and personal interaction; and

(6) provide a system for monitoring improvements in health status and clinical outcomes under the program and savings associated with the program.

(f) COMPTROLLER GENERAL REPORT.—Not later than September 15, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the program required by subsection (a). The report shall include the following:

(1) An assessment of the progress made toward implementation of the program.

(2) A description and assessment of the integration of disease and chronic care management strategies in the regional business plan of the TRICARE Regional Offices.

(3) An assessment of the readiness of the Department to implement the program by October 1, 2007.

(g) SECRETARY OF DEFENSE REPORTS.—

(1) IN GENERAL.—Not later than January 1, 2008, and every year thereafter, the Secretary shall submit to the congressional defense committees a report on the program required by subsection (a).

(2) REPORT ELEMENTS.—Each report required by this subsection shall include the following:

(A) An assessment of the program during the one-year period ending on the date of such report.

(B) A description and assessment of improvements in health status and clinical outcomes.

(C) A description of the savings and return on investment associated with the program.

(D) A description of an investment strategy to assure the sustainment of the disease and chronic care management programs of the Department of Defense.

SEC. 729. POST-DEPLOYMENT HEALTH ASSESSMENTS FOR MEMBERS OF THE ARMED FORCES RETURNING FROM DEPLOYMENT IN SUPPORT OF A CONTINGENCY OPERATION.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe in regulations requirements applicable to the conduct of post-deployment health assessments for members of the Armed Forces returning from deployment in support of a contingency operation.

(b) GENERAL REQUIREMENTS.—The regulations prescribed under subsection (a) shall require the following:

(1) That a health assessment be conducted on each member of the Armed Forces returning from deployment in support of a contingency operation within such time after the return of such member from deployment as the Secretary shall specify in the regulations.

(2) That each health assessment be conducted by a healthcare provider having such qualifications as the Secretary shall specify in the regulations.

(3) That each health assessment assess such health-related matters as the Secretary shall specify in the regulations, including an assessment of mental health (including Traumatic Brain Injury (TBI)) for referral of a member for further evaluation relating to mental health (including evaluation of the effects of combat or operational stress).

(4) That the results of each health assessment be stored in a centralized data base maintained by the Secretary under this section.

(c) ASSESSMENTS OF MENTAL HEALTH.—

(1) CRITERIA FOR REFERRAL FOR FURTHER EVALUATIONS.—The regulations prescribed under subsection (a) shall include—

(A) criteria to be utilized by healthcare providers in determining whether to refer a member of the Armed Forces for further evaluation relating to mental health (including Traumatic Brain Injury);

(B) mechanisms to ensure that healthcare providers are trained in the application of such criteria in making such determinations; and

(C) mechanisms for oversight to ensure that healthcare providers apply such criteria consistently.

(2) AVAILABILITY OF REFERRAL.—Under the regulations, a copy of a referral of a member for further evaluation relating to mental health shall be—

(A) provided to the member;

(B) placed in the healthcare record of the member that is maintained by the Department of Defense; and

(C) provided to the healthcare manager of the member.

(3) TRACKING MECHANISMS.—The regulations shall include mechanisms to ensure that a member who receives a referral for further evaluation relating to mental health receives such evaluation and obtains such care and services as are warranted.

(4) QUALITY ASSURANCE.—The regulations shall include a requirement that the Department address, as part of the deployment health assessment quality assurance program of the Department, the following:

(A) The types of healthcare providers conducting post-deployment health assessments.

(B) The training received by such providers applicable to the conduct of such assessments, including training on assessments and referrals relating to mental health.

(C) The guidance available to such providers on how to apply the criteria prescribed under paragraph (1)(A) in determining whether to make a referral for further evaluation of a member of the Armed Forces relating to mental health.

(D) The effectiveness of the tracking mechanisms required under paragraph (3) in ensuring that members who receive referrals for further evaluations relating to mental health receive such evaluations and obtain such care and services as are warranted.

(d) COMPTROLLER GENERAL REPORTS ON IMPLEMENTATION OF REQUIREMENTS.—

(1) STUDY ON IMPLEMENTATION.—The Comptroller General of the United States shall carry out a study of the implementation of the requirements prescribed under this section.

(2) PERIODIC EVALUATION OF MENTAL HEALTH ASSESSMENT PROCESSES.—The Comptroller General shall, on a periodic basis, evaluate the following:

(A) The compliance of the Department of Defense and healthcare providers with the requirements under this section applicable to the assessment and referral of members of the Armed Forces relating to mental health.

(B) The effectiveness of the processes under such requirements in addressing the mental health care needs of members returning from deployments overseas.

(3) REPORTS.—(A) Not later than March 1, 2007, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study carried out under paragraph (1).

(B) Upon completion of an evaluation under paragraph (2), the Comptroller General shall submit to the committees of Congress referred to in subparagraph (A) a report on such evaluation.

(e) CONTINGENCY OPERATION DEFINED.—In this section, the term ''contingency operation'' has the meaning given that term in section 101(a)(13) of title 10, United States Code.

SEC. 730. MENTAL HEALTH SELF-ASSESSMENT PROGRAM.

(a) FINDING.—Congress finds that the Mental Health Self-Assessment Program (MHSAP) of the Department of Defense is vital to the overall health and well-being of deploying members of the Armed Forces and their families because that program provides—

(1) a non-threatening, voluntary, anonymous self-assessment of mental health that is effective in helping to detect mental health and substance abuse conditions;

(2) awareness regarding warning signs of such conditions; and

(3) information and outreach to members of the Armed Forces (including members of the National Guard and Reserves) and their families on specific services available for such conditions.

(b) EXPANSION OF PROGRAM.—The Secretary of Defense shall, acting through the Office of Health Affairs of the Department of Defense, take appropriate actions to expand the Mental Health Self-Assessment Program in order to achieve the following:

(1) The continuous availability of the assessment under the program to members and former members of the Armed Forces in order to ensure the long-term availability of the diagnostic mechanisms of the assessment to detect mental health conditions that may emerge over time.

(2) The availability of programs and services under the program to address the mental health of dependent children of members of the Armed Forces who have been deployed or mobilized.

(c) OUTREACH.—The Secretary shall develop and implement a plan to conduct outreach and other appropriate activities to expand and enhance awareness of the Mental Health Self-Assessment Program, and the programs and services available under that program, among members of the Armed Forces (including members of the National Guard and Reserves) and their families.

(d) REPORTS.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the actions undertaken under this section during the one-year period ending on the date of such report.

SEC. 731. ADDITIONAL AUTHORIZED OPTION PERIODS FOR EXTENSION OF CURRENT CONTRACTS UNDER TRICARE.

(a) ADDITIONAL NUMBER OF AUTHORIZED PERIODS.—

(1) IN GENERAL.—The Secretary of Defense, after consulting with the other administering Secretaries, may extend any contract for the delivery of health care entered into under section 1097 of title 10, United States Code, that is in force on the date of the enactment of this Act by one year, and upon expiration of such extension by one additional year, if the Secretary determines that such extension—

(A) is in the best interests of the United States; and

(B) will—

(i) facilitate the effective administration of the TRICARE program; or

(ii) ensure continuity in the delivery of health care under the TRICARE program.

(2) LIMITATION ON NUMBER OF EXTENSIONS.—The total number of one-year extensions of a contract that may be granted under paragraph (1) may not exceed 2 extensions.

(3) NOTICE AND WAIT.—The Secretary may not commence the exercise of the authority in paragraph (1) until 30 days after the date on which the Secretary submits to the congressional defense committees a report setting forth the minimum level of performance by an incumbent contractor under a contract covered by such paragraph that will be required by the Secretary in order to be eligible for an extension authorized by such paragraph.

(4) DEFINITIONS.—In this subsection, the terms ''administering Secretaries'' and ''TRICARE program'' have the meaning given such terms in section 1072 of title 10, United States Code.

(b) REPORT ON CONTRACTING MECHANISMS FOR HEALTH CARE SERVICE SUPPORT CONTRACTS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on contracting mechanisms under consideration for future contracts for health care service support under section 1097 of title 10, United States Code. The report shall include an assessment of

the advantages and disadvantages for the Department of Defense (including the potential for stimulating competition and the effect on health care beneficiaries of the Department) of providing in such contracts for a single term of 5 years, with a single optional period of extension of an additional 5 years if performance under such contract is rated as ''excellent''.

SEC. 732. MILITARY VACCINATION MATTERS.

(a) ADDITIONAL ELEMENT FOR COMPTROLLER GENERAL STUDY AND REPORT ON VACCINE HEALTHCARE CENTERS.—Section 736(b) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3356) is amended by adding at the end the following new paragraph:

''(10) The feasibility and advisability of transferring direct responsibility for the Centers from the Army Medical Command to the Under Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Force Protection and Readiness.''.

(b) RESPONSE TO MEDICAL NEEDS ARISING FROM MANDATORY MILITARY VACCINATIONS.—

(1) IN GENERAL.—The Secretary of Defense shall maintain a joint military medical center of excellence focusing on the medical needs arising from mandatory military vaccinations.

(2) ELEMENTS.—The joint military medical center of excellence under paragraph (1) shall consist of the following:

(A) The Vaccine Healthcare Centers of the Department of Defense, which shall be the principal elements of the center.

(B) Any other elements that the Secretary considers appropriate.

(3) AUTHORIZED ACTIVITIES.—In acting as the principal elements of the joint military medical center under paragraph (1), the Vaccine Healthcare Centers referred to in paragraph (2)(A) may carry out the following:

(A) Medical assistance and care to individuals receiving mandatory military vaccines and their dependents, including long-term case management for adverse events where necessary.

(B) Evaluations to identify and treat potential and actual health effects from vaccines before and after their use in the field.

(C) The development and sustainment of a long-term vaccine safety and efficacy registry.

(D) Support for an expert clinical advisory board for case reviews related to disability assessment questions.

(E) Long-term and short-term studies to identify unanticipated benefits and adverse events from vaccines.

(F) Educational outreach for immunization providers and those required to receive immunizations.

(G) The development, dissemination, and validation of educational materials for Department of Defense healthcare workers relating to vaccine safety, efficacy, and acceptability.

(c) LIMITATION ON RESTRUCTURING OF VACCINE HEALTHCARE CENTERS.—

(1) LIMITATION.—The Secretary of Defense may not downsize or otherwise restructure the Vaccine Healthcare Centers of the Department of Defense until the Secretary submits to Congress a report setting forth a plan for meeting the immunization needs of the Armed Forces during the 10-year period beginning on the date of the submittal of the report.

(2) REPORT ELEMENTS.—The report submitted under paragraph (1) shall include the following:

(A) An assessment of the potential biological threats to members of the Armed Forces that are addressable by vaccine.

(B) An assessment of the distance and time required to travel to a Vaccine Healthcare Center by members of the Armed Forces who have severe reactions to a mandatory military vaccine.

(C) An identification of the most effective mechanisms for ensuring the provision services by the Vaccine Healthcare Centers to both military medical professionals and members of the Armed Forces.

(D) An assessment of current military and civilian expertise with respect to mass adult immunization programs, including case management under such programs for rare adverse reactions to immunizations.

(E) An organizational structure for each military department to ensure support of the Vaccine Healthcare Centers in the provision of services to members of the Armed Forces.

SEC. 733. ENHANCED MENTAL HEALTH SCREENING AND SERVICES FOR MEMBERS OF THE ARMED FORCES.

(a) REQUIRED ELEMENTS OF ASSESSMENTS.—Each pre-deployment mental health assessment of a member of the Armed Forces, shall include the following:

(1) A mental health history of the member, with emphasis on mental health status during the 12-month period ending on the date of the assessment and a review of military service during that period.

(2) An assessment of the current treatment of the member, and any use of psychotropic medications by the member, for a mental health condition or disorder.

(3) An assessment of any behavior of the member identified by the member's commanding officer that could indicate the presence of a mental health condition.

(4) Information provided by the member (through a checklist or other means) on the presence of any serious mental illness or any symptoms indicating a mental health condition or disorder.

(b) REFERRAL FOR FURTHER EVALUATION.—Each member of the Armed Forces who is determined during a pre-deployment or post-deployment mental health assessment to have, or have symptoms or indicators for, a mental health condition or disorder shall be referred to a qualified health care professional with experience in the evaluation and diagnosis of mental health conditions.

(c) REFERRAL OF MEMBERS DEPLOYED IN CONTINGENCY OR COMBAT OPERATIONS.—Any member of the Armed Forces called or ordered to active duty in support of contingency or combat operations who requests access to mental health care services any time before, during, or after deployment shall be provided access to such services—

(1) not later than 72 hours after the making of such request; or

(2) at the earliest practicable time thereafter.

(d) MINIMUM MENTAL HEALTH STANDARDS FOR DEPLOYMENT.—

(1) STANDARDS REQUIRED.—The Secretary of Defense shall prescribe in regulations minimum standards for mental health for the eligibility of a member of the Armed Forces for deployment to a combat operation or contingency operation.

(2) ELEMENTS.—The standards required by paragraph (1) shall include the following:

(A) A specification of the mental health conditions, treatment for such conditions, and receipt of psychotropic medications for such conditions that preclude deployment of a member of the Armed Forces to a combat operation or contingency operation, or to a specified type of such operation.

(B) Guidelines for the deployability and treatment of members of the Armed Forces diagnosed with a severe mental illness or Post Traumatic Stress Disorder (PTSD).

(3) UTILIZATION.—The Secretary shall take appropriate actions to ensure the utilization of the standards prescribed under paragraph (1) in the making of determinations regarding the deployability of members of the Armed Forces to a combat operation or contingency operation.

(e) MONITORING OF CERTAIN INDIVIDUALS.—The Secretary of Defense shall develop a plan, to be implemented throughout the Department of Defense, for monitoring the mental health of each member of the Armed Forces who, after deployment to a combat operation or contingency operation, is known—

(1) to have a mental health condition or disorder; or

(2) to be receiving treatment, including psychotropic medications, for a mental health condition or disorder.

(f) IMPLEMENTATION.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House or Representatives a report on the actions taken to implement the requirements of this section.

SEC. 734. EDUCATION, TRAINING, AND SUPERVISION OF PERSONNEL PROVIDING SPECIAL EDUCATION SERVICES UNDER EXTENDED BENEFITS UNDER TRICARE.

Section 1079(d)(2) of title 10, United States Code is amended by adding at the end the following: ''The regulations shall include the following:

''(A) Requirements for education, training, and supervision of individuals providing special education services known as Applied Behavioral Analysis under this subsection that are in addition to any other education, training, and supervision requirements applicable to Board Certified Behavior Analysts or Board Certified Associate Behavior Analysts or are otherwise applicable to personnel providing such services under applicable State law.

''(B) Metrics to identify and measure the availability and distribution of individuals of various expertise in Applied Behavioral Analysis in order to evaluate and assure the availability of qualified personnel to meet needs for Applied Behavioral Analysis under this subsection.''.

Subtitle C—Studies and Reports

SEC. 741. PILOT PROJECTS ON EARLY DIAGNOSIS AND TREATMENT OF POST TRAUMATIC STRESS DISORDER AND OTHER MENTAL HEALTH CONDITIONS.

(a) PILOT PROJECTS REQUIRED.—The Secretary of Defense shall carry out not less than three pilot projects to evaluate the efficacy of various approaches to improving the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder (PTSD) and other mental health conditions.

(b) DURATION.—The requirement to carry out pilot projects under this section shall commence on October 1, 2007. Any pilot projects carried out under this section shall cease on September 30, 2008.

(c) PILOT PROJECT REQUIREMENTS.—

(1) MOBILIZATION-DEMOBILIZATION FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at a military medical facility at a large military installation at which the mobilization or demobilization of members of the Armed Forces occurs.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed to evaluate and produce effective diagnostic and treatment approaches for use by primary care providers in the military health care system in order to improve the capability of such providers to diagnose and treat Post Traumatic Stress Disorder in a manner that avoids the referral of patients to specialty care by a psychiatrist or other mental health professional.

(2) NATIONAL GUARD OR RESERVE FACILITY.—

(A) IN GENERAL.—One of the pilot projects under this section shall be carried out at the location of a National Guard or Reserve unit or units that are located more than 40 miles from a military medical facility and whose personnel are served primarily by civilian community health resources.

(B) ELEMENTS.—The pilot project under this paragraph shall be designed—

(i) to evaluate approaches for providing evidence-based clinical information on Post Traumatic Stress Disorder to civilian primary care providers; and

(ii) to develop educational materials and other tools for use by members of the National Guard

or Reserve who come into contact with other members of the National Guard or Reserve who may suffer from Post Traumatic Stress Disorder in order to encourage and facilitate early reporting and referral for treatment.

(3) INTERNET-BASED DIAGNOSIS AND TREATMENT.—One of the pilot projects under this section shall be designed to evaluate—

(A) Internet-based automated tools available to military and civilian health care providers for the early diagnosis and treatment of Post Traumatic Stress Disorder, and for tracking patients who suffer from Post Traumatic Stress Disorder; and

(B) Internet-based tools available to family members of members of the Armed Forces in order to assist such family members in the identification of the emergence of Post Traumatic Stress Disorder.

(d) EVALUATION OF PILOT PROJECTS.—The Secretary shall evaluate each pilot project carried out under this section in order to assess the effectiveness of the approaches taken under such pilot project—

(1) to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the regular components of the Armed Forces, and among members of the National Guard and Reserves, who have returned from deployment; and

(2) to provide outreach to the family members of the members of the Armed Forces described in paragraph (1) on Post Traumatic Stress Disorder and other mental health conditions among such members of the Armed Forces.

(e) REPORT TO CONGRESS.—

(1) REPORT REQUIRED.—Not later than December 31, 2008, the Secretary shall submit to the congressional defense committees a report on the pilot projects carried out under this section.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A description of each pilot project carried out under this section.

(B) An assessment of the effectiveness of the approaches taken under each pilot project to improve the capability of the military and civilian health care systems to provide early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces.

(C) Any recommendations for legislative or administrative action that the Secretary considers appropriate in light of the pilot projects, including recommendations on—

(i) the training of health care providers in the military and civilian health care systems on early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions; and

(ii) the provision of outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserves who have returned from deployment.

(D) A plan, in light of the pilot projects, for the improvement of the health care services provided to members of the Armed Forces in order to better assure the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among members of the Armed Forces, including a specific plan for outreach on Post Traumatic Stress Disorder and other mental health conditions to members of the National Guard and Reserve who have returned from deployment in order to facilitate and enhance the early diagnosis and treatment of Post Traumatic Stress Disorder and other mental health conditions among such members of the National Guard and Reserves.

(f) FUNDING.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 303(a) for the Defense Health Program, $10,000,000 shall be available for pilot projects under this section.

(2) AVAILABILITY.—The amount available under paragraph (1) shall remain available until expended.

SEC. 742. ANNUAL REPORTS ON CERTAIN MEDICAL MALPRACTICE CASES.

(a) ANNUAL REPORTS TO SECRETARY OF DEFENSE.—

(1) ANNUAL REPORTS REQUIRED.—Not later than February 1, 2007, and annually thereafter, each Secretary of a military department shall submit to the Secretary of Defense a report on the following:

(A) Each case (other than a case involving the treatment of a member of the Armed Forces on active duty) during the preceding calendar year in which—

(i) a complaint or claim was made of medical malpractice committed in a medical treatment facility of such military department or by a health care provider of or employed by such military department; and

(ii) either—

(I) a judgment was entered against the United States in the amount of $1,000,000 or more; or

(II) an award, compromise, or settlement was entered into by the United States requiring payment by the United States in the amount of $1,000,000 or more.

(B) Each case during the preceding calendar year in which the death of, or serious personal injury to, a member of the Armed Forces on active duty occurred as a result of medical malpractice while the member was a patient in a medical treatment facility of such military department or under the care of a health care provider of or employed by such military department.

(2) REQUIRED INFORMATION.—The information required in a report under paragraph (1) on a case covered by such paragraph shall include the following:

(A) A description of the medical malpractice involved.

(B) A description of the actions, if any, taken with respect to the continued practice in the military health care system of the health care professionals involved.

(b) TRANSMITTAL OF REPORTS TO CONGRESS.—

(1) TRANSMITTAL REQUIRED.—Not later than April 1, 2007, and annually thereafter, the Secretary of Defense shall transmit to the congressional defense committees the reports submitted to the Secretary by the Secretaries of the military departments in such year.

(2) TRANSMITTAL MATTERS.—In transmitting reports for a year under paragraph (1), the Secretary may include with such reports the following:

(A) Any information or recommendations with respect to the matters covered by such reports that the Secretary considers appropriate.

(B) A summary of the actions taken during the year to address medical malpractice in the military health care system.

(c) DISCLOSURE OF INFORMATION.—In submitting or transmitting reports under this section, the Secretaries of the military departments and the Secretary of Defense shall ensure that the information contained in such reports is suitable for disclosure to the public, taking into account the provisions of law as follows:

(1) Section 552a of title 5, United States Code (commonly referred to as the ''Privacy Act'').

(2) Laws relating to the protection and confidentiality of medical quality assurance records, including the provisions of section 1102 of title 10, United States Code.

(3) Any other laws relating to the protection and confidentiality of medical records.

SEC. 743. COMPTROLLER GENERAL STUDY ON DEPARTMENT OF DEFENSE PHARMACY BENEFITS PROGRAM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the Department of Defense pharmacy benefits program required by section 1074g of title 10, United States Code.

(b) ELEMENTS.—The study required by subsection (a) shall include an examination of the following:

(1) The cost of the Department of Defense pharmacy benefits program since the inception of the program.

(2) The relative costs of various options under the program.

(3) The copayment structure under the program.

(4) The effectiveness of the rebate system under the program as a way of passing on discounts received by the Federal Government in the purchase of pharmaceutical agents.

(5) The uniform formulary under the program, including the success of the formulary in achieving savings anticipated through use of the formulary.

(6) Various alternative means of purchasing pharmaceutical agents more efficiently for availability under the program.

(7) The composition and decision-making processes of the Pharmacy and Therapeutics Committee.

(8) The composition of the Beneficiary Advisory Panel and its history as an advisory panel under the program (including the frequency of the acceptance of its recommendations by the Secretary of Defense).

(9) Quality assurance mechanisms under the program.

(10) The role of the program in support of the disease and chronic care management programs of the Department of Defense.

(11) Mechanisms for customer service and customer feedback under the program.

(12) Beneficiary satisfaction with the program.

(c) RESPONSE TO CERTAIN FINDINGS.—

(1) PHARMACY AND THERAPEUTICS COMMITTEE.—The Pharmacy and Therapeutics Committee shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(7); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and decision-making processes of the Committee as the Committee considers appropriate in light of such results in order to improve the efficiency of such processes.

(2) BENEFICIARY ADVISORY PANEL.—The Beneficiary Advisory Panel shall—

(A) examine the results of the study of the Comptroller General under subsection (b)(8); and

(B) make such recommendations to the Secretary of Defense for modifications in the composition and advisory functions of the Panel as the Panel considers appropriate in light of such results in order to—

(i) ensure the independence and consumer focus of the Panel;

(ii) ensure the participation of the Panel as an advisory board throughout implementation of the Department of Defense pharmacy benefits program; and

(iii) achieve more effective communication between the Secretary and the Panel.

(d) REPORT.—Not later than nine months after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the study required by subsection (a). The report shall include such recommendations as the Comptroller General considers appropriate for legislative or administrative action to improve the Department of Defense pharmacy benefits program in light of the study.

SEC. 744. COMPTROLLER GENERAL AUDITS OF DEPARTMENT OF DEFENSE HEALTH CARE COSTS AND COST-SAVING MEASURES.

(a) GENERAL AUDIT REQUIRED.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the health care costs and cost-saving measures of the Department of Defense in accordance with this subsection. The Comptroller General shall conduct the audit in conjunction with the Department of Defense initiative to manage future

medical benefits available through the Department known as ''Sustain the Benefit''.

(2) ELEMENTS.—The audit required by paragraph (1) shall examine the following:

(A) The basis for the calculation by the Department of Defense of the portion of the costs of health care benefits provided by the Department to beneficiaries that were paid by such beneficiaries in each of 1995 and 2005, including—

(i) a comparison of the cost to the Department of providing such benefits in each of 1995 and 2005;

(ii) the explanation for any increases in the costs of the Department of providing such benefits between 1995 and 2005; and

(iii) a comparison of the amounts paid, by category of beneficiaries, for health care benefits in 1995 with the amounts paid, by category of beneficiaries, for such benefits in 2005.

(B) The calculations and assumptions utilized by the Department in estimating the savings anticipated through the implementation of proposed increases in cost-sharing for health care benefits beginning in 2007.

(C) The average annual rate of increase, based on inflation, of medical costs for the Department under the Defense Health Program.

(D) The annual rate of growth in the cost of the Defense Health Program that is attributable to inflation in the cost of medical services over the last five years and how such rate of growth compares with annual rates of increases in health care premiums under the Federal Employee Health Benefit Program and other health care programs as well as rates of growth of other health care cost indices over that time.

(E) The assumptions utilized by the Department in estimating savings associated with adjustments in copayments for pharmaceuticals.

(F) The costs of the administration of the Defense Health Program and the TRICARE program for all categories of beneficiaries.

(c) AUDIT OF TRICARE RESERVE SELECT PROGRAM.—

(1) IN GENERAL.—In addition to the audit required by subsection (a), the Comptroller General shall conduct an audit of the costs of the Department of Defense in implementing the TRICARE Reserve Select Program.

(2) ELEMENTS.—The audit required by paragraph (1) shall include an examination of the following:

(A) A comparison of the annual premium amounts established by the Department of Defense for the TRICARE Reserve Select Program with the actual costs of the Department in providing benefits under that program in fiscal years 2004 and 2005.

(B) The rate of inflation of health care costs of the Department during fiscal years 2004 and 2005, and a comparison of that rate of inflation with the annual increase in premiums under the TRICARE Reserve Select Program in January 2006.

(C) A comparison of the financial and health-care utilization assumptions utilized by the Department in establishing premiums under the TRICARE Reserve Select Program with actual experiences under that program in the first year of the implementation of that program.

(3) TRICARE RESERVE SELECT PROGRAM DEFINED.—In this section, the term ''TRICARE Reserve Select Program'' means the program carried out under section 1074d of title 10, United States Code.

(d) USE OF INDEPENDENT EXPERTS.—Notwithstanding any other provision of law, in conducting the audits required by this section, the Comptroller General may engage the services of appropriate independent experts, including actuaries.

(e) REPORT.—Not later than April 1, 2007, the Comptroller General shall submit to the congressional defense committees a report on the audits conducted under this section. The report shall include—

(1) the findings of the Comptroller General as a result of the audits; and

(2) such recommendations as the Comptroller General considers appropriate in light of such findings to ensure maximum efficiency in the administration of the health care benefits programs of the Department of Defense.

SEC. 745. REVIEW OF DEPARTMENT OF DEFENSE MEDICAL QUALITY IMPROVEMENT PROGRAM.

(a) REVIEW REQUIRED.—The Secretary of Defense shall enter into a contract with the Institute of Medicine of the National Academy of Sciences, or another similarly qualified independent academic medical organization, for the purpose of conducting an independent review of the Department of Defense medical quality improvement program.

(b) ELEMENTS.—The review required pursuant to subsection (a) shall include the following:

(1) An assessment of the methods used by the Department of Defense to monitor medical quality in services provided in military hospitals and clinics and in services provided in civilian hospitals and providers under the military health care system.

(2) An assessment of the transparency and public reporting mechanisms of the Department on medical quality.

(3) An assessment of how the Department incorporates medical quality into performance measures for military and civilian health care providers within the military health care system.

(4) An assessment of the patient safety programs of the Department.

(5) A description of the extent to which the Department seeks to address particular medical errors, and an assessment of the adequacy of such efforts.

(6) An assessment of accountability within the military health care system for preventable negative outcomes involving negligence.

(7) An assessment of the performance of the health care safety and quality measures of the Department.

(8) An assessment of the collaboration of the Department with national initiatives to develop evidence-based quality measures and intervention strategies, especially the initiatives of the Agency for Health Care Research and Quality within the Department of Health and Human Services.

(9) A comparison of the methods, mechanisms, and programs and activities referred to in paragraphs (1) through (8) with similar methods, mechanisms, programs, and activities used in other public and private health care systems and organizations.

(c) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report on the review required pursuant to subsection (a).

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) The results of the review required pursuant to subsection (a).

(B) A discussion of recent highlights in the accomplishments of the Department of Defense medical quality assurance program.

(C) Such recommendations for legislative or administrative action as the Secretary considers appropriate for the improvement of the program.

SEC. 746. STUDY OF HEALTH EFFECTS OF EXPOSURE TO DEPLETED URANIUM.

(a) STUDY.—The Secretary of Defense, in consultation with the Secretary for Veterans Affairs and the Secretary of Health and Human Services, shall conduct a comprehensive study of the health effects of exposure to depleted uranium munitions on uranium-exposed soldiers and on children of uranium-exposed soldiers who were born after the exposure of the uranium-exposed soldiers to depleted uranium.

(b) URANIUM-EXPOSED SOLDIERS.—In this section, the term ''uranium-exposed soldiers'' means a member or former member of the Armed Forces who handled, came in contact with, or had the likelihood of contact with depleted uranium munitions while on active duty, including members and former members who—

(1) were exposed to smoke from fires resulting from the burning of vehicles containing depleted uranium munitions or fires at depots at which depleted uranium munitions were stored;

(2) worked within environments containing depleted uranium dust or residues from depleted uranium munitions;

(3) were within a structure or vehicle while it was struck by a depleted uranium munition;

(4) climbed on or entered equipment or structures struck by a depleted uranium munition; or

(5) were medical personnel who provided initial treatment to members of the Armed Forces described in paragraph (1), (2), (3), or (4).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Defense shall submit a report to Congress on the results of the study described in subsection (a).

Subtitle D—Other Matters

SEC. 761. EXTENSION OF LIMITATION ON CONVERSION OF MILITARY MEDICAL AND DENTAL POSITIONS TO CIVILIAN MEDICAL AND DENTAL POSITIONS.

Section 744(a)(1) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3360; 10 U.S.C. 129c note) is amended—

(1) by inserting ''in a fiscal year'' before ''until'';

(2) by inserting ''with respect to that fiscal year'' after ''House of Representatives''; and

(3) by striking the last sentence and inserting the following new sentences: ''The certification with respect to fiscal year 2007 may not be submitted before June 30, 2006. The certification with respect to any fiscal year after fiscal year 2007 shall be submitted at the same time the budget of the President for such fiscal year is submitted to Congress pursuant to section 1105(a) of title 31, United States Code.''.

SEC. 762. TRANSFER OF CUSTODY OF THE AIR FORCE HEALTH STUDY ASSETS TO MEDICAL FOLLOW-UP AGENCY.

(a) TRANSFER.—

(1) NOTIFICATION OF PARTICIPANTS.—The Secretary of the Air Force shall notify the participants of the Air Force Health Study that the study as currently constituted is ending as of September 30, 2006. In consultation with the Medical Follow-Up Agency (in this section referred to as the ''Agency'') of the Institute of Medicine of the National Academy of Sciences, the Secretary of the Air Force shall request the written consent of the participants to transfer their data and biological specimens to the Agency during fiscal year 2007 and written consent for the Agency to maintain the data and specimens and make them available for additional studies.

(2) COMPLETION OF TRANSFER.—Custodianship of the Air Force Health Study shall be completely transferred to the Agency on or before September 30, 2007. Assets to be transferred shall include electronic data files and biological specimens of all the study participants.

(3) COPIES TO ARCHIVES.—The Air Force shall send paper copies of all study documents to the National Archives.

(b) REPORT ON TRANSFER.—

(1) REQUIREMENT.—Not later than 30 days after completion of the transfer of the assets of the Air Force Health Study under subsection (a), the Secretary of the Air Force shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the transfer.

(2) MATTERS COVERED.—At a minimum, the report shall include information on the number of study participants whose data and biological specimens were not transferred, the efforts that were taken to contact such participants, and the reasons why the transfer of their data and specimens did not occur.

(c) DISPOSITION OF ASSETS NOT TRANSFERRED.—The Secretary of the Air Force may not destroy any data or biological specimens not transferred under subsection (a) until the expiration of the one-year period following submission of the report under subsection (b).

(d) FUNDING.—

(1) COSTS OF TRANSFER.—Of the funds available to the Defense Health Program, the Secretary of Defense may make available to the Air Force $850,000 for preparation, transfer of the assets of the Air Force Health Study and shipment of data and specimens to the Medical Follow-Up Agency and the National Archives during fiscal year 2007 from amounts available from the Department of Defense for that year. The Secretary of Defense is authorized to transfer the freezers and other physical assets assigned to the Air Force Health Study to the Agency without charge.

(2) COSTS OF COLLABORATION.—Of the funds available to the Defense Health Program, the Secretary of Defense may reimburse the National Academy of Sciences up to $200,000 for costs of the Medical Follow-Up Agency to collaborate with the Air Force in the transfer and receipt of the assets of the Air Force Health Study to the Agency during fiscal year 2007 from amounts available from the Department of Defense for that year.

SEC. 763. SENSE OF SENATE ON THE TRANSFORMATIONAL MEDICAL TECHNOLOGY INITIATIVE OF THE DEPARTMENT OF DEFENSE.

(a) FINDINGS.—The Senate finds the following:

(1) The most recent Quadrennial Defense Review and other studies have identified the need to develop broad-spectrum medical countermeasures against the threat of genetically engineered bioterror agents.

(2) The Transformational Medical Technology Initiative of the Department of Defense implements cutting edge transformational medical technologies and applies them to address the challenges of known, emerging, and bioengineered threats.

(3) The Transformational Medical Technology Initiative is designed to provide such technologies in a much shorter timeframe, and at lower cost, than is required with traditional approaches.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Transformational Medical Technology Initiative is an important effort to provide needed capability within the Department of Defense to field effective broad-spectrum countermeasures against a significant array of current and future biological threats; and

(2) innovative technological approaches to achieve broad-spectrum medical countermeasures are a necessary component of the capacity of the Department to provide chemical-biological defense and force protection capabilities for the Armed Forces.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

SEC. 801. ADDITIONAL CERTIFICATION REQUIREMENTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) ADDITIONAL CERTIFICATION REQUIREMENTS.—Subsection (a) of section 2366a of title 10, United States Code, is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) redesignating paragraph (7) as paragraph (10); and

(3) by inserting after paragraph (6) the following new paragraphs:

''(7) the program is needed to meet validated requirements consistent with the national military strategy;

''(8) reasonable estimates have been developed to execute the product development and production plan under the program;

''(9) funding is available to execute the product development and production plan under the program consistent with the estimates described in paragraph (8) for the program; and''.

(b) WAIVER FOR NATIONAL SECURITY.—Subsection (c) of such section is amended by striking ''(5), or (6)'' and inserting ''(5), (6), (7), (8), or (9)''.

SEC. 802. EXTENSION AND ENHANCEMENT OF DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) PRIORITY FOR PROPOSALS FROM CERTAIN BUSINESSES.—Paragraph (5) of subsection (b) of section 2359b of title 10, United States Code, is amended to read as follows:

''(5) The Under Secretary—

''(A) may establish procedures to ensure that the Challenge Program does not become an avenue for the repetitive submission of proposals that have been previously reviewed and found not to have merit; and

''(B) may establish procedures to ensure that the Challenge Program establishes appropriate priorities for proposals from businesses that are not major contractors with the Department of Defense.''.

(b) EXTENSION.—Subsection (j) of such section is amended by striking ''September 30, 2007'' and inserting ''September 30, 2012''.

SEC. 803. BASELINE DESCRIPTION AND UNIT COST REPORTS FOR MAJOR DEFENSE ACQUISITION PROGRAMS.

(a) SPECIFICATION OF ORIGINAL BASELINE ESTIMATE.—Section 2435(d)(1) of title 10, United States Code, is amended by inserting after ''with respect to the program under subsection (a)'' the following: ''in preparation for entry into system development and demonstration, or at program initiation, whichever occurs later''.

(b) REPORTS TO CONGRESS ON CERTAIN COST INCREASES.—Section 2433(e)(1) of such title is amended by adding at the end the following new subparagraph:

''(C) If the Secretary concerned determines that the program acquisition unit cost or procurement unit cost of a major defense acquisition program has increased by a percentage equal to or greater than the significant cost growth threshold for the program and a Selected Acquisition Report has been submitted to Congress under subparagraph (A) or (B), each subsequent quarterly or comprehensive annual Selected Acquisition Report shall include the information required by subsection (g). No further report on increases in the program acquisition unit cost or procurement unit cost shall be required under subsection (c) or (d) unless the program manager has reasonable cause to believe that the program acquisition unit cost or procurement unit cost has increased by a percentage equal to or greater than the critical cost growth threshold.''.

SEC. 804. MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.

(a) REPORTS AND INFORMATION ON PROGRAM COST AND PERFORMANCE.—

(1) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 144 the following new chapter:

''CHAPTER 144A—MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS

''Sec.
''2445a. Major automated information system program defined.
''2445b. Cost, schedule, and performance information.
''2445c. Reports: quarterly reports; reports on program changes.
''2445d. Construction with other reporting requirements.

''§ 2445a. Major automated information system program defined

''(a) IN GENERAL.—In this chapter, the term 'major automated information system program' means a Department of Defense program for the acquisition of an automated information system (either as a product or a service) if—

''(1) the program is designated by the Secretary of Defense, or a designee of the Secretary, as a major automated information system program; or

''(2) the dollar value of the program is estimated to exceed—

''(A) $32,000,000 in fiscal year 2000 constant dollars for all program costs in a single fiscal year;

''(B) $126,000,000 in fiscal year 2000 constant dollars for all program acquisition costs for the entire program; or

''(C) $378,000,000 in fiscal year 2000 constant dollars for the total life-cycle costs of the program (including operation and maintenance costs).

''(b) ADJUSTMENT.—The Secretary of Defense may adjust the amounts (and base fiscal year) set forth in subsection (a) on the basis of Department of Defense escalation rates. An adjustment under this subsection shall be effective after the Secretary transmits a written notification of the adjustment to the congressional defense committees.

''(c) INCREMENTS.—In the event any increment of a major automated information system program separately meets the requirements for treatment as a major automated information system program, the provisions of this chapter shall apply to such increment as well as to the overall major automated information system program of which such increment is a part.

''§ 2445b. Cost, schedule, and performance information

''(a) SUBMITTAL OF COST, SCHEDULE, AND PERFORMANCE INFORMATION.—The Secretary of Defense shall submit to Congress each calendar year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, budget justification documents regarding cost, schedule, and performance for each major automated information system program for which funds are requested by the President in the budget.

''(b) ELEMENTS.—The documents submitted under subsection (a) with respect to a major automated information system program shall include detailed and summarized information with respect to the automated information system to be acquired under the program, and shall specifically include each of the following:

''(1) The development schedule, including major milestones.

''(2) The implementation schedule, including estimates of milestone dates, initial operational capability, and full operational capability.

''(3) Estimates of development costs and full life-cycle costs.

''(4) A summary of key performance parameters.

''(c) BASELINE.—(1) For purposes of this chapter, the initial submittal to Congress of the documents required by subsection (a) with respect to a major automated information system program shall constitute the original estimate or information originally submitted on such program for purposes of the reports and determinations on program changes in section 2445c of this title.

''(2) An adjustment or revision of the original estimate or information originally submitted on a program may be treated as the original estimate or information originally submitted on the program if the adjustment or revision is the result of a critical change in the program covered by section 2445c(d) of this title.

''(3) In the event of an adjustment or revision to the original estimate or information originally submitted on a program under paragraph (2), the Secretary of Defense shall include in the next budget justification documents submitted under subsection (a) after such adjustment or revision a notification to the congressional defense committees of such adjustment or revision, together with the reasons for such adjustment or revision.

"§ 2445c. Reports: quarterly reports; reports on program changes

''(a) QUARTERLY REPORTS BY PROGRAM MANAGERS.—The program manager of a major automated information system program shall, on a quarterly basis, submit to the senior Department of Defense official responsible for the program a written report identifying any variance in the projected development schedule, implementation schedule, life-cycle costs, or key performance parameters for the major automated information system to be acquired under the program from such information as originally submitted to Congress under section 2445b of this title.

''(b) SENIOR OFFICIALS RESPONSIBLE FOR PROGRAMS.—For purposes of this section, the senior Department of Defense official responsible for a major automated information system program is—

''(1) in the case of an automated information system to be acquired for a military department, the senior acquisition executive for the military department; or

''(2) in the case of any other automated information system to be acquired for the Department of Defense or any component of the Department of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(c) REPORT ON SIGNIFICANT CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 45 days after receiving such report, notify the congressional defense committees in writing of such determination.

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of more than six months but less than a year in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by at least 15 percent, but less than 25 percent, over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a significant, adverse change in the expected performance of the major automated information system to be acquired under the program from the parameters originally submitted to Congress under paragraph (4) of section 2445b(b) of this title.

''(d) REPORT ON CRITICAL CHANGES IN PROGRAM.—

''(1) IN GENERAL.—If, based on a quarterly report submitted by the program manager of a major automated information system program pursuant to subsection (a), the senior Department of Defense official responsible for the program makes a determination described in paragraph (2), the official shall, not later than 60 days after receiving such report—

''(A) carry out an evaluation of the program under subsection (e); and

''(B) submit, through the Secretary of Defense, to the congressional defense committees a report meeting the requirements of subsection (f).

''(2) COVERED DETERMINATION.—A determination described in this paragraph with respect to a major automated information system program is a determination that—

''(A) there has been a schedule change that will cause a delay of one year or more in any program schedule milestone or significant event from the schedule originally submitted to Congress under paragraph (1) or (2) of section 2445b(b) of this title;

''(B) the estimated program development cost or full life-cycle cost for the program has increased by 25 percent or more over the original estimate submitted to Congress under paragraph (3) of section 2445b(b) of this title; or

''(C) there has been a change in the expected performance of the major automated information system to be acquired under the program that will undermine the ability of the system to perform the functions anticipated at the time information on the program was originally submitted to Congress under section 2445b(b) of this title.

''(e) PROGRAM EVALUATION.—The evaluation of a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(A) shall include an assessment of—

''(1) the projected cost and schedule for completing the program if current requirements are not modified;

''(2) the projected cost and schedule for completing the program based on reasonable modification of such requirements; and

''(3) the rough order of magnitude of the cost and schedule for any reasonable alternative system or capability.

''(f) REPORT ON CRITICAL PROGRAM CHANGES.—A report on a major automated information system program conducted under this subsection for purposes of subsection (d)(1)(B) shall include a written certification (with supporting explanation) stating that—

''(1) the automated information system to be acquired under the program is essential to the national security or to the efficient management of the Department of Defense;

''(2) there is no alternative to the system which will provide equal or greater capability at less cost;

''(3) the new estimates of the costs, schedule, and performance parameters with respect to the program and system are reasonable; and

''(4) the management structure for the program is adequate to manage and control program costs.

''(g) PROHIBITION ON OBLIGATION OF FUNDS.—(1) If the determination of a critical change to a program is made by the senior Department official responsible for the program under subsection (d)(2) and a report is not submitted to Congress within the 60-day period provided by subsection (d)(1), appropriated funds may not be obligated for any major contract under the program.

''(2) The prohibition on the obligation of funds for a program under paragraph (1) shall cease to apply on the date on which Congress has received a report in compliance with the requirements of subsection (d)(2).

"§ 2445d. Construction with other reporting requirements

''In the case of a major automated information system program covered by this chapter that is also treatable as a major defense acquisition program for which reports would be required under chapter 144 of this title, no reports on the program are required under such chapter if the requirements of this chapter with respect to the program are met.''.

(2) CLERICAL AMENDMENTS.—The tables of chapters the beginning of subtitle A of such title, and of part IV of subtitle A of such title, are each amended by inserting after the item relating to chapter 144 the following new item:

"144A. Major Automated Information System Programs ..... 2445a".

(b) REPORT ON REPORTING REQUIREMENTS APPLICABLE TO MAJOR AUTOMATED INFORMATION SYSTEM PROGRAMS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the reporting requirements applicable to major automated information system programs as of the date of the report, including a specification of such reporting requirements considered by the Secretary to be duplicative or redundant.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on January 1, 2008, and shall apply with respect to any major automated information system program for which amounts are requested in the budget of the President (as submitted to Congress under section 1105 of title 31, United States Code) for a fiscal year after fiscal year 2008, regardless of whether the acquisition of the automated information system to be acquired under the program was initiated before, on, or after January 1, 2008.

(2) REPORT REQUIREMENT.—Subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 805. ADJUSTMENT OF ORIGINAL BASELINE ESTIMATE FOR MAJOR DEFENSE ACQUISITION PROGRAMS EXPERIENCING COST GROWTH RESULTING FROM DAMAGE CAUSED BY HURRICANES KATRINA, RITA, AND WILMA.

(a) ADJUSTMENT AUTHORIZED.—Notwithstanding any limitations under section 2435(d) of title 10, United States Code, the Secretary of Defense may adjust the original Baseline Estimate for a major defense acquisition program that is carried out primarily in the Hurricane Katrina disaster area, Hurricane Rita disaster area, or Hurricane Wilma disaster area for the sole purpose of addressing cost growth in such program that, as determined by the Secretary, is directly attributable to damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma.

(b) NOTICE TO CONGRESS.—The Secretary shall identify any adjustment to the original Baseline Estimate of a major defense acquisition program under subsection (a), and provide an explanation of the basis for such adjustment, in the first Selected Acquisition Report that is submitted under section 2432 of title 10, United States Code, after such adjustment is made.

(c) SUNSET.—The authority to adjust an original Baseline Estimate for a major defense acquisition program under subsection (a) shall expire on the date that is one year after the date of the enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) The term ''major defense acquisition program'' has the meaning given that term in section 2430 of title 10, United States Code.

(2) The term ''original Baseline Estimate'', in the case of a major defense acquisition program, means the first baseline description for the program established under section 2435(a) of title 10, United States Code.

(3) The terms ''Hurricane Katrina disaster area'', ''Hurricane Rita disaster area'', and ''Hurricane Wilma disaster area'' have the meaning given such terms in section 1400M of the Internal Revenue Code of 1986.

SEC. 806. INTERNAL CONTROLS FOR PROCUREMENTS ON BEHALF OF THE DEPARTMENT OF DEFENSE BY CERTAIN NON-DEFENSE AGENCIES.

(a) INSPECTOR GENERAL REVIEWS AND DETERMINATIONS.—

(1) IN GENERAL.—For each covered non-defense agency, the Inspector General of the Department of Defense and the Inspector General of such non-defense agency shall, not later than March 15, 2007, jointly—

(A) review—

(i) the procurement policies, procedures, and internal controls of such non-defense agency that are applicable to the procurement of property and services on behalf of the Department by such non-defense agency; and

(ii) the administration of those policies, procedures, and internal controls; and

(B) determine in writing whether—

(i) such non-defense agency is compliant with defense procurement requirements;

(ii) such non-defense agency is not compliant with defense procurement requirements, but has a program or initiative to significantly improve compliance with defense procurement requirements;

(iii) neither of the conclusions stated in clauses (i) and (ii) is correct in the case of such non-defense agency; or

(iv) such non-defense agency is not compliant with defense procurement requirements to such an extent that the interests of the Department of Defense are at risk in procurements conducted by such non-defense agency.

(2) ACTIONS FOLLOWING CERTAIN DETERMINATIONS.—If the Inspectors General determine under paragraph (1) that the conclusion stated in clause (ii), (iii), or (iv) of subparagraph (B) of that paragraph is correct in the case of a covered non-defense agency, such Inspectors General shall, not later than June 15, 2008, jointly—

(A) conduct a second review, as described in subparagraph (A) of that paragraph, regarding such non-defense agency's procurement of property or services on behalf of the Department of Defense in fiscal year 2007; and

(B) determine in writing whether such non-defense agency is or is not compliant with defense procurement requirements.

(b) COMPLIANCE WITH DEFENSE PROCUREMENT REQUIREMENTS.—For the purposes of this section, a covered non-defense agency is compliant with defense procurement requirements if such non-defense agency's procurement policies, procedures, and internal controls applicable to the procurement of products and services on behalf of the Department of Defense, and the manner in which they are administered, are adequate to ensure such non-defense agency's compliance with the requirements of laws and regulations that apply to procurements of property and services made directly by the Department of Defense.

(c) MEMORANDA OF UNDERSTANDING BETWEEN INSPECTORS GENERAL.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Inspector General of the Department of Defense and the Inspector General of each covered non-defense agency shall enter into a memorandum of understanding with each other to carry out the reviews and make the determinations required by this section.

(2) SCOPE OF MEMORANDA.—The Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency may by mutual agreement conduct separate reviews of the procurement of property and services on behalf of the Department of Defense that are conducted by separate business units, or under separate governmentwide acquisition contracts, of such non-defense agency. In any case where such separate reviews are conducted, the Inspectors General shall make separate determinations under paragraph (1) or (2) of subsection (a), as applicable, with respect to each such separate review.

(d) LIMITATIONS ON PROCUREMENTS ON BEHALF OF DEPARTMENT OF DEFENSE.—

(1) LIMITATION DURING REVIEW PERIOD.—After March 15, 2007, and before June 16, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency for which a determination described in clause (iii) or (iv) of paragraph (1)(B) of subsection (a) has been made under subsection (a).

(2) LIMITATION AFTER REVIEW PERIOD.—After June 15, 2008, no official of the Department of Defense may, except as provided in subsection (e) or (f), order, purchase, or otherwise procure property or services in an amount in excess of $100,000 through a covered non-defense agency that, having been subject to review under this section, has not been determined under this section as being compliant with defense procurement requirements.

(3) LIMITATION FOLLOWING FAILURE TO REACH MOU.—Commencing on the date that is 60 days after the date of the enactment of this Act, if a memorandum of understanding between the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency cannot be attained causing the review required by this section to not be performed, no official of the Department of Defense, except as provided in subsection (e) or (f), may order, purchase or otherwise procure property or services in an amount in excess of $100,000 through such non-defense agency.

(e) EXCEPTION FROM APPLICABILITY OF LIMITATIONS.—

(1) EXCEPTION.—No limitation applies under subsection (d) with respect to the procurement of property and services on behalf of the Department of Defense by a covered non-defense agency during any period that there is in effect a determination of the Under Secretary of Defense for Acquisition, Technology, and Logistics, made in writing, that it is necessary in the interest of the Department of Defense to continue to procure property and services through such non-defense agency.

(2) APPLICABILITY OF DETERMINATION.—A written determination with respect to a covered non-defense agency under paragraph (1) is in effect for the period, not in excess of one year, that the Under Secretary shall specify in the written determination. The Under Secretary may extend from time to time, for up to one year at a time, the period for which the written determination remains in effect.

(f) TERMINATION OF APPLICABILITY OF LIMITATIONS.—Subsection (d) shall cease to apply to a covered non-defense agency on the date on which the Inspector General of the Department of Defense and the Inspector General of such non-defense agency jointly—

(1) determine that such non-defense agency is compliant with defense procurement requirements; and

(2) notify the Secretary of Defense of that determination.

(g) IDENTIFICATION OF PROCUREMENTS MADE DURING A PARTICULAR FISCAL YEAR.—For the purposes of subsection (a), a procurement shall be treated as being made during a particular fiscal year to the extent that funds are obligated by the Department of Defense for that procurement in that fiscal year.

(h) RESOLUTION OF DISAGREEMENTS.—If the Inspector General of the Department of Defense and the Inspector General of a covered non-defense agency are unable to agree on a joint determination under subsection (a) or subsection (f), a determination by the Inspector General of the Department of Defense under such subsection shall be conclusive for the purposes of this section.

(i) DEFINITIONS.—In this section:

(1) The term ''covered non-defense agency'' means each of the following:

(A) The Department of Veterans Affairs.

(B) The National Institutes of Health.

(2) The term ''governmentwide acquisition contract'', with respect to a covered non-defense agency, means a task or delivery order contract that—

(A) is entered into by the non-defense agency; and

(B) may be used as the contract under which property or services are procured for one or more other departments or agencies of the Federal Government.

SEC. 807. REGULATIONS ON USE OF FIXED-PRICE CONTRACTS IN DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall modify the regulations of the Department of Defense on the use of fixed-price type contracts in development programs.

(b) ELEMENTS.—As modified under subsection (a), the regulations described in that subsection shall—

(1) establish a preference for the use of fixed-price type contracts in development programs to the maximum extent practicable in light of the level of program risk; and

(2) require the use of fixed-price type contracts in each contract for system development and demonstration, or operational system development, unless the use of a different contract type is specifically authorized pursuant to subsection (c).

(c) AUTHORIZATION OF USE OF DIFFERENT CONTRACT TYPE.—

(1) IN GENERAL.—As modified under subsection (a), the regulations described in that subsection shall provide that the Secretary of Defense may authorize the use of a difference contract type under subsection (b)(2) with respect to a program upon a written determination by the Secretary that—

(A) the program is so complex and technically challenging that it would not be practicable to reduce program risk to a level that would permit the use of a fixed-price type contract; and

(B) the complexity and technical challenge of the program is not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

(2) SUBMITTAL TO CONGRESSIONAL DEFENSE COMMITTEES.—The regulations shall provide that a copy of any determination on a program under paragraph (1), together with an explanation of the basis for such determination, shall be submitted to the congressional defense committees with the first Selected Acquisition Report submitted under section 2432 of title 10, United States Code, after such determination is made.

(3) DELEGATION OF AUTHORITY.—The regulations shall provide that the authority to make a determination under paragraph (1) may not be delegated below the level of the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(d) REPEAL OF SUPERSEDED REQUIREMENTS.—Section 807 of the National Defense Authorization Act for Fiscal Year 1989 (10 U.S.C. 2304 note) is repealed.

(e) EFFECTIVE DATE OF REGULATIONS.—

(1) IN GENERAL.—The modified regulations required under this section shall apply to any contract entered into after the date that is 120 days after the date of the enactment of this Act.

(2) SYSTEM DEVELOPMENT AND DEMONSTRATION OR OPERATIONAL SYSTEM DEVELOPMENT.—The modification required by subsection (b)(2) in the regulations shall apply with respect to programs that enter into system development and demonstration, or operational system development, after the date that is 120 days after the date of the enactment of this Act.

SEC. 808. AVAILABILITY OF FUNDS FOR PERFORMANCE-BASED LOGISTICS CONTRACTS FOR WEAPON SYSTEMS LOGISTICS SUPPORT.

(a) AVAILABILITY OF OPERATION AND MAINTENANCE FUNDS.—

(1) IN GENERAL.—Amounts available to the Department of Defense for operation and maintenance—

(A) are available for performance-based logistics contracts for weapon systems; and

(B) subject to paragraph (2), may be used in accordance with the terms of such contracts to implement engineering changes that result in a reduction of the operation and maintenance costs to the Government of such systems.

(2) LIMITATION.—Funds may not be used for a performance-based logistics contract to implement engineering changes the total cost of which is expected to exceed $20,000,000.

(b) NOTICE TO CONGRESS ON ENTRY INTO CONTRACTS.—

(1) IN GENERAL.—Not later than 30 days before entering into a performance-based logistics contract under this section, the Secretary of a military department shall submit to Congress a notice of intent to enter into such contract.

(2) ELEMENTS.—The notice on a performance-based logistics contract under paragraph (1) shall include the following:

(A) A statement that the military department concerned—

(i) has performed a business case analysis for such contract;

(ii) has determined, based on such analysis, that there is a reasonable expectation that such contract will result in an overall reduction of operation and maintenance costs with respect to a weapon system; and

(iii) has specific plans in place to—

(I) update such analysis at appropriate decision points when sufficient cost and performance data have been collected to validate the assumptions used in developing such analysis; and

(II) periodically review and validate the propriety and integrity of program performance measures, and verify the reliability of contractor cost and performance data, with respect to such contract.

(B) An estimate of the projected cost and savings from such contract, together with an explanation of the basis for such estimates.

(c) PERFORMANCE-BASED LOGISTICS CONTRACT DEFINED.—In this section, the term ''performance-based logistics contract'' means a contract for the acquisition of logistics support (whether at the system, subsystem, or major assembly level) for a weapon system that combines logistics support in an integrated, affordable, performance package designed to optimize system readiness and meet performance goals for the weapon system through long-term support arrangements with clear lines of authority and responsibility for the provision of such support.

(d) REPORT.—

(1) IN GENERAL.—Not later than March 1, 2012, the Secretary of Defense shall submit to the congressional defense committees a report on the status of all performance-bases logistics contracts entered into pursuant to this section.

(2) ELEMENTS.—The report under paragraph (1) shall include, for each contract covered by such report, a comparison of the projected cost and savings of such contract (as estimated in the notice to Congress under subsection (b)(2)(B)) with the actual cost and savings of such contract (as determined in accordance with the plan for such contract under subsection (b)(2)(A)(iii)).

(e) SUNSET.—

(1) IN GENERAL.—The authority to enter contracts under this section shall terminate on September 30, 2012.

(2) EFFECT ON EXISTING CONTRACTS.—The termination under paragraph (1) of the authority to enter contracts under this section shall not affect the use of funds for purposes authorized by subsection (a) under contracts entered on or before the date specified in that paragraph.

SEC. 809. QUALITY CONTROL IN PROCUREMENT OF SHIP CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of the following:

(1) Ship critical safety items.

(2) Modifications, repair, and overhaul of ship critical safety items.

(b) ELEMENTS.—The policy required under subsection (a) shall include requirements as follows:

(1) That the head of the design control activity for ship critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of such items.

(2) That the head of the contracting activity for a ship critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source on a qualified manufacturers list or a source approved by the design control activity in accordance with section 2319 of title 10, United States Code (as amended by subsection (d)).

(3) That the ship critical safety items delivered, and the services performed with respect to such items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms ''ship critical safety item'' and ''design control activity'' have the meanings given such terms in subsection (g) of 2319 of title 10, United States Code (as so amended).

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

(1) in subsection (c)(3), by inserting ''or ship critical safety item'' after ''aviation critical safety item''; and

(2) in subsection (g)—

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

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

''(2) The term 'ship critical safety item' means any ship part, assembly, or support equipment containing a characteristic the failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in loss of or serious damage to the ship or unacceptable risk of personal injury or loss of life.''; and

(C) in paragraph (3), as so redesignated—

(i) by inserting ''or ship critical safety item'' after ''aviation critical safety item'';

(ii) by inserting '', or the seaworthiness of a ship or ship equipment,'' after ''equipment''; and

(iii) by striking ''the item'' and inserting ''such item''.

SEC. 810. THREE-YEAR EXTENSION OF REQUIREMENT FOR REPORTS ON COMMERCIAL PRICE TREND ANALYSES OF THE DEPARTMENT OF DEFENSE.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 2306a note) is amended by striking ''2006'' and inserting ''2009''.

SEC. 811. PILOT PROGRAM ON TIME-CERTAIN DEVELOPMENT IN ACQUISITION OF MAJOR WEAPON SYSTEMS.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program on the use of time-certain development in the acquisition of major weapon systems.

(b) PURPOSE OF PILOT PROGRAM.—The purpose of the pilot program authorized by subsection (a) is to assess the feasibility and advisability of utilizing time-certain development in the acquisition of major weapon systems in order to deliver new capabilities to the warfighter more rapidly through disciplined decision-making, emphasis on technological maturity, and appropriate trade-offs between system performance and schedule.

(c) INCLUSION OF SYSTEMS IN PILOT PROGRAM.—

(1) IN GENERAL.—The decision whether to include a major weapon system in the pilot program shall be made by the Milestone Decision Authority for the acquisition program for the system.

(2) CRITERIA.—A major weapon system may be included in the pilot program only if the Milestone Decision Authority determines, in consultation with the service acquisition executive for the military department carrying out the acquisition program for the system and one or more combatant commanders responsible for fielding the system, that—

(A) the certification requirements of section 2366a of title 10, United States Code, have been met, and no waivers have been granted from such requirements;

(B) a preliminary design has been completed after appropriate requirements analysis using systems engineering, and the system, as so designed, will meet battlefield needs identified by the relevant combatant commanders;

(C) all critical technologies needed to meet system requirements have been demonstrated in an operational environment;

(D) an independent cost estimate has been conducted and used as the basis for funding requirements for the acquisition program for the system;

(E) the budget of the military department responsible for carrying out the acquisition program for the system provides the funding necessary to execute the product development and production plan consistent with the requirements identified pursuant to subparagraph (D);

(F) an appropriately-qualified program manager has entered into a performance agreement with the Milestone Decision Authority that establishes expected parameters for the cost, schedule, and performance of the acquisition program for the system, consistent with a business case for such acquisition program;

(G) the service acquisition executive and the program manager have agreed that the program manager will continue in such position until the delivery of the initial operational capability under the acquisition program for the system;

(H) the service acquisition executive, the relevant combatant commanders, and the program manager have agreed that no additional requirements will be added during the development phase of the acquisition program for the system; and

(I) a planned initial operational capability will be delivered to the relevant combatant commanders no more than 6 years after the date of the milestone B approval for the system.

(3) TIMING OF DECISION.—The decision whether to include a major weapon system in the pilot program shall be made at the time of milestone approval for the acquisition program for the system.

(d) LIMITATION ON NUMBER OF SYSTEM IN PILOT PROGRAM.—The number of major weapon systems included in the pilot program at any time may not exceed 12 major weapon systems.

(e) SPECIAL FUNDING AUTHORITY.—

(1) AUTHORITY FOR RESERVE ACCOUNT.—Notwithstanding any other provision of law, the Secretary of Defense may establish a special reserve account utilizing funds made available for the major weapon systems included in the pilot program.

(2) ELEMENTS.—The special reserve account may include—

(A) funds made available for any major weapon system included in the pilot program to cover termination liability;

(B) funds made available for any major weapon system included in the pilot program for award fees that may be earned by contractors; and

(C) funds appropriated to the special reserve account.

(3) AVAILABILITY OF FUNDS.—Funds in the special reserve account may be used, in accordance with guidance issued by the Secretary for purposes of this section, for the following purposes:

(A) To cover termination liability for any major weapon system included in the pilot program.

(B) To pay award fees that are earned by any contractor for a major weapon system included in the pilot program.

(C) To address unforeseen contingencies that could prevent a major weapon system included in the pilot program from meeting critical schedule or performance requirements.

(4) REPORTS ON USE OF FUNDS.—Not later than 30 days after the use of funds in the special reserve account for the purpose specified in paragraph (3)(C), the Secretary shall submit to the congressional defense committees a report on report the use of funds in the account for such purpose. The report shall set forth the purposes for which the funds were used and the reasons for the use of the funds for such purposes.

(f) ADMINISTRATION OF PILOT PROGRAM.—The Secretary of Defense shall prescribe policies and procedures on the administration of the pilot program. Such policies and procedures shall—

(1) provide for the use of program status reports based on earned value data to track progress on a major weapon system under the pilot program against baseline estimates applicable to such system at each systems engineering technical review point; and

(2) grant authority to the program manager for the acquisition program for a major weapon

system to make key program decisions and trade-offs, subject to management reviews only if cost or schedule deviations exceed 10 percent baselines for such acquisition program.

(g) EXPIRATION OF AUTHORITY TO INCLUDE ADDITIONAL SYSTEMS IN PILOT PROGRAM.—

(1) EXPIRATION.—A major weapon system may not be included in the pilot program after September 30, 2012.

(2) RETENTION OF SYSTEMS.—A major weapon system included in the pilot program before the date specified in paragraph (1) in accordance with the requirements of this section may remain in the pilot program after that date.

(h) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than one year after including the first major weapon system in the pilot program, and annually thereafter, the Secretary shall submit to the congressional defense committees a report on the pilot program, and the major weapon systems included in the pilot program, during the one-year period ending on the date of such report.

(2) ELEMENTS.—Each report under this subsection shall include—

(A) a description of progress under the pilot program, and on each major weapon system included in the pilot program, during the period covered by such report; and

(B) such other matters as the Secretary considers appropriate.

(i) MAJOR WEAPON SYSTEM DEFINED.—In this section, the term ''major weapon system'' means a weapon system that is treatable as a major system under section 2302(5) of title 10, United States Code.

SEC. 812. GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.

(a) GOVERNMENT PERFORMANCE OF FUNCTIONS.—

(1) IN GENERAL.—Section 2383 of title 10, United States Code is amended—

(A) by redesignating subsection (b) as subsection (c); and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) GOVERNMENT PERFORMANCE OF CRITICAL ACQUISITION FUNCTIONS.—The head of an agency shall ensure that, at a minimum, for each major defense acquisition program and each major automated information system program, each of the following positions is performed by a properly qualified full-time Federal military or civilian employee:

''(1) Program manager.

''(2) Deputy program manager.

''(3) Chief engineer.

''(4) Systems engineer.

''(5) Cost estimator.''.

(2) DEFINITIONAL MATTERS.—Subsection (c) of such section, as redesignated by paragraph (1)(A) of this subsection, is further amended by adding at the end the following new paragraphs:

''(5) The term 'major defense acquisition program' has the meaning given such term in section 2430(a) of this title.

''(6) The term 'major automated information system program' has the meaning given such term in section 2445a(a) of this title.''.

(b) EFFECTIVE DATE AND PHASE-IN.—

(1) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is one year after the date of enactment of this Act.

(2) TEMPORARY WAVER.—During the two-year period beginning on the effective date specified in paragraph (1), the head of an agency may waive the requirement in subsection (b) of section 2383 of title 10, United States Code, as amended by subsection (a) of this section, with regard to a specific function on a particular program upon a written determination by the head of the agency that a properly qualified full-time Federal military or civilian employee cannot reasonably be made available to perform such function.

Subtitle B—Defense Industrial Base Matters

SEC. 821. REMOVAL OF HAND AND MEASURING TOOLS FROM CERTAIN REQUIREMENTS.

(a) IN GENERAL.—Subsection (b) of section 2533a of title 10, United States Code, is amended by striking paragraph (3).

(b) CONFORMING AMENDMENT.—Subsection (d) of such section is amended by striking ''(b)(1)(A), (b)(2), or (b)(3)'' each place it appears and inserting ''(b)(1)(A) or (b)(2)''.

SEC. 822. APPLICABILITY OF CERTAIN REQUIREMENTS REGARDING SPECIALTY METALS.

(a) EXEMPTION FOR CERTAIN COMMERCIAL ITEMS.—Subsection (i) of section 2533a of title 10, United States Code, is amended—

(1) by inserting '', DUAL-USE ITEMS, AND ELECTRONIC COMPONENTS'' after ''COMMERCIAL ITEMS'';

(2) by inserting ''(1)'' before ''this section'';

(3) in paragraph (1), as so designated, by inserting ''described in subsection (b)(1)'' after ''commercial items''; and

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

''(2) This section is not applicable to—

''(A) a contract or subcontract for the procurement of a commercial item containing specialty metals described in subsections (b)(2) and (b)(3); or

''(B) specialty metals that are incorporated into an electronic component, where the value of the specialty metal used in the component is de minimis in relation to the value of the electronic component.

''(3) For purposes of paragraph (2)(A), a commercial item does not include—

''(A) any item that contains noncommercial modifications that cost or are expected to cost, in the aggregate, more than 5 percent of the total price of such item;

''(B) any item that would not be considered to be a commercial item, but for sales to government entities or inclusion in items that are sold to government entities;

''(C) forgings or castings for military unique end items;

''(D) fasteners other than commercial off-the-shelf items (as defined in section 35(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 431(c)); or

''(E) specialty metals.''.

(b) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Such section is further amended by adding at the end the following new subsection:

''(k) EXCEPTION FOR CERTAIN DUAL-USE ITEMS TO FACILITATE CIVIL-MILITARY INTEGRATION.—Subsection (a) does not apply to the procurement of an item from a contractor or a first-tier subcontractor if the Secretary of Defense or the Secretary of a military department determines that—

''(1) the item is or will be produced using the same production facilities, a common supply chain, and the same or similar production processes that are used for the production of similar items delivered to non-defense customers; and

''(2) the contractor or subcontractor has made a contractual commitment to purchase a quality, grade, and amount of domestically-melted specialty metals for use by the purchaser during the period of contract performance in the production of the item and other similar items delivered to non-defense customers that is not less that the greater of—

''(A) the amount of specialty metals that is purchased by the contractor for use in the item delivered to the Department of Defense; or

''(B) 40 percent of the amount of specialty metals purchased by the contractor or subcontractor for use during such period in the production of the item and similar items delivered to non-defense contractors.''.

(c) DE MINIMIS STANDARD FOR SPECIALTY METALS.—Such section is further amended by adding at the end the following new subsection:

''(l) MINIMUM THRESHOLD FOR SPECIALTY METALS.—Notwithstanding the requirements of subsection (a), the Secretary of Defense or the Secretary of a military department may accept delivery of an item containing specialty metals that were not grown, reprocessed, reused, or produced in the United States if the total amount of noncompliant specialty metals in the item does not exceed 2 percent of the total amount of specialty metals in the item.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall take effect on the date of the enactment of this Act, and shall apply with respect to items accepted for delivery on or after that date.

(2) CIVIL-MILITARY INTEGRATION.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act, and shall apply to contracts entered into on or after that date.

SEC. 823. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2539c. Waiver of domestic source or content requirements

''(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

''(1) in a foreign country that has a Declaration of Principles with the United States;

''(2) in a foreign country that has a Declaration of Principles with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States; or

''(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a Declaration of Principles with the United States.

''(b) COVERED REQUIREMENTS.—For purposes of this section:

''(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

''(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

''(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

''(1) application of the requirement would impede the reciprocal procurement of defense items under a Declaration of Principles with the United States; and

''(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

''(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to

any officer or employee other than the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

''(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

''(1) The Small Business Act (15 U.S.C. 631 et seq.).

''(2) The Javits-Wagner-O'Day Act (41 U.S.C. 46 et seq.).

''(3) Sections 7309 and 7310 of this title.

''(4) Section 2533a of this title.

''(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

''(h) CLARIFICATION OF RELATIONSHIP WITH BUY AMERICAN ACT.—Nothing in this section shall be construed to alter in any way the applicability of the Buy American Act (41 U.S.C. 10a), or the authority of the Secretary of Defense to waive the requirements of such Act, with respect to the procurement of any item to which such Act would apply without regard to this section.

''(i) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.

''(j) DECLARATION OF PRINCIPLES.—(1) In this section, the term 'Declaration of Principles' means a written understanding (including any Statement of Principles) between the Department of Defense and its counterpart in a foreign country signifying a cooperative relationship between the Department and its counterpart to standardize or make interoperable defense equipment used by the armed forces and the armed forces of the foreign country across a broad spectrum of defense activities, including—

''(A) harmonization of military requirements and acquisition processes;

''(B) security of supply;

''(C) export procedures;

''(D) security of information;

''(E) ownership and corporate governance;

''(F) research and development;

''(G) flow of technical information; and

''(H) defense trade.

''(2) A Declaration of Principles is underpinned by a memorandum of understanding or other agreement providing for the reciprocal procurement of defense items between the United States and the foreign country concerned without unfair discrimination in accordance with section 2531 of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

''2539c. Waiver of domestic source or content requirements.''.

SEC. 824. REPEAL OF REQUIREMENT FOR IDENTIFICATION OF ESSENTIAL MILITARY ITEMS AND MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.

Section 813 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1543) is repealed.

SEC. 825. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER TRADE AGREEMENTS.

No provision of this Act or any amendment made by this Act shall apply to a procurement by or for the Department of Defense to the extent that the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with United States obligations under a trade agreement.

Subtitle C—Defense Contractor Matters

SEC. 841. REQUIREMENTS FOR DEFENSE CONTRACTORS RELATING TO CERTAIN FORMER DEPARTMENT OF DEFENSE OFFICIALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

''§2410p. Defense contractors: requirements concerning former Department of Defense officials

''(a) IN GENERAL.—Each contract for the procurement of goods or services in excess of $10,000,000, other than a contract for the procurement of commercial items, that is entered into by the Department of Defense shall include a provision under which the contractor agrees to submit to the Secretary of Defense, not later than April 1 of each year such contract is in effect, a written report setting forth the information required by subsection (b).

''(b) REPORT INFORMATION.—Except as provided in subsection (c), a report by a contractor under subsection (a) shall—

''(1) list the name of each person who—

''(A) is a former officer or employee of the Department of Defense or a former or retired member of the armed forces who served—

''(i) in an Executive Schedule position under subchapter II of chapter 53 of title 5;

''(ii) in a position in the Senior Executive Service under subchapter VIII of chapter 53 of title 5;

''(iii) in a general or flag officer position compensated at a rate of pay for grade 0–7 or above under section 201 of title 37; or

''(iv) as a program manager, deputy program manager, procuring contracting officer, administrative contracting officer, source selection authority, member of the source selection evaluation board, or chief of a financial or technical evaluation team for a contract with a value in excess of $10,000,000; and

''(B) during the preceding calendar year was provided compensation by the contractor, if such compensation was first provided by the contractor not more than two years after such officer, employee, or member left service in the Department of Defense; and

''(2) in the case of each person listed under paragraph (1)—

''(A) identify the agency in which such person was employed or served on active duty during the last two years of such person's service with the Department of Defense;

''(B) state such person's job title and identify each major defense system, if any, on which such person performed any work with the Department of Defense during the last two years of such person's service with the Department; and

''(C) state such person's current job title with the contractor and identify each major defense system on which such person has performed any work on behalf of the contractor.

''(c) DUPLICATE INFORMATION NOT REQUIRED.—An annual report submitted by a contractor pursuant to subsection (b) need not provide information with respect to any former officer or employee of the Department of Defense or former or retired member of the armed forces if such information has already been provided in a previous annual report filed by such contractor under this section.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title is amended by adding at the end the following new item:

''2410p. Defense contractors: requirements concerning former Department of Defense officials.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

SEC. 842. LEAD SYSTEMS INTEGRATORS.l20 (a) LIMITATIONS ON CONTRACTORS ACTING AS LEAD SYSTEMS INTEGRATORS.—

(1) IN GENERAL.—Chapter 141 of title 10, United States Code, as amended by section 841(a)(1) of this Act, is further amended by adding at the end the following new section:

''§2410q. Contracts: limitations on lead systems integrators

''(a) IN GENERAL.—Except as provided in subsection (b), no contractor performing any inherently governmental functions, or functions closely associated with inherently governmental functions, relating to the acquisition, engineering, structuring, planning, integration, management, or control of a system of systems, regardless of whether or not such contractor is expressly designated as a so-called 'lead systems integrator', may have any financial interest in the development or construction of any individual system or element of such system of systems.

''(b) EXCEPTION.—A contractor described in subsection (a) may have a financial interest in the development or construction of an individual system or element of a system of systems if the Secretary of Defense certifies to the congressional defense committees that—

''(1) the contractor is the preferred best of industry supplier of the system or element concerned; and

''(2) the contractor was selected to develop or construct the system or element concerned only after a formal competition for such system or element conducted by the Department of Defense in which the contractor participated only as a respondent to the request for proposal (RFP) under the competition.

''(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude a contractor described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

''(d) DEFINITIONS.—In this section:

''(1) The term 'best of industry', with respect to the development or construction of a system or element by a contractor, means that the contractor provides the Government any of the following in the development or construction of the system or element for the Government:

''(A) Best overall value.

''(B) Best technology.

''(C) Best capability.

''(D) Best availability.

''(2) The term 'functions closely associated with inherently governmental functions' has the meaning given such term in section 2383(b)(3) of this title.

''(3) The term 'inherently governmental functions' has the meaning given such term in section 2383(b)(2) of this title.

''(4) The term 'system of systems' means a set of interdependent systems, including one or more major weapon systems, that are related to provide a given capability and in which the loss of any one would significantly degrade the performance or capabilities of the set of systems as a whole.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 of such title, as amended by section 841(a)(2) of this Act, is further amended by adding at the end the following new item:

''2410q. Contracts: limitations on lead systems integrators.''.

(3) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply with respect to contracts entered into on or after that date.

(b) UPDATE OF REGULATIONS ON LEAD SYSTEMS INTEGRATORS.—Not later than December 31, 2006, the Secretary of Defense shall update

the acquisition regulations of the Department of Defense in order to specify fully in such regulations the matters with respect to lead systems integrators set forth in section 805(b) of the National Defense Authorization for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3372).

(c) DEFINITION OF LEAD SYSTEMS INTEGRATOR.—

(1) DEFINITION REQUIRED.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a precise and comprehensive definition of the term ''lead systems integrator'', as that term is utilized in such section.

(2) MATTERS TO BE ADDRESSED.—In defining the term ''lead systems integrator'' under paragraph (1), the Secretary shall take into account the following:

(A) The importance of lead systems integrators in the production, fielding, and sustainment of complex systems, including their role in addressing increases in cost, the evolution of interoperability requirements, and the maintenance and sustainment of critical capabilities.

(B) The unique engineering and integration skills of lead systems integrators.

(C) The management and organizational skills and capabilities of lead systems integrators, including the capacity of lead systems integrators to facilitate the participation of small and disadvantaged businesses in the production, fielding, and sustainment of complex systems.

(d) CONTRACT TYPES AND FEE STRUCTURES.—The Secretary of Defense shall include in the report required by section 805 of the National Defense Authorization for Fiscal Year 2006 a specification of various types of contracts and fee structures, including award and incentive fees, that are appropriate for use by lead systems integrators in the production, fielding, and sustainment of complex systems.

SEC. 843. LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.

(a) GUIDANCE ON LINKING OF AWARD AND INCENTIVE FEES TO ACQUISITION OUTCOMES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance, with detailed implementation instructions (including definitions), for the Department of Defense on the appropriate use of award and incentive fees in Department of Defense acquisition programs.

(b) ELEMENTS.—The guidance under subsection (a) shall—

(1) ensure that all new contracts using award fees link such fees to acquisition outcomes (which shall be defined in terms of program cost, schedule, and performance);

(2) provide guidance on the circumstances in which contractor performance may be judged to be ''excellent'' or ''superior'' and the percentage of the available award fee which contractors should be paid for such performance;

(3) establish standards for determining the percentage of the available award fee, if any, which contractors should be paid for performance that is judged to be ''acceptable'', ''average'', ''expected'', ''good'', or ''satisfactory'';

(4) ensure that no award fee may be paid for contractor performance that is judged to be below-satisfactory performance or performance that does not meet the basic requirements of the contract;

(5) provide specific direction on the circumstances, if any, in which it may be appropriate to roll over award fees that are not earned in one award fee period to a subsequent award fee period or periods;

(6) ensure that the Department of Defense—

(A) collects relevant data on award and incentive fees paid to contractors; and

(B) has mechanisms in place to evaluate such data on a regular basis;

(7) include performance measures to evaluate the effectiveness of award and incentive fees as a tool for improving contractor performance and achieving desired program outcomes; and

(8) provide mechanisms for sharing proven incentive strategies for the acquisition of different types of products and services among contracting and program management officials.

(c) ASSESSMENT OF INDEPENDENT EVALUATION MECHANISMS.—

(1) IN GENERAL.—The Secretary of Defense shall select a federally-funded research and development center to assess various mechanisms that could be used to ensure an independent evaluation of contractor performance for the purpose of making determinations applicable to the judging and payment of award fees.

(2) CONSIDERATIONS.—The assessment conducted pursuant to paragraph (1) shall include consideration of the advantages and disadvantages of a system in which award fees are—

(A) held in a separate fund or funds of the Department of Defense; and

(B) allocated to a specific program only upon a determination by an independent board, charged with comparing contractor performance across programs, that such fees have been earned by the contractor for such program.

(3) REPORT.—The Secretary shall submit to the congressional defense committees a report on the assessment conducted pursuant to paragraph (1) not later than one year after the date of the enactment of this Act.

SEC. 844. PROHIBITION ON EXCESSIVE PASS-THROUGH CHARGES.

(a) REGULATIONS REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations prohibiting excessive pass-through charges on contracts or subcontracts (or task or delivery orders) that are entered into for or on behalf of the Department of Defense that are in excess of the simplified acquisition threshold, as specified in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).

(b) SCOPE OF REGULATIONS.—The regulations prescribed under this section shall not apply to any firm, fixed-price contract or subcontract (or task or delivery order) that is—

(1) awarded on the basis of adequate price competition; or

(2) for the acquisition of a commercial item, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(c) DEFINITIONS.—In this section:

(1) The term ''excessive pass-through charge'' means a charge by a covered contractor or subcontractor for overhead or profit on work performed by a covered lower-tier contractor (other than charges for the direct costs of managing lower-tier contracts and overhead and profit based on such direct costs).

(2) The term ''covered contractor'' means the following:

(A) A contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) to subcontractors.

(B) In the case of a contract providing for the development or production of more than one weapon system, a contractor that assigns work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit) for any particular weapon system under such contract to subcontractors.

(3) The term ''covered lower-tier contractor'' means the following:

(A) With respect to a covered contractor described by paragraph (2)(A) in a contract, any lower-tier subcontractor under such contract.

(B) With respect to a covered contractor described by paragraph (2)(B) in a contract, any lower-tier subcontractor on a weapon system under such contract for which such covered contractor has assigned work accounting for more than 90 percent of the cost of contract performance (not including overhead or profit).

(d) EFFECTIVE DATE.—The regulations prescribed under this section shall apply to contracts awarded for or on behalf of the Department of Defense on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 845. REPORT ON DEPARTMENT OF DEFENSE CONTRACTING WITH CONTRACTORS OR SUBCONTRACTORS EMPLOYING MEMBERS OF THE SELECTIVE RESERVE.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on contracting with the Department of Defense by actual and potential contractors and subcontractors of the Department who employ members of the Selected Reserve of the reserve components of the Armed Forces.

(b) ELEMENTS.—The study required by subsection (a) shall address the following:

(1) The extent to which actual and potential contractors and subcontractors of the Department, including small businesses, employ members of the Selective Reserve.

(2) The extent to which actual and potential contractors and subcontractors of the Department have been or are likely to be disadvantaged in the performance of contracts with the Department, or in competition for new contracts with the Department, when employees who are such members are mobilized as part of a United States military operation overseas.

(3) Any actions that, in the view of the Secretary, should be taken to address any such disadvantage, including—

(A) the extension of additional time for the performance of contracts to contractors and subcontractors of Department who employ members of the Selected Reserve who are mobilized as part of a United States military operation overseas; and

(B) the provision of assistance in forming contracting relationships with other entities to ameliorate the temporary loss of qualified personnel.

(c) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study required by this section. The report shall set forth the findings and recommendations of the Secretary as a result of the study.

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 819 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3385; 10 U.S.C. 2305 note) is repealed.

Subtitle D—Program Manager Matters

SEC. 861. PROGRAM MANAGER EMPOWERMENT AND ACCOUNTABILITY.

(a) STRATEGY.—The Secretary of Defense shall develop a comprehensive strategy for enhancing the role of Department of Defense program managers in developing and carrying out defense acquisition programs.

(b) MATTERS TO BE ADDRESSED.—The strategy required by this section shall address, at a minimum—

(1) enhanced training and educational opportunities for program managers;

(2) increased emphasis on the mentoring of current and future program managers by experienced senior executives and program managers within the Department;

(3) improved career paths and career opportunities for program managers;

(4) additional incentives for the recruitment and retention of highly qualified individuals to serve as program managers;

(5) improved resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) for program managers;

(6) improved means of collecting and disseminating best practices and lessons learned to enhance program management across the Department;

(7) common templates and tools to support improved data gathering and analysis for program management and oversight purposes;

(8) increased accountability of program managers for the results of defense acquisition programs; and

(9) enhanced monetary and nonmonetary awards for successful accomplishment of program objectives by program managers.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary

shall submit to the congressional defense committees a report on the strategy developed pursuant to this section.

SEC. 862. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM DEVELOPMENT PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program development period of defense acquisition programs.

(b) PROGRAM DEVELOPMENT PERIOD.—For the purpose of this section, the term ''program development period'' refers to the period before a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall provide that the program manager for the program development period of a defense acquisition program is responsible for—

(1) bringing to maturity the technologies and manufacturing processes that will be needed to carry out such program;

(2) ensuring continuing focus during program development on meeting stated mission requirements and other requirements of the Department of Defense;

(3) making trade-offs between program cost, schedule and performance for the life-cycle of such program;

(4) developing a business case for such program; and

(5) ensuring that appropriate information is available to the milestone decision authority to make a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program), including information necessary to make the certification required by section 2366a of title 10, United States Code.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program development period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program until such time as such program is ready for a decision on Milestone B approval (or Key Decision Point B approval in the case of a space program).

SEC. 863. TENURE AND ACCOUNTABILITY OF PROGRAM MANAGERS FOR PROGRAM EXECUTION PERIODS.

(a) REVISED GUIDANCE REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall revise Department of Defense guidance for defense acquisition programs to address the tenure and accountability of program managers for the program execution period of defense acquisition programs.

(b) PROGRAM EXECUTION PERIOD.—For the purpose of this section, the term ''program execution period'' refers to the period after Milestone B approval (or Key Decision Point B approval in the case of a space program).

(c) RESPONSIBILITIES.—The revised guidance required by subsection (a) shall—

(1) require the program manager for the program execution period of a defense acquisition program to enter into a performance agreement with the milestone decision authority for such program within six months of assignment, that—

(A) establishes expected parameters for the cost, schedule, and performance of such program consistent with the business case for such program;

(B) provides the commitment of the milestone decision authority to provide the level funding and resources required to meet such parameters; and

(C) provides the assurance of the program manager that such parameters are achievable and that such program manager will be accountable for meeting such parameters; and

(2) provide the program manager with the authority to—

(A) veto the addition of new program requirements that would be inconsistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(B) make trade-offs between cost, schedule and performance, provided that such trade-offs are consistent with the parameters established in the performance agreement entered pursuant to paragraph (1);

(C) redirect funding within such program, to the extent necessary to achieve the parameters established in the performance agreement entered pursuant to paragraph (1);

(D) develop such interim goals and milestones as may be required to achieve the parameters established in the performance agreement entered pursuant to paragraph (1); and

(E) use program funds to recruit and hire such technical experts as may be required to carry out such program, if necessary expertise is not otherwise provided by the Department of Defense.

(d) QUALIFICATIONS, RESOURCES, AND TENURE.—The Secretary shall ensure that each program manager for the program execution period of a defense acquisition program—

(1) has the appropriate management, engineering, technical, and financial expertise needed to meet the responsibilities assigned pursuant to subsection (c);

(2) is provided the resources and support (including systems engineering expertise, cost estimating expertise, and software development expertise) needed to meet such responsibilities; and

(3) is assigned to the program manager position for such program at the time of Milestone B approval (or Key Decision Point B approval in the case of a space program) and continues in such position until the delivery of the first production units of such program.

(e) LIMITED WAIVER AUTHORITY.—The Secretary may waive the requirement in subsection (d)(3) that a program manager for the program execution period of a defense acquisition program serve in that position until the delivery of the first production units of such program upon submitting to the congressional defense committees a written determination that—

(1) such program is so complex, and the delivery of the first production units will take so long, that it would not be feasible for a single individual to serve as program manager for the entire period covered by such subsection; and

(2) the complexity of such program, and length of time that will be required to deliver the first production units, are not the result of a failure to meet the certification requirements established in section 2366a of title 10, United States Code.

SEC. 864. DEPARTMENT OF DEFENSE PLAN FOR CONTINGENCY PROGRAM MANAGEMENT.

(a) REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall develop a plan for the Department of Defense for contingency program management during combat operations and post-conflict operations.

(b) MATTERS TO BE COVERED.—The plan of the Department of Defense for contingency program management required by subsection (a) shall, at a minimum, provide for—

(1) the designation of a senior executive service official on the Joint Staff with the responsibility for administering the plan;

(2) the assignment of a senior commissioned officer of the Armed Forces with appropriate program management experience and qualifications to act as head of contingency program management during combat operations, post-conflict operations, and contingency operations, who shall report directly to the commander of the combatant command in whose area of responsibility the operations occur;

(3) a preplanned organizational structure for contingency program management that is designed to ensure that the Department is prepared to conduct contingency program management during combat operations and post-conflict operations, including advance planning for—

(A) unified, agile program management processes and procedures for an interagency and coalition environment;

(B) standardized joint contract mechanisms with clearly defined metrics;

(C) continuity of program and project management;

(D) identification of a deployable cadre of experts, trained in processes required under paragraph (4);

(E) required information technology resources and reliable, interoperable connections and communications; and

(F) coordination of program management operations with the activities of commanders in the field;

(4) a requirement for the development of a training program for contingency program management, including—

(A) comprehension of program management that focuses on cost, scope, schedule, success metrices, project oversight, and resource balancing;

(B) contracting options and rules;

(C) procedures for the Department on funding, accountability and component and partner responsibilities; and

(D) effective communications and rules for coordination with commanders in the field; and

(5) a requirement for identification of hiring and appointment authorities for rapid deployment of personnel under this section to ensure the availability of key personnel for sufficient lengths of time to provide for continuing of program and project management.

(c) UTILIZATION IN PLAN FOR INTERAGENCY PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.—To the extent practicable, the elements of the plan of the Department of Defense for contingency program management required by subsection (a) shall be taken into account in the development of the plan for the establishment of interagency operating procedures for stabilization and reconstruction operations required by section 1222.

SEC. 865. COMPTROLLER GENERAL REPORT.

Not later than February 1, 2007, the Comptroller General of the United States shall submit to the congressional defense committees a report on the actions taken by the Secretary of Defense to comply with the requirements of this subtitle. The report shall include a description of such actions and an assessment by the Comptroller General of the effectiveness of such actions in meeting such requirements.

Subtitle E—Other Matters

SEC. 871. CLARIFICATION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(a) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) in paragraph (2)(A), by inserting ''or, for a defense agency, the director of the defense agency'' after ''(41 U.S.C. 414(c))''; and

(2) in paragraph (3), by inserting ''or director of a defense agency'' after ''executive''.

SEC. 872. ONE-YEAR EXTENSION OF SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

Section 804(d) of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 117 Stat. 1542) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2007''.

SEC. 873. ONE-YEAR EXTENSION OF INAPPLICABILITY OF CERTAIN LAWS TO CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

Subsections (a)(2)(A) and (b)(2)(A) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2021), as amended by section 848(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3395), are each further amended by striking ''2006'' and inserting ''2007''.

SEC. 874. PILOT PROGRAM ON EXPANDED USE OF MENTOR-PROTEGE AUTHORITY.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a pilot program to assess the feasibility and advisability of treating small business concerns described in subsection (b) as disadvantaged small business concerns under the Mentor-Protege Program under section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note).

(b) COVERED SMALL BUSINESS CONCERNS.—The small business concerns described in this subsection are small business concerns that—

(1) are participants in the Small Business Innovative Research Program of the Department of Defense established pursuant to section 9 of the Small Business Act (15 U.S.C. 638); and

(2) as determined by the Secretary, are developing technologies that will assist in detecting or defeating Improvised Explosive Devices (IEDs) or other critical force protection measures.

(c) TREATMENT AS DISADVANTAGED SMALL BUSINESS CONCERNS.—

(1) IN GENERAL.—For purposes of the pilot program, the Secretary may treat a small business concern described in subsection (b) as a disadvantaged small business concern under the Mentor-Protege Program.

(2) MENTOR-PROTEGE AGREEMENT.—Any eligible business concerned approved for participation in the Mentor-Protege Program as a mentor firm may enter into a mentor-protege agreement and provide assistance described in section 831 of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern treated under paragraph (1) as a disadvantaged small business concern under the Mentor-Protege Program.

(d) FUNDING.—

(1) IN GENERAL.—Notwithstanding the limitation in section 9(f)(2) of the Small Business Act (15 U.S.C. 638(f)(2)), funds for any reimbursement provided to a mentor firm under section 831(g) of the National Defense Authorization Act for Fiscal Year 1991 with respect to a small business concern described in subsection (b) under the pilot program shall be derived from funds available for the Small Business Innovative Research Program of the Department of Defense.

(2) LIMITATION.—The amount available under paragraph (1) for reimbursement described in that paragraph may not exceed the amount equal to one percent of the funds available for the Small Business Innovative Research Program.

(e) SUNSET.—

(1) AGREEMENTS.—No mentor-protege agreement may be entered into under the pilot program after September 30, 2010.

(2) OTHER MATTERS.—No reimbursement may be paid, and no credit toward the attainment of a subcontracting goal may be granted, under the pilot program after September 30, 2013.

(f) REPORT.—Not later than March 1, 2009, the Secretary shall submit to the appropriate committees of Congress a report on the pilot program. The report shall—

(1) describe the extent to which mentor-protege agreements have been entered under the pilot program; and

(2) describe and assess the technological benefits arising under such agreements.

(g) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services, Appropriations, and Small Business and Entrepreneurship of the Senate; and

(B) the Committees on Armed Services and Appropriations of the House of Representatives.

(2) The term ''small business concern'' has the meaning given that term in section 831(m)(1) of the National Defense Authorization Act for Fiscal Year 1991.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. UNITED STATES MILITARY CANCER INSTITUTE.

(a) ESTABLISHMENT.—Chapter 104 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2117. United States Military Cancer Institute

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish in the University the United States Military Cancer Institute. The Institute shall be established pursuant to regulations prescribed by the Secretary.

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

''(1) To establish and maintain a clearinghouse of data on the incidence and prevalence of cancer among members and former members of the armed forces.

''(2) To conduct research that contributes to the detection or treatment of cancer among the members and former members of the armed forces.

''(c) HEAD OF INSTITUTE.—The Director of the United States Military Cancer Institute is the head of the Institute. The Director shall report to the President of the University regarding matters relating to the Institute.

''(d) ELEMENTS.—(1) The Institute is composed of clinical and basic scientists in the Department of Defense who have an expertise in research, patient care, and education relating to oncology and who meet applicable criteria for affiliation with the Institute.

''(2) The components of the Institute include military treatment and research facilities that meet applicable criteria and are designated as affiliates of the Institute.

''(e) RESEARCH.—(1) The Director of the United States Military Cancer Institute shall carry out research studies on the following:

''(A) The epidemiological features of cancer, including assessments of the carcinogenic effect of genetic and environmental factors, and of disparities in health, inherent or common among populations of various ethnic origins within the members of the armed forces.

''(B) The prevention and early detection of cancer among members and former members of the armed forces.

''(C) Basic, translational, and clinical investigation matters relating to the matters described in subparagraphs (A) and (B).

''(2) The research studies under paragraph (1) shall include complementary research on oncologic nursing.

''(f) COLLABORATIVE RESEARCH.—The Director of the United States Military Cancer Institute shall carry out the research studies under subsection (e) in collaboration with other cancer research organizations and entities selected by the Institute for purposes of the research studies.

''(g) ANNUAL REPORT.—(1) Not later than November 1 each year, the Director of the United States Military Cancer Institute shall submit to the President of the University a report on the current status of the research studies being carried out by the Institute under subsection (e).

''(2) Not later than 60 days after receiving a report under paragraph (1), the President of the University shall transmit such report to the Secretary of Defense and to Congress.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 104 of such title is amended by adding at the end the following new item:

''2117. United States Military Cancer Institute.''.

SEC. 902. SENIOR ACQUISITION EXECUTIVE FOR SPECIAL OPERATIONS WITHIN STAFF OF THE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT.

(a) INCLUSION WITHIN STAFF.—The staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under section 138(b)(4) of title 10, United States Code, shall include a senior acquisition executive for special operations.

(b) DUTIES.—The senior acquisition executive within the staff of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict under subsection (a) shall conduct policy and management oversight of the acquisition activities of the Special Operations Command under section 167 of title 10, United States Code, and shall have such other duties as the Assistant Secretary shall designate.

SEC. 903. UNITED STATES MARINE BAND AND UNITED STATES MARINE DRUM AND BUGLE CORPS.

(a) IN GENERAL.—Section 6222 of title 10, United States Code, is amended to read as follows:

''§ 6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members

''(a) UNITED STATES MARINE BAND.—The band of the Marine Corps shall be composed of one director, two assistant directors, and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(b) UNITED STATES MARINE DRUM AND BUGLE CORPS.—The drum and bugle corps of the Marine Corps shall be composed of one commanding officer and other personnel in such numbers and grades as the Secretary of the Navy determines to be necessary.

''(c) APPOINTMENT AND PROMOTION.—(1) The Secretary of the Navy shall prescribe regulations for the appointment and promotion of members of the Marine Band and members of the Marine Drum and Bugle Corps.

''(2) The President may from time to time appoint members of the Marine Band and members of the Marine Drum and Bugle Corps to grades not above the grade of captain. The authority of the President to make appointments under this paragraph may be delegated only to the Secretary of Defense.

''(3) The President, by and with the advice and consent of the Senate, may from time to time appoint any member of the Marine Band or of the Marine Drum and Bugle Corps to a grade above the grade of captain.

''(d) RETIREMENT.—Unless otherwise entitled to higher retired grade and retired pay, a member of the Marine Band or Marine Drum and Bugle Corps who holds, or has held, an appointment under this section is entitled, when retired, to be retired in, and with retired pay based on, the highest grade held under this section in which the Secretary of the Navy determines that such member served satisfactorily.

''(e) REVOCATION OF APPOINTMENT.—The Secretary of the Navy may revoke any appointment of a member of the Marine Band or Marine Drum and Bugle Corps. When a member's appointment to a commissioned grade terminates under this subsection, such member is entitled, at the option of such member—

''(1) to be discharged from the Marine Corps; or

''(2) to revert to the grade and status such member held at the time of appointment under this section.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 565 of such title is amended by striking the item relating to section 6222 and inserting the following new item:

''6222. United States Marine Band; United States Marine Drum and Bugle Corps: composition; appointment and promotion of members.''.

SEC. 904. MILITARY DEPUTIES TO THE ASSISTANT SECRETARIES OF THE MILITARY DEPARTMENTS FOR ACQUISITION, LOGISTICS, AND TECHNOLOGY MATTERS.

(a) DEPARTMENT OF THE ARMY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Army the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall be a lieutenant general of the Army on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics, and Technology shall not be counted against the numbers and percentages of officers of the Army of the grade of lieutenant general.

(b) DEPARTMENT OF THE NAVY.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Navy the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition.

(2) VICE ADMIRAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall be a vice admiral on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Navy for Research, Development, and Acquisition shall not be counted against the numbers and percentages of officers of the grade of vice admiral.

(c) DEPARTMENT OF THE AIR FORCE.—

(1) ESTABLISHMENT OF POSITION.—There is hereby established within the Department of the Air Force the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition.

(2) LIEUTENANT GENERAL.—The individual serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall be a lieutenant general of the Air Force on active duty.

(3) EXCLUSION FROM GRADE AND NUMBER LIMITATIONS.—An officer serving in the position of Military Deputy to the Assistant Secretary of the Air Force for Acquisition shall not be counted against the numbers and percentages of officers of the Air Force of the grade of lieutenant general.

Subtitle B—Space Activities

SEC. 911. ESTABLISHMENT OF OPERATIONALLY RESPONSIVE SPACE CAPABILITIES.

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

(1) Access to and use of space is critical for preserving peace and protecting the national security, commercial, and civil interests of the United States.

(2) Key priorities for the national security space activities of the United States include improving the capacity to support military operations worldwide and responding to strategic military threats.

(3) To the maximum extent possible, space capabilities should be integrated into the strategy, doctrine, operations, and contingency plans of the Armed Forces of the United States.

(4) The commanders of the combatant commands should have access to responsive space capabilities that provide prompt, focused support in their theater of operations, which capabilities should compliment other national and Department of Defense space assets while providing direct and flexible support to the warfighter on the battlefield.

(5) The United States Space Transportation Policy of January 6, 2005, calls for the demonstration, before 2010, of an initial capability for operationally responsive access to and use of space to support the national security requirements of the United States.

(b) POLICY.—It is the policy of the United States—

(1) to demonstrate, acquire, and deploy an effective capability for operationally responsive space to support the warfighter from space; and

(2) that the capability described in paragraph (1) shall consist of—

(A) responsive satellite payloads;

(B) inexpensive space launch vehicles and range procedures that facilitate the timely launch of satellites;

(C) common technical standards for satellite busses; and

(D) a configuration of operations and command and control capabilities that permit the warfighter to exploit responsive space assets for combat operations.

(c) OPERATIONALLY RESPONSIVE SPACE HYBRID PROGRAM OFFICE.—

(1) IN GENERAL.—The Secretary of Defense shall establish within the Department of Defense an office to be known as the Operationally Responsive Space Hybrid Program Office (in this subsection referred to as the ''Office'').

(2) ELEMENTS.—The Office shall consist of elements of the Department of Defense selected by the Secretary from among the science and technology, acquisition, and operations elements of the Department having the capacity to contribute to the development of capabilities for operationally responsive space. Such elements shall be selected so as to achieve a balanced representation of the military departments in the Office in order to ensure proper acknowledgment of joint considerations in the activities of the Office.

(3) ORGANIZATION OF ELEMENTS.—The elements of the Office under paragraph (2) shall be organized by the Secretary into divisions as follows:

(A) A science and technology division that shall pursue innovative approaches to the development of capabilities for operationally responsive space through basic and applied research focused on payloads, bus, and launch equipment.

(B) An acquisition division that shall undertake the acquisition of systems necessary to procure, integrate, sustain, and launch assets for operationally responsive space.

(C) An operations division that shall—

(i) sustain and maintain assets for operationally responsive space prior to launch;

(ii) integrate and launch such assets; and

(iii) operate such assets in orbit.

(D) A combatant command support division that shall serve as the primary intermediary between the military departments and the combatant commands on operationally responsive space, including the integration of assets for operationally responsive space into—

(i) the operations plans of the combatant commands;

(ii) the training and tactics procedures of the military departments; and

(iii) military exercises, demonstrations, and war games.

(3) ACCOUNTABILITY.—The head of the Office shall report to the Executive Agent for Space of the Department of Defense regarding the activities of Office under this subsection.

(4) ACQUISITION AUTHORITY.—The acquisition activities of the Office shall be subject to the following:

(A) The Executive Agent for Space of the Department of Defense shall be the senior acquisition executive of the Office.

(B) The Joint Capabilities Integration and Development System process shall not apply to acquisitions by the Office.

(C) The commander of the United States Strategic Command, or a designate of the commander, shall—

(i) validate all system requirements for systems to be acquired by the Office; and

(ii) participate in the approval of any acquisition program initiated by the Office.

(D) The unit procurement cost of a launch vehicle procured by the Office may not exceed $20,000,000.

(E) The unit procurement cost of an integrated satellite procured by the Office may not exceed $40,000,000.

(5) ADJUSTMENT OF UNIT PROCUREMENT COST LIMITS.—The Executive Agent for Space shall adjust the amounts specified in subparagraphs (D) and (E) of paragraph (4) to take into account the effects of inflation. Such adjustment shall take place once every five years.

(d) PLAN FOR OPERATIONALLY RESPONSIVE SPACE.—

(1) PLAN REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a plan for the acquisition by the Department of Defense of capabilities for operationally responsive space to support the warfighter.

(2) ELEMENTS.—The plan required by paragraph (1) shall include the following:

(A) An identification of the roles and missions of each military department, Defense Agency, and other component or element of the Department of Defense for the fulfillment of the mission of the Department with respect to operationally responsive space.

(B) An identification of the capabilities required by the Department to fulfill such mission.

(C) A description of the chain of command and reporting structure of the Operationally Responsive Space Hybrid Program Office under subsection (c).

(D) The security classification level required for the Office in order to ensure that the Office carries out its responsibilities under subsection (c) in a proper and efficient manner.

(E) A description of the acquisition policies and procedures applicable to the Office, including a description of any legislative or administrative action necessary to provide the Office additional acquisition authority to carry out its responsibilities.

(F) A schedule for the implementation of the plan.

(G) The funding and personnel required to implement the plan over the course of the current future-years defense program under section 221 of title 10, United States Code.

(e) DEFINITIONS.—In this section:

(1) The term ''operationally responsive space'' means the development and launch of space assets upon demand in a low-cost manner.

(2) The term ''procurement unit cost'' has the meaning given that term in section 2432(a) of title 10, United States Code.

SEC. 912. EXTENSION OF AUTHORITY FOR PILOT PROGRAM ON PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

Section 2274(i) of title 10, United States Code, is amended by striking ''shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section'' and inserting ''may be conducted through September 30, 2009''.

SEC. 913. INDEPENDENT REVIEW AND ASSESSMENT OF DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT FOR NATIONAL SECURITY IN SPACE.

(a) INDEPENDENT REVIEW AND ASSESSMENT REQUIRED.—

(1) IN GENERAL.—The Secretary of Defense shall provide for an independent review and assessment of the organization and management

of the Department of Defense for national security in space.

(2) CONDUCT OF REVIEW.—The review and assessment shall be conducted by an appropriate entity outside the Department of Defense selected by the Secretary for purposes of this section.

(3) ELEMENTS.—The review and assessment shall address the following:

(A) The requirements of the Department of Defense for national security space capabilities, as identified by the Department, and the efforts of the Department to fulfill such requirements.

(B) The future space missions of the Department, and the plans of the Department to meet the future space missions.

(C) The actions that could be taken by the Department to modify the organization and management of the Department over the near-term, medium-term, and long-term in order to strengthen United States national security in space, and the ability of the Department to implement its requirements and carry out the future space missions, including the following:

(i) Actions to exploit existing and planned military space assets to provide support for United States military operations.

(ii) Actions to improve or enhance current interagency coordination processes regarding the operation of national security space assets, including improvements or enhancements in interoperability and communications.

(iii) Actions to improve or enhance the relationship between the intelligence aspects of national security space (so-called ''black space'') and the non-intelligence aspects of national security space (so-called ''white space'').

(iv) Actions to improve or enhance the manner in which military space issues are addressed by professional military education institutions.

(4) LIAISON.—The Secretary shall designate at least one senior civilian employee of the Department of Defense, and at least one general or flag officer of an Armed Force, to serve as liaison between the Department, the Armed Forces, and the entity conducting the review and assessment.

(b) REPORT.—

(1) IN GENERAL.—Not later than one year after the date of the enactment of this Act, the entity conducting the review and assessment shall submit to the Secretary and the congressional defense committees a report on the review and assessment.

(2) ELEMENTS.—The report shall include—

(A) the results of the review and assessment; and

(B) recommendations on the best means by which the Department may improve its organization and management for national security in space.

Subtitle C—Other Matters

SEC. 921. DEPARTMENT OF DEFENSE POLICY ON UNMANNED SYSTEMS.

(a) POLICY REQUIRED.—The Secretary of Defense shall, in consultation with the Chairman of the Joint Chiefs of Staff, develop a policy applicable throughout the Department of Defense on research, development, test, and evaluation, procurement, and operation of unmanned systems.

(b) ELEMENTS.—The policy required by subsection (a) shall include the following:

(1) Mission requirements (including mission requirements for the military departments and joint mission requirements) for unmanned systems to replace manned systems in the performance of routine or dangerous missions.

(2) A strategy and schedules for the replacement of manned systems with unmanned systems in the performance of such missions.

(3) Preference for joint unmanned systems in acquisition programs for new systems, including a requirement under any such program for the development of a manned system for a certification that an unmanned system is incapable of meeting program requirements.

(4) Joint development and procurement of unmanned systems and components.

(5) A strategy for the divestment of the military department unmanned systems unique to a particular department with a preference for joint unmanned systems.

(6) Programs to address technical, operational, and production challenges, and gaps in capabilities, with respect to unmanned systems.

(7) An organizational structure for effective management, coordination, and budgeting for the development and procurement of unmanned systems, including an assessment of the feasibility and advisability of designating a single department or other element of the Department of Defense to act as executive agent for the Department on unmanned systems.

(8) Requirements for the integration of unmanned and manned missions.

(9) Requirements in order to satisfy the goals for unmanned air and ground systems established in section 220 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–38).

(c) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a report setting forth the policy required by subsection (a).

SEC. 922. EXECUTIVE SCHEDULE LEVEL IV FOR DEPUTY UNDER SECRETARY OF DEFENSE FOR LOGISTICS AND MATERIEL READINESS.

(a) EXECUTIVE SCHEDULE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Deputy Under Secretary of Defense for Personnel and Readiness the following new item:

''Deputy Under Secretary of Defense for Logistics and Materiel Readiness.''.

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking the item relating to the Deputy Under Secretary of Defense for Logistics and Materiel Readiness.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to individuals appointed as Deputy Under Secretary of Defense for Logistics and Materiel Readiness on or after that date.

SEC. 923. THREE-YEAR EXTENSION OF JOINT INCENTIVES PROGRAM ON SHARING OF HEALTH CARE RESOURCES BY THE DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS.

Section 8111(d)(4) of title 38, United States Code, is amended by striking ''September 30, 2007'' and inserting ''September 30, 2010''.

SEC. 924. SENSE OF SENATE ON NOMINATION OF INDIVIDUAL TO SERVE AS DIRECTOR OF OPERATIONAL TEST AND EVALUATION ON A PERMANENT BASIS.

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

(1) Congress established the position of Director of Operational Test and Evaluation of the Department of Defense in 1983 to ensure the operational effectiveness and suitability of weapon systems in combat.

(2) The Director of Operational Test and Evaluation serves as the principal adviser to the Secretary of Defense on operational test and evaluation and is vital to ensuring the operational effectiveness of weapon systems in combat.

(3) The position of Director of Operational Test and Evaluation has been held on an acting basis since February 15, 2005.

(b) SENSE OF SENATE.—It is the sense of the Senate that the President should submit to the Senate the nomination of an individual for the position of Director of Operational Test and Evaluation as soon as practicable.

SEC. 925. INCLUSION OF HOMELAND DEFENSE AND CIVIL SUPPORT MISSIONS OF THE NATIONAL GUARD AND RESERVES IN THE QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (15) as paragraph (16); and

(2) by inserting after paragraph (14) the following new paragraph (15):

''(15) The homeland defense mission and civil support missions of the active and reserve components of the armed forces, including the organization and capabilities required for the active and reserve components to discharge each such mission.''.

SEC. 926. REFORMS TO THE DEFENSE TRAVEL SYSTEM TO A FEE-FOR-USE-OF-SERVICE SYSTEM.

No later than one year after the enactment of this Act, the Secretary of Defense may not obligate or expend any funds related to the Defense Travel System except those funds obtained through a one-time, fixed price service fee per Department of Defense customer utilizing the system with an additional fixed fee for each transaction.

SEC. 927. REPORT ON INCORPORATION OF ELEMENTS OF THE RESERVE COMPONENTS INTO THE SPECIAL FORCES.

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

(1) The Quadrennial Defense Review recommends an increase in the size of the Special Operations Command and the Special Forces as a fundamental part of our efforts to fight the war on terror.

(2) The Special Forces play a crucial role in the war on terror, and the expansion of their force structure as outlined in the Quadrennial Defense Review should be fully funded.

(3) Expansion of the Special Forces should be consistent with the Total Force Policy.

(4) The Secretary of Defense should assess whether the establishment of additional reserve component Special Forces units and associated units is consistent with the Total Force Policy.

(5) Training areas in high-altitude and mountainous areas represent a national asset for preparing Special Forces units and personnel for duty in similar regions of Central Asia.

(b) REPORT ON INCORPORATION OF ELEMENTS INTO SPECIAL FORCES.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report to address whether units and capabilities should be incorporated into the reserve components of the Armed Forces as part of the expansion of the Special Forces as outlined in the Quadrennial Defense Review, and consistent with the Total Force Policy.

(c) REPORT ON SPECIAL FORCES TRAINING.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the effort taken by the United States Special Operations Command to provide Special Forces training in high-altitude and mountainous areas within the United States.

Subtitle D—National Guard Bureau Matters

SEC. 931. SHORT TITLE.

This title may be cited as the ''National Defense Enhancement and National Guard Empowerment Act of 2006''.

SEC. 932. EXPANDED AUTHORITY OF CHIEF OF THE NATIONAL GUARD BUREAU AND EXPANDED FUNCTIONS OF THE NATIONAL GUARD BUREAU.

(a) EXPANDED AUTHORITY.—

(1) IN GENERAL.—Subsection (a) of section 10501 of title 10, United States Code, is amended by striking ''joint bureau of the Department of the Army and the Department of the Air Force'' and inserting ''joint activity of the Department of Defense''.

(2) PURPOSE.—Subsection (b) of such section is amended by striking ''between'' and all that follows and inserting ''between—

''(1)(A) the Secretary of Defense, the Joint Chiefs of Staff, and the commanders of the combatant commands for the United States, and (B) the Department of the Army and the Department of the Air Force; and

''(2) the several States.''.

(b) ENHANCEMENTS OF POSITION OF CHIEF OF THE NATIONAL GUARD BUREAU.—

(1) ADVISORY FUNCTION ON NATIONAL GUARD MATTERS.—Subsection (c) of section 10502 of title 10, United States Code, is amended by inserting ''to the Secretary of Defense, to the Chairman of the Joint Chiefs of Staff,'' after ''principal advisor''.

(2) GRADE.—Subsection (e) of such section, as redesignated by paragraph (2)(A)(i) of this subsection, is further amended by striking ''lieutenant general'' and inserting ''general''.

(3) ANNUAL REPORT TO CONGRESS ON VALIDATED REQUIREMENTS.—Section 10504 of such title is amended by adding at the end the following new subsection:

''(c) ANNUAL REPORT ON VALIDATED REQUIREMENTS.—Not later than December 31 each year, the Chief of the National Guard Bureau shall submit to Congress a report on the requirements validated under section 10503a(b)(1) of this title during the preceding fiscal year.''.

(c) ENHANCEMENT OF FUNCTIONS OF NATIONAL GUARD BUREAU.—

(1) DEVELOPMENT OF CHARTER.—Section 10503 of title 10, United States Code, is amended—

(A) in the matter preceding paragraph (1), by striking ''The Secretary of the Army and the Secretary of the Air Force shall jointly develop'' and inserting ''The Secretary of Defense, in consultation with the Secretary of the Army and the Secretary of the Air Force, shall develop''; and

(B) in paragraph (12), by striking ''the Secretaries'' and inserting ''the Secretary of Defense''.

(2) ADDITIONAL GENERAL FUNCTIONS.—Such section is further amended—

(A) by redesignating paragraph (12), as amended by paragraph (1)(B) of this subsection, as paragraph (13); and

(B) by inserting after paragraph (11) the following new paragraph (12):

''(12) Facilitating and coordinating with other Federal agencies, and with the several States, the use of National Guard personnel and resources for and in contingency operations, military operations other than war, natural disasters, support of civil authorities, and other circumstances.''.

(3) MILITARY ASSISTANCE FOR CIVIL AUTHORITIES.—Chapter 1011 of such title is further amended by inserting after section 10503 the following new section:

''§ 10503a. Functions of National Guard Bureau: military assistance to civil authorities

''(a) IDENTIFICATION OF ADDITIONAL NECESSARY ASSISTANCE.—The Chief of the National Guard Bureau shall—

''(1) identify gaps between Federal and State capabilities to prepare for and respond to emergencies; and

''(2) make recommendations to the Secretary of Defense on programs and activities of the National Guard for military assistance to civil authorities to address such gaps.

''(b) SCOPE OF RESPONSIBILITIES.—In meeting the requirements of subsection (a), the Chief of the National Guard Bureau shall, in coordination with the Adjutant Generals of the States, have responsibilities as follows:

''(1) To validate the requirements of the several States and Territories with respect to military assistance to civil authorities.

''(2) To develop doctrine and training requirements relating to the provision of military assistance to civil authorities.

''(3) To administer amounts provided the National Guard for the provision of military assistance to civil authorities.

''(4) To carry out any other responsibility relating to the provision of military assistance to civil authorities as the Secretary of Defense shall specify.

''(c) ASSISTANCE.—The Chairman of the Joint Chiefs of Staff shall assist the Chief of the National Guard Bureau in carrying out activities under this section.

''(d) CONSULTATION.—The Chief of the National Guard Bureau shall carry out activities under this section in consultation with the Secretary of the Army and the Secretary of the Air Force.''.

(4) LIMITATION ON INCREASE IN PERSONNEL OF NATIONAL GUARD BUREAU.—The Secretary of Defense shall, to the extent practicable, ensure that no additional personnel are assigned to the National Guard Bureau in order to address administrative or other requirements arising out of the amendments made by this subsection.

(d) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of section 10503 of such title is amended to read as follows:

''§ 10503. Functions of National Guard Bureau: charter''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1011 of such title is amended by striking the item relating to section 10503 and inserting the following new items:

''10503. Functions of National Guard Bureau: charter.

''10503a. Functions of National Guard Bureau: military assistance to civil authorities.''.

SEC. 933. REQUIREMENT THAT POSITION OF DEPUTY COMMANDER OF THE UNITED STATES NORTHERN COMMAND BE FILLED BY A QUALIFIED NATIONAL GUARD OFFICER.

(a) IN GENERAL.—The position of Deputy Commander of the United States Northern Command shall be filled by a qualified officer of the National Guard who is eligible for promotion to the grade of lieutenant general.

(b) PURPOSE.—The purpose of the requirement in subsection (a) is to ensure that information received from the National Guard Bureau regarding the operation of the National Guard of the several States is integrated into the plans and operations of the United States Northern Command.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) AGGREGATE LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $4,000,000,000.

(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 AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF ADDITIONAL EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2006.

(a) IRAQ, AFGHANISTAN, AND THE GLOBAL WAR ON TERROR.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109–234).

(b) HURRICANE DISASTER RELIEF AND RECOVERY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

(c) BORDER SECURITY.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2006 in the National Defense Authorization Act for Fiscal Year 2006 are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased by a supplemental appropriation, or decreased by a rescission, or both, or are increased by a transfer of funds, pursuant to title V of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.

SEC. 1003. REDUCTION IN CERTAIN AUTHORIZATIONS DUE TO SAVINGS RELATING TO LOWER INFLATION.

(a) REDUCTION.—The aggregate amount authorized to be appropriated by titles I, II, and III is the amount equal to the sum of all the amounts authorized to be appropriated by such titles reduced by $951,469,000.

(b) SOURCE OF SAVINGS.—Reductions required in order to comply with subsection (a) shall be derived from savings resulting from lower-than-expected inflation as a result of a review of the inflation assumptions used in the preparation of the budget of the President for fiscal year 2007, as submitted to Congress pursuant to section 1005 of title 31, United States Code.

(c) ALLOCATION OF REDUCTION.—The Secretary of Defense shall allocate the reduction required by subsection (a) among the amounts authorized to be appropriated for accounts in titles I, II, and III to reflect the extent to which net savings from lower-than-expected inflation are allocable to amounts authorized to be appropriated to such accounts.

SEC. 1004. INCREASE IN FISCAL YEAR 2006 GENERAL TRANSFER AUTHORITY.

Section 1001(a)(2) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3418) is amended by striking ''$3,500,000,000'' and inserting ''$5,000,000,000''.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2007.

(a) FISCAL YEAR 2007 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2007 for the common-funded budgets of NATO may be any amount up to, but not

in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2006, of funds appropriated for fiscal years before fiscal year 2007 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $797,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $310,277,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. MODIFICATION OF DATE OF SUBMITTAL OF OMB/CBO REPORT ON SCORING OF OUTLAYS.

Section 226(a) of title 10, United States Code, is amended by striking ''January 15 of each year'' and inserting ''April 1 of each year''.

SEC. 1007. PROHIBITION ON PARKING OF FUNDS.

(a) PROHIBITION.—

(1) IN GENERAL.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773a the following new section:

''§ 2773b. Parking of funds: prohibition; penalties

''(a) PROHIBITION.—An officer or employee of the Department of Defense may not direct the designation of funds for a particular purpose in the budget of the President, as submitted to Congress pursuant to section 1105 of title 31, or the supporting documents of the Department of Defense component of such budget, with the knowledge or intent that such funds, if made available to the Department, will not be used for the purpose for which they are designated.

''(b) PENALTIES.—The direction of the designation of funds in violation of the prohibition in subsection (a) shall be treated for purposes of chapter 13 of title 31 as a violation of section 1341(a)(1)(A) of title 31.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2773a the following new item:

''2773b. Parking of funds: prohibition; penalties.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect on the date that is 31 days after the date of the enactment of this Act.

(2) MODIFICATION OF CERTAIN POLICIES AND REGULATIONS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall modify the policies and regulations of the Department of Defense regarding the preparation and submittal to Congress of budget materials for the Department of Defense to take into account the provisions of section 2773b of title 10, United States Code (as added by subsection (a)).

SEC. 1008. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the Committee on Armed Services of the Senate to accompany S. 2766 of the 109th Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for such program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1009. REPORTS TO CONGRESS AND NOTICE TO PUBLIC ON EARMARKS IN FUNDS AVAILABLE TO THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT AND NOTICE REQUIRED.—The Secretary of Defense shall submit to Congress, and post on the Internet website of the Department of Defense available to the public, each year information as follows:

(1) A description of each earmark of funds made available to the Department of Defense for the previous fiscal year, including the location (by city, State, country, and congressional district if relevant) in which the earmarked funds are to be utilized, the purpose of such earmark (if known), and the recipient of such earmark.

(2) The total cost of administering each such earmark including the amount of such earmark, staff time, administrative expenses, and other costs.

(3) The total cost of administering all such earmarks.

(4) An assessment of the utility of each such earmark in meeting the goals of the Department, set forth using a rating system as follows:

(A) A for an earmark that directly advances the primary goals of the Department or an agency, element, or component of the Department.

(B) B for an earmark that advances many of the primary goals of the Department or an agency, element, or component of the Department.

(C) C for an earmark that may advance some of the primary goals of the Department or an agency, element, or component of the Department.

(D) D for an earmark that cannot be demonstrated as being cost-effective in advancing the primary goals of the Department or any agency, element, or component of the Department.

(E) F for an earmark that distracts from or otherwise impedes that capacity of the Department to meet the primary goals of the Department.

(b) EARMARK DEFINED.—In this section, the term ''earmark'' means a provision of law, or a directive contained within a joint explanatory statement or report accompanying a conference report or bill (as applicable), that specifies the identity of an entity, program, project, or service, including a defense system, to receive assistance not requested by the President and the amount of the assistance to be so received.

Subtitle B—Naval Vessels

SEC. 1011. REPEAL OF REQUIREMENT FOR 12 OPERATIONAL AIRCRAFT CARRIERS WITHIN THE NAVY.

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

(1) by striking subsection (b); and

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

SEC. 1012. APPROVAL OF TRANSFER OF NAVAL VESSELS TO FOREIGN NATIONS BY VESSEL CLASS.

Section 7307(a) of title 10, United States Code, is amended by inserting ''or vessel of that class'' after ''that vessel''.

SEC. 1013. NAMING OF CVN–78 AIRCRAFT CARRIER AS THE U.S.S. GERALD FORD.

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

(1) Gerald R. Ford has served his country with honor and distinction for the past 64 years, and continues to serve.

(2) Gerald R. Ford joined the United States Naval Reserve in 1942 and served valiantly at sea on the U.S.S. Monterey (CVL–26) during World War II, taking part in major operations in the Pacific, including at Makin Island, Kwajalein, Truk, Saipan, and the Philippine Sea.

(3) The U.S.S. Monterey earned 10 battle stars, awarded for participation in battle, while Gerald R. Ford served on the vessel.

(4) Gerald R. Ford was first elected to the House of Representatives in 1948.

(5) In the course of 25 years of service in the House of Representatives, Gerald R. Ford distinguished himself by his exemplary record for character, decency, and trustworthiness.

(6) Throughout his service in Congress, Gerald R. Ford was an ardent proponent of strong national defense and international leadership by the United States.

(7) From 1965 to 1973, Gerald R. Ford served as minority leader of the House of Representatives, raising the standard for bipartisanship in his tireless fight for freedom, hope, and justice.

(8) In 1973, Gerald R. Ford was appointed by President Nixon to the office of Vice President of the United States with the overwhelming support of Congress.

(9) From 1974 to 1976, Gerald R. Ford served as the 38th President of the United States, taking office during one of the most challenging periods in the history of the United States and restoring the faith of the people of the United States in the office of the President through his steady leadership, courage, and ultimate integrity.

(10) President Gerald R. Ford helped restore the prestige of the United States in the world community by working to achieve peace in the Middle East, preserve détente with the Soviet Union, and set new limits on the spread of nuclear weapons.

(11) President Gerald R. Ford served as Commander in Chief of the Armed Forces of the United States with great dignity, supporting a strong Navy and a global military presence for the United State and honoring the men and women of the Armed Forces of the United States.

(12) Since leaving the office of President, Gerald R. Ford has been an international ambassador of American goodwill, a noted scholar and lecturer, a strong supporter of human rights, and a promoter of higher education.

(13) Gerald R. Ford was awarded the Medal of Freedom and the Congressional Gold Medal in 1999 in recognition of his contribution to the Nation.

(14) As President, Gerald R. Ford bore the weight of a constitutional crisis and guided the Nation on a path of healing and restored hope, earning forever the enduring respect and gratitude of the Nation.

(b) NAMING OF CVN–78 AIRCRAFT CARRIER.—CVN–78, a nuclear powered aircraft carrier of the Navy, shall be named the U.S.S. Gerald Ford.

SEC. 1014. AUTHORITY TO DONATE SS ARTHUR M. HUDDELL TO THE GOVERNMENT OF GREECE.

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

(1) It is in the economic and environmental interests of the United States to promote the disposal of vessels in the National Defense Reserve Fleet that are of insufficient value to warrant further preservation.

(2) The Maritime Administration of the Department of Transportation has been authorized to make such disposals, including the sale and recycling of such vessels and the donation of such vessels to any State, commonwealth, or possession of the United States, and to nonprofit organizations.

(3) The government of Greece has expressed an interest in obtaining and using the ex-Liberty ship, SS ARTHUR M. HUDDELL, for purposes of a museum exhibit.

(4) It is in the interest of the United States to authorize the Maritime Administration to donate SS ARTHUR M. HUDDELL to Greece.

(b) DONATION OF SS ARTHUR M. HUDDELL TO GOVERNMENT OF GREECE.—Notwithstanding Section 510(j) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1158), the Secretary of Transportation is authorized to transfer SS ARTHUR M. HUDDELL, by gift, to the Government of Greece, in accordance with terms and conditions determined by the Secretary.

(c) ADDITIONAL EQUIPMENT.—The Secretary may convey additional equipment from other obsolete vessels of the National Defense Reserve Fleet to assist the Government of Greece under this section for purposes of the museum exhibit referred to in subsection (a)(3).

Subtitle C—Counterdrug Matters

SEC. 1021. EXTENSION OF AVAILABILITY OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

Section 1021 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2042) is amended—

(1) in subsection (a)(1), by striking ''2005 and 2006'' and inserting ''2005 through 2008''; and

(2) in subsection (c), by striking ''2005 and 2006'' and inserting ''2005 through 2008''.

SEC. 1022. EXTENSION OF AUTHORITY OF DEPARTMENT OF DEFENSE TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES OF OTHER GOVERNMENTAL AGENCIES.

Section 1004(a) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 374 note) is amended by striking ''through 2006'' and inserting ''through 2011''.

SEC. 1023. EXTENSION AND EXPANSION OF CERTAIN AUTHORITIES TO PROVIDE ADDITIONAL SUPPORT FOR COUNTERDRUG ACTIVITIES.

(a) CONCURRENCE OF SECRETARY OF STATE IN PROVISION OF SUPPORT.—Paragraph (1) of subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881), as amended by section 1021 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136: 117 Stat. 1593), is further amended by striking ''shall consult with'' and inserting ''shall seek the concurrence of''.

(b) EXTENSION OF AUTHORITY.—Paragraph (2) of such subsection is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

(c) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section 1033, as so amended, is further amended by adding at the end the following new paragraphs:

''(10) The Government of Azerbaijan.
''(11) The Government of Kazakhstan.
''(12) The Government of Kyrgyzstan.
''(13) The Government of Armenia.
''(14) The Government of Niger.
''(15) The Government of Mauritania.
''(16) The Government of Mali.
''(17) The Government of Chad.
''(18) The Government of Indonesia.
''(19) The Government of Philippines.
''(20) The Government of Thailand.
''(21) The Government of Malaysia.
''(22) The Government of Guatemala.
''(23) The Government of Belize.
''(24) The Government of Panama.''.

(d) TYPES OF SUPPORT.—Subsection (c)(2) of such section 1033, as so amended, is further amended by inserting '', vehicles, and, subject to section 484(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c(a)), aircraft, and detection, interception, monitoring, and testing equipment'' after ''patrol boats''.

(e) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section 1033, as so amended, is further amended—

(1) by striking ''or $40,000,000'' and inserting ''$40,000,000''; and

(2) by inserting before the period at the end the following: '', or $80,000,000 during any of the fiscal years 2007 through 2008''.

(f) ANNUAL REPORT ON SUPPORT PROVIDED TO ADDITIONAL GOVERNMENTS.—Such section 1033 is further amended by adding at the end the following new subsection:

''(i) ANNUAL REPORT ON SUPPORT PROVIDED TO CERTAIN GOVERNMENTS.—Not later than November 30 each year through 2008, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a comprehensive report on the support provided under this section during the preceding fiscal year to each government referred to in paragraphs (1) through (24) of subsection (b).''.

SEC. 1024. OPERATION BAHAMAS, TURKS & CAICOS.

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

(1) In 1982 the United States Government created Operation Bahamas, Turks & Caicos (OPBAT) to counter the smuggling of cocaine into the United States.

(2) According to the Drug Enforcement Agency, an estimated 80 percent of the cocaine entering the United States in the 1980s came through the Bahamas, whereas, according to the Office of National Drug Control Policy, only an estimated 10 percent comes through the Bahamas today.

(3) According to the Drug Enforcement Agency, more than 80,000 kilograms of cocaine and nearly 700,000 pounds of marijuana have been seized in Operation Bahamas, Turks & Caicos since 1986, with a combined street value of approximately two trillion dollars.

(4) The Army has provided military airlift to law enforcement officials under Operation Bahamas, Turks & Caicos to create an effective, reliable, and immediate response capability for drug interdiction. This support is largely responsible for the decline in cocaine shipments to the United States through the Bahamas.

(5) The Bahamas is an island nation composed of approximately 700 islands and keys, which makes aviation assets the best and most efficient method of transporting law enforcement agents and interdicting smugglers.

(6) It is in the interests of the United States to maintain the results of the successful Operation Bahamas, Turks & Caicos program and prevent drug smugglers from rebuilding their operations through the Bahamas.

(b) REPORT ON UNITED STATES GOVERNMENT SUPPORT FOR OPBAT.—

(1) REPORT ON DECISION TO WITHDRAW.—Not later than 30 days before implementing a decision to withdraw Department of Defense helicopters from Operation Bahamas, Turks & Caicos, the Secretary of Defense shall submit to the Congress a report outlining the plan for the coordination of the Operation Bahamas, Turks & Caicos mission, at the same level of effectiveness, using other United States Government assets.

(2) CONSULTATION.—The Secretary of Defense shall consult with the Secretary of State, the Attorney General, and the Secretary of Homeland Security, and with other appropriate officials of the United States Government, in preparing the report under paragraph (1).

(3) ELEMENTS.—The report under paragraph (1) on the withdrawal of equipment referred to in that paragraph shall include the following:

(A) An explanation of the military justification for the withdrawal of the equipment.

(B) An assessment of the availability of other options (including other Government helicopters) to provide the capability being provided by the equipment to be withdrawn.

(C) An explanation of how each option specified under subparagraph (B) will provide the capability currently provided by the equipment to be withdrawn.

(D) An assessment of the potential use of unmanned aerial vehicles in Operation Bahamas, Turks & Caicos, including the capabilities of such vehicles and any advantages or disadvantages associated with the use of such vehicles in that operation, and a recommendation on whether or not to deploy such vehicles in that operation.

Subtitle D—Defense Intelligence and Related Matters

SEC. 1031. TWO-YEAR EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2006'' and inserting ''December 31, 2008''.

SEC. 1032. ANNUAL REPORT ON INTELLIGENCE OVERSIGHT ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) ANNUAL REPORT REQUIRED.—Not later than March 1, 2007, and annually thereafter, the Secretary of Defense shall submit to the congressional defense committees and the congressional intelligence committees a report on the intelligence oversight activities of the Department of Defense during the previous calendar year.

(b) ELEMENTS.—Each report under subsection (a) shall include, for the calendar year covered by such report, the following:

(1) A description of any questionable intelligence activity that came to the attention of any General Counsel or Inspector General within the Department of Defense, or the Under Secretary of Defense for Intelligence, and a description of the actions taken by such official with respect to such activity.

(2) A description of the results of intelligence oversight inspections undertaken by each of the following:

(A) The Office of the Secretary of Defense.
(B) Each military department.
(C) Each combat support agency.
(D) Each field operating agency.

(3) A description of any changes made in—

(A) any program for the intelligence oversight activities of the Department of Defense, including any training program; or

(B) any published directive or policy memoranda on the intelligence or intelligence-related activities of—

(i) any military department;
(ii) any combat support agency; or
(iii) any field operating agency.

(c) DEFINITIONS.—In this section:

(1) The term ''combat support agency'' has the meaning given that term in section 193(f) of title 10, United States Code.

(2) The term ''congressional intelligence committees'' has the meaning given that term in section 3(7) of the National Security Act of 1947 (50 U.S.C. 401a(7)).

(3) The term ''field operating agency'' means a specialized subdivision of the Department of Defense that carries out activities under the operational control of the Department.

(4) The term ''intelligence oversight activities of the Department of Defense'' refers to any activity undertaken by an agency, element, or component of the Department of Defense to ensure compliance with regard to requirements or instructions on the intelligence and intelligence-related activities of the Department under law or any Executive order or Presidential directive (including Executive Order No. 12333).

(5) The term ''questionable intelligence activity'' means an intelligence or intelligence-related activity of the Department of Defense that may violate the law or any Executive order or Presidential directive (including Executive Order No. 12333).

SEC. 1033. ADMINISTRATION OF PILOT PROJECT ON CIVILIAN LINGUIST RESERVE CORPS.

(a) TRANSFER OF ADMINISTRATION TO SECRETARY OF DEFENSE.—

(1) IN GENERAL.—Administration of the pilot project on the establishment of a Civilian Linguist Reserve Corps required by section 613 of the Intelligence Authorization Act for Fiscal Year 2005 (Public Law 108–487; 118 Stat. 3959; 50 U.S.C. 403–1b note) is hereby transferred from the Director of National Intelligence to the Secretary of Defense.

(2) CONFORMING AMENDMENTS.—Section 613 of the Intelligence Authorization Act for Fiscal Year 2005 is amended—

(A) by striking ''Director of National Intelligence'' each place it appears and inserting ''Secretary of Defense''; and

(B) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) DISCHARGE OF PROJECT.—Subsection (a) of such section is further amended by adding at the end the following new sentence: ''The Secretary shall carry out the pilot project through the National Security Education Program.''.

(c) REPEAL OF SPECIFICATION OF DURATION OF PROJECT.—Such section is further amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(d) MODIFICATION OF REPORT REQUIREMENTS.—Subsection (d) of such section, as redesignated by subsection (b) of this section, is further amended—

(1) in paragraph (1), by striking ''an initial and a final report'' and inserting ''a report'';

(2) in paragraph (2), by striking ''Each report'' and inserting ''The report''; and

(3) in paragraph (3), by striking ''final report'' and inserting ''report required under paragraph (1)''.

(e) REPEAL OF SUPERSEDED AUTHORIZATION.—Such section is further amended by striking subsection (f).

SEC. 1034. IMPROVEMENT OF AUTHORITIES ON THE NATIONAL SECURITY EDUCATION PROGRAM.

(a) EXPANSION OF EMPLOYMENT CREDITABLE UNDER SERVICE AGREEMENTS.—Paragraph (2) of subsection (b) of section 802 of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902) is amended to read as follows:

''(2)(A) will (in accordance with regulations prescribed by the Secretary of Defense in coordination with the heads of the other Federal departments and agencies concerned) begin work not later than three years after the recipient's completion of degree study during which scholarship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); or

''(B) will (in accordance with such regulations) begin work not later than two years after the recipient's completion or termination of study for which fellowship assistance was provided under the program—

''(i) for not less than one year in a position certified by the Secretary of Defense, in coordination with the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State (as appropriate), as contributing to the national security of the United States in the Department of Defense, any element of the intelligence community, the Department of Homeland Security, or the Department of State;

''(ii) for not less than one year in a position in a Federal agency or office that is identified by the Secretary of Defense under subsection (g) as having national security responsibilities if the recipient demonstrates to the Secretary that no position is available in the departments and agencies covered by clause (i); or

''(iii) for not less than one academic year in a position in the field of education in a discipline related to the study supported by the program if the recipient demonstrates to the Secretary of Defense that no position is available in the departments, agencies, and offices covered by clauses (i) and (ii); and''.

(b) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—Such section is further amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection (h):

''(h) TEMPORARY EMPLOYMENT AND RETENTION OF CERTAIN PARTICIPANTS.—

''(1) IN GENERAL.—The Secretary of Defense may—

''(A) appoint or retain a person provided scholarship or fellowship assistance under the program in a position in the Department of Defense on an interim basis during the period of the person's pursuit of a degree under the program and for a period not to exceed two years after completion of the degree, but only if, in the case of the period after completion of the degree—

''(i) there is no appropriate permanent position for the person under subsection (b)(2)(A); and

''(ii) there is an active and ongoing effort to identify and assign the person to an appropriate permanent position as soon as possible; and

''(B) if there is no appropriate permanent position available for the person after the end of the periods described in subparagraph (A), separate the person from employment with the Department without regard to any other provision of law, in which event the service agreement of the person under subsection (b) shall terminate.

''(2) TREATMENT OF CERTAIN SERVICE.—The period of service of a person covered by paragraph (1) in a position on an interim basis under that paragraph shall, after completion of the degree, be treated as a period of service for purposes of satisfying the obligated service requirements of the person under the service agreement of the person under subsection (b).''.

(c) PLAN FOR IMPROVING PROGRAM.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a plan for improving the recruitment, placement, and retention within the Department of Defense of individuals who receive scholarships or fellowships under the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) in order to facilitate the purposes of that Act in meeting the requirements of the Department in acquiring individuals with critical foreign language skills and individuals who are regional experts.

SEC. 1035. COLLECTION BY NATIONAL SECURITY AGENCY OF SERVICE CHARGES FOR CERTIFICATION OR VALIDATION OF INFORMATION ASSURANCE PRODUCTS.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

''SEC. 20.(a) The Director may collect charges for evaluating, certifying, or validating information assurance products under the National Information Assurance Program or successor program.

''(b) The charges collected under subsection (a) shall be established through a public rulemaking process in accordance with Office of Management and Budget Circular No. A–25.

''(c) Charges collected under subsection (a) shall not exceed the direct costs of the program referred to in that subsection.

''(d) The appropriation or fund bearing the cost of the service for which charges are collected under the program referred to in subsection (a) may be reimbursed, or the Director may require advance payment subject to such adjustment on completion of the work as may be agreed upon.

''(e) Amounts collected under this section shall be credited to the account or accounts from which costs associated with such amounts have been or will be incurred, to reimburse or offset the direct costs of the program referred to in subsection (a).''.

SEC. 1036. FUNDING FOR A CERTAIN MILITARY INTELLIGENCE PROGRAM.

(a) INCREASE IN AMOUNT FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation for Defense-wide activities is hereby increased by $450,000,000.

(b) OFFSET.—The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby decreased by $450,000,000, with the amount of the reduction to be allocated to amounts available for a classified program as described on page 34 of Volume VII (Compartmented Annex) of the Fiscal Year 2007 Military Intelligence Program justification book.

Subtitle E—Defense Against Terrorism and Related Security Matters

SEC. 1041. ENHANCEMENT OF AUTHORITY TO PAY MONETARY REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

Section 127b(c) of title 10, United States Code, is amended—

(1) in paragraph (1)(B), by inserting '', or to a subcommander of a combatant command designated by the commander of the combatant command and approved by an Under Secretary of Defense to whom such authority is delegated under subparagraph (A),'' after ''combatant command''; and

(2) in paragraph (2), by striking ''$2,500'' and inserting ''$10,000''.

SEC. 1042. USE OF THE ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.

(a) USE OF THE ARMED FORCES AUTHORIZED.—

(1) IN GENERAL.—Section 333 of title 10, United States Code, is amended to read as follows:

''§ 333. Major public emergencies; interference with State and Federal law

''(a) USE OF ARMED FORCES IN MAJOR PUBLIC EMERGENCIES.—(1) The President may employ the armed forces, including the National Guard in Federal service, to—

''(A) restore public order and enforce the laws of the United States when, as a result of a natural disaster, epidemic, or other serious public

health emergency, terrorist attack or incident, or other condition in any State or possession of the United States, the President determines that—

''(i) domestic violence has occurred to such an extent that the constituted authorities of the State or possession are incapable of maintaining public order; and

''(ii) such violence results in a condition described in paragraph (2); or

''(B) suppress, in a State, any insurrection, domestic violence, unlawful combination, or conspiracy if such insurrection, violation, combination, or conspiracy results in a condition described in paragraph (2).

''(2) A condition described in this paragraph is a condition that—

''(A) so hinders the execution of the laws of a State or possession, as applicable, and of the United States within that State or possession, that any part or class of its people is deprived of a right, privilege, immunity, or protection named in the Constitution and secured by law, and the constituted authorities of that State or possession are unable, fail, or refuse to protect that right, privilege, or immunity, or to give that protection; or

''(B) opposes or obstructs the execution of the laws of the United States or impedes the course of justice under those laws.

''(3) In any situation covered by paragraph (1)(B), the State shall be considered to have denied the equal protection of the laws secured by the Constitution.

''(b) NOTICE TO CONGRESS.—The President shall notify Congress of the determination to exercise the authority in subsection (a)(1)(A) as soon as practicable after the determination and every 14 days thereafter during the duration of the exercise of the authority.''.

(2) PROCLAMATION TO DISPERSE.—Section 334 of such title is amended by inserting ''or those obstructing the enforcement of the laws'' after ''insurgents''.

(3) HEADING AMENDMENT.—The heading of such 15 of such title is amended to read as follows:

''CHAPTER 15—ENFORCEMENT OF THE LAWS TO RESTORE PUBLIC ORDER''.

(4) CLERICAL AMENDMENTS.—(A) The table of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle, are each amended by striking the item relating to chapter 15 and inserting the following new item:

''15. Enforcement of the Laws To Restore Public Order ..... 331''.

(B) The table of sections at the beginning of chapter 15 of such title is amended by striking the item relating to sections 333 and inserting the following new item:

''333. Major public emergencies; interference with State and Federal law.''.

(b) PROVISION OF SUPPLIES, SERVICES, AND EQUIPMENT.—

(1) IN GENERAL.—Chapter 152 of such title is amended by adding at the end the following new section:

''§ 2567. Provision of supplies, services, and equipment in major public emergencies

''(a) PROVISION AUTHORIZED.—In any situation in which the President determines to exercise the authority in section 333(a)(1)(A) of this title, the President may direct the Secretary of Defense to provide supplies, services, and equipment to persons affected by the situation.

''(b) COVERED SUPPLIES, SERVICES, AND EQUIPMENT.—The supplies, services, and equipment provided under this section may include food, water, utilities, bedding, transportation, tentage, search and rescue, medical care, minor repairs, the removal of debris, and other assistance necessary for the immediate preservation of life and property.

''(c) LIMITATIONS.—(1) Supplies, services, and equipment may be provided under this section—

''(A) only to the extent that the constituted authorities of the State or possession concerned are unable to provide such supplies, services, and equipment, as the case may be; and

''(B) only until such authorities, or other departments or agencies of the United States charged with the provision of such supplies, services, and equipment, are able to provide such supplies, services, and equipment.

''(2) The Secretary may provide supplies, services, and equipment under this section only to the extent that the Secretary determines that doing so will not interfere with military preparedness or ongoing military operations or functions.

''(d) INAPPLICABILITY OF CERTAIN AUTHORITIES.—The provision of supplies, services, or equipment under this section shall not be subject to the provisions of section 403(c) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b(c)).''.

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

''2567. Provision of supplies, services, and equipment in major public emergencies.''.

(c) CONFORMING AMENDMENTS.—Section 12304(c) of such title is amended—

(1) by striking paragraph (1); and

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

SEC. 1043. TREATMENT UNDER FREEDOM OF INFORMATION ACT OF CERTAIN CONFIDENTIAL INFORMATION SHARED WITH STATE AND LOCAL PERSONNEL.

Confidential business information and other sensitive but unclassified homeland security information in the possession of the Department of Defense that is shared, pursuant to section 892 of the Homeland Security Act of 2002 (6 U.S.C. 482), with State and local personnel involved in the prevention, interdiction, or disruption of, or response to, terrorist activity shall not be subject to disclosure under section 552 of title 5, United States Code (commonly referred to as the ''Freedom of Information Act''), by virtue of the sharing of such information with such personnel.

SEC. 1044. TEMPORARY NATIONAL GUARD SUPPORT FOR SECURING THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—(1) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to annual training duty under section 502(a) of title 32, United States Code, to carry out in any State along the southern land border of the United States the activities authorized in subsection (b) for the purpose of securing such border. Such duty shall not exceed 21 days in any year.

(2) With the approval of the Secretary of Defense, the Governor of a State may order any units or personnel of the National Guard of such State to perform duty under section 502(f) of title 32, United States Code, to provide command, control, and continuity of support for units and personnel performing annual training duty under paragraph (1).

(b) AUTHORIZED ACTIVITIES.—The activities authorized by this subsection are the following:

(1) Ground surveillance activities.

(2) Airborne surveillance activities.

(3) Logistical support.

(4) Provision of translation services and training.

(5) Provision of administrative support services.

(6) Provision of technical training services.

(7) Provision of emergency medical assistance and services.

(8) Provision of communications services.

(9) Rescue of aliens in peril.

(10) Construction of roadways, patrol roads, fences, barriers, and other facilities to secure the southern land border of the United States.

(11) Ground and air transportation.

(c) COOPERATIVE AGREEMENTS.—Units and personnel of the National Guard of a State may perform activities in another State under subsection (a) only pursuant to the terms of an emergency management assistance compact or other cooperative arrangement entered into between the Governors of such States for purposes of this section, and only with the approval of the Secretary of Defense.

(d) COORDINATION OF ASSISTANCE.—The Secretary of Homeland Security shall, in consultation with the Secretary of Defense and the Governors of the States concerned, coordinate the performance of activities under this section by units and personnel of the National Guard.

(e) ANNUAL TRAINING.—Annual training duty performed by members of the National Guard under this section shall be appropriate for the units and individual members concerned, taking into account the types of units and military occupational specialties of individual members performing such duty.

(f) PROHIBITION ON DIRECT PARTICIPATION IN LAW ENFORCEMENT.—Activities carried out under this section shall not include the direct participation of a member of the National Guard in a search, seizure, arrest, or similar activity.

(g) DURATION OF AUTHORITY.—The authority of this section shall expire on January 1, 2009.

(h) DEFINITIONS.—In this section:

(1) The term ''Governor of a State'' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(2) The term ''State'' means each of the several States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) The term ''State along the southern land border of the United States'' means each of the following:

(A) The State of Arizona.

(B) The State of California.

(C) The State of New Mexico.

(D) The State of Texas.

Subtitle F—Miscellaneous Authorities on Availability and Use of Funds

SEC. 1051. ACCEPTANCE AND RETENTION OF REIMBURSEMENT FROM NON-FEDERAL SOURCES TO DEFRAY DEPARTMENT OF DEFENSE COSTS OF CONFERENCES.

(a) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2262. Department of Defense conferences: collection of fees to cover Department of Defense costs

''(a) IN GENERAL.—(1) The Secretary of Defense may, whether directly or by contract, collect fees from any individual or commercial participant in a conference, seminar, exhibition, symposium, or similar meeting (in this section referred to collectively as a 'conference') conducted by the Department of Defense.

''(2) Fees may be collected with respect to a conference under this subsection in advance of the conference.

''(3) The total amount of fees collected under this subsection with respect to a conference may not exceed the costs of the Department of Defense with respect to the conference.

''(b) TREATMENT OF COLLECTIONS.—(1) Amounts collected under subsection (a) with respect to a conference shall be credited to the appropriation or account from which the costs of the conference are paid.

''(2) In the event the total amount of fees collected with respect to a conference exceeds the costs of the Department with respect to the conference, the amount of such excess shall be deposited into the Treasury as miscellaneous receipts.

''(3) Amounts credited to an appropriation or account under paragraph (1) with respect to a conference shall be available to pay the costs of

the Department with respect to the conference or to reimburse the Department for costs incurred with respect to the conference.

''(c) ANNUAL REPORTS.—(1) Each year, not later than 45 days after the President submits to Congress the budget for a fiscal year under section 1105 of title 31, the Secretary shall submit to the congressional defense committees budget justification documents summarizing the use of the authority under this section.

''(2) Each report under this subsection shall include the following:

''(A) A list of conferences during the last two calendar years for which fees were collected under subsection (a).

''(B) For each conference listed under subparagraph (A)—

''(i) The estimated costs of the Department for such conference.

''(ii) The actual costs of the Department for such conference, including a separate statement of the amount of any conference coordinator fees associated with such conference.

''(iii) The amount for collected under subsection (a) for such conference.

''(C) An estimate of the number of conferences to be conducted in the calendar year of such report for which the Department will collect fees under subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of chapter 134 of such title is amended by adding at the end the following new item:

''2262. Department of Defense conferences: collection of fees to cover Department of Defense costs.''.

SEC. 1052. MINIMUM ANNUAL PURCHASE AMOUNTS FOR AIRLIFT FROM CARRIERS PARTICIPATING IN THE CIVIL RESERVE AIR FLEET.

(a) IN GENERAL.—Chapter 931 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet

''(a) IN GENERAL.—The Secretary of Defense may award to air carriers participating in the Civil Reserve Air Fleet on a fiscal year basis a one-year contract for airlift services with a minimum purchase amount determined in accordance with this section.

''(b) MINIMUM PURCHASE AMOUNT.—(1) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year shall be based on forecast needs, but may not exceed the amount equal to 80 percent of the annual average expenditure of the Department of Defense for airlift during the five-fiscal year period ending in the fiscal year before the fiscal year for which such contracts are awarded.

''(2) In calculating the annual average expenditure of the Department of Defense for airlift for purposes of paragraph (1), the Secretary of Defense may omit from the calculation any fiscal year exhibiting unusually high demand for airlift if the Secretary determines that the omission of such fiscal year from the calculation will result in a more accurate forecast of anticipated airlift for purposes of that paragraph.

''(3) The aggregate amount of the minimum purchase amount for all contracts awarded under subsection (a) for a fiscal year, as determined under paragraph (1), shall be allocated among all carriers awarded contracts under that subsection for such fiscal year in proportion to the commitments of such carriers to the Civil Reserve Air Fleet for such fiscal year.

''(c) ADJUSTMENT TO MINIMUM PURCHASE AMOUNT FOR PERIODS OF UNAVAILABILITY OF AIRLIFT.—In determining the minimum purchase amount payable under a contract under subsection (a) for airlift provided by a carrier during the fiscal year covered by such contract, the Secretary of Defense may adjust the amount allocated to the carrier under subsection (b)(3) to take into account periods during such fiscal year when services of the carrier are unavailable for usage by the Department of Defense, including during periods of refused business or suspended operations or when the carrier is placed in nonuse status pursuant to section 2640 of this title for safety issues.

''(d) DISTRIBUTION OF AMOUNTS.—If any amount available under this section for the minimum purchase of airlift from a carrier for a fiscal year under a contract under subsection (a) is not utilized to purchase airlift from the carrier in such fiscal year, such amount shall be provided to the carrier prior to the first day of the following fiscal year.

''(e) TRANSFER OF FUNDS.—At the beginning of each fiscal year, the Secretary of each military department shall transfer to the transportation working capital fund a percentage of the total amount anticipated to be required in such fiscal year for payment of minimum purchase amounts under all contracts awarded under subsection (a) for such fiscal year equivalent to the percentage of the anticipated use of airlift by such military department during such fiscal year from all carriers under contracts awarded under subsection (a) for such fiscal year.

''(f) AVAILABILITY OF AIRLIFT.—(1) From the total amount of airlift available for a fiscal year under all contracts awarded under subsection (a) for such fiscal year, a military department shall be entitled to obtain a percentage of such airlift equivalent to the percentage of the contribution of the military department to the transportation working capital fund for such fiscal year under subsection (e).

''(2) A military department may transfer any entitlement to airlift under paragraph (1) to any other military department or to any other agency, element, or component of the Department of Defense.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 931 of such title is amended by adding at the end the following new item:

''9515. Airlift services: minimum annual purchase amount for carriers participating in Civil Reserve Air Fleet.''.

SEC. 1053. INCREASED FLEXIBILITY IN USE OF FUNDS FOR JOINT STAFF EXERCISES.

(a) IN GENERAL.—Amounts available to the Chairman of the Joint Chiefs of Staff for joint staff exercises may be available for any expenses as follows:

(1) Expenses of the Armed Forces in connection with such exercises, including expense relating to self-deploying watercraft under the jurisdiction of a military department.

(2) Expenses relating to the costs of port support activities in connection with such exercises, including transportation and port handling.

(3) Expenses relating to the breakout and operation of prepositioned watercraft and lighterage for joint logistics and over the shore exercises in connection with such exercises.

(b) SUPPLEMENT NOT SUPPLANT.—Any amounts made available by the Chairman of the Joint Chiefs of Staff under subsection (a) for expenses covered by that subsection are in addition to any other amounts available under law for such expenses.

SEC. 1054. STRENGTHENING THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION.

For purposes of discharging the duties of the Special Inspector General for Iraq Reconstruction under subsection (f) of section 3001 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (5 U.S.C. 8G note), and for purposes of determining the date of termination of the Office of the Special Inspector General under subsection (o) of such section, any funds appropriated or otherwise made available for fiscal year 2006 for the reconstruction of Iraq, regardless of how such funds may be designated, shall be treated as amounts appropriated or otherwise made available for the Iraq Relief and Reconstruction Fund.

Subtitle G—Report Matters

SEC. 1061. REPORT ON CLARIFICATION OF PROHIBITION ON CRUEL, INHUMAN, OR DEGRADING TREATMENT OR PUNISHMENT.

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

(1) It is critical that members of the Armed Forces have clear guidelines about the legality of interrogation techniques as they seek critical intelligence in the War on Terrorism.

(2) To avoid confusion, any determination made about the legality of various interrogation techniques must be consistent across the United States Government.

(3) Confusion continues about the permissibility of various interrogation techniques, even after the enactment of the Detainee Treatment Act of 2005 (title X of division A of Public Law 109–148).

(4) In testimony before the Senate and in written response to queries from the Senate, senior military commanders, Judge Advocates General of the Armed Forces, and various civilian officials of the Executive Branch have given incomplete or varying answers to questions on what constitutes cruel, inhuman, or degrading treatment.

(5) It is critical to clarify these matters in order to ensure that members of the Armed Forces do not receive unclear or misleading guidance on such matters.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the congressional defense committees a report setting forth the coordinated and definitive legal opinion of the United States Government on whether each of the following interrogation techniques constitutes cruel, inhuman, or degrading treatment or punishment (as defined in section 1002(d) of the Detainee Treatment Act of 2006 (as defined in the Detainee Treatment Act of 2005 (119 Stat. 2740; 42 U.S.C. 2000dd(d)):

(1) Waterboarding, or any other technique using water, bags, or other devices or substances to induce a sensation of drowning or asphyxiation.

(2) Sleep deprivation, including, at a minimum, depriving a prisoner of sleep for 24 hours or more or permitting five or less hours of sleep per day over a period of three or more days.

(3) Stress positions, including the use of any technique in which a prisoner is placed or shackled in a painful or awkward position (including prolonged standing or crouching, shackling arms above the head for prolonged periods, or the use of shackles or handcuffs in a manner which causes pain due to the swelling of tissue over a prolonged period of time).

(4) The use of extreme temperatures as an aid to interrogation.

(5) The use of beatings, slapping, or violent shaking.

(6) The use of dogs as an aid to interrogation.

(7) The use of nakedness or other forms of sexual humiliation as an aid to interrogation.

(c) ELEMENTS.—The report under subsection (b) shall state, for each interrogation technique listed in that subsection, the following

(1) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen within the United States.

(2) Whether the technique would constitute cruel and unusual punishment under the Constitution of the United States if used on a United States citizen outside the United States.

(3) Whether the technique would be legal if used to interrogate a member of the Armed Forces of the United States by a state party to the Geneva Conventions.

(4) Whether the technique would be legal if used to interrogate a United States citizen by a

state party to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.

(d) CERTIFICATION ON NATURE OF OPINIONS.—The report under subsection (b) shall include a certification that the legal opinions set forth in the report are the coordinated and definitive opinion of the United States Government binding on all departments and agencies of the United States Government, any personnel of such departments and agencies, and any contractors of such departments and agencies.

(e) DISSEMINATION OF OPINIONS.—

(1) IN GENERAL.—The President shall ensure the dissemination of the legal opinions set forth in the report to all departments and agencies of the United States Government, together with the instruction that such opinions be further disseminated to all personnel of such departments and agencies and all contractors of such departments and agencies.

(2) CERTIFICATION ON DISSEMINATION.—The report shall include a certification regarding compliance with the requirement in paragraph (1).

(f) DEFINITIONS.—In this section:

(1) The term ''Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment'' means the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, done at New York, December 10, 1984, and entering into force June 26, 1987 (T. Doc. 100–20).

(2) The term ''Geneva Conventions'' means—

(A) the Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field, done at Geneva August 12, 1949 (6 UST 3114);

(B) the Convention for the Amelioration of the Condition of the Wounded, Sick, and Shipwrecked Members of Armed Forces at Sea, done at Geneva August 12, 1949 (6 UST 3217);

(C) the Convention Relative to the Treatment of Prisoners of War, done at Geneva August 12, 1949 (6 UST 3316); and

(D) the Convention Relative to the Protection of Civilian Persons in Time of War, done at Geneva August 12, 1949 (6 UST 3516).

SEC. 1062. REPORTS ON MEMBERS OF THE ARMED FORCES AND CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE SERVING IN THE LEGISLATIVE BRANCH.

(a) MONTHLY REPORTS ON DETAILS AND FELLOWSHIPS OF LONG DURATION.—Not later than 120 days after the date of the enactment of this Act, and monthly thereafter, the Secretary of Defense shall submit to the congressional defense committees a report on the members of the Armed Forces and civilian employees of the Department of Defense who, as of the date of such report, have served continuously in the Legislative Branch for more than 12 consecutive months in one or a combination of covered legislative details or fellowships.

(b) REPORTS ON CERTAIN MILITARY DETAILS AND FELLOWSHIPS.—If a member of the Armed Forces is assigned to a covered legislative detail or fellowship as the last tour of duty of such member before retirement or separation from the Armed Forces in contravention of the regulations of the Department of Defense, the Secretary shall submit to the congressional defense committees a report on the assignment of such member to such covered legislative detail or fellowship. The report shall include a rationale for the waiver of the regulations of the Department in order to permit the detail or fellowship.

(c) REPORT ELEMENTS.—Each report under subsection (a) or (b) shall set forth, for each member of the Armed Forces or civilian employee covered of the Department of Defense covered by such report, the following:

(1) The name of such member or employee.

(2) In the case of a member, the Armed Force of such member.

(3) The committee or member of Congress to which such member or employee is detailed or assigned.

(4) A general description of the projects or tasks undertaken or to be undertaken, as applicable, by such member or employee as a detailee, fellow, or both.

(5) The anticipated termination date of the current detail or fellowship of such member or employee.

(d) COVERED LEGISLATIVE DETAIL OR FELLOWSHIP DEFINED.—In this section, the term ''covered legislative detail or fellowship'' means the following:

(1) A detail under the provisions of Department of Defense Directive 1000.17.

(2) A legislative fellowship (including a legislative fellowship under the provisions of Department of Defense Directive 1322.6).

SEC. 1063. ADDITIONAL ELEMENT IN ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL WARFARE DEFENSE.

Section 1703(b) of the National Defense Authorization Act for Fiscal Year 1994 (50 U.S.C. 1523(b)) is amended by adding at the end the following new paragraph:

''(10) A description of the coordination and integration of the program of the Defense Advanced Research Projects Agency (DARPA) on basic and applied research and advanced technology development on chemical and biological warfare defense technologies and systems under section 1701(c)(2) with the overall program of the Department of Defense on chemical and biological warfare defense, including—

''(A) the degree to which the program of the Defense Advanced Research Projects Agency supports the objectives and requirements of the program of the Department of Defense; and

''(B) the means of determining the level of coordination and support provided by the program of the Defense Advanced Research Projects Agency for the program of the Department of Defense.''.

SEC. 1064. REPORT ON LOCAL BOARDS OF TRUSTEES OF THE ARMED FORCES RETIREMENT HOME.

Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Washington under section 1516 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 416).

(2) The current composition and activities of the Local Board of Trustees of the Armed Forces Retirement Home—Gulfport under section 1516 of such Act.

SEC. 1065. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) ANNUAL REPORT ON AVIATION CAREER INCENTIVE PAY.—Section 301a of title 37, United States Code, is amended by striking subsection (f).

(b) ANNUAL REPORT ON EFFECTS OF CERTAIN INITIATIVES ON RECRUITMENT AND RETENTION.—

(1) REPEAL.—Section 1015 of title 37, United States Code, is repealed.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 19 of such title is amended by striking the item relating to section 1015.

(c) SECRETARY OF DEFENSE RECOMMENDATION ON NEED FOR DEFENSE IMPACT REVIEW PROCESS.—Section 1041 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1217) is repealed.

(d) REPORT ON PILOT PROGRAM TO ENHANCE MILITARY RECRUITING BY IMPROVING MILITARY AWARENESS OF SCHOOL COUNSELORS AND EDUCATORS.—Section 564 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398 (114 Stat. 1654A–134); 10 U.S.C. 503 note) is amended by striking subsection (c).

(e) ANNUAL REPORT ON MEDICAL INFORMATICS.—Section 723(d) of the National Defense Authorization Act for Fiscal Year 2000 (10 U.S.C. 1071 note) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(f) REPORT ON IMPOSITION OF ADDITIONAL CHARGES OR FEES FOR ATTENDANCE AT CERTAIN ACADEMIES.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the second sentence.

SEC. 1066. REPORT ON INCENTIVES TO ENCOURAGE CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES TO SERVE IN THE BUREAU OF CUSTOMS AND BORDER PROTECTION.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report assessing the desirability and feasibility of offering incentives to covered members and former members of the Armed Forces for the purpose of encouraging such members to serve in the Bureau of Customs and Border Protection.

(b) COVERED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.—For purposes of this section, covered members and former members of the Armed Forces are the following:

(1) Members of the reserve components of the Armed Forces.

(2) Former members of the Armed Forces within two years of separation from service in the Armed Forces.

(c) REQUIREMENTS AND LIMITATIONS.—

(1) NATURE OF INCENTIVES.—In considering incentives for purposes of the report required by subsection (a), the Secretaries shall consider such incentives, whether monetary or otherwise and whether or not authorized by current law or regulations, as the Secretaries jointly consider appropriate.

(2) TARGETING OF INCENTIVES.—In assessing any incentive for purposes of the report, the Secretaries shall give particular attention to the utility of such incentive in—

(A) encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former of the Armed Forces who have provided border patrol or border security assistance to the Bureau as part of their duties as members of the Armed Forces; and

(B) leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, required for service with the Bureau of Customs and Border Protection.

(3) PAYMENT.—In assessing incentives for purposes of the report, the Secretaries shall assume that any costs of such incentives shall be borne by the Department of Homeland Security.

(d) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A description of various monetary and non-monetary incentives considered for purposes of the report.

(2) An assessment of the desirability and feasibility of utilizing any such incentive for the purpose specified in subsection (a), including an assessment of the particular utility of such incentive in encouraging service in the Bureau of Customs and Border Protection after service in the Armed Forces by covered members and former members of the Armed Forces described in subsection (c)(2).

(3) Any other matters that the Secretaries jointly consider appropriate.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services, Homeland Security and Governmental Affairs, and Appropriations of the Senate; and

(2) the Committees on Armed Services, Homeland Security, and Appropriations of the House of Representatives.

SEC. 1067. REPORT ON REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than March 1, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on each report described in paragraph (2) that is required by law to be submitted to the congressional defense committees by the Department of Defense or any department, agency, element, or component under the Department of Defense.

(2) COVERED REPORTS.—Paragraph (1) applies with respect to any report required under a provision of law enacted on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136) that requires recurring reports to the committees referred to in that paragraph.

(b) ELEMENTS.—The report required by subsection (a) shall set forth the following:

(1) Each report described by that subsection, including a statement of the provision of law under which such report is required to be submitted to Congress.

(2) For each such report, an assessment by the Secretary of the utility of such report from the perspective of the Department of Defense and a recommendation on the advisability of repealing the requirement for the submittal of such report.

SEC. 1068. REPORT ON TECHNOLOGIES FOR NEUTRALIZING OR DEFEATING THREATS TO MILITARY ROTARY WING AIRCRAFT FROM PORTABLE AIR DEFENSE SYSTEMS AND ROCKET PROPELLED GRENADES.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on technologies for neutralizing or defeating threats to military rotary wing aircraft posed by portable air defense systems and rocket propelled grenades that are being researched, developed, employed, or considered by the United States Government or the North Atlantic Treaty Organization.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the expected value and utility of the technologies, particularly with respect to—

(A) the saving of lives;

(B) the ability to reduce the vulnerability of aircraft; and

(C) the enhancement of the ability of aircraft and their crews to accomplish assigned missions;

(2) an assessment of the potential costs of developing and deploying such technologies;

(3) a description of efforts undertaken to develop such technologies, including—

(A) non-lethal counter measures;

(B) lasers and other systems designed to dazzle, impede, or obscure threatening weapon or their users;

(C) direct fire response systems;

(D) directed energy weapons; and

(E) passive and active systems; and

(4) a description of any impediments to the development of such technologies, such as legal restrictions under the law of war, treaty restrictions under the Protocol on Blinding Lasers, and political obstacles such as the reluctance of other allied countries to pursue such technologies.

SEC. 1069. REPORTS ON DEPARTMENT OF JUSTICE EFFORTS TO INVESTIGATE AND PROSECUTE CASES OF CONTRACTING ABUSE IN IRAQ, AFGHANISTAN, AND THROUGHOUT THE WAR ON TERROR.

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

(1) Waste, fraud, and abuse in contracting are harmful to United States efforts to successfully win the conflicts in Iraq and Afghanistan and succeed in the war on terror. The act of stealing from our soldiers who are daily in harm's way is clearly criminal and must be actively prosecuted.

(2) It is a vital interest of United States taxpayers to be protected from theft of their tax dollars by corrupt contractors.

(3) Whistleblower lawsuits are an important tool for exposing waste, fraud, and abuse and can identify serious graft and corruption.

(4) This issue is of paramount importance to the United States taxpayer, and the Congress must be provided with information about alleged contractor waste, fraud, and abuse taking place in Iraq, Afghanistan, and throughout the war on terror and about the efforts of the Department of Justice to combat these crimes.

(b) REPORTS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the Attorney General shall submit to the Committee on the Judiciary and the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on the Judiciary and the Committee on Government Reform of the House of Representatives, and the congressional defense committees a report on efforts to investigate and prosecute cases of waste, fraud, and abuse under sections 3729 and 3730(b) of title 31, United States Code, or any other related law that are related to Federal contracting in Iraq, Afghanistan, and throughout the war on terror.

(2) CONTENT.—Each report submitted under paragraph (1) shall include the following:

(A) Information on organized efforts of the Department of Justice that have been created to ensure that the Department of Justice is investigating, in a timely and appropriate manner, claims of contractor waste, fraud, and abuse related to the activities of the United States Government in Iraq, Afghanistan, and throughout the war on terror.

(B) Information on the specific number of personnel, financial resources, and workdays devoted to addressing this waste, fraud, and abuse, including a complete listing of all of the offices across the United States and throughout the world that are working on these cases and an explanation of the types of additional resources, both in terms of personnel and finances, that the Department of Justice needs to ensure that all of these cases proceed on a timely basis.

(C) A detailed description of any internal Department of Justice task force that exists to work specifically on cases of contractor fraud and abuse in Iraq, Afghanistan, and throughout the war on terror, including a description of its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the nature and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(D) A detailed description of any interagency task force that exists to work specifically on cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including its action plan, the frequency of its meetings, the level and quantity of staff dedicated to it, its measures for success, the type, nature, and substance of the allegations, and the amount of funds in controversy for each case. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(E) The names of the senior officials directly responsible for oversight of the efforts to address these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(F) Specific information on the number of investigators and other personnel that have been provided to the Department of Justice by other Federal departments and agencies in support of the efforts of the Department of Justice to combat contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including data on the quantity of time that these investigators have spent working within the Department of Justice structures dedicated to this effort.

(G) Specific information on the full number of investigations, including grand jury investigations currently underway, that are addressing these cases of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(H) Specific information on the number and status of the criminal cases that have been launched to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

(I) Specific information on the number of civil cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including specific information on the quantity of cases initiated by private parties, as well as the quantity of cases that have been referred to the Department of Justice by the Department of Defense, the Department of State, and other relevant Federal departments and agencies.

(J) Specific information on the resolved civil and criminal cases that have been filed to address contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror, including the specific results of these cases, the types of waste, fraud, and abuse that took place, the amount of funds that were returned to the United States Government as a result of resolution of these cases, and a full description of the type and substance of the waste, fraud, and abuse that took place. If there is a showing of extraordinary circumstances that disclosure of particular information would pose an imminent threat of harm to a relator and be detrimental to the public interest, then this information should be redacted in accordance with standard practices.

(K) The best estimate by the Department of Justice of the scale of the problem of contractor waste, fraud, and abuse in Iraq, Afghanistan, and throughout the war on terror.

SEC. 1070. REPORT ON BIODEFENSE STAFFING AND TRAINING REQUIREMENTS IN SUPPORT OF NATIONAL BIOSAFETY LABORATORIES.

(a) STUDY REQUIRED.—The Secretary of Defense shall, in consultation with the Secretary of Homeland Security and the Secretary of Health and Human Services, conduct a study to determine the staffing and training requirements for pending capital programs to construct biodefense laboratories (including agriculture and animal laboratories) at Biosafety Level (BSL) 3 and Biosafety Level 4 or to expand current biodefense laboratories to such biosafety levels.

(b) ELEMENTS.—In conducting the study, the Secretary of Defense shall address the following:

(1) The number of trained personnel, by discipline and qualification level, required for existing biodefense laboratories at Biosafety Level 3 and Biosafety Level 4.

(2) The number of research and support staff, including researchers, laboratory technicians, animal handlers, facility managers, facility or equipment maintainers, biosecurity personnel (including biosafety, physical, and electronic security personnel), and other safety personnel required to manage biodefense research efforts to combat bioterrorism at the biodefense laboratories described in subsection (a).

(3) The training required to provide the personnel described by paragraphs (1) and (2), including the type of training (whether classroom, laboratory, or field training) required, the length of training required by discipline, and the curriculum required to be developed for such training.

(4) Training schedules necessary to meet the scheduled openings of the biodefense laboratories described in subsection (a), including schedules for refresher training and continuing education that may be necessary for that purpose.

(c) REPORT.—Not later than December 31, 2006, the Secretary of Defense shall submit to Congress a report setting forth the results of the study conducted under this section.

SEC. 1070A. ANNUAL REPORT ON ACQUISITIONS OF ARTICLES, MATERIALS, AND SUPPLIES MANUFACTURED OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on the amount of the acquisitions made by the agency in the preceding fiscal year of articles, materials, or supplies purchased from entities that manufacture the articles, materials, or supplies outside of the United States.

(b) CONTENT.—Each report required by subsection (a) shall separately indicate—

(1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States;

(2) an itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.); and

(3) a summary of—

(A) the total procurement funds expended on articles, materials, and supplies manufactured inside the United States; and

(B) the total procurement funds expended on articles, materials, and supplies manufactured outside the United States.

(c) PUBLIC AVAILABILITY.—The Department of Defense submitting a report under subsection (a) shall make the report publicly available to the maximum extent practicable.

(d) APPLICABILITY.—This section shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 1070B. ANNUAL REPORT ON FOREIGN SALES OF SIGNIFICANT MILITARY EQUIPMENT MANUFACTURED INSIDE THE UNITED STATES.

(a) IN GENERAL.—Not later than March 31 of each year, the Department of Defense shall submit a report to Congress on foreign military sales and direct sales to foreign customers of significant military equipment manufactured inside the United States.

(b) CONTENT.—Each report required by subsection (a) shall indicate, for each sale in excess of $2,000,000—

(1) the nature of the military equipment sold and the dollar value of the sale;

(2) the country to which the military equipment was sold; and

(3) the manufacturer of the equipment and the State in which the equipment was manufactured.

(c) PUBLIC AVAILABILITY.—The Department of Defense shall make reports submitted under this section publicly available to the maximum extent practicable.

SEC. 1070C. REPORT ON FEASIBILITY OF ESTABLISHING REGIONAL COMBATANT COMMAND FOR AFRICA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives a report on the establishment of a United States Armed Forces regional combatant command for Africa.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) a study on the feasibility and desirability of establishing of a United States Armed Forces regional combatant command for Africa;

(2) an assessment of the benefits and problems associated with establishing such a command; and

(3) an estimate of the costs, time, and resources needed to establish such a command.

SEC. 1070D. ANNUAL REPORTS ON EXPANDED USE OF UNMANNED AERIAL VEHICLES IN THE NATIONAL AIRSPACE SYSTEM.

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

(1) Unmanned aerial vehicles (UAVs) serve Department of Defense intelligence, surveillance, reconnaissance, and combat missions.

(2) Operational reliability of unmanned systems continues to improve and sense-and-avoid technology development and fielding must continue in an effort to provide unmanned aerial systems with an equivalent level of safety to manned aircraft.

(3) Unmanned aerial vehicles have the potential to support the Nation's homeland defense mission, border security mission, and natural disaster recovery efforts.

(4) Accelerated development and testing of standards for the integration of unmanned aerial vehicles in the National Airspace System would further the increased safe use of such vehicles for border security, homeland defense, and natural disaster recovery efforts.

(b) ANNUAL REPORTS.—Not later than one year after the date of the enactment of this Act and annually thereafter until the Federal Aviation Administration promulgates such policy, the Secretary of Defense shall submit to the Committees on Armed Services, Commerce, Science and Transportation, and Homeland Security and Governmental Affairs of the Senate and the Committees on Armed Services, Energy and Commerce, and Government Reform of the House of Representatives a report on the actions of the Department of Defense to support the development by the Federal Aviation Administration of a policy on the testing and operation of unmanned aerial vehicles in the National Airspace System.

Subtitle H—Technical and Conforming Amendments

SEC. 1071. UNIFORM DEFINITION OF NATIONAL SECURITY SYSTEM FOR CERTAIN DEPARTMENT OF DEFENSE PURPOSES.

(a) DEFENSE BUSINESS SYSTEMS.—Section 2222(j)(6) of title 10, United States Code, is amended by striking ''section 2315 of this title'' and inserting ''section 3542(b)(2) of title 44''.

(b) INFORMATION TECHNOLOGY.—Section 2223(c)(3) of such title is amended by striking ''section 11103 of title 40'' and inserting ''section 3542(b)(2) of title 44''.

(c) PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT AND SERVICES.—The text of section 2315 of such title is amended to read as follows:

''For the purposes of subtitle III of title 40, the term 'national security system' has the meaning given that term in section 3542(b)(2) of title 44.''.

SEC. 1072. CONFORMING AMENDMENT RELATING TO REDESIGNATION OF DEFENSE COMMUNICATIONS AGENCY AS DEFENSE INFORMATION SYSTEMS AGENCY.

Paragraph (1) of section 193(f) of title 10, United States Code, is amended to read as follows:

''(1) The Defense Information Systems Agency.''.

SEC. 1073. TECHNICAL AMENDMENT.

Effective as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163) and as if included in the enactment thereof, section 341(e) of such Act (119 Stat. 3199) is amended by striking ''(a)(1)(E)'' and inserting ''(a)(1)(F)''.

Subtitle I—Other Matters

SEC. 1081. NATIONAL FOREIGN LANGUAGE COORDINATION COUNCIL.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Effective on October 1, 2006, there is established the National Foreign Language Coordination Council (in this section referred to as the ''Council'').

(2) INDEPENDENT ESTABLISHMENT.—The National Foreign Language Coordination Council shall be an independent establishment as defined under section 104 of title 5, United States Code.

(b) MEMBERSHIP.—The Council shall consist of the following members or their designees:

(1) The National Language Director, who shall serve as the chairperson of the Council.

(2) The Secretary of Education.

(3) The Secretary of Defense.

(4) The Secretary of State.

(5) The Secretary of Homeland Security.

(6) The Attorney General.

(7) The Director of National Intelligence.

(8) The Secretary of Labor.

(9) The Director of the Office of Personnel Management.

(10) The Director of the Office of Management and Budget.

(11) The Secretary of Commerce.

(12) The Secretary of Health and Human Services.

(13) The Secretary of the Treasury.

(14) The Secretary of Housing and Urban Development.

(15) The Secretary of Agriculture.

(16) The Chairman and President of the Export-Import Bank of the United States.

(17) The heads of such other Federal agencies as the Council considers appropriate.

(c) RESPONSIBILITIES.—

(1) IN GENERAL.—The Council shall be charged with—

(A) developing a national foreign language strategy, within 18 months of the date of the enactment of this Act, in consultation with—

(i) State and local government agencies;

(ii) academic sector institutions;

(iii) foreign language related interest groups;

(iv) business associations;

(v) industry;

(vi) heritage associations; and

(vii) other relevant stakeholders;

(B) conducting a survey of the extent of Federal agency foreign language and area expertise, and of Federal agency needs for such expertise;

(C) identifying and evaluating the adequacy of Federal foreign language programs, including any duplicative or overlapping programs that may impede efficiency; and

(D) monitoring the implementation of such strategy through—

(i) application of current and recently enacted laws; and

(ii) the promulgation and enforcement of rules and regulations.

(2) STRATEGY CONTENT.—The strategy developed under paragraph (1) shall include—

(A) identification of priorities to expand foreign language skills in the public and private sectors;

(B) recommendations for improving coordination of foreign language programs and activities among Federal agencies, enhancing Federal foreign language programs and activities, and allocating resources appropriately in order to maximize the use of resources;

(C) needed national policies and corresponding legislative and regulatory actions in support of, and allocation of designated resources to, promising programs and initiatives at all levels (Federal, State, and local), especially in the less commonly taught languages that are seen as critical for national security and global competitiveness during the next 20 to 50 years;

(D) effective ways to increase public awareness of the need for foreign language skills and career paths in the public and private sectors that can employ those skills, with the objective of increasing support for foreign language study among—

(i) Federal, State, and local leaders;

(ii) students;

(iii) parents;

(iv) elementary, secondary, and postsecondary educational institutions; and

(v) employers;

(E) recommendations for incentives for developing related educational programs, including foreign language teacher training;

(F) coordination of public and private sector efforts to provide foreign language instruction and acquire foreign language and area expertise;

(G) coordination of public and private sector initiatives to develop a strategic posture for language research;

(H) recommendations for—

(i) the development of foreign language achievement standards; and

(ii) corresponding assessments of foreign language achievement standards for the elementary, secondary, and postsecondary education levels, including the National Assessment of Educational Progress in foreign languages;

(I) recommendations for development of—

(i) language skill-level certification standards;

(ii) frameworks for pre-service and professional development study for those who teach foreign language;

(iii) suggested graduation criteria for foreign language studies in non-language areas, such as—

(I) international business;

(II) national security;

(III) public administration;

(IV) health care;

(V) engineering;

(VI) law;

(VII) journalism; and

(VIII) sciences;

(J) identification of and means for replicating best practices for teaching foreign languages in the public and private sectors, including best practices from the international community; and

(K) recommendations for overcoming barriers in foreign language proficiency.

(d) SUBMISSION OF STRATEGY TO PRESIDENT AND CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Council shall prepare and transmit to the President and the relevant committees of Congress the national foreign language strategy required under subsection (c).

(e) MEETINGS.—The Council may hold such meetings, and sit and act at such times and places, as the Council considers appropriate, but shall meet in formal session at least 2 times a year. State and local government agencies and other organizations (such as academic sector institutions, foreign language-related interest groups, business associations, industry, and heritage community organizations) shall be invited, as appropriate, to public meetings of the Council at least once a year.

(f) STAFF.—

(1) IN GENERAL.—The Director may—

(A) appoint, without regard to the provisions of title 5, United States Code, governing the competitive service, such personnel as the Director considers necessary; and

(B) compensate such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title.

(2) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(3) EXPERTS AND CONSULTANTS.—With the approval of the Council, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(4) TRAVEL EXPENSES.—Council members and staff shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(5) SECURITY CLEARANCE.—

(A) IN GENERAL.—Subject to subparagraph (B), the appropriate Federal agencies or departments shall cooperate with the Council in expeditiously providing to the Council members and staff appropriate security clearances to the extent possible pursuant to existing procedures and requirements.

(B) EXCEPTION.—No person shall be provided with access to classified information under this section without the appropriate required security clearance access.

(6) COMPENSATION.—The rate of pay for any employee of the Council (including the Director) may not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(g) POWERS.—

(1) DELEGATION.—Any member or employee of the Council may, if authorized by the Council, take any action that the Council is authorized to take in this section.

(2) INFORMATION.—

(A) COUNCIL AUTHORITY TO SECURE.—The Council may secure directly from any Federal agency such information, consistent with Federal privacy laws, including the Family Educational Rights and Privacy Act (20 U.S.C. 1232g) and the Department of Education's General Education Provisions Act (20 U.S.C. 1232(h)), the Council considers necessary to carry out its responsibilities.

(B) REQUIREMENT TO FURNISH REQUESTED INFORMATION.—Upon request of the Director, the head of such agency shall furnish such information to the Council.

(3) DONATIONS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(4) MAIL.—The Council may use the United States mail in the same manner and under the same conditions as other Federal agencies.

(h) CONFERENCES, NEWSLETTER, AND WEBSITE.—In carrying out this section, the Council—

(1) may arrange Federal, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to improve foreign language education;

(2) may publish a newsletter concerning Federal, State, and local programs that are effectively meeting the foreign language needs of the nation; and

(3) shall create and maintain a website containing information on the Council and its activities, best practices on language education, and other relevant information.

(i) REPORTS.—Not later than April 1, 2007, and annually thereafter, the Council shall prepare and transmit to the President and the relevant committees of Congress a report that describes—

(1) the activities of the Council to develop the national foreign language strategy required under subsection (c);

(2) the findings of the Council as of the date of such report;

(3) the efforts of the Council to improve foreign language education and training; and

(4) impediments identified by the Council to the implementation of a comprehensive national foreign language strategy, including any statutory and regulatory restrictions.

(j) ESTABLISHMENT OF NATIONAL LANGUAGE DIRECTOR.—

(1) IN GENERAL.—There is established a National Language Director who shall be appointed by the President. The National Language Director shall be a nationally recognized individual with credentials and abilities in the public and private sectors to be involved with creating and implementing long-term solutions to achieving national foreign language and cultural competency.

(2) RESPONSIBILITIES.—The National Language Director shall—

(A) develop and monitor the implementation of a national foreign language strategy across the public and private sectors;

(B) establish formal relationships among the major stakeholders in meeting the needs of the Nation for improved capabilities in foreign languages and cultural understanding, including Federal, State, and local government agencies, academia, industry, labor, and heritage communities; and

(C) coordinate and lead a public information campaign that raises awareness of public and private sector careers requiring foreign language skills and cultural understanding, with the objective of increasing interest in and support for the study of foreign languages among national leaders, the business community, local officials, parents, and individuals.

(k) ENCOURAGEMENT OF STATE INVOLVEMENT.—

(1) STATE CONTACT PERSONS.—The Council shall consult with each State to provide for the designation by each State of an individual to serve as a State contact person for the purpose of receiving and disseminating information and communications received from the Council.

(2) STATE INTERAGENCY COUNCILS AND LEAD AGENCIES.—Each State is encouraged to establish a State interagency council on foreign language coordination or designate a lead agency for the State for the purpose of assuming primary responsibility for coordinating and interacting with the Council and State and local government agencies as necessary.

(l) SUNSET.—This section shall cease to have effect on September 30, 2015.

(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 2007, $1,500,000 to carry out this section.

SEC. 1082. SUPPORT OF SUCCESSOR ORGANIZATIONS OF THE DISESTABLISHED INTERAGENCY GLOBAL POSITIONING SYSTEM EXECUTIVE BOARD.

Section 8 of the Commercial Space Transportation Competitiveness Act of 2000 (Public Law 106–405; 114 Stat. 1753; 10 U.S.C. 2281 note) is amended by striking ''the Interagency Global Positioning System Executive Board, including an Executive Secretariat to be housed at the Department of Commerce'' and inserting ''the National Space-Based Positioning, Navigation, and Timing Executive Committee, the National Space-Based Positioning, Navigation, and Timing Coordination Office, and the National Space-Based Positioning, Navigation, and Timing Advisory Board, and any successor organization''.

SEC. 1083. QUADRENNIAL DEFENSE REVIEW.

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

(1) The Quadrennial Defense Review (QDR) under section 118 of title 10, United States Code, is vital in laying out the strategic military planning and threat objectives of the Department of Defense.

(2) The Quadrennial Defense Review is critical to identifying the correct mix of military planning assumptions, defense capabilities, and strategic focuses for the Armed Forces of the United States.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Quadrennial Defense Review is intended to provide more than an overview of global threats and the general strategic orientation of the Department of Defense.

(c) IMPROVEMENTS TO QUADRENNIAL DEFENSE REVIEW.—

(1) CONDUCT OF REVIEW.—Subsection (b) of section 118 of title 10, United States Code, is amended—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

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

''(4) to make recommendations that are not constrained to comply with the budget submitted

to Congress by the President pursuant to section 1105 of title 31.''.

(2) ADDITIONAL ELEMENT IN REPORT TO CONGRESS.—Subsection (d) of such section is amended—

(A) in paragraph (1), by inserting '', the strategic planning guidance,'' after ''United States'';

(B) by redesignating paragraphs (9) through (15) as paragraphs (10) through (16), respectively; and

(C) by inserting after paragraph (8) the following new paragraph (9):

''(9) The specific capabilities, including the general number and type of specific military platforms, needed to achieve the strategic and warfighting objectives identified in the review.''.

(3) CJCS REVIEW.—Subsection (e)(1) of such section is amended by inserting before the period at the end the following: '' and a description of the capabilities needed to address such risk''.

(4) INDEPENDENT ASSESSMENT.—Such section is further amended by adding at the end the following new subsection:

''(f) INDEPENDENT ASSESSMENT.—(1) Not later than one year before the date a report on a quadrennial defense review is to be submitted to Congress under subsection (d), the President shall appoint a panel to conduct an independent assessment of the review.

''(2) The panel appointed under paragraph (1) shall be composed of seven individuals (who may not be employees of the Department of Defense) as follows:

''(A) Three members shall be appointed by the President.

''(B) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Speaker of the House of Representatives.

''(C) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the House of Representatives.

''(D) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Majority Leader of the Senate.

''(E) One member shall be appointed by the President in consultation with, and based on the recommendations of, the Minority Leader of the Senate.

''(3) Not later than three months after the date that the report on a quadrennial defense review is submitted to Congress under subsection (d), the panel appointed under paragraph (2) shall provide to the congressional defense committees an assessment of the assumptions, planning guidelines, recommendations, and realism of the review.''.

SEC. 1084. SENSE OF CONGRESS ON THE COMMENDABLE ACTIONS OF THE ARMED FORCES.

(a) FINDINGS.—Congress finds that—

(1) on June 7, 2006, the United States Armed Forces conducted an air raid near the City of Baquba, northeast of Baghdad, Iraq, that resulted in the death of Ahmad Fadeel al-Nazal al-Khalayleh, better known as Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) Zarqawi, as the operational commander of al-Qaeda in Iraq, led a brutal campaign of suicide bombings, car bombings, assassinations, and abductions that caused the deaths of many members of the United States Armed Forces, civilian officials of the United States Government, thousands of innocent Iraqi civilians, and innocent civilians of other nations;

(3) Zarqawi publicly swore his allegiance to Osama bin Laden and al-Qaeda in 2004, and changed the name of his terrorist organization from the ''Monotheism and Holy War Group'' to ''al-Qaeda in Iraq'';

(4) in an audiotape broadcast in December 2004, Osama bin Laden, the leader of al-Qaeda's worldwide terrorist organization, called Zarqawi ''the prince of al-Qaeda in Iraq'';

(5) 3 perpetrators confessed to being paid by Zarqawi to carry out the October 2002 assassination of the United States diplomat, Lawrence Foley, in Amman, Jordan;

(6) the Monotheism and Holy War Group claimed responsibility for—

(A) the August 2003 suicide attack that destroyed the United Nations headquarters in Baghdad and killed the United Nations envoy to Iraq Sergio Vieira de Mello along with 21 other people; and

(B) the suicide attack on the Imam Ali Mosque in Najaf that occurred less than 2 weeks later, which killed at least 85 people, including the Ayatollah Sayed Mohammed Baqr al-Hakim, and wounded dozens more;

(7) Zarqawi is believed to have personally beheaded American hostage Nicholas Berg in May 2004;

(8) in May 2004, Zarqawi was implicated in a car bombing that killed Izzadine Salim, the rotating president of the Iraqi Governing Council;

(9) in November 2005, al-Qaeda in Iraq attacked 3 hotels in Amman, Jordan, killing at least 67 innocent civilians;

(10) Zarqawi and his terrorist organization were directly responsible for numerous other brutal terrorist attacks against the American and coalition troops, Iraqi security forces and recruits, and innocent Iraqi civilians;

(11) Zarqawi sought to turn Iraq into a safe haven for al-Qaeda;

(12) to achieve that end, Zarqawi stated his opposition to the democratically elected government of Iraq and worked to divide the Iraqi people, foment sectarian violence, and incite a civil war in Iraq; and

(13) the men and women of the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners and the Iraqi Security Forces, should be commended for their courage and extraordinary efforts to track down the most wanted terrorist in Iraq and to secure a free and prosperous future for the people of Iraq.

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

(1) commends the United States Armed Forces, the intelligence community, and other agencies, along with coalition partners, for the actions taken through June 7, 2006, that resulted in the death of Abu Musab al-Zarqawi, the leader of the al-Qaeda in Iraq terrorist organization and the most wanted terrorist in Iraq;

(2) commends the United States Armed Forces, the intelligence community, and other agencies for this action and their exemplary performance in striving to bring freedom, democracy, and security to the people of Iraq;

(3) commends the coalition partners of the United States, the new government of Iraq, and members of the Iraqi Security Forces for their invaluable assistance in that operation and their extraordinary efforts to secure a free and prosperous Iraq;

(4) commends our civilian and military leadership for their continuing efforts to eliminate the leadership of al-Qaeda in Iraq, and also commends the new government of Iraq, led by Prime Minister Jawad al-Maliki, for its contribution to that achievement;

(5) recognizes that the death of Abu Musab al-Zarqawi is a victory for American and coalition forces in the global war on terror and a blow to the al-Qaeda terrorist organization;

(6) commends the Iraqi Prime Minister Jawad al-Maliki on the finalization of the new Iraqi cabinet;

(7) urges the democratically elected government in Iraq to use this opportunity to defeat the terrorist enemy, to put an end to ethnic and sectarian violence, and to achieve a free, prosperous, and secure future for Iraq; and

(8) affirms that the Senate will continue to support the United States Armed Forces, the democratically elected unity government of Iraq, and the people of Iraq in their quest to secure a free, prosperous, and democratic Iraq.

SEC. 1085. BUDGETING FOR ONGOING MILITARY OPERATIONS.

The President's budget submitted pursuant to section 1105(a) of title 31, United States Code, for each fiscal year after fiscal year 2007 shall include—

(1) a request for funds for such fiscal year for ongoing military operations in Afghanistan and Iraq;

(2) an estimate of all funds expected to be required in that fiscal year for such operations; and

(3) a detailed justification of the funds requested.

SEC. 1086. COURT SECURITY IMPROVEMENTS.

(a) JUDICIAL BRANCH SECURITY REQUIREMENTS.—

(1) ENSURING CONSULTATION AND COORDINATION WITH THE JUDICIARY.—Section 566 of title 28, United States Code, is amended by adding at the end the following:

''(i) The Director of the United States Marshals Service shall consult and coordinate with the Judicial Conference of the United States on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(2) CONFORMING AMENDMENT.—Section 331 of title 28, United States Code, is amended by adding at the end the following:

''The Judicial Conference shall consult and coordinate with the Director of United States Marshals Service on a continuing basis regarding the security requirements for the judicial branch of the United States Government.''.

(b) PROTECTION OF FAMILY MEMBERS.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended—

(1) in subparagraph (A), by inserting ''or a family member of that individual'' after ''that individual''; and

(2) in subparagraph (B)(i), by inserting ''or a family member of that individual'' after ''the report''.

(c) EXTENSION OF SUNSET PROVISION.—Section 105(b)(3) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''2005'' each place that term appears and inserting ''2009''.

(d) PROTECTIONS AGAINST MALICIOUS RECORDING OF FICTITIOUS LIENS AGAINST FEDERAL JUDGES AND FEDERAL LAW ENFORCEMENT OFFICERS.—

(1) OFFENSE.—Chapter 73 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 1521. RETALIATING AGAINST A FEDERAL JUDGE OR FEDERAL LAW ENFORCEMENT OFFICER BY FALSE CLAIM OR SLANDER OF TITLE.

''(a) Whoever files or attempts to file, in any public record or in any private record which is generally available to the public, any false lien or encumbrance against the real or personal property of a Federal judge or a Federal law enforcement official, on account of the performance of official duties by that Federal judge or Federal law enforcement official, knowing or having reason to know that such lien or encumbrance is false or contains any materially false, fictitious, or fraudulent statement or representation, shall be fined under this title or imprisoned for not more than 10 years, or both.

''(b) As used in this section—

''(1) the term 'Federal judge' means a justice or judge of the United States as defined in section 451 of title 28, United States Code, a judge of the United States Court of Federal Claims, a United States bankruptcy judge, a United States magistrate judge, and a judge of the United States Court of Appeals for the Armed Forces, United States Court of Appeals for Veterans Claims, United States Tax Court, District Court of Guam, District Court of the Northern Mariana Islands, or District Court of the Virgin Islands; and

''(2) the term 'Federal law enforcement officer' has the meaning given that term in section 115

of this title and includes an attorney who is an officer or employee of the United States in the executive branch of the Government.''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 73 of title 18, United States Code, is amended by adding at the end the following new item:

''1521. Retaliating against a Federal judge or Federal law enforcement officer by false claim or slander of title.''.

(e) PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.—

(1) OFFENSE.—Chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''SEC. 118. PROTECTION OF INDIVIDUALS PERFORMING CERTAIN OFFICIAL DUTIES.

''(a) Whoever knowingly makes restricted personal information about a covered official, or a member of the immediate family of that covered official, publicly available, with the intent that such restricted personal information be used to kill, kidnap, or inflict bodily harm upon, or to threaten to kill, kidnap, or inflict bodily harm upon, that covered official, or a member of the immediate family of that covered official, shall be fined under this title and imprisoned not more than 5 years, or both.

''(b) As used in this section—

''(1) the term 'restricted personal information' means, with respect to an individual, the Social Security number, the home address, home phone number, mobile phone number, personal email, or home fax number of, and identifiable to, that individual;

''(2) the term 'covered official' means—

''(A) an individual designated in section 1114;

''(B) a Federal judge or Federal law enforcement officer as those terms are defined in section 1521; or

''(C) a grand or petit juror, witness, or other officer in or of, any court of the United States, or an officer who may be serving at any examination or other proceeding before any United States magistrate judge or other committing magistrate; and

''(3) the term 'immediate family' has the same meaning given that term in section 115(c)(2).''.

(2) CLERICAL AMENDMENT.—The chapter analysis for chapter 7 of title 18, United States Code, is amended by adding at the end the following:

''Sec. 117. Domestic assault by an habitual offender.

''Sec. 118. Protection of individuals performing certain official duties.''.

(f) PROHIBITION OF POSSESSION OF DANGEROUS WEAPONS IN FEDERAL COURT FACILITIES.—Section 930(e)(1) of title 18, United States Code, is amended by inserting ''or other dangerous weapon'' after ''firearm''.

(g) CLARIFICATION OF VENUE FOR RETALIATION AGAINST A WITNESS.—Section 1513 of title 18, United States Code, is amended by adding at the end the following:

''(g) A prosecution under this section may be brought in the district in which the official proceeding (whether or not pending, about to be instituted or completed) was intended to be affected, or in which the conduct constituting the alleged offense occurred.''.

(h) WITNESS PROTECTION GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by adding at the end the following new part:

''PART JJ—WITNESS PROTECTION GRANTS

''SEC. 3001. PROGRAM AUTHORIZED.

''(a) IN GENERAL.—From amounts made available to carry out this part, the Attorney General may make grants to States, units of local government, and Indian tribes to create and expand witness protection programs in order to prevent threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(b) USES OF FUNDS.—Grants awarded under this part shall be—

''(1) distributed directly to the State, unit of local government, or Indian tribe; and

''(2) used for the creation and expansion of witness protection programs in the jurisdiction of the grantee.

''(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this part, the Attorney General may give preferential consideration, if feasible, to an application from a jurisdiction that—

''(1) has the greatest need for witness and victim protection programs;

''(2) has a serious violent crime problem in the jurisdiction; and

''(3) has had, or is likely to have, instances of threats, intimidation, and retaliation against victims of, and witnesses to, crimes.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2006 through 2010.''.

(i) GRANTS TO STATES TO PROTECT WITNESSES AND VICTIMS OF CRIMES.—

(1) IN GENERAL.—Section 31702 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(5) to create and expand witness and victim protection programs to prevent threats, intimidation, and retaliation against victims of, and witnesses to, violent crimes.''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 31707 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13867) is amended to read as follows:

''SEC. 31707. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated $20,000,000 for each of the fiscal years 2006 through 2010 to carry out this subtitle.''.

(j) ELIGIBILITY OF STATE COURTS FOR CERTAIN FEDERAL GRANTS.—

(1) CORRECTIONAL OPTIONS GRANTS.—Section 515 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a) is amended—

(A) in subsection (a)—

(i) in paragraph (2), by striking ''and'' at the end;

(ii) in paragraph (3), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(4) grants to State courts to improve security for State and local court systems.''; and

(B) in subsection (b), by inserting after the period the following:

''Priority shall be given to State court applicants under subsection (a)(4) that have the greatest demonstrated need to provide security in order to administer justice.''.

(2) ALLOCATIONS.—Section 516(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762b) is amended by—

(A) striking ''80'' and inserting ''70'';

(B) striking ''and 10'' and inserting ''10''; and

(C) inserting before the period the following: '', and 10 percent for section 515(a)(4)''.

(k) BANKRUPTCY, MAGISTRATE, AND TERRITORIAL JUDGES LIFE INSURANCE.—

(1) BANKRUPTCY JUDGES.—Section 153 of title 28, United States Code, is amended by adding at the end the following:

''(e) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a bankruptcy judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(2) UNITED STATES MAGISTRATE JUDGES.—Section 634(c) of title 28, United States Code, is amended—

(A) by inserting ''(1)'' after ''(c)''; and

(B) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a magistrate judge of the United States in regular active service or who is retired under section 377 of this title shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(3) TERRITORIAL JUDGES.—

(A) GUAM.—Section 24 of the Organic Act of Guam (48 U.S.C. 1424b) is amended by adding at the end the following:

''(c) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(B) COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—Section 1(b) of the Act of November 8, 1977 (48 U.S.C. 1821) is amended by adding at the end the following:

''(5) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(C) VIRGIN ISLANDS.—Section 24(a) of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1614(a)) is amended—

(i) by inserting ''(1)'' after ''(a)''; and

(ii) by adding at the end the following:

''(2) For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, a judge appointed under this section who is in regular active service or who is retired under section 373 of title 28, United States Code, shall be deemed to be a judge of the United States described under section 8701(a)(5) of title 5.''.

(m) HEALTH INSURANCE FOR SURVIVING FAMILY AND SPOUSES OF JUDGES.—Section 8901(3) of title 5, United States Code, is amended—

(1) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

(2) in subparagraph (D), by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(E) a member of a family who is a survivor of—

''(i) a Justice or judge of the United States, as defined under section 451 of title 28, United States Code;

''(ii) a judge of the District Court of Guam, the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands;

''(iii) a judge of the United States Court of Federal Claims; or

''(iv) a United States bankruptcy judge or a full-time United States magistrate judge.''.

SEC. 1087. SENSE OF THE SENATE ON DESTRUCTION OF CHEMICAL WEAPONS.

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

(1) The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, done at Paris on January 13, 1993 (commonly referred to as the ''Chemical Weapons Convention''), requires all United States chemical weapons stockpiles be destroyed by no later than the extended deadline of April 29, 2012.

(2) On April 10, 2006, the Department of Defense notified Congress that the United States would not meet even the extended deadline under the Chemical Weapons Convention for destruction of United States chemical weapons stockpiles.

(3) Destroying existing chemical weapons is a homeland security imperative, an arms control priority, and required by United States law.

(4) The elimination and nonproliferation of chemical weapons of mass destruction is of utmost importance to the national security of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the United States is committed to making every effort to safely dispose of its chemical weapons stockpiles by the Chemical Weapons Convention deadline of April 29, 2012, or as soon thereafter as possible, and will carry out all of its other obligations under the Convention;

(2) the Secretary of Defense should prepare a comprehensive schedule for safely destroying the United States chemical weapons stockpiles to prevent further delays in the destruction of such stockpiles, and the schedule should be submitted annually to the congressional defense committees separately or as part of another required report; and

(3) the Secretary of Defense should make every effort to ensure adequate funding to complete the elimination of the United States chemical weapons stockpile in the shortest time possible, consistent with the requirement to protect public health, safety, and the environment.

SEC. 1088. IMPROVED ACCOUNTABILITY FOR COMPETITIVE CONTRACTING IN HURRICANE RECOVERY.

The exceptions to full and open competition otherwise available under paragraphs (2), (3), (4), and (5) of section 303(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)) and paragraphs (2), (3), (4), and (5) of section 2304(c) of title 10, United States Code, shall not apply to Federal contracts worth over $500,000 for the procurement of property or services in connection with relief and recovery efforts related to Hurricane Katrina and the other hurricanes of the 2005 season.

SEC. 1089. PROTECTION OF CERTAIN DISCLOSURES OF INFORMATION BY FEDERAL EMPLOYEES.

(a) SHORT TITLE.—This Act may be cited as the ''Federal Employee Protection of Disclosures Act''.

(b) CLARIFICATION OF DISCLOSURES COVERED.—Section 2302(b)(8) of title 5, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation'';

(2) in subparagraph (B)—

(A) by striking ''which the employee or applicant reasonably believes evidences'' and inserting '', without restriction to time, place, form, motive, context, or prior disclosure made to any person by an employee or applicant, including a disclosure made in the ordinary course of an employee's duties, of information that the employee or applicant reasonably believes is evidence of''; and

(B) in clause (i), by striking ''a violation'' and inserting ''any violation (other than a violation of this section)''; and

(3) by adding at the end the following:

''(C) any disclosure that—

''(i) is made by an employee or applicant of information required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs that the employee or applicant reasonably believes is direct and specific evidence of—

''(I) any violation of any law, rule, or regulation;

''(II) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety; or

''(III) a false statement to Congress on an issue of material fact; and

''(ii) is made to—

''(I) a member of a committee of Congress having a primary responsibility for oversight of a department, agency, or element of the Federal Government to which the disclosed information relates and who is authorized to receive information of the type disclosed;

''(II) any other Member of Congress who is authorized to receive information of the type disclosed; or

''(III) an employee of Congress who has the appropriate security clearance and is authorized to receive information of the type disclosed.''.

(c) COVERED DISCLOSURES.—Section 2302(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (B)(ii), by striking ''and'' at the end;

(2) in subparagraph (C)(iii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) 'disclosure' means a formal or informal communication or transmission, but does not include a communication concerning policy decisions that lawfully exercise discretionary authority unless the employee providing the disclosure reasonably believes that the disclosure evidences—

''(i) any violation of any law, rule, or regulation; or

''(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.''.

(d) REBUTTABLE PRESUMPTION.—Section 2302(b) of title 5, United States Code, is amended by amending the matter following paragraph (12) to read as follows:

''This subsection shall not be construed to authorize the withholding of information from Congress or the taking of any personnel action against an employee who discloses information to Congress, except that an employee or applicant may be disciplined for the disclosure of information described in paragraph (8)(C)(i) to a Member or employee of Congress who is not authorized to receive such information. For purposes of paragraph (8), any presumption relating to the performance of a duty by an employee who has authority to take, direct others to take, recommend, or approve any personnel action may be rebutted by substantial evidence. For purposes of paragraph (8), a determination as to whether an employee or applicant reasonably believes that they have disclosed information that evidences any violation of law, rule, regulation, gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety shall be made by determining whether a disinterested observer with knowledge of the essential facts known to and readily ascertainable by the employee could reasonably conclude that the actions of the Government evidence such violations, mismanagement, waste, abuse, or danger.''.

(e) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS; SECURITY CLEARANCES; AND RETALIATORY INVESTIGATIONS.—

(1) PERSONNEL ACTION.—Section 2302(a)(2)(A) of title 5, United States Code, is amended—

(A) in clause (x), by striking ''and'' after the semicolon; and

(B) by redesignating clause (xi) as clause (xiv) and inserting after clause (x) the following:

''(xi) the implementation or enforcement of any nondisclosure policy, form, or agreement;

''(xii) a suspension, revocation, or other determination relating to a security clearance or any other access determination by a covered agency;

''(xiii) an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section; and''

(2) PROHIBITED PERSONNEL PRACTICE.—Section 2302(b) of title 5, United States Code, is amended—

(A) in paragraph (11), by striking ''or'' at the end;

(B) in paragraph (12), by striking the period and inserting a semicolon; and

(C) by inserting after paragraph (12) the following:

''(13) implement or enforce any nondisclosure policy, form, or agreement, if such policy, form, or agreement does not contain the following statement: 'These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse, or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosures that could compromise national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Control Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling'; or

''(14) conduct, or cause to be conducted, an investigation, other than any ministerial or nondiscretionary fact finding activities necessary for the agency to perform its mission, of an employee or applicant for employment because of any activity protected under this section.''.

(3) BOARD AND COURT REVIEW OF ACTIONS RELATING TO SECURITY CLEARANCES.—

(A) IN GENERAL.—Chapter 77 of title 5, United States Code, is amended by inserting after section 7702 the following:

''§ 7702a. Actions relating to security clearances

''(a) In any appeal relating to the suspension, revocation, or other determination relating to a security clearance or access determination, the Merit Systems Protection Board or any reviewing court—

''(1) shall determine whether paragraph (8) or (9) of section 2302(b) was violated;

''(2) may not order the President or the designee of the President to restore a security clearance or otherwise reverse a determination of clearance status or reverse an access determination; and

''(3) subject to paragraph (2), may issue declaratory relief and any other appropriate relief.

''(b)(1) If, in any final judgment, the Board or court declares that any suspension, revocation, or other determination with regard to a security clearance or access determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall conduct a review of that suspension, revocation, access determination, or other determination, giving great weight to the Board or court judgment.

''(2) Not later than 30 days after any Board or court judgment declaring that a security clearance suspension, revocation, access determination, or other determination was made in violation of paragraph (8) or (9) of section 2302(b), the affected agency shall issue an unclassified report to the congressional committees of jurisdiction (with a classified annex if necessary), detailing the circumstances of the agency's security clearance suspension, revocation, other determination, or access determination. A report under this paragraph shall include any proposed agency action with regard to the security clearance or access determination.

''(c) An allegation that a security clearance or access determination was revoked or suspended in retaliation for a protected disclosure shall receive expedited review by the Office of Special Counsel, the Merit Systems Protection Board, and any reviewing court.

''(d) For purposes of this section, corrective action may not be ordered if the agency demonstrates by a preponderance of the evidence that it would have taken the same personnel action in the absence of such disclosure.''.

(B) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 77 of title 5, United States Code, is amended by inserting after the item relating to section 7702 the following:

''7702a. Actions relating to security clearances.''.

(f) EXCLUSION OF AGENCIES BY THE PRESIDENT.—Section 2302(a)(2)(C) of title 5, United States Code, is amended by striking clause (ii) and inserting the following:

''(ii)(I) the Federal Bureau of Investigation, the Central Intelligence Agency, the Defense Intelligence Agency, the National Imagery and Mapping Agency, the National Security Agency; and

''(II) as determined by the President, any executive agency or unit thereof the principal function of which is the conduct of foreign intelligence or counterintelligence activities, if the determination (as that determination relates to a personnel action) is made before that personnel action; or''.

(g) ATTORNEY FEES.—Section 1204(m)(1) of title 5, United States Code, is amended by striking ''agency involved'' and inserting ''agency where the prevailing party is employed or has applied for employment''.

(h) DISCIPLINARY ACTION.—Section 1215(a)(3) of title 5, United States Code, is amended to read as follows:

''(3)(A) A final order of the Board may impose—

''(i) disciplinary action consisting of removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, or reprimand;

''(ii) an assessment of a civil penalty not to exceed $1,000; or

''(iii) any combination of disciplinary actions described under clause (i) and an assessment described under clause (ii).

''(B) In any case in which the Board finds that an employee has committed a prohibited personnel practice under paragraph (8) or (9) of section 2302(b), the Board shall impose disciplinary action if the Board finds that the activity protected under paragraph (8) or (9) of section 2302(b) was a significant motivating factor, even if other factors also motivated the decision, for the employee's decision to take, fail to take, or threaten to take or fail to take a personnel action, unless that employee demonstrates, by preponderance of evidence, that the employee would have taken, failed to take, or threatened to take or fail to take the same personnel action, in the absence of such protected activity.''.

(i) SPECIAL COUNSEL AMICUS CURIAE APPEARANCE.—Section 1212 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) The Special Counsel is authorized to appear as amicus curiae in any action brought in a court of the United States related to any civil action brought in connection with section 2302(b) (8) or (9), or subchapter III of chapter 73, or as otherwise authorized by law. In any such action, the Special Counsel is authorized to present the views of the Special Counsel with respect to compliance with section 2302(b) (8) or (9) or subchapter III of chapter 73 and the impact court decisions would have on the enforcement of such provisions of law.

''(2) A court of the United States shall grant the application of the Special Counsel to appear in any such action for the purposes described in subsection (a).''.

(j) JUDICIAL REVIEW.—

(1) IN GENERAL.—Section 7703(b)(1) of title 5, United States Code, is amended to read as follows:

''(b)(1)(A) Except as provided in subparagraph (B) and paragraph (2), a petition to review a final order or final decision of the Board shall be filed in the United States Court of Appeals for the Federal Circuit. Notwithstanding any other provision of law, any petition for review must be filed within 60 days after the date the petitioner received notice of the final order or decision of the Board.

''(B) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, a petition to review a final order or final decision of the Board in a case alleging a violation of paragraph (8) or (9) of section 2302(b) shall be filed in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2).''.

(2) REVIEW OBTAINED BY OFFICE OF PERSONNEL MANAGEMENT.—Section 7703(d) of title 5, United States Code, is amended to read as follows:

''(d)(1) Except as provided under paragraph (2), this paragraph shall apply to any review obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit if the Director determines, in his discretion, that the Board erred in interpreting a civil service law, rule, or regulation affecting personnel management and that the Board's decision will have a substantial impact on a civil service law, rule, regulation, or policy directive. If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the Court of Appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.

''(2) During the 5-year period beginning on the effective date of the Federal Employee Protection of Disclosures Act, this paragraph shall apply to any review relating to paragraph (8) or (9) of section 2302(b) obtained by the Director of the Office of Personnel Management. The Director of the Office of Personnel Management may obtain review of any final order or decision of the Board by filing, within 60 days after the date the Director received notice of the final order or decision of the Board, a petition for judicial review in the United States Court of Appeals for the Federal Circuit or any court of appeals of competent jurisdiction as provided under subsection (b)(2) if the Director determines, in his discretion, that the Board erred in interpreting paragraph (8) or (9) of section 2302(b). If the Director did not intervene in a matter before the Board, the Director may not petition for review of a Board decision under this section unless the Director first petitions the Board for a reconsideration of its decision, and such petition is denied. In addition to the named respondent, the Board and all other parties to the proceedings before the Board shall have the right to appear in the proceeding before the court of appeals. The granting of the petition for judicial review shall be at the discretion of the Court of Appeals.''.

(k) NONDISCLOSURE POLICIES, FORMS, AND AGREEMENTS.—

(1) IN GENERAL.—

(A) REQUIREMENT.—Each agreement in Standard Forms 312 and 4414 of the Government and any other nondisclosure policy, form, or agreement of the Government shall contain the following statement: ''These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by such Executive order and such statutory provisions are incorporated into this agreement and are controlling.''.

(B) ENFORCEABILITY.—Any nondisclosure policy, form, or agreement described under subparagraph (A) that does not contain the statement required under subparagraph (A) may not be implemented or enforced to the extent such policy, form, or agreement is inconsistent with that statement.

(2) PERSONS OTHER THAN GOVERNMENT EMPLOYEES.—Notwithstanding paragraph (1), a nondisclosure policy, form, or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that such forms do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

(l) CLARIFICATION OF WHISTLEBLOWER RIGHTS FOR CRITICAL INFRASTRUCTURE INFORMATION.—Section 214(c) of the Homeland Security Act of 2002 (6 U.S.C. 133(c)) is amended by adding at the end the following: ''For purposes of this section a permissible use of independently obtained information includes the disclosure of such information under section 2302(b)(8) of title 5, United States Code.''.

(m) ADVISING EMPLOYEES OF RIGHTS.—Section 2302(c) of title 5, United States Code, is amended by inserting '', including how to make a lawful disclosure of information that is specifically required by law or Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs to the Special Counsel, the Inspector General of an agency, Congress, or other agency employee designated to receive such disclosures'' after ''chapter 12 of this title''.

(n) SCOPE OF DUE PROCESS.—

(1) SPECIAL COUNSEL.—Section 1214(b)(4)(B)(ii) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(2) INDIVIDUAL ACTION.—Section 1221(e)(2) of title 5, United States Code, is amended by inserting '', after a finding that a protected disclosure was a contributing factor,'' after ''ordered if''.

(o) EFFECTIVE DATE.—This Act shall take effect 30 days after the date of enactment of this Act.

SEC. 1090. SENSE OF CONGRESS REGARDING THE MEN AND WOMEN OF THE ARMED FORCES OF THE UNITED STATES IN IRAQ.

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

(1) In 2003, members of the Armed Forces of the United States successfully liberated the people of Iraq from the tyrannical regime of Saddam Hussein.

(2) Members of the Armed Forces of the United States have bravely risked their lives everyday over the last 3 years to protect the people of Iraq from terror attacks by Al Qaeda and other extremist organizations.

(3) Members of the Armed Forces of the United States have conducted dozens of operations with coalition forces to track, apprehend, and eliminate terrorists in Iraq.

(4) Members of the Armed Forces of the United States have helped sustain political progress in Iraq by assisting the people of Iraq as they exercised their right to choose their leaders and draft their own constitution.

(5) Members of the Armed Forces of the United States have taught over 150,000 soldiers of Iraq to respect civilian authority, conduct counter-insurgency operations, provide meaningful security, and protect the people of Iraq from terror attacks.

(6) Members of the Armed Forces of the United States have built new schools, hospitals, and public works throughout Iraq.

(7) Members of the Armed Forces of the United States have helped rebuild Iraq's dilapidated energy sector.

(8) Members of the Armed Forces of the United States have restored electrical power and sewage waste treatment for the people of Iraq.

(9) Members of the Armed Forces of the United States have established lasting and productive relationships with local leaders in Iraq and secured the support of a majority of the populace of Iraq.

(10) Members of the Armed Forces of the United States have courageously endured sophisticated terror tactics, including deadly car-bombs, sniper attacks, and improvised explosive devices.

(11) Members of the Armed Forces of the United States have paid a high cost in order to defeat the terrorists, defend innocent civilians, and protect democracy from those who desire the return of oppression and extremism to Iraq.

(12) Members of the Armed Forces of the United States have performed their duty in Iraq with an unflagging commitment to the highest ideals and traditions of the United States and the Armed Forces.

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

(1) the men and women in uniform of the Armed Forces of the United States in Iraq should be commended for their on-going service to the United States, their commitment to the ideals of the United States, and their determination to win the Global War on Terrorism;

(2) gratitude should be expressed to the families of the Armed Forces of the United States, especially those families who have lost loved ones in Operational Iraqi Freedom; and

(3) the people of the United States should honor those who have paid the ultimate sacrifice and assist those families who have loved ones in the Armed Forces of the United States deployed overseas.

SEC. 1091. EXTENSION OF RETURNING WORKER EXEMPTION.

Section 402(b)(1) of the Save Our Small and Seasonal Businesses Act of 2005 (title IV of division B of Public Law 109–13; 8 U.S.C. 1184 note) is amended by striking ''2006'' and inserting ''2008''.

SEC. 1092. LIMITATION ON THE UNITED STATES SHARE OF ASSESSMENTS FOR UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) IN GENERAL.—Section 404(b)(2)(B) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 287e note) is amended by adding at the end the following:

''(v) For assessments made during calendar years 2005, 2006, and 2007, 27.10 percent.''.

(b) CONFORMING AMENDMENT.—Section 411 of the Department of State and Related Agency Appropriations Act, 2005 (title IV of division B of Public Law 108–447; 22 U.S.C. 287e note) is repealed.

SEC. 1093. TERMINATION OF PROGRAM.

Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after ''January 1, 1989'' the following: '', and shall terminate on the date of enactment of the National Defense Authorization Act for Fiscal Year 2007''.

SEC. 1094. PATENT TERM EXTENSIONS FOR THE BADGES OF THE AMERICAN LEGION, THE AMERICAN LEGION WOMEN'S AUXILIARY, AND THE SONS OF THE AMERICAN LEGION.

(a) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION.—The term of a certain design patent numbered 54,296 (for the badge of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(b) PATENT TERM EXTENSION FOR THE BADGE OF THE AMERICAN LEGION WOMEN'S AUXILIARY.—The term of a certain design patent numbered 55,398 (for the badge of the American Legion Women's Auxiliary) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

(c) PATENT TERM EXTENSION FOR THE BADGE OF THE SONS OF THE AMERICAN LEGION.—The term of a certain design patent numbered 92,187 (for the badge of the Sons of the American Legion) is renewed and extended for a period of 14 years beginning on the date of enactment of this Act, with all the rights and privileges pertaining to such patent.

SEC. 1095. AVAILABILITY OF FUNDS FOR SOUTH COUNTY COMMUTER RAIL PROJECT, PROVIDENCE, RHODE ISLAND.

Funds available for the South County Commuter Rail project, Providence, Rhode Island, authorized by paragraphs (34) and (35) of section 3034(d) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1650) shall be available for the purchase of commuter rail equipment for the South County Commuter Rail project upon the receipt by the Rhode Island Department of Transportation of an approved environmental assessment for the South County Commuter Rail project.

SEC. 1096. SENSE OF CONGRESS ON IRAQ SUMMIT.

SENSE OF CONGRESS.—It is the sense of Congress that the President should convene a summit as soon as possible that includes the leaders of the Government of Iraq, leaders of the governments of each country bordering Iraq, representatives of the Arab League, the Secretary General of the North Atlantic Treaty Organization, representatives of the European Union, and leaders of the governments of each permanent member of the United Nations Security Council, for the purpose of reaching a comprehensive political agreement for Iraq that addresses fundamental issues including federalism, oil revenues, the militias, security guarantees, reconstruction, economic assistance, and border security.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. ACCRUAL OF ANNUAL LEAVE FOR MEMBERS OF THE UNIFORMED SERVICES ON TERMINAL LEAVE PERFORMING DUAL EMPLOYMENT.

Section 5534a of title 5, United States Code, is amended by adding at the end the following new sentence: ''Such a member is also entitled to accrue annual leave with pay in the manner specified in section 6303(a) of this title for a retired member of the uniformed services.''.

SEC. 1102. STRATEGY FOR IMPROVING THE SENIOR MANAGEMENT, FUNCTIONAL, AND TECHNICAL WORKFORCE OF THE DEPARTMENT OF DEFENSE.

(a) INCLUSION IN 2007 STRATEGIC HUMAN CAPITAL PLAN.—The Secretary of Defense shall include in the March 1, 2007, Strategic Human Capital Plan required by section 1122(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3453; 10 U.S.C. prec. 1580 note) a strategic plan to shape and improve the senior management, functional, and technical workforce (including scientists and engineers) of the Department of Defense.

(b) SCOPE OF PLAN.—The strategic plan required by subsection (a) shall cover, at a minimum, the following categories of Department of Defense civilian personnel:

(1) Appointees in the senior executive service under section 3131 of title 5, United States Code.

(2) Persons serving in positions described in section 5376(a) of title 5, United States Code.

(3) Highly qualified experts appointed pursuant to section 9903 of title 5, United States Code.

(4) Scientists and engineers appointed pursuant to section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), as amended by section 1114 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into by law by Public Law 106–398 (114 Stat. 1654A–315)).

(5) Scientists and engineers appointed pursuant to section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note).

(6) Persons serving in the Defense Intelligence Senior Executive Service under section 1606 of title 10, United States Code.

(7) Persons serving in Intelligence Senior Level positions under section 1607 of title 10, United States Code.

(c) CONTENTS OF PLAN.—The strategic plan required by subsection (a) shall include—

(1) an assessment of—

(A) the needs of the Department of Defense for senior management, functional, and technical personnel (including scientists and engineers) in light of recent trends and projected changes in the mission and organization of the Department and in light of staff support needed to accomplish that mission;

(B) the capability of the existing civilian employee workforce of the Department to meet requirements relating to the mission of the Department, including the impact on that capability of projected trends in the senior management, functional, and technical personnel workforce of the Department based on expected losses due to retirement and other attrition; and

(C) gaps in the existing or projected civilian employee workforce of the Department that should be addressed to ensure that the Department has continued access to the senior management, functional, and technical personnel (including scientists and engineers) it needs; and

(2) a plan of action for developing and reshaping the senior management, functional, and technical workforce of the Department to address the gaps identified under paragraph (1)(C), including—

(A) any legislative or administrative action that may be needed to adjust the requirements applicable to any category of civilian personnel identified in subsection (b) or to establish a new category of senior management or technical personnel;

(B) any changes in the number of personnel authorized in any category of personnel identified in subsection (b) that may be needed to address such gaps and effectively meet the needs of the Department;

(C) any changes in the rates or methods of pay for any category of personnel identified in

subsection (b) that may be needed to address inequities and ensure that the Department has full access to appropriately qualified personnel to address such gaps and meet the needs of the Department;

(D) specific recruiting and retention goals, including the program objectives of the Department to be achieved through such goals;

(E) specific strategies for development, training, deploying, compensating, motivating, and designing career paths and career opportunities for the senior management, functional, and technical workforce of the Department, including the program objectives of the Department to be achieved through such strategies; and

(F) specific steps that the Department has taken or plans to take to ensure that the senior management, functional, and technical workforce of the Department is managed in compliance with the requirements of section 129 of title 10, United States Code.

SEC. 1103. AUTHORITY TO EQUALIZE ALLOWANCES, BENEFITS, AND GRATUITIES OF PERSONNEL ON OFFICIAL DUTY IN IRAQ AND AFGHANISTAN.

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

(1) As part of the United States effort to bring democracy and freedom to Iraq and Afghanistan, employees of a broad range of Federal agencies are needed to serve in those countries, furnishing expertise to their counterpart agencies in the Government of Iraq and the Government of Afghanistan.

(2) While the heads of a number of Federal agencies already possess authority to provide to their personnel on official duty abroad allowances, benefits, and death gratuities comparable to those provided by the Secretary of State to similarly-situated Foreign Service personnel on official duty abroad, other agency heads do not possess such authority.

(3) In order to assist the United States Government in recruiting personnel to serve in Iraq and Afghanistan, and to avoid inequities in allowances, benefits, and death gratuities among similarly-situated United States Government civilian personnel on official duty in these countries, it is essential that the heads of all agencies that have personnel on official duty in Iraq and Afghanistan have the same basic authority with respect to allowances, benefits, and death gratuities for such personnel.

(b) IN GENERAL.—During any fiscal year, the head of an agency may, in the agency head's discretion, provide to an individual employed by, or assigned or detailed to, such agency allowances, benefits, and gratuities comparable to those provided by the Secretary of State to members of the Foreign Service under section 413 and chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3973; 4081 et seq.), if such individual is on official duty in Iraq or Afghanistan.

(c) CONSTRUCTION.—Nothing in this section shall be construed to impair or otherwise affect the authority of the head of an agency under any other provision of law.

SEC. 1104. PROGRAMS FOR USE OF LEAVE BY CAREGIVERS FOR FAMILY MEMBERS OF INDIVIDUALS PERFORMING CERTAIN MILITARY SERVICE.

(a) FEDERAL EMPLOYEES PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (3) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' has the meaning given under section 6331 of title 5, United States Code.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—The Office of Personnel Management shall establish a program to authorize a caregiver to—

(A) use any sick leave of that caregiver during a covered period of service in the same manner and to the same extent as annual leave is used; and

(B) use any leave available to that caregiver under subchapter III or IV of chapter 63 of title 5, United States Code, during a covered period of service as though that covered period of service is a medical emergency.

(3) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing agency and the Office of Personnel Management.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(4) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(5) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Office of Personnel Management shall prescribe regulations to carry out this subsection.

(6) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(b) VOLUNTARY PRIVATE SECTOR LEAVE PROGRAM.—

(1) DEFINITIONS.—

(A) CAREGIVER.—The term ''caregiver'' means an individual who—

(i) is an employee;

(ii) is at least 21 years of age; and

(iii) is capable of self care and care of children or other dependent family members of a qualified member of the Armed Forces.

(B) COVERED PERIOD OF SERVICE.—The term ''covered period of service'' means any period of service performed by an employee as a caregiver while the individual who designated the caregiver under paragraph (4) remains a qualified member of the Armed Forces.

(C) EMPLOYEE.—The term ''employee'' means an employee of a business entity participating in the program under this subsection.

(D) FAMILY MEMBER.—The term ''family member'' includes—

(i) individuals for whom the qualified member of the Armed Forces provides medical, financial, and logistical support (such as housing, food, clothing, or transportation); and

(ii) children under the age of 19 years, elderly adults, persons with disabilities, and other persons who are unable to care for themselves in the absence of the qualified member of the Armed Forces.

(E) QUALIFIED MEMBER OF THE ARMED FORCES.—The term ''qualified member of the Armed Forces'' means—

(i) a member of a reserve component of the Armed Forces as described under section 10101 of title 10, United States Code, who has received notice to report to, or is serving on, active duty in the Armed Forces in support of a contingency operation as defined under section 101(a)(13) of title 10, United States Code; or

(ii) a member of the Armed Forces on active duty who is eligible for hostile fire or imminent danger special pay under section 310 of title 37, United States Code.

(2) ESTABLISHMENT OF PROGRAM.—

(A) IN GENERAL.—The Secretary of Labor may establish a program to authorize employees of business entities described under paragraph (3) to use sick leave, or any other leave available to an employee, during a covered period of service in the same manner and to the same extent as annual leave (or its equivalent) is used.

(B) EXCEPTION.—Subparagraph (A) shall not apply to leave made available under the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(3) VOLUNTARY BUSINESS PARTICIPATION.—The Secretary of Labor may solicit business entities to voluntarily participate in the program under this subsection.

(4) DESIGNATION OF CAREGIVER.—

(A) IN GENERAL.—A qualified member of the Armed Forces shall submit a written designation of the individual who is the caregiver for any family member of that member of the Armed Forces during a covered period of service to the employing business entity.

(B) DESIGNATION OF SPOUSE.—Notwithstanding paragraph (1)(A)(ii), an individual less than 21 years of age may be designated as a caregiver if that individual is the spouse of the qualified member of the Armed Forces making the designation.

(5) USE OF CAREGIVER LEAVE.—Leave may only be used under this subsection for purposes directly relating to, or resulting from, the designation of an employee as a caregiver.

(6) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor may prescribe regulations to carry out this subsection.

(7) TERMINATION.—The program under this subsection shall terminate on December 31, 2007.

(c) GAO REPORT.—Not later than June 30, 2007, the Government Accountability Office shall submit a report to Congress on the programs under subsections (a) and (b) that includes—

(1) an evaluation of the success of each program; and

(2) recommendations for the continuance or termination of each program.

SEC. 1105. THREE-YEAR EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL MANAGEMENT PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(e)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note) is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—General Matters

SEC. 1201. EXPANSION OF HUMANITARIAN AND CIVIC ASSISTANCE TO INCLUDE COMMUNICATIONS AND INFORMATION CAPACITY.

Section 401 of title 10, United States Code, as amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively;

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

''(2) Expenses covered by paragraph (1) include communications or information systems equipment or supplies incurred in providing assistance described in subsection (e)(4).''; and

(C) in paragraph (4), as redesignated by subparagraph (A) of this paragraph, by striking ''paragraph (2)(B)'' and inserting ''paragraph (3)(B)''; and

(2) in subsection (e)(4), by inserting before the period the following: '', including information and communications technology facilities''.

SEC. 1202. MODIFICATION OF AUTHORITIES RELATING TO THE REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) REDESIGNATION OF PROGRAM AS REGIONAL DEFENSE COMBATTING TERRORISM FELLOWSHIP PROGRAM.—Section 2249c of title 10, United States Code, is amended in subsections (a) and (c)(3), by striking ''Counterterrorism'' and inserting ''Combatting Terrorism''.

(b) AVAILABILITY OF FUNDS.—

(1) IN GENERAL.—Subsection (a) of such section is further amended by striking ''the attendance'' and all that follows through ''military educational institutions'' and inserting ''the education and training of foreign military officers and other foreign officials at military or civilian educational institutions''.

(2) INCREASE IN AMOUNT AVAILABLE.—Subsection (b) of such section is amended by striking ''$20,000,000'' and inserting ''$25,000,000''.

(3) AVAILABILITY OF AMOUNTS ACROSS FISCAL YEARS.—Subsection (b) of such section is further amended by adding at the end the following new sentence: ''Amounts available under the authority in subsection (a) for a fiscal year may be used for programs that begin in such fiscal year but end in the next fiscal year.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENT.—The heading of such section is amended to read as follows:

''§ 2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of chapter 134 of such title is amended by striking the item relating to section 2249c and insert the following new item:

''2249c. Authority to use appropriated funds for education and training of foreign visitors under Regional Defense Combatting Terrorism Fellowship Program.''.

SEC. 1203. LOGISTIC SUPPORT OF ALLIED FORCES FOR COMBINED OPERATIONS.

(a) AUTHORITY TO USE FUNDS TO PROVIDE SUPPORT.—

(1) IN GENERAL.—Subchapter I of chapter 134 of title 10, United States Code, is amended by inserting after section 2249c the following new section:

''§ 2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations

''(a) AUTHORITY TO USE FUNDS.—Subject to subsections (b) and (c), funds appropriated to the Department of Defense for operation and maintenance may be used by the Secretary of Defense, with the concurrence of the Secretary of State, to provide logistic support, supplies, and services to allied forces participating in combined operations with the armed forces of the United States.

''(b) LIMITATION RELATING TO COMBINED OPERATIONS.—The authority in subsection (a) to provide logistic support, supplies, and services may be exercised only—

''(1) with respect to combined operations during a period of active hostilities, a contingency operation, or a noncombat operation (including an operation in support of the provision of humanitarian or foreign disaster assistance, country stabilization operations, or peacekeeping operations under chapter VI or VII of the Charter of the United Nations); and

''(2) in circumstances in which the Secretary of Defense determines that the allied forces to be provided such logistic support, supplies, and services—

''(A) are essential to the success of such combined operations; and

''(B) would not be able to participate in such combined operations but for the provision of such logistic support, supplies, and services.

''(c) LIMITATIONS RELATING TO AMOUNT.—(1) Except as provided in paragraph (2), the amount of logistic support, supplies, and services provided under subsection (a) in any fiscal year may not exceed $100,000,000.

''(2) In any fiscal year, in addition to any logistic support, supplies, and services provided under subsection (a) that are covered by paragraph (1), logistic support, supplies, and services in the amount of $5,000,000 may be provided under that subsection if such support, supplies, and services are solely for purposes of enhancing the interoperability of the logistical support systems of allied forces with the logistical support systems of the armed forces of the United States in order to facilitate combined operations.

''(d) ANNUAL REPORT.—Not later than December 31 each year, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on the use of the authority in subsection (a) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(1) Each nation provided logistic support, supplies, and services.

''(2) For each such nation, a description of the type and value of logistic support, supplies, and services so provided.

''(e) DEFINITIONS.—In this section:

''(1) The term 'appropriate committees of Congress' means—

''(A) the Committees on Armed Services and Foreign Relations of the Senate; and

''(B) the Committees on Armed Services and International Relations of the House of Representatives.

''(2) The term 'logistic support, supplies, and services' has the meaning given such term in section 2350(1) of this title and includes sealift.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter I of such chapter is amended by inserting after the item relating to section 2249c the following new item:

''2249d. Authority to use appropriated funds for logistic support of allied forces for combined operations.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006, and shall apply with respect to fiscal years beginning on or after that date.

SEC. 1204. EXCLUSION OF PETROLEUM, OIL, AND LUBRICANTS FROM LIMITATIONS ON AMOUNT OF LIABILITIES THE UNITED STATES MAY ACCRUE UNDER ACQUISITION AND CROSS-SERVICING AGREEMENTS.

(a) EXCLUSION.—Section 2347 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) The limitations in this section on the amount of reimbursable liabilities or reimbursable credits that the United States may accrue under this subchapter shall not apply with respect to the sale, purchase, or exchange of petroleum, oils, or lubricants.''.

(b) CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of subsection (a) of such section are each amended by striking ''(other than petroleum, oils, and lubricants)''.

SEC. 1205. TEMPORARY AUTHORITY TO USE ACQUISITION AND CROSS-SERVICING AGREEMENTS TO LOAN SIGNIFICANT MILITARY EQUIPMENT TO FOREIGN FORCES IN IRAQ AND AFGHANISTAN FOR PERSONNEL PROTECTION AND SURVIVABILITY.

(a) AUTHORITY.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Defense may treat significant military equipment as logistic support, supplies, and services under subchapter I of chapter 138 of title 10, United States Code, for purposes of providing for the use of such equipment by military forces of nations participating in combined operations with United States Forces in Iraq and Afghanistan if the Secretary, with the concurrence of the Secretary of State, determines in writing that it is in the national security interests of the United States to provide for the use of such equipment in such manner.

(2) LIMITATION ON DURATION OF PROVISION.—Equipment may be used by foreign military forces under this subsection for not longer than one year.

(3) LIMITATION ON USE.—Equipment may be used by foreign military forces under this subsection solely for personnel protection or to aid in the personnel survivability of such forces.

(b) SEMIANNUAL REPORTS.—

(1) REPORTS REQUIRED.—The Secretary of Defense shall, in coordination with the Secretary of State, submit to the appropriate committees of Congress a report on the exercise of the authority in subsection (a) as follows:

(A) If the authority is exercised during the first six-month period of a fiscal year, not later than 30 days after such period.

(B) If the authority is exercised during the second six-month period of a fiscal year, not later than 30 days after such period.

(2) ELEMENTS.—Each report under paragraph (1) shall include, for each exercise of authority under subsection (a) during the period covered by such report, the following:

(A) A copy of the written determination under subsection (a) with respect to the exercise of such authority.

(B) A statement of each recipient of equipment under the exercise of such authority.

(C) A description of the type, quantity, and value of the equipment supplied to each such recipient, and a description of the terms and duration of the supply of the equipment to such recipient.

(c) CONSTRUCTION WITH LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT.—The provision of significant military equipment for use under this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and of any other export control regime under law relating to the transfer of military technology to foreign nations.

(d) DEFINITIONS.—In this section:

(1) The term ''appropriate committees of Congress'' means—

(A) the Committees on Armed Services and Foreign Relations of the Senate; and

(B) the Committees on Armed Services and International Relations of the House of Representatives.

(2) The term ''significant military equipment'' means items designated as significant military equipment on the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C. 2778(a)(1)).

(e) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2008.

SEC. 1206. MODIFICATION OF AUTHORITIES RELATING TO THE BUILDING OF THE CAPACITY OF FOREIGN MILITARY FORCES.

(a) FUNDS AVAILABLE FOR PRESIDENTIAL PROGRAM.—Subsection (c) of section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3456) is amended by striking ''defense-wide''.

(b) LIMITED AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—Such section is further amended—

(1) by redesignating subsections (f) and (g) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) COMBATANT COMMANDER AUTHORITY TO RESPOND TO UNANTICIPATED CHANGES IN SECURITY ENVIRONMENT.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize any commander of a geographic combatant command to respond to unanticipated changes in a security environment within the area of responsibility of such commander by conducting a program to build the capacity of the national military forces of a country within such area of responsibility in order for such country to—

''(A) conduct counterterrorist operations; or

''(B) participate in or support military and stability operations.

''(2) REQUIRED ELEMENTS.—Any program under paragraph (1) shall include elements that promote—

''(A) observance of and respect for human rights and fundamental freedoms; and

''(B) respect for legitimate civilian authority within the country concerned.

''(3) AUTHORIZED ELEMENTS.—Any program under paragraph (1) may include the provision of equipment, supplies, and training.

''(4) ANNUAL FUNDING LIMITATION.—The Secretary of Defense may make available, from funds available for operation and maintenance for fiscal year 2007 or 2008, not to exceed $200,000,000 to conduct activities under paragraph (1) in such fiscal year. Of the amount so made available for a fiscal year, not more than $50,000,000 may be available for any commander of a particular geographic combatant command in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) ASSISTANCE OTHERWISE PROHIBITED BY LAW.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) that is otherwise prohibited by any provision of law.

''(6) LIMITATION ON ELIGIBLE COUNTRIES.—The commander of a geographic combatant command may not use the authority in paragraph (1) to provide any type of assistance described in paragraphs (2) and (3) to any foreign country that is otherwise prohibited from receiving such type of assistance under any other provision of law.

''(7) FORMULATION AND EXECUTION OF PROGRAMS.—The Secretary of Defense shall prescribe guidance for programs authorized by paragraph (1). Such guidance shall include requirements for the commanders of the geographic combatant commands to—

''(A) formulate any program under paragraph (1) for a country jointly with the United States ambassador or chief of mission to such country; and

''(B) coordinate with the United States ambassador or chief of mission to a country in implementing any program under paragraph (1) for such country.

''(8) CONGRESSIONAL NOTIFICATION.—Not less than 15 days after the initiation of activities in a country under a program under paragraph (1), the Secretary of Defense, in coordination with the Secretary of State, shall submit to the congressional committees specified in subsection (e)(3) a notice of the following:

''(A) The country being assisted in the building of the capacity of its military forces under the program.

''(B) The budget, implementation timeline with milestones, and completion date for the program.

''(C) The source and planned expenditure of funds to complete the program.''.

(c) LIMITED AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—Such section is further amended by inserting after subsection (f), as added by subsection (b)(2) of this section, the following new subsection (g):

''(g) COMBATANT COMMANDER AUTHORITY TO MEET UNANTICIPATED HUMANITARIAN RELIEF OR RECONSTRUCTION REQUIREMENTS.—

''(1) IN GENERAL.—During fiscal years 2007 and 2008, the Secretary of Defense may authorize any commander of a geographic combatant command to provide the assistance described in paragraph (2) to respond to urgent and unanticipated humanitarian relief or reconstruction requirements in a foreign country within the area of responsibility of the commander of the geographic combatant command if the commander of the geographic combatant command determines that the provision of such assistance will promote the security interests of the United States and the country to which such assistance will be provided. Such assistance may be provided without regard to any provision of chapter 137, 140, or 141 of title 10, United States Code, or any other provision of law that would prohibit, restrict, or limit the provision of such assistance.

''(2) TYPES OF ASSISTANCE.—The assistance that may be provided under paragraph (1) includes the following:

''(A) Construction, reconstruction, or repair of municipal, educational, cultural, or other local facilities.

''(B) Reconstitution or improvement of utilities or other local infrastructure.

''(C) Provision of any other goods or services necessary to respond to urgent and unanticipated humanitarian relief or reconstruction requirements.

''(3) PROHIBITION ON ASSISTANCE IN CERTAIN COUNTRIES.—Assistance may not be provided under paragraph (1) in Iraq or Afghanistan.

''(4) ANNUAL FUNDING LIMITATION.—From funds available for operation and maintenance for fiscal year 2007 or 2008, not more than $200,000 may be available to the commander of a geographic combatant command to conduct activities under paragraph (1) in any particular country in such fiscal year. Amounts available under this paragraph are in addition to any other amounts available to the commanders of the geographic combatant commands, including amounts in the Combatant Commanders Initiative Fund.

''(5) CONSTRUCTION OF AUTHORITY.—The authority and funds available to the commanders of the geographic combatant commands under this subsection are in addition to any other authorities and funds available to the commanders of the geographic combatant commands.

''(6) GUIDANCE ON PROVISION OF ASSISTANCE.—(A) No funds may be obligated or expended for the provision of assistance under paragraph (1) until the Secretary of Defense prescribes guidance on the provision of assistance under that paragraph.

''(B) The guidance under this paragraph shall include a requirement that any assistance provided under paragraph (1) in a particular country be provided only with the concurrence of the United States ambassador or chief of mission to that country.

''(C) Not later than 30 days after the issuance of the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

''(D) Not later than 30 days after issuing any modification to the guidance under this paragraph, the Secretary shall submit to the congressional defense committees a report on such modification.

''(7) REPORT.—Not later than November 1 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the provision of assistance under paragraph (1) during the preceding fiscal year. Each report shall include, for the fiscal year covered by such report, the following:

''(A) The source of funds utilized to provide assistance under paragraph (1) during such fiscal year.

''(B) Each country in which assistance was so provided.

''(C) For each country so provided assistance, the type and amount of assistance provided.''.

(d) TERMINATION OF AUTHORITY.—Subsection (i) of such section, as redesignated by subsection (b)(1) of this section, is further amended to read as follows:

''(i) TERMINATION.—

''(1) TERMINATION OF PRESIDENTIAL PROGRAM.—The authority of the President under subsection (a) to direct the Secretary of Defense to conduct a program terminates at the close of September 30, 2008. Any program directed before that date may be completed, but only using funds available for fiscal year 2006, 2007, or 2008.

''(2) TERMINATION OF COMBATANT COMMANDER AUTHORITIES.—The authority of the commanders of the geographic combatant commands to carry out programs under subsection (f), and to provide assistance under subsection (g), terminates at the close of September 30, 2008. Any program or assistance commenced before that date may be completed, but only using funds available for fiscal year 2007 or 2008.''.

SEC. 1207. PARTICIPATION OF THE DEPARTMENT OF DEFENSE IN MULTINATIONAL MILITARY CENTERS OF EXCELLENCE.

(a) PARTICIPATION AUTHORIZED.—During fiscal year 2007, the Secretary of Defense may, with the concurrence of the Secretary of State, authorize the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence hosted by any nation or combination of nations referred to in subsection (b) for purposes of—

(1) enhancing the ability of military forces and civilian personnel of the nations participating in such centers to engage in joint exercises or coalition or international military operations; or

(2) improving interoperability between the Armed Forces of the United States and the military forces of friendly foreign nations.

(b) COVERED NATIONS.—The nations referred to in this section are as follows:

(1) The United States.

(2) Any member nation of the North Atlantic Treaty Organization (NATO).

(3) Any major non-NATO ally.

(4) Any other friendly foreign nation identified by the Secretary of Defense, with the concurrence of the Secretary of State, for purposes of this section.

(c) MEMORANDUM OF UNDERSTANDING.—The participation of the Department of Defense, or of members of the armed forces or civilian personnel of the Department, in a multinational military center of excellence under subsection (a) shall be governed by the terms of one or more memoranda of understanding entered into by the Secretary of Defense, with the concurrence of the Secretary of State, and the foreign nation or nations concerned.

(d) AVAILABILITY OF APPROPRIATED FUNDS.—(1) Funds appropriated to the Department of Defense for operation and maintenance are available as follows:

(A) To pay the United States share of the expenses of any multinational military center of excellence in which the United States participates under this section.

(B) To pay the costs of the participation of the Department of Defense, and of members of the armed forces and civilian personnel of the Department, in multinational military centers of excellence under this section, including the costs of pay, salaries, and expenses of such members and personnel in participating in such centers.

(2) The amount available under paragraph (1)(A) in fiscal year 2007 for the expenses referred to in that paragraph may not exceed $3,000,000.

(e) USE OF DEPARTMENT OF DEFENSE FACILITIES AND EQUIPMENT.—(1) Facilities and equipment of the Department of Defense may be used for purposes of the support of multinational military centers of excellence under this section that are hosted by the Department.

(2) The use of facilities and equipment for support of a multinational military center of excellence under paragraph (1) may, at the election of the Secretary of Defense, be with or without reimbursement by other nations participating in the center.

(f) REPORT ON USE OF AUTHORITY.—

(1) REPORT REQUIRED.—Not later than October 31, 2007, the Secretary of Defense shall submit to the congressional defense committees a report on the use of the authority in this section during fiscal year 2007.

(2) ELEMENTS.—The report required by paragraph (1) shall include the following:

(A) A detailed description of the participation of the Department of Defense, and of members of the Armed Forces and civilian personnel of the Department, in multinational military centers of excellence under the authority of this section during fiscal year 2007.

(B) For each multinational military center of excellence in which the Department of Defense, or members of the Armed Forces or civilian personnel of the Department, so participated—

(i) a description of such multinational military center of excellence;

(ii) a description of the activities participated in by the Department, or by members of the Armed Forces or civilian personnel of the Department; and

(iii) a statement of the costs of the Department for such participation, including—

(I) a statement of the United States share of the expenses of such center, and a statement of the percentage of the United States share of the expenses of such center to the total expenses of such center; and

(II) a statement of the amount of such costs (including a separate statement of the amount of costs paid for under the authority of this section by category of costs).

(g) DEFINITIONS.—In this section:

(1) The term ''multinational military center of excellence'' means an entity sponsored by one or more nations that is accredited and approved by the North Atlantic Treaty Organization military committee as offering recognized expertise and experience to personnel participating in the activities of such entity for the benefit of the North Atlantic Treaty Organization by providing such personnel opportunities to—

(A) enhance education and training;

(B) improve interoperability and capabilities;

(C) assist in the development of doctrine; and

(D) validate concepts through experimentation.

(2) The term ''major non-NATO ally'' means a country (other than a member nation of the North Atlantic Treaty Organization) that is designated as a major non-NATO ally for purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

SEC. 1208. DISTRIBUTION OF EDUCATION AND TRAINING MATERIALS AND INFORMATION TECHNOLOGY TO ENHANCE INTEROPERABILITY.

(a) DISTRIBUTION AUTHORIZED.—In furtherance of the national security objectives of the United States and to improve interoperability between the Armed Forces of the United States and military forces of friendly foreign countries, the Secretary of Defense may—

(1) provide to the personnel referred to in subsection (b) electronically-distributed learning content for the education and training of such personnel for the development and enhancement of allied and friendly military capabilities for multinational operations, including joint exercises and coalition operations; and

(2) provide information technology, including computer software developed for such purpose, to support the use of such learning content for the education and training of such personnel.

(b) PERSONNEL.—The personnel to which learning content and information technology may be provided under subsection (a) are as follows:

(1) Military and civilian personnel of friendly foreign governments.

(2) Personnel of internationally-recognized nongovernmental organizations.

(c) EDUCATION AND TRAINING.—The education and training provided under subsection (a) shall include the following:

(1) Internet based education and training.

(2) Advanced distributed learning and similar Internet learning tools, as well as distributed training and computer assisted exercises.

(d) INFORMATION TECHNOLOGY.—In providing information technology under subsection (a)(2), the Secretary of Defense may only expend funds for the development and provision of information technology and learning content necessary to support the provision of education and training authorized by this section.

(e) SECRETARY OF STATE CONCURRENCE IN CERTAIN ACTIVITIES.—In the case of any activity proposed to be undertaken under the authority in this section that is not authorized by another provision of law, the Secretary of Defense may not undertake such activity without the concurrence of the Secretary of State.

(f) CONSTRUCTION WITH OTHER AUTHORITY.—

(1) SUPPLEMENTAL AUTHORITY.—The authority in this section is in addition to any other authority available to the Secretary of Defense to provide assistance to foreign nations or military forces.

(2) LIMITATION.—The provision of learning content and information technology under the authority in this section shall be subject to the provisions of the Arms Export Control Act (22 U.S.C. 2751 et seq.) and any other export control regime under law relating to the transfer of military technology to foreign nations.

(g) GUIDANCE.—

(1) GUIDANCE REQUIRED.—The Secretary of Defense shall develop and issue guidance on the procedures for the use of the authority in this section.

(2) SUBMITTAL TO CONGRESS.—Not later than 30 days after issuing the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth such guidance.

(3) MODIFICATION.—In the event the Secretary modifies the guidance required by paragraph (1), the Secretary shall submit to the congressional defense committees a report setting forth the modified guidance not later than 30 days after the date of such modification.

(h) ANNUAL REPORT.—

(1) REPORT REQUIRED.—Not later than October 31 of 2007 and 2008, the Secretary of Defense shall submit to the congressional defense committees a report on the exercise of the authority in this section during the preceding fiscal year.

(2) ELEMENTS.—The report under paragraph (1) shall include, for the fiscal year covered by such report, the following:

(A) A statement of the recipients of learning content and information technology provided under this section.

(B) A description of the type, quantity, and value of the learning content and information technology provided under this section.

(i) TERMINATION.—The authority in this section shall expire on September 30, 2008.

SEC. 1209. UNITED STATES' POLICY ON THE NUCLEAR PROGRAMS OF IRAN.

(a) FINDINGS.—Congress finds that:

(1) The pursuit by the Iranian regime of a capability to produce nuclear weapons represents a threat to the United States, the middle east region, and international peace and security.

(2) On May 31, 2006, Secretary of State Rice announced that the United States would join negotiations with Iran, along with the United Kingdom, France, and Germany, provided that Iran fully and verifiably suspends its enrichment and reprocessing activities.

(3) On June 1, 2006, President George W. Bush stated that ''Secretary Rice, at my instructions, said to the world that we want to solve the problem of the Iranian nuclear issue diplomatically. And we made it very clear publicly that we're willing to come to the table, so long as the Iranians verifiably suspend their program. In other words, we said to the Iranians [that] the United States of America wants to work with our partners to solve the problem''.

(4) On June 1, 2006, the United States, the United Kingdom, France, Germany, the People's Republic of China, and the Russian Federation agreed upon a package of incentives and disincentives, which was subsequently presented to Iran by the High Representative of the European Union, Javier Solana.

(b) SENSE OF CONGRESS.—Congress—

(1) endorses the policy of the United States, announced May 31, 2006, to achieve a successful diplomatic outcome, in coordination with leading members of the international community, with respect to the threat posed by the efforts of the Iranian regime to acquire a capability to produce nuclear weapons;

(2) calls on Iran to suspend fully and verifiably its enrichment and reprocessing activities, cooperate fully with the International Atomic Energy Agency, and enter into negotiations, including with the United States, pursuant to the package presented to Iran by the High Representative of the European Union; and

(3) urges the President and the Secretary of State to keep Congress fully and currently informed about the progress of this vital diplomatic initiative.

SEC. 1210. MODIFICATION OF LIMITATIONS ON ASSISTANCE UNDER THE AMERICAN SERVICEMEMBERS' PROTECTION ACT OF 2002.

Section 2013(13)(A) of the American Servicemembers' Protection Act of 2002 (title II of Public Law 107–206; 116 Stat. 909; 22 U.S.C. 7432(13)(A)) is amended by striking ''or 5''.

SEC. 1211. SENSE OF THE CONGRESS COMMENDING THE GOVERNMENT OF IRAQ FOR AFFIRMING ITS POSITION OF NO AMNESTY FOR TERRORISTS WHO ATTACK UNITED STATES ARMED FORCES.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March 2003.

(3) More than 2,500 of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

(4) The National Security Advisor of Iraq affirmed that the Government of Iraq will ''never give amnesty to those who have killed American soldiers or Iraqi soldiers or civilians.''

(5) The National Security Advisor of Iraq thanked ''the American wives and American women and American mothers for the treasure and blood they have invested in this country . . . of liberating 30 million people in this country . . . and we are ever so grateful.''

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

(1) the goal of the United States and our coalition partners has been to empower the Iraqi nation with full sovereignty thereby recognizing their freedom to exercise that sovereignty. Through successive elections and difficult political agreements the unity government is now in place exercising that sovereignty. We must respect that exercise of that sovereignty in accordance with their own wisdom;

(2) history records that governments derived of free elections should not grant amnesty to those

who have committed war crimes or terrorists acts; and

(3) the United States should continue with the historic tradition of diplomatically, economically, and in a humanitarian manner assisting nations and the people who have fought once a conflict is concluded.

SEC. 1212. SENSE OF CONGRESS ON THE GRANTING OF AMNESTY TO PERSONS KNOWN TO HAVE KILLED MEMBERS OF THE ARMED FORCES IN IRAQ.

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

(1) The Armed Forces of the United States and coalition military forces are serving heroically in Iraq to provide all the people of Iraq a better future.

(2) The Armed Forces of the United States and coalition military forces have served bravely in Iraq since the beginning of military operations in March of 2003.

(3) More than 2,500 members of the Armed Forces of the United States and members of coalition military forces have been killed and more than 18,000 injured in operations to bring peace and stability to all the people of Iraq.

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

(1) the Government of Iraq should not grant amnesty to persons known to have attacked, killed, or wounded members of the Armed Forces of the United States; and

(2) the President should immediately notify the Government of Iraq that the Government of the United States strongly opposes granting amnesty to persons who have attacked members of the Armed Forces of the United States.

SEC. 1213. ANNUAL REPORTS ON UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS.

(a) ANNUAL REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to Congress a report listing all assessed and voluntary contributions of the United States Government for the preceding fiscal year to the United Nations and United Nations affiliated agencies and related bodies.

(b) ELEMENTS.—Each report under subsection (a) shall set forth, for the fiscal year covered by such report, the following:

(1) The total amount of all assessed and voluntary contributions of the United States Government to the United Nations and United Nations affiliated agencies and related bodies.

(2) The approximate percentage of United States Government contributions to each United Nations affiliated agency or body in such fiscal year when compared with all contributions to such agency or body from any source in such fiscal year.

(3) For each such contribution—

(A) the amount of such contribution;

(B) a description of such contribution (including whether assessed or voluntary);

(C) the department or agency of the United States Government responsible for such contribution;

(D) the purpose of such contribution; and

(E) the United Nations or United Nations affiliated agency or related body receiving such contribution.

SEC. 1214. NORTH KOREA.

(a) COORDINATOR OF POLICY ON NORTH KOREA.—

(1) APPOINTMENT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the President shall appoint a senior presidential envoy to act as coordinator of United States policy on North Korea.

(2) DESIGNATION.—The individual appointed under paragraph (1) may be known as the ''North Korea Policy Coordinator'' (in this subsection referred to as the ''Coordinator)''.

(3) DUTIES.—The Coordinator shall—

(A) conduct a full and complete interagency review of United States policy toward North Korea including matters related to security and human rights;

(B) provide policy direction for negotiations with North Korea relating to nuclear weapons, ballistic missiles, and other security matters; and

(C) provide leadership for United States participation in Six Party Talks on the denuclearization of the Korean peninsula.

(4) REPORT.—Not later than 90 days after the date of the appointment of an individual as Coordinator under paragraph (1), the Coordinator shall submit to the President and Congress an unclassified report, with a classified annex if necessary, on the actions undertaken under paragraph (3). The report shall set forth—

(A) the results of the review under paragraph (3)(A); and

(B) any other matters on North Korea that the individual considers appropriate.

(b) REPORT ON NUCLEAR AND MISSILE PROGRAMS OF NORTH KOREA.—

(1) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to Congress an unclassified report, with a classified annex as appropriate, on the nuclear program and the missile program of North Korea.

(2) ELEMENTS.—Each report submitted under paragraph (1) shall include the following:

(A) The most current national intelligence estimate on the nuclear program and the missile program of North Korea, and, consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments in the estimate.

(B) The most current unclassified United States Government assessment, stated as a range if necessary, of (i) the number of nuclear weapons possessed by North Korea and (ii) the amount of nuclear material suitable for weapons use produced by North Korea by plutonium reprocessing and uranium enrichment for each period as follows:

(I) Before October 1994.

(II) Between October 1994 and October 2002.

(III) Between October 2002 and the date of the submittal of the initial report under paragraph (1).

(IV) Each 12-month period after the submittal of the initial report under paragraph (1).

(C) Any other matter relating to the nuclear program or missile program of North Korea that the President considers appropriate.

SEC. 1215. COMPREHENSIVE STRATEGY FOR SOMALIA.

(a) SENSE OF SENATE.—It is the sense of the Senate that the United States should—

(1) support the development of the Transitional Federal Institutions in Somalia into a unified national government, support humanitarian assistance to the people of Somalia, support efforts to prevent Somalia from becoming a safe haven for terrorists and terrorist activities, and support regional stability;

(2) broaden and integrate its strategic approach toward Somalia within the context of United States activities in countries of the Horn of Africa, including Djibouti, Ethiopia, Kenya, Eritrea, and in Yemen on the Arabian Peninsula; and

(3) carry out all diplomatic, humanitarian, counter-terrorism, and security-related activities in Somalia within the context of a comprehensive strategy developed through an interagency process.

(b) DEVELOPMENT OF A COMPREHENSIVE STRATEGY FOR SOMALIA.—

(1) REQUIREMENT FOR STRATEGY.—Not later then 90 days after the date of the enactment of this Act, the President shall develop and submit to the appropriate committees of Congress a comprehensive strategy toward Somalia within the context of United States activities in the countries of the Horn of Africa.

(2) CONTENT OF STRATEGY.—The strategy should include the following:

(A) A clearly stated policy towards Somalia that will help establish a functional, legitimate, unified national government in Somalia that is capable of maintaining the rule of law and preventing Somalia from becoming a safe haven for terrorists.

(B) An integrated political, humanitarian, intelligence, and military approach to counter transnational security threats in Somalia within the context of United States activities in the countries of the Horn of Africa.

(C) An interagency framework to plan, coordinate, and execute United States activities in Somalia within the context of other activities in the countries of the Horn of Africa among the agencies and departments of the United States to oversee policy and program implementation.

(D) A description of the type and form of diplomatic engagement to coordinate the implementation of the United States policy in Somalia.

(E) A description of bilateral, regional, and multilateral efforts to strengthen and promote diplomatic engagement in Somalia.

(F) A description of appropriate metrics to measure the progress and effectiveness of the United States policy towards Somalia and throughout the countries of the Horn of Africa.

(G) Guidance on the manner in which the strategy will be implemented.

(c) ANNUAL REPORTS.—Not later than April 1, 2007, and annually thereafter, the President shall prepare and submit to the appropriate committees of Congress a report on the status of the implementation of the strategy.

(d) FORM.—Each report under this section shall be submitted in unclassified form, but may include a classified annex.

(e) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee Intelligence of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, the Committees on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1216. INTELLIGENCE ON IRAN.

(a) SUBMITTAL TO CONGRESS OF UPDATED NATIONAL INTELLIGENCE ESTIMATE ON IRAN.—

(1) SUBMITTAL REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress an updated National Intelligence Estimate on Iran.

(2) NOTICE REGARDING SUBMITTAL.—If the Director determines that the National Intelligence Estimate required by paragraph (1) cannot be submitted by the date specified in that paragraph, the Director shall submit to Congress a report setting forth—

(A) the reasons why the National Intelligence Estimate cannot be submitted by such date; and

(B) an estimated date for the submittal of the National Intelligence Estimate.

(3) FORM.—The National Intelligence Estimate under paragraph (1) shall be submitted in classified form. Consistent with the protection of intelligence sources and methods, an unclassified summary of the key judgments of the National Intelligence Estimate should be submitted.

(4) ELEMENTS.—The National Intelligence Estimate submitted under paragraph (1) shall address the following:

(A) The foreign policy and regime objectives of Iran.

(B) The current status of the nuclear programs of Iran, including—

(i) an assessment of the current and projected capabilities of Iran to design a nuclear weapon, to produce plutonium, enriched uranium, and other weapons materials, to build a nuclear weapon, and to deploy a nuclear weapon; and

(ii) an assessment of the intentions of Iran regarding possible development of nuclear weapons, the motivations underlying such intentions, and the factors that might influence changes in such intentions.

(C) The military and defense capabilities of Iran, including any non-nuclear weapons of mass destruction programs and related delivery systems.

(D) The relationship of Iran with terrorist organizations, the use by Iran of terrorist organizations in furtherance of its foreign policy objectives, and the factors that might cause Iran to reduce or end such relationships.

(E) The prospects for support from the international community for various potential courses of action with respect to Iran, including diplomacy, sanctions, and military action.

(F) The anticipated reaction of Iran to the courses of action set forth under subparagraph (E), including an identification of the course or courses of action most likely to successfully influence Iran in terminating or moderating its policies of concern.

(G) The level of popular and elite support within Iran for the Iran regime, and for its civil nuclear program, nuclear weapons ambitions, and other policies, and the prospects for reform and political change within Iran.

(H) The views among the populace and elites of Iran with respect to the United States, including views on direct discussions with or normalization of relations with the United States.

(I) The views among the populace and elites of Iran with respect to other key countries involved in nuclear diplomacy with Iran.

(J) The likely effects and consequences of any military action against the nuclear programs or other regime interests of Iran.

(K) The confidence level of key judgments in the National Intelligence Estimate, the quality of the sources of intelligence on Iran, the nature and scope of any gaps in intelligence on Iran, and any significant alternative views on the matters contained in the National Intelligence Estimate.

(b) PRESIDENTIAL REPORT ON POLICY OBJECTIVES AND UNITED STATES STRATEGY REGARDING IRAN.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the President shall submit to Congress a report on the following:

(A) The objectives of United States policy on Iran.

(B) The strategy for achieving such objectives.

(2) FORM.—The report under paragraph (1) shall be submitted in unclassified form with a classified annex, as appropriate.

(3) ELEMENTS.—The report submitted under paragraph (1) shall—

(A) address the role of diplomacy, incentives, sanctions, other punitive measures and incentives, and other programs and activities relating to Iran for which funds are provided by Congress; and

(B) summarize United States contingency planning regarding the range of possible United States military actions in support of United States policy objectives with respect to Iran.

(c) DIRECTOR OF NATIONAL INTELLIGENCE REPORT ON PROCESS FOR VETTING AND CLEARING ADMINISTRATION OFFICIALS' STATEMENTS DRAWN FROM INTELLIGENCE.—

(1) REPORT REQUIRED.—As soon as is practicable, but not later than 90 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to Congress a report on the process for vetting and clearing statements of Administration officials that are drawn from or rely upon intelligence.

(2) ELEMENTS.—The report shall—

(A) describe current policies and practices of the Office of the Director of National Intelligence and the intelligence community for—

(i) vetting and clearing statements of senior Administration officials that are drawn from or rely upon intelligence; and

(ii) how significant misstatements of intelligence that may occur in public statements of senior public officials are identified, brought to the attention of any such officials, and corrected;

(B) assess the sufficiency and adequacy of such policies and practices; and

(C) include any recommendations that the Director considers appropriate to improve such policies and practices.

SEC. 1217. REPORTS ON IMPLEMENTATION OF THE DARFUR PEACE AGREEMENT.

(a) REQUIREMENT FOR REPORTS.—Not later than 30 days after the date of the enactment of this Act, and every 60 days thereafter until the date that the President submits the certification described in subsection (b), the President shall submit to Congress a report on the implementation of the Darfur Peace Agreement of May 5, 2006, and the situation in Darfur, Sudan. Each such report shall include—

(1) a description of the steps being taken by the Government of Sudan, the Sudan Liberation Movement/Army (SLM/A), and other parties to the Agreement to uphold their commitments to—

(A) demobilize and disarm the Janjaweed, as stated in paragraphs 214(F), 338, 339, 340, 366, 387, and 368 of the Agreement;

(B) provide secure, unfettered access for humanitarian personnel and supplies, as stated in paragraph 214(E) of the Agreement;

(C) ensure that foreign combatants respect the provisions of the Agreement, as stated in paragraphs 341 through 344 of the Agreement; and

(D) expedite the safe and voluntary return of internally-displaced persons and refugees to their places of origin, as stated in paragraphs 182 through 187 of the Agreement; and

(2) a description of any violation of the Agreement and any delay in implementing the Agreement, including any such violation or delay that compromises the safety of civilians, and the names of the individuals or entities responsible for such violation or delay;

(3) a description of any attacks against civilians and any activities that disrupt implementation of the Agreement by armed persons who are not a party to the Agreement; and

(4) a description of the ability of the Ceasefire Commission, the African Union Mission in Sudan, and the other organizations identified in the Agreement to monitor the implementation of the Agreement, and a description of any obstruction to such monitoring.

(b) CERTIFICATION.—The certification described in this subsection is a certification made by the President and submitted to Congress that the Government of Sudan has fulfilled its obligations under the Darfur Peace Agreement of May 5, 2006, to demobilize and disarm the Janjaweed and to protect civilians.

(c) FORM AND AVAILABILITY OF REPORTS.—

(1) FORM.—A report submitted under this section shall be in an unclassified form and may include a classified annex.

(2) AVAILABILITY.—The President shall make the unclassified portion of a reported submitted under this section available to the public.

Subtitle B—Report Matters

SEC. 1221. REPORT ON INCREASED ROLE AND PARTICIPATION OF MULTINATIONAL PARTNERS IN THE UNITED NATIONS COMMAND IN THE REPUBLIC OF KOREA.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of State, shall submit to the appropriate committees of Congress a report on an increased role and participation of multinational partners in the United Nations Command in the Republic of Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following:

(1) A list of the nations that are current members of the United Nations Command in the Republic of Korea, and a detailed description of the role and participation of each such member nation in the responsibilities and activities of the United Nations Command.

(2) A detailed description of efforts being undertaken by the United States to encourage enhanced participation in the responsibilities and activities of the United Nations Command in the Republic of Korea by such member nations.

(3) A discussion of whether and how members of the United Nations Command in the Republic of Korea might be persuaded to deploy military forces in peacetime to the Republic of Korea to bolster the deterrence mission of the United Nations Command.

(4) An assessment of how the military and political requirements for United States military forces in the Republic of Korea might be affected were multinational partners in the United Nations Command in the Republic of Korea to increase their contribution of military forces stationed in the Republic of Korea.

(5) An assessment of whether and how the contribution of additional military forces to the United Nations Command in the Republic of Korea by a multinational partner might affect that partner's approach to facilitating a diplomatic resolution of the nuclear challenge posed by the Democratic Peoples Republic of Korea.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

(d) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committees on Armed Services and Foreign Relations of the Senate; and

(2) the Committees on Armed Services and International Relations of the House of Representatives.

SEC. 1222. REPORT ON INTERAGENCY OPERATING PROCEDURES FOR STABILIZATION AND RECONSTRUCTION OPERATIONS.

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

(1) the United States Government should bring to bear all elements of national power to achieve its national security objectives, including stabilization and reconstruction operations;

(2) civilian agencies of the United States Government lack the capacity to deploy rapidly, and for sustained periods of time, trained personnel to support stabilization and reconstruction operations in the field;

(3) civilian agencies of the United States Government should expand their capacity to plan, coordinate, and conduct stabilization and reconstruction operations, including their capacity to deploy civilians with relevant expertise to participate in sustained stability and reconstruction operations;

(4) National Security Presidential Directive 44, entitled ''Management of Interagency Efforts Concerning Reconstruction and Stabilization'', is a positive step toward improving coordination, planning, and implementation by the United States Government of reconstruction and stabilization assistance for foreign states and regions at risk of, in, or in transition from conflict or civil strife;

(5) all the relevant United States Government agencies should include in their budget requests for future fiscal years adequate funding for planning and preparing to support contingency operations and, as necessary, request emergency supplemental funds for unanticipated contingency operations; and

(6) the President should provide clear guidance to United States Government agencies to manage complex operations and establish a standard, integrated approach to the planning and conduct of interagency operations to ensure a coherent and unified United States Government approach to contingency operations.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the President shall submit to Congress a report setting forth a plan to establish interagency operating procedures for the departments and agencies of the United States Government for the planning and conduct of stabilization and reconstruction operations.

(c) PLAN ELEMENTS.—The plan required under the report under subsection (b) shall include the following:

(1) A delineation of the roles, responsibilities, and authorities of the departments and agencies of the United States Government for stabilization and reconstruction operations.

(2) A description of operational processes for setting policy direction for stabilization and reconstruction operations in order to guide—

(A) operational planning and funding decisions of such departments and agencies;

(B) oversight of policy implementation;

(C) integration of programs and activities into an implementation plan;

(D) integration of civilian and military planning efforts;

(E) provision of guidance to field-level personnel on program direction and priorities; and

(F) monitoring of field implementation of assistance programs.

(3) A description of available capabilities and resources of each department and agency of the United States Government that could be used in support of stabilization and reconstruction operations, and an identification of additional resources needed to support the conduct of stabilization and reconstruction activities.

(4) A description of how the capabilities and resources of the departments and agencies of the United States Government under stabilization and reconstruction operations will be coordinated.

(5) A description of existing, or planned, protocols between departments and agencies of the United States Government on the utilization and allocation of assets in field operations under stabilization and reconstruction operations.

(6) Recommendations for improving interagency training, education, and simulation exercises in order to adequately prepare civilian and military personnel in the departments and agencies of the United States Government to perform stabilization and reconstruction operations.

(7) A discussion of the statutory and budgetary impediments, if any, that prevent civilian agencies of the United States Government from fully and effectively participating in stabilization and reconstruction operations, and recommendations for legislative or administration actions to enhance the ability of the United States Government to conduct stabilization and reconstruction operations.

(8) Guidance for the implementation of the plan.

SEC. 1223. REPEAL OF CERTAIN REPORT REQUIREMENTS.

(a) REPORTS ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE.—Section 1003 of the Department of Defense Authorization Act, 1985 (22 U.S.C. 1928 note) is amended by striking subsections (c) and (d).

(b) COST-SHARING REPORT.—Section 1313 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2894; 22 U.S.C. 1928 note) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

SEC. 1224. REPORTS ON THE DARFUR PEACE AGREEMENT.

Not later than 60 days after the date of the enactment of this Act, annually thereafter, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the Department of Defense's role in assisting the parties to the Darfur Peace Agreement of May 5, 2006 with implementing that Agreement. Each such report shall include a description of—

(1) the assets that the United States military, in concert with the United States North Atlantic Treaty Organisation (NATO) allies, are able to offer the African Union Mission in Sudan (AMIS) and any United Nations peacekeeping mission authorized for Darfur;

(2) any plans of the Secretary of Defense to support the AMIS by providing information regarding the location of belligerents and potential violations of the Darfur Peace Agreement and assistance to improve the AMIS use of intelligence and tactical mobility;

(3) the resources that will be used during the current fiscal year to provide the support described in paragraph (2) and the resources that will be needed during the next fiscal year to provide such support;

(4) the efforts of the Secretary of Defense and Secretary of State to leverage troop contributions from other countries to serve in the proposed United Nation peacekeeping mission for Darfur;

(5) any plans of the Secretary of Defense to participate in the deployment of any NATO mentoring or technical assistance teams to Darfur to assist the AMIS; and

(6) any actions carried out by the Secretary of Defense to address deficiencies in the AMIS communications systems, particularly the interoperability of communications equipment.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2007 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2007 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $372,128,000 authorized to be appropriated to the Department of Defense for fiscal year 2007 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $77,000,000.

(2) For nuclear weapons storage security in Russia, $87,100,000.

(3) For nuclear weapons transportation security in Russia, $33,000,000.

(4) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $37,500,000.

(5) For biological weapons proliferation prevention in the former Soviet Union, $68,400,000.

(6) For chemical weapons destruction in Russia, $42,700,000.

(7) For defense and military contacts, $8,000,000.

(8) For activities designated as Other Assessments/Administrative Support, $18,500,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2007 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (8) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2007 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—

(1) AUTHORITY.—Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2007 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) NOTICE AND WAIT.—An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) LIMITATION.—The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (6) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. EXTENSION OF TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

Section 1303(b) of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 118 Stat. 2094; 22 U.S.C. 5952 note) is amended by striking ''December 31, 2006, and no waiver shall remain in effect after that date'' and inserting ''December 31, 2011''.

SEC. 1304. REMOVAL OF CERTAIN RESTRICTIONS ON PROVISION OF COOPERATIVE THREAT REDUCTION ASSISTANCE.

(a) REPEAL OF RESTRICTIONS.—

(1) SOVIET NUCLEAR THREAT REDUCTION ACT OF 1991.—Section 211(b) of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 22 U.S.C. 2551 note) is repealed.

(2) COOPERATIVE THREAT REDUCTION ACT OF 1993.—Section 1203(d) of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 22 U.S.C. 5952(d)) is repealed.

(3) RUSSIAN CHEMICAL WEAPONS DESTRUCTION FACILITIES.—Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) is repealed.

(b) INAPPLICABILITY OF OTHER RESTRICTIONS.—

Section 502 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (Public Law 102–511; 106 Stat. 3338; 22 U.S.C. 5852) shall not apply to any Cooperative Threat Reduction program.

TITLE XIV—AUTHORIZATION FOR INCREASED COSTS DUE TO OPERATION IRAQI FREEDOM AND OPERATION ENDURING FREEDOM

SEC. 1401. PURPOSE.

The purpose of this title is to authorize anticipated future emergency supplemental appropriations for the Department of Defense for fiscal year 2007 to provide funds for additional costs due to Operation Iraqi Freedom and Operation Enduring Freedom.

SEC. 1402. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for procurement accounts of the Army in amounts as follows:

(1) For aircraft, $404,100,000.

(2) For missile procurement, $450,000,000.

(3) For weapons and tracked combat vehicles, $214,400,000.

(4) For other procurement, $686,600,000.

SEC. 1403. MARINE CORPS PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the procurement account for the Marine Corps in the amount of $319,800,000.

SEC. 1404. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the aircraft procurement account for the Air Force in the amount of $51,800,000.

SEC. 1405. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2007 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $22,124,466,000.

(2) For the Navy, $2,349,560,000.

(3) For the Marine Corps, $1,544,920,000.

(4) For the Air Force, $2,779,898,000.

(5) For Defense-wide activities, $3,388,402,000.

(6) For the Army National Guard, $59,000,000.

SEC. 1406. DEFENSE HEALTH PROGRAM.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2007 for expenses, not otherwise provided for, for the Defense Health Program in the amount of $960,200,000 for operation and maintenance.

SEC. 1407. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for military personnel accounts a total of $7,335,872,000.

SEC. 1408. JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year for the Joint Improvised Explosive Device Defeat Fund a total of $2,100,000,000.

SEC. 1409. CLASSIFIED PROGRAMS.

There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2007 for classified programs a total of $3,000,000,000.

SEC. 1410. IRAQ FREEDOM FUND.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal year 2007 for the Iraq Freedom Fund in the amount of $2,230,982,000.

(b) TRANSFER.—

(1) TRANSFER AUTHORIZED.—Subject to paragraph (2), amounts authorized to be appropriated by subsection (a) may be transferred from the Iraq Freedom Fund to any accounts as follows:

(A) Operation and maintenance accounts of the Armed Forces.

(B) Military personnel accounts.

(C) Research, development, test, and evaluation accounts of the Department of Defense.

(D) Procurement accounts of the Department of Defense.

(E) Accounts providing funding for classified programs.

(F) The operating expenses account of the Coast Guard.

(2) NOTICE TO CONGRESS.—A transfer may not be made under the authority in paragraph (1) until five days after the date on which the Secretary of Defense notifies the congressional defense committees in writing of the transfer.

(3) TREATMENT OF TRANSFERRED FUNDS.—Amounts transferred to an account under the authority in paragraph (1) shall be merged with amounts in such account and shall be made available for the same purposes, and subject to the same conditions and limitations, as amounts in such account.

(4) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer of an amount to an account under the authority in paragraph (1) shall be deemed to increase the amount authorized for such account by an amount equal to the amount transferred.

SEC. 1411. TREATMENT AS ADDITIONAL AUTHORIZATIONS.

The amounts authorized to be appropriated by this title are in addition to amounts otherwise authorized to be appropriated by this Act.

SEC. 1412. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—

(1) AUTHORITY.—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 title for fiscal year 2007 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) LIMITATION.—The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000. The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.

(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;

(2) may not be used to provide authority for an item that has been denied authorization by Congress; and

(3) may not be combined with the authority under section 1001.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—A transfer may be made under the authority of this section only after the Secretary of Defense—

(1) consults with the chairmen and ranking members of the congressional defense committees with respect to the proposed transfer; and

(2) after such consultation, notifies those committees in writing of the proposed transfer not less than five days before the transfer is made.

SEC. 1413. AVAILABILITY OF FUNDS.

Funds in this title shall be made available for obligation to the Army, Navy, Marine Corps, Air Force, and Defense-wide components by the end of the second quarter of fiscal year 2007.

SEC. 1414. AMOUNT FOR PROCUREMENT OF HEMOSTATIC AGENTS FOR USE IN THE FIELD.

(a) SENSE OF CONGRESS.—It is the sense of Congress that every member of the Armed Forces deployed in a combat zone should carry life saving resources on them, including hemostatic agents.

(b) AVAILABILITY OF FUNDS.—(1) Of the amount authorized under section 1405(1) for operation and maintenance for the Army, $15,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed Forces in the field so that each soldier serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(2) Of the amount authorized under section 1405(3) for operation and maintenance for the Marine Corps, $5,000,000 may be made available for the procurement of a sufficient quantity of hemostatic agents, including blood-clotting bandages, for use by members of the Armed Forces in the field so that each Marine serving in Iraq and Afghanistan is issued at least one hemostatic agent and accompanying medical personnel have a sufficient inventory of hemostatic agents.

(c) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the distribution of hemostatic agents to members of the Armed Forces serving in Iraq and Afghanistan, including a description of any distribution problems and attempts to resolve such problems.

SEC. 1415. OUR MILITARY KIDS YOUTH SUPPORT PROGRAM.

(a) ARMY FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(1) for operation and maintenance for the Army, $1,500,000 may be available for the expansion nationwide of the Our Military Kids youth support program for dependents of elementary and secondary school age of members of the National Guard and Reserve who are severely wounded or injured during deployment.

(b) ARMY NATIONAL GUARD FUNDING FOR EXPANSION OF PROGRAM.—Of the amount authorized to be appropriated by section 1405(6) for operation and maintenance for the Army National Guard, $500,000 may be available for the expansion nationwide of the Our Military Kids youth support program.

SEC. 1416. JOINT ADVERTISING, MARKET RESEARCH AND STUDIES PROGRAM.

(a) INCREASE IN AMOUNT FOR OPERATION AND MAINTENANCE, DEFENSE-WIDE.—The amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, is hereby increased by $10,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 1405(5) for operation and maintenance for Defense-wide activities, as increased by subsection (a), $10,000,000 may be available for the Joint Advertising, Market Research and Studies (JAMRS) program.

(c) OFFSET.—The amount authorized to be appropriated by section 421 for military personnel is hereby decreased by $10,000,000, due to unexpended obligations, if available.

SEC. 1417. REPORT.

Not later than 120 days after the date of enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on how the data, including social security numbers, contained in the Joint Advertising, Market Research and Studies (JAMRS) program is maintained and protected, including the security measures in place to prevent unauthorized access or inadvertent disclosure of the data that could lead to identity theft.

SEC. 1418. SUBMITTAL TO CONGRESS OF DEPARTMENT OF DEFENSE SUPPLEMENTAL AND COST OF WAR EXECUTION REPORTS.

Section 1221(c) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3462; 10 U.S.C. 113 note) is amended—

(1) in the subsection caption by inserting ''CONGRESS AND'' after ''SUBMISSION TO''; and

(2) by inserting ''the congressional defense committees and'' before ''the Comptroller General''.

SEC. 1419. LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN PURPOSES RELATING TO IRAQ.

No funds authorized to be appropriated by this Act may be obligated or expended for a purpose as follows:

(1) To establish a permanent United States military installation or base in Iraq.

(2) To exercise United States control over the oil resources of Iraq.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2007''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or Location	Amount
Alabama	Redstone Arsenal	$20,000,000
Alaska	Fort Richardson	$72,300,000
	Fort Wainwright	$8,800,000
California	Fort Irwin	$10,000,000
Colorado	Fort Carson	$24,000,000
Georgia	Fort Gillem	$15,000,000
	Fort Stewart/Hunter Army Air Field	$95,300,000
Hawaii	Schofield Barracks	$54,500,000
Kansas	Fort Leavenworth	$15,000,000
	Fort Riley	$47,400,000
Kentucky	Blue Grass Army Depot	$3,500,000
	Fort Campbell	$127,200,000
Louisiana	Fort Polk	$9,800,000
Maryland	Aberdeen Proving Ground	$8,800,000
Michigan	Detroit Arsenal	$18,500,000
Missouri	Fort Leonard Wood	$23,900,000
New York	Fort Drum	$209,200,000
North Carolina	Fort Bragg	$96,900,000
	Sunny Point (Military Ocean Terminal)	$46,000,000
Oklahoma	McAlester Army Ammunition Plant	$3,050,000
Pennsylvania	Letterkenny Depot	$7,500,000
Texas	Fort Hood	$75,000,000
	Red River Depot	$6,000,000
Utah	Dugway Proving Ground	$14,400,000
Virginia	Fort Belvoir	$58,000,000
Washington	Fort Lewis	$502,600,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or Location	Amount
Germany	Grafenwoehr	$157,632,000
	Vilseck	$19,000,000
Italy	Vicenza	$223,000,000
Japan	Camp Hansen	$7,150,000
Korea	Camp Humphreys	$77,000,000
	Yongpyong	$7,400,000
Romania	Babadag Range	$34,800,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Fort Richardson	162 Units	$70,000,000
	Fort Wainwright	234 Units	$132,000,000
Arizona	Fort Huachuca	119 Units	$32,000,000
Arkansas	Pine Bluff Arsenal	10 Units	$2,900,000
Wisconsin	Fort McCoy	13 Units	$4,900,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $16,332,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $336,859,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,452,581,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $1,266,650,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $525,982,000.

(3) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $23,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $217,629,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $594,991,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $676,829,000.

(6) For the construction of increment 2 of a barracks complex at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $16,500,000.

(7) For the construction of increment 2 of a barracks complex for divisional artillery at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for fiscal year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $37,000,000.

(8) For the construction of increment 2 of a barracks complex for the 3rd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $50,000,000.

(9) For the construction of increment 2 of a barracks complex for the 2nd Brigade at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3485), $31,000,000.

(10) For the construction of phase 2 of the Defense Access Road at Fort Belvoir, Virginia, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3486), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $306,000,000 (the balance of the amount authorized under section 2101(a) for construction of a brigade complex for Fort Lewis, Washington).

(3) $40,400,000 (the balance of the amount authorized under section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2101) for construction of a barracks complex for divisional artillery for Fort Bragg, North Carolina).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$5,966,000
California	Marine Corps Air Station, Camp Pendleton	$6,412,000
	Marine Corps Base, Camp Pendleton	$106,142,000
	Marine Corps Air Station, Miramar	$2,968,000
	Naval Air Station, North Island	$21,535,000
	Marine Corps Base, Twentynine Palms	$8,217,000
Connecticut	Naval Submarine Base, New London	$9,580,000
Florida	Cape Canaveral	$9,900,000
	Naval Station, Pensacola	$13,486,000
Georgia	Marine Corps Logistics Base, Albany	$62,000,000
	Navy Submarine Base, Kings Bay	$20,282,000
Hawaii	Naval Base, Pearl Harbor	$48,338,000
	Naval Shipyard, Pearl Harbor	$22,000,000
Indiana	Naval Support Activity, Crane	$6,730,000
Maine	Portsmouth Naval Shipyard	$9,650,000
Maryland	Naval Air Station, Patuxent River	$16,316,000
	Naval Support Activity, Suitland	$67,939,000
Mississippi	Naval Air Station, Meridian	$5,870,000
Nevada	Naval Air Station, Fallon	$7,730,000
North Carolina	Marine Corps Air Station, New River	$27,300,000
	Marine Corps Base, Camp Lejeune	$160,904,000
Rhode Island	Naval Station, Newport	$3,410,000
South Carolina	Marine Corps Air Station, Beaufort	$14,970,000
Virginia	Marine Corps Base, Quantico	$30,628,000
	Naval Special Weapons Center, Dahlgren	$9,850,000
	Naval Shipyard, Norfolk	$34,952,000
	Naval Station, Norfolk	$12,062,000
	Naval Support Activity, Norfolk	$38,962,000
Washington	Naval Air Station, Whidbey Island	$67,303,000
	Naval Submarine Base, Bangor	$13,507,000

(b) OUTSIDE THE UNITED STATES.—.Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installation or location outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or Location	Amount
Diego Garcia	Diego Garcia	$37,473,000
Italy	Naval Air Station, Sigonella	$13,051,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(3), the Secretary of the Navy may acquire real property and carry out military construction projects for unspecified installations or locations in the amount set forth in the following table:

Navy: Unspecified Worldwide

Location	Installation or Location	Amount
Various Locations	Helicopter Support Facility	$12,185,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amount set forth in the following table:

Navy: Family Housing

State	Installation or Location	Purpose	Amount
California	Marine Corps Logistics Base, Barstow	74 Units	$27,851,000
Guam	Naval Base, Guam	176 Units	$98,174,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $2,600,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(6)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $176,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,072,435,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $808,750,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $50,524,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2201(c), $12,185,000.

(4) For unspecified minor military construction projects authorized by section 2805 of title 10, United States Code, $8,939,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,247,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $305,071,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $498,525,000.

(7) For the construction of increment 2 of a helicopter hangar replacement at Naval Air Station, Jacksonville, Florida, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $43,250,000.

(8) For the construction of increment 2 of Alpha and Bravo wharf improvements at Naval Base, Guam, Marianas Islands, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $29,772,000.

(9) For the construction of increment 2 of recruit training barracks infrastructure upgrade at Recruit Training Command, Great Lakes, Illinois, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $23,589,000.

(10) For the construction of increment 2 of the Wesley Brown Field House at the United States Naval Academy, Annapolis, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $26,685,000.

(11) For the construction of increment 2 of wharf upgrades at Naval Station, Yokosuka, Japan, authorized by section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $44,360,000.

(12) For the construction of increment 2 of the ship repair pier 3 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $30,939,000.

(13) For the construction of increment 2 of the Bachelor Enlisted Quarters Homeport Ashore Program at Naval Station, Everett, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat.3490), $20,917,000.

(14) For the construction of phase 2 of the reclamation and conveyance project at Marine Corps Base, Camp Pendleton, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489), $33,290,000.

(15) For the construction of increment 3 of the Navy Outlaying Landing Field facilities at Washington County, North Carolina, authorized for various locations, continental United States, by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $7,926,000.

(16) For the construction of increment 3 of the limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106), $14,274,000.

(17) For the construction of increment 4 of pier 11 replacement at Naval Station, Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704), $30,633,000.

(18) For the construction of increment 2 of an addition to Hockmuth Hall at Marine Corps Base, Quantico, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490), $11,559,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $39,874,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1704) for various locations, continental United States).

(3) $33,951,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2106) for construction of a limited area production and storage complex at Strategic Weapons Facility Pacific, Bangor, Washington).

(4) $22,661,000 (the balance of the amount authorized under section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for infrastructure upgrades at Recruit Training Command, Great Lakes, Illinois).

(5) $24,740,000 (the balance of the amount authorized under section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3490) for wharf upgrades at Naval Station, Yokosuka, Japan.

(6) $56,159,000 (the balance of the amount authorized under section 2201(a) for construction of a National Maritime Intelligence Center addition at Suitland, Maryland).

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3489) is amended—

(1) in the item related to Marine Corps Base, Camp Pendleton, California, by striking ''$90,437,000'' in the amount column and inserting ''$86,006,000''; and

(2) in the item relating to Marine Corps Base, Quantico, Virginia, by striking ''$18,429,000'' in the amount column and inserting ''$19,829,000''.

(b) CONFORMING AMENDMENTS.—Section 2204(b) of that Act (119 Stat. 3492) is amended—

(1) in paragraph (2), by striking ''$37,721,000'' and inserting ''$33,290,000''; and

(2) in paragraph (7), by striking ''$10,159,000'' and inserting ''$11,559,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or Location	Amount
Alaska	Eielson Air Force Base	$38,300,000
	Elmendorf Air Force Base	$68,100,000
Arizona	Davis-Monthan Air Force Base	$4,600,000
California	Beale Air Force Base	$28,000,000
	Travis Air Force Base	$85,800,000
Colorado	Buckley Air Force Base	$10,700,000

Air Force: Inside the United States—Continued

State	Installation or Location	Amount
	Schriever Air Force Base	$21,000,000
Delaware	Dover Air Force Base	$30,400,000
Florida	Eglin Air Force Base	$19,350,000
	Hurlburt Field	$32,950,000
	MacDill Air Force Base	$71,000,000
	Tyndall Air Force Base	$1,800,000
Georgia	Robins Air Force Base	$52,600,000
Hawaii	Hickam Air Force Base	$28,538,000
Illinois	Scott Air Force Base	$28,200,000
Kentucky	Fort Knox	$3,500,000
Maryland	Andrews Air Force Base	$29,000,000
Massachusetts	Hanscom Air Force Base	$12,400,000
Nevada	Indian Springs Air Force Auxiliary Field	$49,923,000
	Nellis Air Force Base	$4,800,000
New Jersey	McGuire Air Force Base	$15,500,000
New Mexico	Kirtland Air Force Base	$11,400,000
North Dakota	Minot Air Force Base	$9,000,000
Oklahoma	Altus Air Force Base	$9,500,000
	Tinker Air Force Base	$8,100,000
South Carolina	Charleston Air Force Base	$10,200,000
	Shaw Air Force Base	$22,200,000
South Dakota	Ellsworth Air Force Base	$3,000,000
Texas	Fort Bliss	$8,500,000
	Lackland Air Force Base	$13,200,000
Utah	Hill Air Force Base	$63,400,000
Virginia	Langley Air Force Base	$57,700,000
Wyoming	Francis E. Warren Air Force Base	$11,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or Location	Amount
Germany	Ramstein Air Base	$53,150,000
Guam	Andersen Air Force Base	$52,800,000
Italy	Naval Air Station, Sigonella	$26,000,000
Korea	Kunsan Air Base	$46,700,000
	Osan Air Base	$2,156,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for unspecified installations or locations in the amounts, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or Location	Amount
Worldwide Unspecified	Common Battlefield Airman Training Complex	$14,200,000
Worldwide Classified	Classified Project	$3,377,000
	Classified—Special Evaluation Program	$4,600,000
	Classified	$1,700,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts, set forth in the following table:

Air Force: Family Housing

State	Installation or Location	Purpose	Amount
Alaska	Eielson Air Force Base	129 Units	$87,414,000
Idaho	Mountain Home Air Force Base	457 Units	$107,800,000
Missouri	Whiteman Air Force Base	116 Units	$39,270,000
Montana	Malmstrom Air Force Base	493 Units	$140,252,000
North Carolina	Seymour Johnson Air Force Base	56 Units	$22,956,000
North Dakota	Minot Air Force Base	575 Units	$170,188,000
Texas	Dyess Air Force Base	199 Units	$49,215,000
Germany	Ramstein Air Base	101 Units	$73,488,000
	Spangdahlem Air Base	60 Units	$39,294,000
United Kingdom	Royal Air Force Lakenheath	74 Units	$35,282,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $13,202,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $403,727,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,195,485,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $863,661,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $180,806,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $23,877,000.

(4) For unspecified minor military construction projects authorized by 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, $90,632,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $1,182,138,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $755,071,000.

(7) For the construction of increment 2 of the C–17 maintenance complex at Elmendorf Air Force Base, Alaska, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $30,000,000.

(8) For the construction of increment 2 of the main base runway at Edwards Air Force Base, California, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $31,000,000.

(9) For the construction of increment 2 of the CENTCOM Joint Intelligence Center at MacDill Air Force Base, Florida, authorized by section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494), $23,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) (2) and (3) of subsection (a).

(2) $35,000,000 (the balance of the amount authorized under section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3494) for construction of a main base runway at Edwards Air Force Base, California).

SEC. 2305. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECT.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2301(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; Stat. 119 Stat. 3494) is amended in the item relating to MacDill Air Force Base, Florida, by striking ''$107,200,000'' in the amount column and inserting ''$101,500,000''.

(b) CONFORMING AMENDMENT.—Section 2304(b)(4) of that Act (119 Stat. 3496) is amended by striking ''$29,000,000'' and inserting ''$23,300,000''.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations inside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

State	Installation or Location	Amount
Kentucky	Fort Knox	$18,108,000

Defense Logistics Agency

State	Installation or Location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,715,000
California	Beale Air Force Base	$9,000,000
Pennsylvania	Defense Distribution Depot, New Cumberland	$8,900,000
Virginia	Fort Belvoir	$5,500,000
Washington	Naval Air Station, Whidbey Island	$26,000,000

Special Operations Command

State	Installation or Location	Amount
California	Marine Corps Base, Camp Pendleton	$24,400,000
Colorado	Fort Carson	$26,100,000
Florida	Hurlburt Field	$14,482,000
	MacDill Air Force Base	$27,300,000
Kentucky	Fort Campbell	$24,500,000
North Carolina	Fort Bragg	$44,868,000
	Marine Corps Base, Camp Lejune	$51,600,000
	Pope Air Force Base	$15,276,000
Virginia	Naval Air Base, Little Creek	$22,000,000

TRICARE Management Activity

State	Installation or Location	Amount
Alaska	Fort Richardson	$37,200,000
California	Fort Irwin	$6,050,000
Florida	Naval Hospital, Jacksonville	$16,000,000
	MacDill Air Force Base	$87,000,000
Hawaii	Naval Base, Pearl Harbor	$7,700,000
Illinois	Naval Hospital, Great Lakes	$20,000,000
Maryland	Fort Detrick	$550,000,000
New York	Fort Drum	$9,700,000
Texas	Fort Hood	$18,000,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations or locations outside the United States, and in the amounts, set forth in the following tables:

Defense Education Activity

Country	Installation or Location	Amount
Italy	Camp Ederle	$31,460,000
	Vicenza	$15,750,000
Korea	Osan Air Base	$4,589,000
Spain	Naval Station, Rota	$23,048,000

Defense Logistics Agency

Country	Installation or Location	Amount
Japan	Okinawa	$5,000,000
Wake Island	Wake Island	$2,600,000

Missile Defense Agency

Country	Installation or Location	Amount
Kwajalein	Kwajalein Atoll	$7,592,000

Special Operations Command

Country	Installation or Location	Amount
Qatar	Al Udeid Air Base	$44,500,000

TRICARE Management Activity

Country	Installation or Location	Amount
Italy	Vicenza	$52,000,000

SEC. 2402. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations or locations, for the purposes, and in the amounts set forth in the following table:

Defense Logistics Agency: Family Housing

State	Installation or Location	Purpose	Amount
Virginia	Defense Supply Center, Richmond	25 Units	$7,840,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9)(A), the Secretary of the Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $484,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $60,000,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 $7,122,602,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $557,399,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $170,789,000.

(3) For unspecified minor military construction projects under section 2805 of title 10, United States Code, $21,672,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $172,150,000.

(6) For energy conservation projects authorized by section 2403, $60,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 1990 established by section 2906 of such Act, $191,220,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and funded through the Department of Defense Base Closure Account 2005 established by section 2906A of such Act, $5,526,894,000.

(9) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $8,808,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $48,506,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,500,000.

(10) For the construction of increment 8 of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $41,836,000.

(11) For the construction of increment 7 of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act of 2002 (division B of Public Law 107–107; 115 Stat. 1298), and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $99,157,000.

(12) For the construction of increment 2 of a replacement of a regional security operations center, Kunia, Hawaii, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(2) of this Act, $47,016,000.

(13) For the construction of increment 2 of the classified material conversion facility at Fort Meade, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), $11,151,000.

(14) For the construction of increment 2 of a replacement of a regional security operations center, Augusta, Georgia, authorized by section 2401(a) of the Military Construction Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497), as amended by section 2405(a)(1) of this Act, $107,118,000.

(15) For the construction of increment 2 of construction of an operations building, Menwith Hall Station, United Kingdom, authorized by section 2401(b) of the Military Construction Act

for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498), as amended by section 2405(b)(1) of this Act, $46,386,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

(2) $184,752,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Augusta, Georgia).

(3) $254,508,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) for construction of a regional security operations center, Kunia, Hawaii).

(4) $521,000,000 (the balance of the amount authorized under section 2401(a) for construction of a replacement facility, Fort Detrick, Maryland).

(5) $187,120,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Pueblo Chemical Activity, Colorado).

(6) $134,554,000 (the balance of the amount authorized under section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), for construction of a munitions demilitarization facility at Blue Grass Army Depot, Kentucky).

SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2006 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3497) is amended—

(1) in the item relating to Augusta, Georgia, by striking ''$61,466,000'' in the amount column and inserting ''$340,836,000''; and

(2) in the item relating to Kunia, Hawaii, by striking ''$305,000,000'' in the amount column and inserting ''$350,490,000''.

(b) MODIFICATION OF OUTSIDE THE UNITED STATES PROJECT.—The table relating to the National Security Agency in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3498) is amended in the item relating to Menwith Hill, United Kingdom, by striking ''$86,354,000'' in the amount column and inserting ''$88,083,000''.

(c) CONFORMING AMENDMENT.—Section 2403(b) of that Act (119 Stat. 3500) is amended—

(1) in paragraph (2), by striking ''$12,500,000'' and inserting ''$291,870,000'';

(2) in paragraph (3), by striking ''$256,034,000'' and inserting ''$301,524,000''; and

(3) in paragraph (5), by striking ''$44,657,000'' and inserting ''$46,386,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment Program authorized by section 2501, in the amount of $205,985,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2006, 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 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), in the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $524,031,000; and

(B) for the Army Reserve, $189,817,000.

(2) For the Department of the Navy, for the Navy and Marine Corps Reserve, $48,408,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $245,743,000; and

(B) for the Air Force Reserve, $44,936,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2010.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2009; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2010 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment Program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2004 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1716), authorizations set forth in the tables in subsection (b), as provided in sections 2101, 2301, 2302, 2401, and 2601 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
Alaska	Fort Wainwright	Multi-Purpose Training Range Complex	$47,000,000
Hawaii	Helemano Military Reservation	Land Easement	$1,400,000
Virginia	Fort Belvoir	NGIC Land Acquisition	$7,000,000
	Fort Lee	Fire & Emergency Services Center (Ph 2)	$3,850,000
Italy	Aviano Air Base	Joint Deployment Facility (Ph 1)	$15,500,000

Air Force: Extension of 2004 Project Authorizations

State	Installation or Location	Project	Amount
California	Travis Air Force Base	Replace Family Housing (56 Units)	$12,723,000
Florida	Eglin Air Force Base	Replace Family Housing (279 Units)	$32,166,000
Hawaii	Hickam Air Force Base	Expand Strategic Airlift Parking Ramp	$10,102,000
Texas	Dyess Air Force Base	Replace Family Housing (116 Units)	$19,973,000

Defense Wide: Extension of 2004 Project Authorizations

Agency	Installation or Location	Project	Amount
Defense Logistics Agency	Hickam Air Force Base, Hawaii	Replace Hydrant Fuel System	$14,100,000

Army National Guard: Extension of 2004 Authorization of Appropriations

State	Installation or Location	Project	Amount
Indiana	Gary	Army Aviation Support Facility	$15,581,000
New Mexico	Albuquerque	Readiness Center, Add/Alt (ADRS)	$2,533,000
Pennsylvania	Fort Indiantown Gap	Multi-Purpose Training Range	$15,338,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), authorizations set forth in the tables in subsection (b), as provided in section 2302 of that Act, shall remain in effect until October 1, 2007, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2008, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2003 Project Authorizations

State	Installation or Location	Project	Amount
Florida	Eglin Air Force Base	Replace Family Housing (134 Units)	$15,906,000
	Eglin Air Force Base	Replace Housing Office	$597,000
Texas	Randolph Air Force Base	Replace Family Housing Maintenance Facility	$447,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. THREE-YEAR EXTENSION OF TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

Section 2808 of the Military Construction Authorization Act for Fiscal Year 2004 (division B of Public Law 108–136; 117 Stat. 1723), as amended by section 2810 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2128) and section 2809 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3508), is further amended—

(1) in subsection (a), by striking ''fiscal years 2005 and 2006'' and inserting ''fiscal years 2005, 2006, 2007, 2008, and 2009''; and

(2) in subsection (f)—

(A) in paragraph (1), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Construction and Veterans Affairs, and Related Agencies of''; and

(B) in paragraph (2), by striking ''the Subcommittees on Defense and Military Construction of'' and inserting ''the Subcommittees on Defense and on Military Quality of Life and Veterans Affairs, and Related Agencies of''.

SEC. 2802. AUTHORITY TO CARRY OUT MILITARY CONSTRUCTION PROJECTS IN CONNECTION WITH INDUSTRIAL FACILITY INVESTMENT PROGRAM.

(a) AUTHORITY.—Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

''§2870. Authority to carry out military construction projects in connection with industrial facility investment program

''(a) AUTHORITY.—The Secretary of Defense may carry out a military construction project, not previously authorized, for the purpose of carrying out activities under section 2474(a)(2) of this title, using funds appropriated or otherwise made available for that purpose.

''(b) CREDITING OF FUNDS.—Funds appropriated or otherwise made available in a fiscal year for the purpose of carrying out a military construction project with respect to a public depot under subsection (a) may be credited to the amount required under section 2208(s) of this title to be invested in such fiscal year in the capital budget for such public depot.

''(c) NOTICE AND WAIT REQUIREMENT.—The Secretary may not carry out a project under subsection (a) until 21 days after the date on which the Secretary notifies the congressional defense committees of the intent to carry out such project and the savings estimated to be realized from such project or, if earlier, 14 days after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title.

''(d) ANNUAL REPORT.—Not later than December 31 of each year, the Secretary shall submit to Congress a report describing actions taken under this section and the savings realized from such actions during the fiscal year ending in the year in which the report is submitted.''.

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

''2870. Authority to carry out military construction projects in connection with industrial facility investment program.''.

SEC. 2803. MODIFICATION OF NOTIFICATION REQUIREMENTS RELATED TO COST VARIATION AUTHORITY.

Section 2853(c) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking the semicolon at the end and inserting ''; and'';

(2) by amending paragraph (2) to read as follows:

''(2)(A) in the case of a cost increase or a reduction in the scope of work—

''(i) the Secretary concerned notifies the appropriate committees of Congress in writing of the cost increase or reduction in scope and the reasons therefor, including a description of the funds proposed to be used to finance any increased costs; and

''(ii) a period of 21 days has elapsed after the date on which the notification is received by the committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title; or

''(B) in the case of a cost decrease, the Secretary concerned notifies the appropriate committees of Congress in writing not later than 14 days after the date funds are obligated in connection with the military construction project or military family housing project.''; and

(3) by striking paragraph (3).

SEC. 2804. CONSIDERATION OF LOCAL COMPARABILITY OF FLOOR AREAS IN CONSTRUCTION, ACQUISITION, AND IMPROVEMENT OF MILITARY UNACCOMPANIED HOUSING.

(a) IN GENERAL.—Section 2856 of title 10, United States Code, is amended to read as follows:

"§ 2856. Military unaccompanied housing: local comparability of floor areas

''In the construction, acquisition, and improvement of military unaccompanied housing, the Secretary concerned shall ensure that the floor areas of such housing in a particular locality (as designated by the Secretary concerned for purposes of this section) do not exceed the floor areas of similar housing in the private sector in that locality.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2856 and inserting the following:

''2856. Military unaccompanied housing: local comparability of floor areas.''.

SEC. 2805. INCREASE IN THRESHOLDS FOR UNSPECIFIED MINOR MILITARY CONSTRUCTION PROJECTS.

(a) INCREASE.—Section 2805(a)(1) of title 10, United States Code, is amended—

(1) by striking ''$1,500,000'' and inserting ''$2,500,000''; and

(2) by striking ''$3,000,000'' and inserting ''$4,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2006.

SEC. 2806. INCLUSION OF MILITARY TRANSPORTATION AND SUPPORT SYSTEMS IN ENERGY SAVINGS PROGRAM.

(a) IN GENERAL.—Section 2865 of title 10, United States Code, is amended—

*(1) in the section heading, by inserting ''**for military operations and**'' after ''**Energy savings**'';*

(2) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

''(1) The Secretary of Defense shall designate energy performance goals for the Department of Defense for military transportation and support systems and installations. The goals shall be consistent, where appropriate, with the Energy Policy Act of 2005 (Public Law 109–58).'';

(B) in paragraph (2), by striking ''energy conservation measures'' and all that follows through ''energy savings'' and inserting ''energy conservation measures and alternative energy initiatives to achieve maximum total lifecycle energy savings'';

(C) in paragraph (3)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance''; and

(ii) by inserting after ''10 years or less'' the following: '', except that the Secretary may provide that energy conservation measures related to equipment and systems supporting industrial processes may have a positive net present value over a period of 20 years or less''; and

(D) in paragraph (4)—

(i) by striking ''energy efficient maintenance'' and inserting ''energy efficient operations and maintenance'';

(ii) in subparagraph (A), by inserting ''vehicles, military support equipment,'' after ''such as''; and

(iii) in subparagraph (B), by striking ''an operation or maintenance process, such as improved training'' and inserting ''a military operation or maintenance process, such as the use of alternative fuels and energy sources, improved training,'';

(3) in subsection (b)(2)(A), by striking ''installations of the Department of Defense as may be designated'' and inserting ''installations of the Department of Defense and related to such vehicles and military support equipment of the Department of Defense as may be designated'';

(4) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(5) by inserting after subsection (d) the following new subsection:

''(e) ENERGY EFFICIENCY IN NEW CONSTRUCTION.—

''(1) The Secretary of Defense shall ensure, to the maximum extent practicable, that energy efficient products meeting the Department's requirements, if cost effective over the life cycle of the product and readily available, be used in new facility construction by or for the Department carried out under this chapter.

''(2) In determining the energy efficiency of products, the Secretary shall consider products that—

''(A) meet or exceed Energy Star specifications; or

''(B) are listed on the Department of Energy's Federal Energy Management Program Product Energy Efficiency Recommendations product list.''.

SEC. 2807. REPEAL OF AUTHORITY TO CONVEY PROPERTY AT CLOSED OR REALIGNED MILITARY INSTALLATIONS TO SUPPORT MILITARY CONSTRUCTION.

(a) REPEAL.—Section 2869 of title 10, United States Code, is repealed.

(b) CONFORMING AND CLERICAL AMENDMENTS.—

(1) CONFORMING AMENDMENTS.—(A) Section 2822(b) of such title is amended by striking paragraph (6).

(B) Section 2883(c) of such title is amended—

(i) in paragraph (1), by striking subparagraph (F); and

(ii) in paragraph (2), by striking subparagraph (F).

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2869.

SEC. 2808. REPEAL OF REQUIREMENT TO DETERMINE AVAILABILITY OF SUITABLE ALTERNATIVE HOUSING FOR ACQUISITION IN LIEU OF CONSTRUCTION OF NEW FAMILY HOUSING.

(a) IN GENERAL.—Section 2823 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 169 of such title is amended by striking the item relating to section 2823.

SEC. 2809. UPDATING FOREIGN CURRENCY FLUCTUATION ADJUSTMENT FOR CERTAIN MILITARY FAMILY HOUSING LEASES IN KOREA.

Section 2828(e)(5)(A) of title 10, United States Code, is amended to read as follows:

''(A) for—

''(i) foreign currency fluctuations from October 1, 1987, in the case of maximum lease amounts provided for under paragraphs (1), (2), and (3); or

''(ii) foreign currency appreciation during the previous fiscal year, starting from the fiscal year of enactment of the lease authority under paragraph (4), in the case of the maximum lease amount provided for under such paragraph; and''.

SEC. 2810. PILOT PROJECTS FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) REDUCTION OF APPLICABLE NOTIFICATION PERIODS.—Section 2881a of title 10, United States Code, is amended by striking ''90 days'' both places it appears and inserting ''30 days''.

(b) EXTENSION OF AUTHORITY.—Subsection (f) of such section is amended by striking ''2007'' and inserting ''2009''.

SEC. 2811. CERTIFICATION REQUIRED FOR CERTAIN MILITARY CONSTRUCTION PROJECTS.

The Department of Defense may not use amounts authorized to be appropriated for a fiscal year beginning after September 30, 2006, to carry out a military construction project to construct a facility designed to provide training in urban operations for personnel of the Department of Defense or other Federal agencies until the Under Secretary of Defense for Personnel and Readiness, in consultation with the Commander of the United States Joint Forces Command, has certified to the congressional defense committees that—

(1) the Secretary of Defense has approved a strategy for training and facility construction for operations in urban terrain; and

(2) the Under Secretary has evaluated the project and determined that the project—

(A) is consistent with such strategy; and

(B) incorporates the appropriate capabilities for joint and interagency use in accordance with such strategy.

SEC. 2812. MODIFICATION OF LAND ACQUISITION AUTHORITY, PERQUIMANS COUNTY, NORTH CAROLINA.

Section 2846 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1320), as amended by section 2865 of the Military Construction Authorization Act for Fiscal Year 2005 (division B of Public Law 108–375; 118 Stat. 2149), is further amended by striking ''840 acres'' and inserting ''1,550 acres''.

SEC. 2813. NAMING OF RESEARCH LABORATORY AT AIR FORCE ROME RESEARCH SITE, ROME, NEW YORK, IN HONOR OF SHERWOOD L. BOEHLERT, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The new laboratory facility at the Air Force Rome Research Site, Rome, New York, shall be known and designated as the ''Sherwood L. Boehlert Engineering Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such laboratory facility shall be deemed to be a reference to the Sherwood L. Boehlert Engineering Center.

SEC. 2814. NAMING OF ADMINISTRATION BUILDING AT JOINT SYSTEMS MANUFACTURING CENTER IN LIMA, OHIO, AFTER MICHAEL G. OXLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The administration building under construction at the Joint Systems Manufacturing Center in Lima, Ohio, shall, upon be completion, be known and designated as the ''Michael G. Oxley Administration and Technology Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to such administration building shall be deemed to be a reference to the Michael G. Oxley Administration and Technology Center.

SEC. 2815. NAMING OF MILITARY FAMILY HOUSING FACILITY AT FORT CARSON, COLORADO, IN HONOR OF JOEL HEFLEY, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

The Secretary of the Army shall designate one of the military family housing areas or facilities constructed for Fort Carson, Colorado, using the authority provided by subchapter IV of chapter 169 of title 10, United States Code, as the ''Joel Hefley Village''. Any reference in any law, regulation, map, document, record, or other paper of the United States to the military housing area or facility designated under this section shall be considered to be a reference to Joel Hefley Village.

SEC. 2816. AUTHORITY TO OCCUPY UNITED STATES SOUTHERN COMMAND FAMILY HOUSING.

(a) The Secretary of the Army may authorize family members of a member of the armed forces on active duty who is occupying a housing unit leased under section 2828(b)(4) of title 10, United States Code and who is assigned to a family-member-restricted area to remain in the leased housing unit until the member completes the family-member-restricted tour. Costs incurred for such housing during such tour shall be included in the costs subject to the limitation under subparagraph (B) of that paragraph.

(b) The authority granted by subsection (a) shall expire on September 30, 2008.

Subtitle B—Real Property and Facilities Administration

SEC. 2821. CONSOLIDATION OF EASEMENT PROVISIONS.

(a) CONSOLIDATION OF EASEMENT PROVISIONS.—

(1) TRANSFER OF EASEMENTS SECTION.—Section 2668 of title 10, United States Code, is—

(A) transferred to appear after section 2671 of such title; and

(B) redesignated as section 2672 of such title.

(2) CONSOLIDATED AUTHORITY.—Section 2672, as redesignated by paragraph (1), is amended—

(A) in subsection (a)—

(i) by inserting ''TYPES OF EASEMENTS.—'' after ''(a)'';

(ii) in the matter preceding paragraph (1), by striking ''to a State, Territory, Commonwealth, or possession, or political subdivision thereof, or to a citizen, association, partnership, or corporation of a State, Territory, Commonwealth, or possession,'';

(iii) in paragraph (2), by striking ''oil pipe lines'' and inserting ''gas, water, sewer, and oil pipe lines''; and

(iv) in paragraph (13), by striking '', except a purpose covered by section 2669 of this title'';

(B) in subsection (b), by inserting ''LIMITATION ON SIZE.—'' after ''(b)'';

(C) in subsection (c), by inserting ''TERMINATION.—'' after ''(c)'';

(D) in subsection (d), by inserting ''NOTICE TO DEPARTMENT OF THE INTERIOR.—'' after ''(d)''; and

(E) in subsection (e), by inserting ''DISPOSITION OF CONSIDERATION.—'' after ''(e)''.

(b) REPEAL OF OBSOLETE AUTHORITY.—Section 2669 of such title is repealed.

(c) CONFORMING AMENDMENTS.—The table of sections at the beginning of chapter 159 of such title is amended—

(1) by striking the items relating to sections 2668 and 2669; and

(2) by inserting after the item relating to section 2671 the following new item:

''2672. Easements for rights-of-way.''.

SEC. 2822. AUTHORITY TO GRANT RESTRICTIVE EASEMENTS FOR CONSERVATION AND ENVIRONMENTAL RESTORATION PURPOSES.

(a) AUTHORITY TO GRANT RESTRICTIVE EASEMENTS.—Chapter 159 of title 10, United States Code, as amended by section 2821 of this Act, is further amended by inserting after section 2672 of such title the following new section:

''§2672a. Authority to grant restrictive easements

''(a) CONSERVATION EASEMENTS.—(1)(A) If the Secretary of a military department finds that it will be in the public interest, the Secretary may, subject to paragraph (2), grant, upon such terms as the Secretary considers advisable and with the consent of an entity described in subparagraph (B), a restrictive easement to such entity over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property for a conservation purpose consistent with section 170(h)(4)(A)(iv) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)(4)(A)(iv)).

''(B) An entity referred to in subparagraph (A) is—

''(i) a State or local government; or

''(ii) a qualified organization, as that term is defined in section 170(h) of the Internal Revenue Code of 1986 (26 U.S.C. 170(h)).

''(2) An easement under paragraph (1) shall not be granted unless the Secretary of the military department concerned determines that—

''(A) the conservation of the property can not be effectively achieved through the application of State law by units of State or local government without granting such easement;

''(B) the jurisdiction that encompasses the property authorizes such easement; and

''(C) the Secretary can give or assign to a third party the responsibility for monitoring and enforcing such easement.

''(b) ENVIRONMENTAL EASEMENTS.—If the Secretary of a military department finds that it will be in the public interest, the Secretary may grant, upon such terms as the Secretary considers advisable and with the consent of a State or local government, a restrictive easement to such government over, in, and upon any real property that is transferred by deed by that department restricting future uses of the property to ensure the continued effectiveness of any environmental restoration function on the property conducted pursuant to chapter 160 of this title.

''(c) LIMITATIONS.—(1) No easement granted under this section may include more land than is necessary for the easement.

''(2) Easements granted under this section shall be without consideration from the recipient.

''(3) Nothing in this section shall alter the responsibilities of any party under Federal or State environmental laws.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter, as amended by section 2821 of this Act, is further amended by inserting after the item relating to section 2672 the following new item:

''2672a. Authority to grant restrictive easements for conservation and environmental restoration purposes.''.

SEC. 2823. CONSOLIDATION OF PROVISIONS RELATING TO TRANSFERS OF REAL PROPERTY WITHIN THE DEPARTMENT OF DEFENSE AND TO OTHER FEDERAL AGENCIES.

(a) CONSOLIDATION AND RESTATEMENT OF AUTHORITY ON INTERCHANGE, TRANSFER, AND SCREENING OF DEPARTMENT OF DEFENSE REAL PROPERTY.—Section 2696 of title 10, United States Code, is amended to read as follows:

''§2696. Real property: transfer between armed forces; screening for transfer or conveyance

''(a) TRANSFER BETWEEN ARMED FORCES.—If either of the Secretaries concerned requests it and the other approves, real property may be transferred, without compensation, from one armed force to another.

''(b) SCREENING AND CONVEYANCE OF PROPERTY FOR CORRECTIONAL FACILITIES PURPOSES.—(1) Except as provided in paragraph (2), before any real property or facility of the United States that is under the jurisdiction of any department, agency, or instrumentality of the Department of Defense is determined to be excess to the needs of such department, agency, or instrumentality, the Secretary of Defense shall—

''(A) provide adequate notification of the availability of such real property or facility within the Department of Defense;

''(B) if such real property or facility remains available after such notification, notify the Attorney General of its availability; and

''(C) if the Attorney General certifies to the Secretary that a determination has been made by the Director of the Bureau of Justice Assistance within the Department of Justice to utilize such real property or facility under the correctional options program carried out under section 515 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a), convey such real property or facility, without reimbursement, to a public agency referred to in paragraph (1) or (3) of subsection (a) of such section for such utilization.

''(2) The provisions of this subsection shall not apply during any portion of a fiscal year after four conveyances have been made under this subsection in such fiscal year.

''(c) SCREENING FOR FURTHER FEDERAL USE BEFORE CONVEYANCE TO NON-FEDERAL ENTITIES.—(1) The Secretary concerned may not convey real property that is authorized or required to be conveyed, whether for or without consideration, by any provision of law unless the Administrator has screened the property for further Federal use in accordance with subtitle I of title 40 and title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.).

''(2)(A) Before the end of the 30-day period beginning on the date of the enactment of a provision of law authorizing or requiring the conveyance of a parcel of real property by the Secretary concerned, the Administrator of General Services shall complete the screening referred to in paragraph (1) with regard to the real property and notify the Secretary concerned and Congress of the results of the screening. The notice shall include—

''(i) the name of the Federal agency requesting transfer of the property;

''(ii) the proposed use to be made of the property by the Federal agency; and

''(iii) the fair market value of the property, including any improvements thereon, as estimated by the Administrator.

''(B) If the Administrator fails to complete the screening and notify the Secretary concerned and Congress within such period, the Secretary concerned shall proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance.

''(3) If the Administrator submits notice under paragraph (2)(A) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.

''(4) The screening requirements of this subsection shall not apply to real property authorized or required to be conveyed under any of the following provisions of law:

''(A) A base closure law.

''(B) Chapter 5 of title 40.

''(C) Any specific provision of law authorizing or requiring the transfer of administrative jurisdiction over a parcel or real property between Federal agencies.''.

(b) CONFORMING AMENDMENTS.—

(1) CONFORMING AMENDMENTS TO AUTHORITY ON INTERCHANGE OF PROPERTY AND SERVICES.—(A) Section 2571(a) of such title is amended by striking ''and real property''.

(B) The heading of such section is amended to read as follows:

''§2571. Interchange of supplies and services''.

(2) REPEAL OF SUPERSEDED AUTHORITY ON SCREENING AND TRANSFER FOR CORRECTIONAL PURPOSES.—Section 2693 of such title is repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 153 of such title is amended by striking the item relating to section 2571 and inserting the following new item:

''2571. Interchange of supplies and services.''.

(2) The table of sections at the beginning of chapter 159 of such title is amended—

(A) by striking the item relating to section 2693; and

(B) by striking the item relating to section 2696 and inserting the following new item:

''2696. Real property: transfer between armed forces; screening for transfer or conveyance.''.

SEC. 2824. AUTHORITY TO USE EXCESS PROPERTY AS EXCHANGE UNDER AGREEMENTS TO LIMIT ENCROACHMENTS ON MILITARY TRAINING, TESTING, AND OPERATIONS.

Section 2684a(h) of title 10, United States Code, is amended—

(1) in the heading, by striking ''FUNDING'' and inserting ''CONSIDERATION''; and

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

''(3) Land under the jurisdiction of the Secretary concerned that is determined to be excess to the needs of the Department of Defense may be used by way of exchange to enter into an agreement under this section, but only if such land is located within the same State as the installation that is the subject of the agreement.''.

SEC. 2825. MODIFICATION OF UTILITY SYSTEM AUTHORITY AND RELATED REPORTING REQUIREMENTS.

Section 2688 of title 10, United States Code, as amended by section 2823 of the Military Construction Authorization Act for Fiscal Year 2006 (Public Law 109–163), is further amended—

(1) in subsection (a)(2)(A)—

(A) in clause (i), by striking the semicolon at the end and inserting ''; and''; and

(B) by striking clause (iii); and

(2) in subsection (d)—

(A) in paragraph (1), by striking ''10 years'' and inserting ''50 years''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''a term in excess of 10 years'' and all that follows through the period at the end and inserting ''a term not to exceed 50 years.''; and

(ii) in the second sentence, by striking ''shall include'' and all that follows through the period at the end and inserting ''shall include an explanation of the term of the contract.''.

SEC. 2826. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR CERTAIN STRUCTURES AND REAL PROPERTY RELATING TO STRUCTURES IN FOREIGN COUNTRIES.

Section 2675(a) of title 10, United States Code, is amended by striking ''five years'' and inserting ''10 years''.

SEC. 2827. MODIFICATION OF LAND TRANSFER AUTHORITY, POTOMAC ANNEX, DISTRICT OF COLUMBIA.

Section 2831 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2795) is amended by striking ''consisting of approximately 3 acres'' and inserting ''consisting of approximately 4 acres and containing two buildings, known as building 6 and building 7''.

SEC. 2828. REPORTS ON ARMY TRAINING RANGES.

(a) LIMITATION.—The Secretary of the Army may not carry out any acquisition of real property to expand the Pinon Canyon Maneuver Site at Fort Carson, Colorado until 30 days after the Secretary submits the report required under subsection (b).

(b) REPORT ON PINON CANYON MANEUVER SITE.—

(1) IN GENERAL.—Not later than November 30, 2006, the Secretary of the Army shall submit to the congressional defense committees a report containing an analysis of any potential expansion of the military training range at the Pinon Canyon Maneuver Site at Fort Carson, Colorado.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) A description of the Army's current and projected military requirements for training at the Pinon Canyon Maneuver Site.

(B) An analysis of the reasons for any changes in those requirements, including the extent to which they are a result of the increase of military personnel due to the 2005 round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) A proposed plan for addressing those requirements, including a description of any proposed expansion of the existing training range by acquiring privately held land surrounding the site and an analysis of alternative approaches that do not require expansion of the training range.

(D) If an expansion of the training range is recommended pursuant to subparagraph (C), the following information:

(i) An assessment of the economic impact on local communities of such acquisition.

(ii) An assessment of the environmental impact of expanding the Pinon Canyon Maneuver Site.

(iii) An estimate of the costs associated with the potential expansion, including land acquisition, range improvements, installation of utilities, environmental restoration, and other environmental activities in connection with the acquisition.

(iv) An assessment of options for compensating local communities for the loss of property tax revenue as a result of the expansion of Pinon Canyon Maneuver Site.

(v) An assessment of whether the acquisition of additional land at the Pinon Canyon Maneuver Site can be carried out by the Secretary solely through transactions, including land exchanges and the lease or purchase of easements, with willing sellers of the privately held land.

(c) REPORT ON EXPANSION OF ARMY TRAINING RANGES.—

(1) IN GENERAL.—Not later than February 1, 2007, the Secretary of the Army shall submit to the congressional defense committees a report containing an assessment of the training ranges operated by the Army to support major Army units.

(2) CONTENT.—The report required under paragraph (1) shall include the following information:

(A) The size, description, and mission essential training tasks supported by each such Army training range during fiscal year 2003.

(B) A description of the projected changes in training range requirements, including the size, characteristics, and attributes for mission essential training of each range and the extent to which any changes in requirements are a result of the 2005 round of defense base closure and realignment, the conversion of Army brigades to a modular format, or the Integrated Global Presence and Basing Strategy.

(C) The projected deficit or surplus of training land at each such range, and a description of the Army's plan to address that projected deficit or surplus of land as well as the upgrade of range attributes at each existing training range.

(D) A description of the Army's prioritization process and investment strategy to address the potential expansion or upgrade of training ranges.

(E) An analysis of alternatives to the expansion of Army ranges to include an assessment of the joint use of ranges operated by other services.

SEC. 2829. USE OF RENEWABLE ENERGY TO MEET ELECTRICITY NEEDS.

It shall be the goal of the Department of Defense to ensure that the Department—

(1) produces or procures not less than 25 percent of the total quantity of electric energy it consumes within its facilities and in its activities during fiscal year 2025 and each fiscal year thereafter from renewable energy sources (as defined in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)); and

(2) produces or procures such renewable energy when it is life-cycle cost effective to do so (as defined in section 708 of Executive Order 13123 (42 U.S.C. 8251 note; relating to greening the Government through efficient energy management)).

SEC. 2830. NAMING OF NAVY AND MARINE CORPS RESERVE CENTER AT ROCK ISLAND, ILLINOIS, IN HONOR OF LANE EVANS, A MEMBER OF THE HOUSE OF REPRESENTATIVES.

DESIGNATION.—The Navy and Marine Corps Reserve Center at Rock Island Arsenal, Illinois, shall be known and designated as the ''Lane Evans Navy and Marine Corps Reserve Center''. Any reference in a law, map, regulation, document, paper, or other record of the United States to the Navy and Marine Corps Reserve Center at Rock Island Arsenal shall be deemed to be a reference to the Lane Evans Navy and Marine Corps Reserve Center.

Subtitle C—Base Closure and Realignment

SEC. 2831. DEFENSE ECONOMIC ADJUSTMENT PROGRAM: RESEARCH AND TECHNICAL ASSISTANCE.

Section 2391 of title 10, United States Code, is amended by inserting after subsection (b) the following new subsection:

''(c) RESEARCH AND TECHNICAL ASSISTANCE.—(1) The Secretary of Defense may make grants, conclude cooperative agreements, and enter into contracts in order to conduct research and technical assistance in support of activities under this section or Executive Order 12788.

''(2) A grant, cooperative agreement, or contract under this subsection may be with or to a Federal agency, a State or local government, or any private entity.''.

SEC. 2832. EXTENSION OF ELIGIBILITY FOR COMMUNITY PLANNING ASSISTANCE RELATED TO CERTAIN MILITARY FACILITIES NOT UNDER DEPARTMENT OF DEFENSE JURISDICTION.

Section 2391(d)(1) of title 10, United States Code, is amended by striking the period at the end and inserting the following: '', except that for purposes of subsection (b)(1)(D), a 'military installation' may also include a military facility owned and operated by a State, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Virgin Islands, or Guam even though such facility is not under the jurisdiction of the Department of Defense, if the facility is subject to significant use for training by the armed forces.''.

SEC. 2833. MODIFICATION OF DEPOSIT REQUIREMENTS IN CONNECTION WITH LEASE PROCEEDS RECEIVED AT MILITARY INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT AFTER JANUARY 1, 2005.

Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (5), by inserting after ''lease under subsection (f)'' the following: ''at a military installation to be closed or realigned under a base closure law, the date of approval of which is before January 1, 2005,''; and

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

''(6) Money rentals received by the United States from a lease under subsection (f) at a military installation to be closed or realigned under a base closure law, the date of approval of which is on or after January 1, 2005, shall be deposited into the account established under section 2906A(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).''.

SEC. 2834. REPORT ON AIR FORCE AND AIR NATIONAL GUARD BASES AFFECTED BY 2005 ROUND OF DEFENSE BASE CLOSURE AND REALIGNMENT.

(a) REPORT.—Not later than January 1, 2007, the Secretary of the Air Force shall submit to Congress a report on planning by the Department of the Air Force for future roles and missions for active and Air National Guard personnel and installations affected by decisions of the 2005 round of defense base closure and realignment.

(b) CONTENT.—The report required under subsection (a) shall include—

(1) an assessment of the capabilities, characteristics, and capacity of the facilities, infrastructure, and authorized personnel at each affected base;

(2) a description of the planning process used by the Air Force to determine future roles and missions at active and Air National Guard bases affected by the decisions of the 2005 round of defense base closure and realignment, including an analysis of alternatives for installations to support each future role or mission;

(3) a description of the future roles and missions under consideration for each active and Air National Guard base and an explanation of the criteria and decision-making process to make final decisions about future roles and missions for each base; and

(4) a timeline for decisions on the final determination of future roles and missions for each active and Air National Guard base affected by the decisions of the 2005 round of defense base closure and realignment.

(c) BASES COVERED.—The report required under subsection (a) shall include information on each active and Air National Guard base at which the number of aircraft, weapon systems, or functions is proposed to be reduced or eliminated and to any installation that was considered as a potential receiving location for the realignment of aircraft, weapons systems, or functions.

Subtitle D—Land Conveyances

SEC. 2841. LAND CONVEYANCE, RADFORD ARMY AMMUNITION PLANT, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Commonwealth of Virginia (in this section referred to as the ''Commonwealth'') all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 80 acres at Radford Army Ammunition Plant, New River Unit, Virginia, for the purpose of permitting the Commonwealth to establish on the property a cemetery operated by the Commonwealth for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—(A) The Secretary may require the Commonwealth to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Commonwealth in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Commonwealth.

(B) The authority of the Secretary to require the Commonwealth to cover administrative costs related to the conveyance does not include costs related to any environmental remediation required for the property.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. MODIFICATIONS TO LAND CONVEYANCE AUTHORITY, ENGINEERING PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONSTRUCTION OF SECURITY BARRIER.—Section 2836 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1314), as amended by section 2846 of the Military Construction Authorization Act for Fiscal Year 2006 (division B of Public Law 109–163; 119 Stat. 3527), is further amended—

(1) in subsection (b)(4), by striking ''$3,880,000'' and inserting ''$4,880,000''; and

(2) in subsection (d)—

(A) in paragraph (1), by inserting after ''Virginia,'' the following: ''and the construction of a security barrier, as applicable,''; and

(B) in paragraph (2), by inserting after ''Building 191'' the following: ''and the construction of a security barrier, as applicable''.

(b) AUTHORITY TO ENTER INTO ALTERNATIVE AGREEMENT FOR DESIGN AND CONSTRUCTION OF FAIRFAX COUNTY PARKWAY PORTION.—Such section 2836 is further amended—

(1) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

''(1) except as provided in subsection (f), design and construct, at its expense and for public benefit, the portion of the Fairfax County Parkway through the Engineer Proving Ground (in this section referred to as the 'Parkway portion');''; and

(B) in paragraph (2), by inserting after ''C514'' the following: '', RW–214 (in this section referred to as 'Parkway project')'';

(2) by redesignating subsection (f) as subsection (g);

(3) by inserting after subsection (e) the following new subsection:

''(f) ALTERNATE AGREEMENT FOR CONSTRUCTION OF ROAD.—(1) The Secretary of the Army may, in connection with the conveyance authorized under subsection (a), enter into an agreement with the Commonwealth providing for the design and construction by the Department of the Army or the United States Department of Transportation of the Parkway portion and other portions of the Fairfax County Parkway off the Engineer Proving Ground that are necessary to complete the Parkway project (in this subsection referred to as the 'alternate agreement') if the Secretary determines that the alternate agreement is in the best interests of the United States to support the permanent relocation of additional military and civilian personnel at Fort Belvoir pursuant to decisions made as part of the 2005 round of defense base closure and realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(2) If the Secretary of Defense certifies that the Parkway portion is important to the national defense pursuant to section 210 of title 23, United States Code, the Secretary of the Army may enter into an agreement with the Secretary of Transportation to carry out the alternate agreement under the Defense Access Road Program.

''(3) The Commonwealth shall pay to the Secretary of the Army the costs of the design and construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground designed and constructed under the alternate agreement. The Secretary shall apply such payment to the design and construction provided for in the alternate agreement.

''(4) The Secretary may carry out environmental restoration activities on real property under the jurisdiction of the Secretary in support of the construction of the Parkway portion with funds appropriated for that purpose.

''(5) The alternate agreement shall be subject to the following conditions:

''(A) The Commonwealth shall acquire and retain all necessary right, title, and interest in any real property not under the jurisdiction of the Secretary that is necessary for construction of the Parkway portion or for construction of any other portions of the Fairfax County Parkway off the Engineer Proving Ground that will be constructed under the alternate agreement, and shall grant to the United States all necessary access to and use of such property for such construction.

''(B) With respect to activities related to the construction of any portion of the Fairfax County Parkway off the Engineer Proving Ground that is not owned by the Federal Government, the Secretary of the Army shall not be considered an owner or operator for purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

''(C) The Secretary shall receive consideration from the Commonwealth as required in subsections (b)(2), (b)(3), and (b)(4) and shall carry out the acceptance and disposition of funds in accordance with subsection (d).

''(6) The design of the Parkway portion under the alternate agreement shall be subject to the approval of the Secretary and the Commonwealth in accordance with the Virginia Department of Transportation Approved Plan, dated June 15, 2004, Project #R000–029–249, PE–108, C–514, RW–214. For each phase of the design and construction of the Parkway portion under the alternate agreement, the Secretary may—

''(A) accept funds from the Commonwealth; or

''(B) transfer funds received from the Commonwealth to the United States Department of Transportation.

''(7) Upon completion of the construction of the Parkway portion and any other portions of the Fairfax County Parkway off the Engineer Proving Ground required under the alternate agreement, the Secretary shall carry out the conveyance under subsection (a). As a condition of such conveyance carried out under the alternate agreement, the Secretary shall receive a written commitment, in a form satisfactory to the Secretary, that the Commonwealth agrees to accept all responsibility for the costs of operation and maintenance of the Parkway portion upon conveyance to the Commonwealth of such real property.''; and

(4) in subsection (g), as redesignated by paragraph (2), by inserting ''or the alternate agreement authorized under subsection (f)'' after ''conveyance under subsection (a)''.

SEC. 2843. LAND CONVEYANCES, OMAHA, NEBRASKA.

(a) CONVEYANCES AUTHORIZED.—

(1) ARMY CONVEYANCE.—The Secretary of the Army may convey to the Metropolitan Community College Area, a public community college located in Omaha, Nebraska (in this section referred to as the ''College'') all right, title, and interest of the United States in and to three parcels of real property under the control of the Army Reserve, including any improvements thereon, consisting of approximately 5.42 acres on the Fort Omaha campus at the College, for educational purposes.

(2) NAVY CONVEYANCE.—The Secretary of the Navy may convey to the College all right, title, and interest of the United States in and to a parcel of real property under the control of the Navy Reserve and Marine Corps Reserve, including any improvements thereon, consisting of approximately 6.57 acres on the Fort Omaha campus at the College, for educational purposes.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for each conveyance under subsection (a), the College shall provide the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary concerned.

(2) REDUCED TUITION RATES.—The Secretary concerned may accept as in-kind consideration under paragraph (1) reduced tuition rates for military personnel at the College.

(c) PAYMENT OF COSTS OF CONVEYANCES.—

(1) PAYMENT REQUIRED.—The Secretary concerned shall require the College to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary to carry out a conveyance under subsection (a), including survey costs, related to the conveyance. If amounts are collected from the College in advance of the Secretary incurring the actual

costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the College.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received under paragraph (1) as reimbursement for costs incurred by the Secretary concerned to carry out a conveyance under subsection (a) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretaries concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in connection with the conveyances under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2851. RICKENBACKER AIRPORT, COLUMBUS, OHIO.

The project numbered 4651 in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1434) is amended by striking ''Grading, paving'' and all that follows through ''Airport'' and inserting ''Grading, paving, roads, and the transfer of rail-to-truck for the intermodal facility at Rickenbacker Airport, Columbus, Ohio''.

SEC. 2852. HIGHWAY PROJECTS, DETROIT, MICHIGAN.

(a) HIGH PRIORITY PROJECT.—The table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1256) is amended in the item numbered 4333 (119 Stat. 1422) by striking ''Plan and construct, land acquisition, Detroit West Riverfront Greenway'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

(b) TRANSPORTATION IMPROVEMENT PROJECT.—The table contained in section 1934(c) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1485) is amended in the item numbered 196 (119 Stat. 1495) by striking ''Detroit Riverfront Conservancy, West Riverfront Walkway, Greenway and Adjacent Land Acquisition, from Riverfront Towers to Ambassador Bridge, Detroit'' and inserting ''Detroit Riverfront Conservancy, Riverfront walkway, greenway, and adjacent land planning, construction, and land acquisition from Gabriel Richard Park at the Douglas Mac Arthur Bridge to Riverside Park at the Ambassador Bridge, Detroit''.

SEC. 2853. FOX POINT HURRICANE BARRIER, PROVIDENCE, RHODE ISLAND.

(a) DEFINITIONS.—In this section:

(1) The term ''Barrier'' means the Fox Point Hurricane Barrier, Providence, Rhode Island.

(2) The term ''City'' means the city of Providence, Rhode Island.

(3) The term ''Secretary'' means the Secretary of the Army, acting through the Chief of Engineers.

(b) RESPONSIBILITY FOR BARRIER.—Not later than 2 years after the date of enactment of this Act, the Secretary shall assume responsibility for the annual operation and maintenance of the Barrier.

(c) REQUIRED STRUCTURES.—

(1) IN GENERAL.—The City, in coordination with the Secretary, shall identify any land and structures required for the continued operation and maintenance, repair, replacement, rehabilitation, and structural integrity of the Barrier.

(2) CONVEYANCE.—The City shall convey to the Secretary, by quitclaim deed and without consideration, all rights, title, and interests of the City in and to the land and structures identified under paragraph (1).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such funds as are necessary for each fiscal year to operate and maintain the Barrier (including repair, replacement, and rehabilitation).

SEC. 2854. LAND CONVEYANCE, HOPKINTON, NEW HAMPSHIRE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Town of Hopkinton, New Hampshire (in this section referred to as the ''Town''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 90 acres located at a site in Hopkinton, New Hampshire, known as the ''Kast Hill'' property for the purpose of permitting the Town to use the existing sand and gravel resources on the property and to ensure perpetual conservation of the property.

(b) CONSIDERATION.—

(1) IN GENERAL.—As consideration for the conveyance under subsection (a), the Town shall, subject to paragraph (2), provide to the United States, whether by cash payment, in-kind consideration, or a combination thereof, an amount that is not less than the fair market value of the conveyed property, as determined pursuant to an appraisal acceptable to the Secretary.

(2) WAIVER OF PAYMENT OF CONSIDERATION.—The Secretary may waive the requirement for consideration under paragraph (1) if the Secretary determines that the Town will not use the existing sand and gravel resources to generate revenue.

(c) REVERSIONARY INTEREST.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to all or any portion of the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) PROHIBITION ON RECONVEYANCE OF LAND.—The Town may not reconvey any of the land acquired from the United States under subsection (a) without the prior approval of the Secretary.

(e) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the Town to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Town in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Town.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance of real property under subsection (a) as the Secretary consider appropriate to protect the interests of the United States.

SEC. 2855. FEDERAL FUNDING FOR FIXED GUIDEWAY PROJECTS.

The Federal Transit Administration's Dear Colleague letter dated April 29, 2005 (C–05–05), which requires fixed guideway projects to achieve a ''medium'' cost-effectiveness rating for the Federal Transit Administration to recommend such projects for funding, shall not apply to the Northstar Corridor Commuter Rail Project in Minnesota.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $9,333,311,000, to be allocated as follows:

(1) For weapons activities, $6,455,389,000.

(2) For defense nuclear nonproliferation activities, $1,726,213,000.

(3) For naval reactors, $795,133,000.

(4) For the Office of the Administrator for Nuclear Security, $356,576,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out new plant projects for the National Nuclear Security Administration as follows:

(1) For readiness in technical base and facilities, the following new plant projects:

Project 07–D–140, Readiness in Technical Base and Facilities Program, project engineering and design, various locations, $4,977,000.

Project 07–D–220, Radioactive liquid waste treatment facility upgrade project, Los Alamos National Laboratory, Los Alamos, New Mexico, $14,828,000.

(2) For facilities and infrastructure recapitalization, the following new plant project:

Project 07–D–253, Technical Area 1 heating systems modernization, Sandia National Laboratories, Albuquerque, New Mexico, $14,500,000.

(3) For defense nuclear nonproliferation, the following new plant project:

Project 07–SC–05, Physical Sciences Facility, Pacific Northwest National Laboratory, Richland, Washington, $4,220,000.

(4) For naval reactors, the following new plant project:

Project 07–D–190, Materials Research Technology Complex, project engineering and design, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $1,485,000.

SEC. 3102. DEFENSE ENVIRONMENTAL CLEANUP.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for defense environmental cleanup activities in carrying out programs necessary for national security in the amount of $5,430,312,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2007 for other defense activities in carrying out programs necessary for national security in the amount of $624,530,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal

year 2007 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $333,080,000.

Subtitle B—Other Matters

SEC. 3111. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

Subtitle A of title XLVIII of the Atomic Energy Defense Act (50 U.S.C. 2781 et seq.) is amended by adding at the end the following new section:

"SEC. 4804. NOTICE AND WAIT REQUIREMENT APPLICABLE TO CERTAIN THIRD PARTY FINANCING ARRANGEMENTS.

''(a) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not enter into an arrangement described in subsection (b) until 30 days after the date on which the Secretary notifies the congressional defense committees in writing of the proposed arrangement.

''(b) COVERED ARRANGEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), an arrangement referred to in subsection (a) is any alternative financing arrangement, third party financing arrangement, public-private partnership, privatization arrangement, private capital arrangement, or other financing arrangement that—

''(A) is entered into in connection with a project conducted using funds authorized to be appropriated to the Department of Energy to carry out programs necessary for national security; and

''(B) involves a contractor or Federal agency obtaining and charging to the Department of Energy as an allowable cost under a contract the use of office space, facilities, or other real property assets with a value of at least $5,000,000.

''(2) EXCEPTION.—An arrangement referred to in subsection (a) does not include an arrangement that—

''(A) involves the Department of Energy or a contractor acquiring or entering into a capital lease for office space, facilities, or other real property assets; or

''(B) is entered into in connection with a capital improvement project undertaken as part of an energy savings performance contract under section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287).''.

SEC. 3112. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE GLOBAL THREAT REDUCTION INITIATIVE.

Section 3132 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108–375; 50 U.S.C. 2569) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

''(f) INTERNATIONAL PARTICIPATION IN PROGRAM.—(1) In order to achieve international participation in the program under subsection (b), the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the programs described in paragraph (2)(B).

''(2)(A) Notwithstanding section 3302 of title 31, United States Code, and subject to paragraphs (3) and (4), the Secretary of Energy may retain and utilize for purposes of the programs described in subparagraph (B) any amounts contributed by a person, government, or organization under an agreement under paragraph (1) without further appropriation and without fiscal year limitation.

''(B) The programs described in this subparagraph are the following programs within the Global Threat Reduction Initiative:

''(i) The International Radiological Threat Reduction program.

''(ii) The Emerging Threats and Gap Materials program.

''(iii) The Reduced Enrichment for Research and Test Reactors program.

''(iv) The Russian Research Reactor Fuel Return program.

''(v) The Global Research Reactor Security program.

''(vi) The Kazakhstan Spent Fuel program.

''(3) The Secretary of Energy may not utilize under paragraph (2) any amount contributed under an agreement under paragraph (1) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

''(4) If any amount contributed under paragraph (1) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

''(5) Not later than 30 days after the receipt of any amount contributed under paragraph (1), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

''(6) Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

''(A) a statement of any amounts received under this subsection, including the source of each such amount; and

''(B) a statement of any amounts utilized under this subsection, including the purposes for which such amounts were utilized.

''(7) The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.''.

SEC. 3113. UTILIZATION OF INTERNATIONAL CONTRIBUTIONS TO THE SECOND LINE OF DEFENSE CORE PROGRAM.

(a) INTERNATIONAL CONTRIBUTIONS AUTHORIZED.—In order to achieve international participation in the Second Line of Defense Core Program administered by the National Nuclear Security Administration, the Secretary of Energy may, with the concurrence of the Secretary of State, enter into one or more agreements with any person, foreign government, or other international organization that the Secretary of Energy considers appropriate for the contribution of funds by such person, government, or organization for purposes of the program.

(b) UTILIZATION OF CONTRIBUTIONS.—Notwithstanding section 3302 of title 31, United States Code, and subject to subsections (c) and (d), the Secretary of Energy may retain and utilize for purposes of the program any amounts contributed by a person, government, or organization under an agreement under subsection (a) without further appropriation and without fiscal year limitation.

(c) NOTICE AND WAIT REQUIREMENT.—The Secretary of Energy may not utilize under subsection (b) any amount contributed under an agreement under subsection (a) until 30 days after the date on which the Secretary notifies the congressional defense committees of the intent to utilize such amount, including the source of such amount and the proposed purpose for which such amount will be utilized.

(d) RETURN OF UNUTILIZED AMOUNTS.—If any amount contributed under subsection (a) has not been utilized within 5 years of such contribution, the Secretary of Energy shall return such amount to the person, government, or organization that contributed it.

(e) NOTIFICATION REQUIREMENT.—Not later than 30 days after the receipt of any amount contributed under subsection (a), the Secretary of Energy shall submit to the congressional defense committees a notice of the receipt of such amount.

(f) ANNUAL REPORT.—Not later than October 31 of each year, the Secretary of Energy shall submit to the congressional defense committees a report on the receipt and utilization of amounts under this subsection during the preceding fiscal year. Each report for a fiscal year shall set forth—

(1) a statement of any amounts received under this section, including the source of each such amount; and

(2) a statement of any amounts utilized under this section, including the purposes for which such amounts were utilized.

(g) TERMINATION.—The authority of the Secretary of Energy to accept and utilize amounts under this subsection shall expire on December 31, 2013.

SEC. 3114. EXTENSION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.

Section 3114 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108–136; 50 U.S.C. 2453 note) is amended by striking ''2011'' both places it appears and inserting ''2013''.

SEC. 3115. TWO-YEAR EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 4601(c)(1) of the Atomic Energy Defense Act (50 U.S.C. 2701(c)(1)) is amended by striking ''September 30, 2006'' and inserting ''September 30, 2008''.

SEC. 3116. EXTENSION OF DEADLINE FOR TRANSFER OF LANDS TO LOS ALAMOS COUNTY, NEW MEXICO, AND OF LANDS IN TRUST FOR THE PUEBLO OF SAN ILDEFONSO.

Section 632 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998 (Public Law 105–119; 111 Stat. 2523; 42 U.S.C. 2391 note) is amended—

(1) in subsection (d)(2), by striking ''10 years after the date of enactment of this Act'' and inserting ''November 26, 2012''; and

(2) in subsection (g)(3)(B), by striking ''the end of the 10-year period beginning on the date of enactment of this Act'' and inserting ''November 26, 2012''.

SEC. 3117. LIMITATIONS ON AVAILABILITY OF FUNDS FOR WASTE TREATMENT AND IMMOBILIZATION PLANT.

Of the amount authorized to be appropriated under section 3102 for defense environmental cleanup activities and available for the Waste Treatment and Immobilization Plant—

(1) not more than 30 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the Defense Contract Management Agency has certified the earned value management system used to track and report costs of the Waste Treatment and Immobilization Plant; and

(2) not more than 60 percent of such amount may be obligated or expended until the date on which the Secretary of Energy certifies to the congressional defense committees that the final seismic and ground motion criteria have been approved by the Secretary and that the contracting officer of the Waste Treatment and Immobilization Plant Project has formally directed that the final criteria be used for the final design of the Pretreatment Facility and the High-Level Waste Facility of the Waste Treatment and Immobilization Plant.

SEC. 3118. LIMITATION ON AVAILABILITY OF FUNDS FOR IMPLEMENTATION OF THE RUSSIAN SURPLUS FISSILE MATERIALS DISPOSITION PROGRAM.

(a) LIMITATION.—(1) Except as provided in subsection (b), none of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for the implementation of the Russian Surplus Fissile Materials Disposition Program (in this section referred to as the ''Program'')

until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees written recommendations regarding whether and in what manner the Program should proceed.

(2) The recommendations submitted under paragraph (1) shall include—

(A) a description of the disposition method the Government of Russia has agreed to use;

(B) a description of the assistance the United States Government plans to provide under the Program;

(C) an estimate of the total cost and schedule of such assistance;

(D) an explanation of how parallelism is to be defined for purposes of the Program and whether such parallelism can be achieved if the United States mixed-oxide (MOX) plutonium disposition program continues on the current planned schedule without further delays.

(b) EXCEPTION.—The limitation under subsection (a) does not apply to the obligation of funds to continue research and development associated with the Gas Turbine-Modular Helium Reactor (GT–MHR).

SEC. 3119. LIMITATION ON AVAILABILITY OF FUNDS FOR CONSTRUCTION OF MOX FUEL FABRICATION FACILITY.

None of the amount authorized to be appropriated under section 3101(a)(2) for defense nuclear nonproliferation activities may be obligated for construction project 99–D–143, the Mixed-Oxide (MOX) Fuel Fabrication Facility, until 30 days after the date on which the Secretary of Energy provides to the congressional defense committees—

(1) an independent cost estimate for the United States Surplus Fissile Materials Disposition Program and facilities; and

(2) a written certification that the Department of Energy intends to use the MOX Fuel Fabrication Facility for United States plutonium disposition regardless of the future direction of the Russian Surplus Fissile Materials Disposition Program.

SEC. 3120. TECHNICAL CORRECTION RELATED TO AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2006.

Effective as of January 6, 2006, and as if included therein as enacted, section 3101(a) of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109–163; 119 Stat. 3537) is amended by striking ''$9,196,456'' and inserting ''$9,196,456,000''.

SEC. 3121. EDUCATION OF FUTURE NUCLEAR ENGINEERS.

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

(1) The Department of Defense and the United States depend on the specialized expertise of nuclear engineers who support the development and sustainment of technologies including naval reactors, strategic weapons, and nuclear power plants.

(2) Experts estimate that over 25 percent of the approximately 58,000 workers in the nuclear power industry in the United States will be eligible to retire within 5 years, representing both a huge loss of institutional memory and a potential national security crisis.

(3) This shortfall of workers is exacerbated by reductions to the University Reactor Infrastructure and Education Assistance program, which trains civilian nuclear scientists and engineers. The defense and civilian nuclear industries are interdependent on a limited number of educational institutions to produce their workforce. A reduction in nuclear scientists and engineers trained in the civilian sector may result in a further loss of qualified personnel for defense-related research and engineering.

(4) The Department of Defense's successful Science, Math and Research for Transformation (SMART) scholarship-for-service program serves as a good model for a targeted scholarship or fellowship program designed to educate future scientists at the postsecondary and postgraduate levels.

(b) REPORT ON EDUCATION OF FUTURE NUCLEAR ENGINEERS.—

(1) STUDY.—The Secretary of Energy shall study the feasibility and merit of establishing a targeted scholarship or fellowship program to educate future nuclear engineers at the postsecondary and postgraduate levels.

(2) REPORT REQUIRED.—The President shall submit to the congressional defense committees, together with the budget request submitted for fiscal year 2008, a report on the study conducted by the Secretary of Energy under paragraph (1).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2007, $22,260,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. TRANSFER OF GOVERNMENT-FURNISHED URANIUM STORED AT SEQUOYAH FUELS CORPORATION, GORE, OKLAHOMA.

(a) TRANSPORT AND DISPOSAL.—Not later than March 31, 2007, the Secretary of the Army shall, subject to subsection (c), transport to an authorized disposal facility for appropriate disposal all of the Federal Government-furnished uranium in the chemical and physical form in which it is stored at the Sequoyah Fuels Corporation site in Gore, Oklahoma.

(b) SOURCE OF FUNDS.—Funds authorized to be appropriated by section 301(1) for the Army for operation and maintenance may be used for the transport and disposal required under subsection (a).

(c) LIABILITY.—The Secretary may only transport uranium under subsection (a) after receiving from Sequoyah Fuels Corporation a written agreement satisfactory to the Secretary that provides that—

(1) the United States assumes no liability, legal or otherwise, of Sequoyah Fuels Corporation by transporting such uranium; and

(2) the Sequoyah Fuels Corporation waives any and all claims it may have against the United States related to the transported uranium.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. COMPLETION OF EQUITY FINALIZATION PROCESS FOR NAVAL PETROLEUM RESERVE NUMBERED 1.

Section 3412(g) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 7420 note) is amended—

(1) by inserting ''(1)'' after ''(g)''; and

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

''(2)(A) In light of the unique role that the independent petroleum engineer who is retained pursuant to paragraph (b)(2) performs in the process of finalizing equity interests, and the importance to the United States taxpayer of timely completion of the equity finalization process, the independent petroleum engineer's 'Shallow Oil Zone Provisional Recommendation of Equity Participation,' which was presented to the equity finalization teams for the Department of Energy and Chevron U.S.A. Inc. on October 1 and 2, 2002, shall become the final equity recommendation of the independent petroleum engineer, as that term is used in the Protocol on NPR–1 Equity Finalization Implementation Process, July 8, 1996, for the Shallow Oil Zone unless the Department of Energy and Chevron U.S.A. Inc. agree in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to either party for any cost or expense incurred or for any loss or damage sustained—

''(i) as a result of the manner in which services are performed by the independent petroleum engineer in accordance with its contract with the Department of Energy to support the equity determination process;

''(ii) as a result of the failure of the independent petroleum engineer in good faith to perform any service or make any determination or computation, unless caused by its gross negligence; or

''(iii) as a result of the reliance by either party on any computation, determination, estimate or evaluation made by the independent petroleum engineer unless caused by the its gross negligence or willful misconduct.

''(B) If Chevron U.S.A. Inc. agrees in writing not later than 60 days after the date of the enactment of this paragraph that the independent petroleum engineer shall not be liable to Chevron U.S.A. Inc. or the Department of Energy for any cost or expense incurred or for any loss or damage described in clauses (i) through (iii) of subparagraph (A), the Department of Energy shall agree to the same not later than such date.''.

Mr. ALLEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. LANDRIEU. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CORNYN). Without objection, it is so ordered.

Ms. LANDRIEU. I thank the Chair.

(The remarks of Ms. LANDRIEU pertaining to the introduction of S. 3626 are located in today's RECORD under ''Statements of Introduced Bills and Joint Resolutions.'')

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—H.R. 810, S. 2754, S. 3504

Mr. FRIST. Mr. President, I ask unanimous consent that at a time determined by the majority leader, after consultation with the Democratic leader, the Senate proceed en bloc to the following bills under the following agreement:

H.R. 810, Stem Cell Research Enhancement Act, discharged from the HELP Committee; S. 2754, Alternative Pluripotent Stem Cell Therapies Enhancement Act, discharged from the HELP Committee; S. 3504, Fetus Farming Prohibition Act of 2006.

I further ask consent there be a total of 12 hours of debate equally divided between the two leaders or their designees; provided further that no amendments be in order to any of the measures; further, that following the use or yielding back of time the bills be read a third time and the Senate proceed to three consecutive votes in the following order with no intervening action or debate: S. 3504, S. 2754, H.R. 810.

Finally, I ask unanimous consent that any bill that does not receive 60 votes in the affirmative, the vote on passage be vitiated and the bill be returned to its previous status on the calendar or in the HELP Committee; and further, other than as provided in this agreement, it not be in order for the Senate to consider any bill or amendment relating to stem cell research during the remainder of the 109th Congress.

Mr. REID. Mr. President, reserving the right to object, it is my understanding that if any one of these three bills or all of them receive 60 votes, they would be passed.

Mr. FRIST. That is correct. Each of these bills will have a 60-vote threshold.

Mr. REID. Mr. President, let me say, first of all, that I extend my appreciation to the distinguished majority leader. This has been difficult. I know that. I would rather that we would just be going forward with H.R. 810, but we will take what we have.

I think this bill is going to be bring peace and comfort to Nancy Reagan and many people just like Nancy Reagan who believe that what we are going to do next month, I hope—is that right?

Mr. FRIST. In all likelihood, but at some mutually agreeable time.

Mr. REID. Will be something that will give comfort to Nancy Reagan and people like her about treatment and maybe cures which can come from some of these dread diseases.

I think it is an important day for the Senate.

Again, I tell the leader how much I appreciate this and I speak for every Democrat and I speak for people throughout the country. I know this has not been easy.

The PRESIDING OFFICER. Is there objection?

Mr. REID. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I thank the Democratic leader. As he knows, we have been working a long time to bring, in an appropriate fashion, these bills to the floor. The unanimous consent agreement that we just obtained says that we will address three bills—I will have more to say about those shortly—over the course of the 12-hour period and then have the 60-vote threshold on each of those.

It was several weeks ago that I reiterated my commitment to work with my colleagues on both sides of the aisle to bring the debate about Federal funding for stem cell research to the Senate floor. We have been working very hard in meeting after meeting to do just that.

I just propounded a unanimous consent request which was agreed to that had three pieces of legislation—the Alternative Pluripotent Stem Cell Therapies Enhancement Act, the Stem Cell Research Enhancement Act, which is H.R. 810, and the Fetus Farming Prohibition Act of 2006.

I will have a little bit more to say about each of these.

Mr. REID. Mr. President, I will be very quick because I know the leader has things to do.

In entering this agreement, which we have just done, I am relying on the leader's good faith—basically his word and reputation—that we will do this before we get out of here by the October break. Is that his intention?

Mr. FRIST. It is my intention, as it is worded in here, that the two of us will agree upon a time. It is my intention after getting over this first hurdle to do this in the not too distant future before we leave.

Mr. REID. I hope we can arrive at a time and agree that we can get this done.

Mr. FRIST. We will.

Mr. President, I would like to comment a little bit on the approach and the rationale behind these bills which have been a long time in coming. This is a very similar to the approach that we tried about a year ago, but because of timing and a whole host of reasons we couldn't get a unanimous consent agreement. So I am pleased that we are there.

I am pro-life. I personally believe that human life begins at conception in large part because it is the moment that the organism is complete—immature, yes, but complete.

An embryo is nascent human life. It is genetically distinct as that individual; it is biologically human; it is living. This position is consistent with my faith. But to me it isn't just a matter of faith; it is a matter of science.

Our development is this continuous process; it is gradual; it is chronological; and at one point in time all of us in this room were embryos. That embryo is human life at that very earliest stage of development, which is continuous, which again is chronological over time. And accordingly, that embryo has more significance, it has more moral value, and thus it deserves our utmost respect and dignity.

I also believe, as do other scientists—I would say countless other scientists, clinicians, and doctors—that all stem cells, but specifically embryonic stem cells, hold a very specific, unique promise for some therapies and potential cures: diabetes, Parkinson's disease, Alzheimer's, Lou Gehrig's disease, and spinal cord injuries. Stem cells offer hope for treatment that other lines of research simply haven't offered.

Embryonic stem cells are what we call ''pluripotent,'' adult stem cells. You have embryonic stem cells, and these embryonic stem cells are ''pluripotential.'' What that means is that they have two remarkable qualities that really no other cell in the human body has. That is why they are so unique. The embryonic stem cells have the capacity to become any other type of tissue that is unique to them.

Second, they have this remarkable capacity of being able to renew themselves—copy themselves again and again and again and again indefinitely.

It is those two properties, the ability to copy itself over time and to become any sort of tissue, which makes it specifically unique and so remarkable. That is why we have so much potential hope for cure and for therapy.

Right now, there is the challenge; there is the ethical challenge. This is why it is so hard for us and for people all across this country as they listen to the debate; that is, to derive these embryonic stem cells using the technology that we know today. The embryo itself has to be altered in some way or destroyed.

That is the heart of the ethical concern. That is why I have made it clear that while I strongly support Federal funding for embryonic stem cell research, that Federal funding should only be provided within a system, a comprehensive system of ethical oversight, strict safeguards in this ethical system that are overseeing this financial investment. That comprehensive oversight has to have strict safeguards and public accountability. It has to have complete transparency so we ensure that this new research, this evolving research unfolds over time within accepted ethical bounds.

It is interesting. I came to this floor about 5 years ago. It was 5 years ago sometime around either June or July. At that time, I laid out a comprehensive proposal to promote stem cell research within this ethical framework.

That is interesting because I talked about adult stem cells and embryonic stem cells. At that point in time, embryonic stem cells were only 3 years old in terms of discovery. They had been around a long time, but we only discovered them really in about 1998. At that point in time, I proposed 10 specific interdependent principles.

At this juncture, I ask unanimous consent to have printed in the RECORD those principles.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FRIST PRINCIPLES ON HUMAN STEM CELL RESEARCH

Stem cell research holds tremendous potential for treating serious illness and disease. Because the embryonic stem cells derived from five to six day-old blastocysts are ''pluripotent'' (appearing capable of indefinite self-renewal and differentiation into all cell types), research conducted with embryonic stem cells derived from the roughly 20–30 cells contained in the inner cell mass of the blastocyst has the potential to help advance treatments for diabetes, Alzheimer's disease, Parkinson's disease, leukemia, spinal cord injuries and a number of other diseases and conditions. Research using adult stem cells also holds great promise, although there may be characteristics of adult stem cells that limit the medical potential of this research.

Embryonic stem cell research—and the derivation of stem cells from blastocysts—raises significant ethical and moral questions. Many believe that these days-old embryos are human life and should not be used for research purposes under any circumstance. Others believe that, because such

embryos exist outside the womb at this early developmental stage, they are not yet life. Still others believe that, regardless of whether such embryos are life, the potential of embryonic stem cells should outweigh moral or ethical concerns about their use for potentially life-saving research.

These competing concerns make it extremely difficult to reach consensus on a federal policy in this area. Nonetheless, because both embryonic and adult stem cell research may contribute to significant medical and health advancement, research on both should be federally funded within a carefully regulated, fully transparent framework that ensures respect for the moral significance of the human embryo.

The unique interplay of this promising but uncharted new science with the ethical and moral considerations of life, disease and health is continually evolving and presenting new challenges. Therefore, we must ensure a strong, comprehensive, publicly accountable oversight structure that is responsive on an ongoing basis to moral, social and scientific considerations.

Federal funding for stem cell research should be contingent on the implementation of strict new safeguards and public accountability governing this new, evolving research. The following 10 points are essential components of a comprehensive framework that allows stem cell research to progress in a manner respectful of both the moral significance of human embryos and the potential of stem cell research to improve health.

1. Ban Embryo Creation for Research: The creation of human embryos solely for research purposes should be strictly prohibited.

2. Continue Funding Ban on Derivation: Strengthen and codify the current ban on federal funding for the derivation of embryonic stem cells.

3. Ban Human Cloning: Prohibit all human cloning to prevent the creation and exploitation of life for research purposes.

4. Increase Adult Stem Cell Research Funding: Increase federal funding for research on adult stem cells to ensure the pursuit of all promising areas of stem cell research.

5. Provide Funding for Embryonic Stem Cell Research Only From Blastocysts That Would Otherwise Be Discarded: Allow federal funding for research using only those embryonic stem cells derived from blastocysts that are left over after in vitro fertilization (IVF) and would otherwise be discarded.

6. Require a Rigorous Informed Consent Process: To ensure that blastocysts used for stem cell research are only those that would otherwise be discarded, require a comprehensive informed consent process establishing a clear separation between potential donors' primary decision to donate blastocysts for adoption or to discard blastocysts and their subsequent option to donate blastocysts for research purposes. Such a process, modeled in part on well-established and broadly accepted organ and tissue donation practices, will ensure that donors are fully informed of all their options.

7. Limit Number of Stem Cell Lines: Restrict federally-funded research using embryonic stem cells derived from blastocysts to a limited number of cell lines. In addition, authorize federal funding for embryonic stem stem cell research for five years to ensure ongoing Congressional oversight.

8. Establish A Strong Public Research Oversight System: Establish appropriate public oversight mechanisms, including a national research registry, to ensure the transparent, in-depth monitoring of federally-funded and federally-regulated stem cell research and to promote ethical, high quality research standards.

9. Require Ongoing, Independent Scientific and Ethical Review: Establish an ongoing scientific review of stem cell research by the Institute of Medicine (IOM) and create an independent Presidential advisory panel to monitor evolving bioethical issues in the area of stem cell research. In addition, require the Secretary of Health and Human Services to report to Congress annually on the status of federal grants for stem cell research, the number of stem cell lines created, the results of stem cell research, the number of grant applications received and awarded, and the amount of federal funding provided.

10. Strengthen and Harmonize Fetal Tissue Research Restrictions: Because stem cell research would be subject to new, stringent federal requirements, ensure that informed consent and oversight regulations applicable to federally-funded fetal tissue research are consistent with these new rules.

Mr. FRIST. Mr. President, I also said at the time that policymakers and the public must often reassess the research, this new research, this evolving research and the circumstances under which it is conducted.

As I said then—and I believe now—we must do all we can to pursue promising alternative strategies that hold the same potential, the potential for developing the pluripotent stem cell lines without damaging the embryo, without altering the embryo, without destroying the embryo or nascent human life.

Shortly after that time—that was 5 years ago—the President announced his policy for embryonic stem cell research. That was remarkable at the time. I think it was August 11. It was Federally funded embryonic stem cell research for the first time ever. It did so within that ethical framework. It showed respect for human life.

That is why I believe it is important for us to have this debate on the floor of the Senate.

The policy also restricted the embryonic stem cell funding only to those stem cell lines that had been derived prior to his announcement. That was the cutoff line. At that time it was widely believed that there were 78 such embryonic stem cell lines that would be available for Federal funding; 78 we thought at the time when President put forth his proposal. Unfortunately, over time we have learned that had not been the case. What we thought would have been 78 lines today we realize only became 22 cell lines—22 lines—that are eligible.

Moreover, those lines unexpectedly—we didn't know it at the time. That is why it is so important to constantly come back and modify, if necessary, but reevaluate policies. Those lines unexpectedly after several generations are starting to became less stable and less replicative than we had initially anticipated.

Science is fascinating. Just as an aside, they seem to be acquiring and losing chromosomes. They are losing what we call the normal carrier type. They are potentially losing growth control, all of which means these cell lines out there are less useful in terms of research, in terms of opening up that potential, those possibilities, that hope for cures.

Also, another complication which we didn't realize at the time—some scientists did but we didn't know what the impact would be—all of these cell lines were grown on mouse-feeder cells, which we have learned since will limit their future potential for using those clinically or in clinical therapy in humans. There are concerns, for example, about viral contamination.

These are limitations we didn't realize at the time but we do know today, 5 years later.

While embryonic stem cell research is still in the very early stage, we have to be careful not to over-promise. And when people look at these bills coming through, although we want to open up that possibility for hope, we cannot over-promise.

The limitations we put in place in 2001 will over time show our ability to investigate new treatments for certain diseases—the mouse-feeder cells, the changes that we are seeing in the initial cell lines, the fact that there are fewer cells lines.

Therefore, I think it is the responsible thing for us to do, to come to the floor and consider modifying that policy, updating that policy based on what we have learned, which is why, with reservation, I support the House-passed embryonic stem cell research bill, H.R. 810.

Let me be clear on this particular bill. Because again and again people come forward saying there are so many deficiencies in the bill. And I see deficiencies in the bill. If circumstances were different, I would seek to ensure that a much stronger ethical and scientific oversight mechanism be in place, which is not part of that particular bill. Things like a clear prohibition on financial or other incentives between science and fertility clinics, more explicit requirements around informed consent, all of which is not in that particular bill.

But I have said that we should debate and vote on that House-passed bill. I, thus, have asked that it be included in the package of bills that we put forward for consideration on which we just got by unanimous consent agreement to debate and vote.

Moreover, as we consider embryonic stem cell research, we shouldn't diminish in any way the promise or slow the progress of research on adult stem cells or cells that have pluripotential capability but aren't strictly embryonic stem cells.

To date, adult stem cell research is the only type of stem cell research that is actively used in humans for treatment, for therapy, to cure diseases.

As a transplant surgeon—I transplant hearts and lungs—today we can transplant these adult stem cells. It is lifesaving. It has saved the lives of thousands and thousands of people. Part of that is that we have much longer experience with adult stem cells. We have probably three decades of experience

with the adult stem cells. We only have about 8 years of experience with the embryonic stem cells.

With more Federal support and emphasis, newer methods of deriving the pluripotential cells are being developed and have proven themselves in animal models—not yet in humans—fully developed, and we need to continue to support that research. It will have huge scientific and clinical payoffs.

Just as important, they may bridge the moral and ethical differences among people who now hold very different views on stem cell research because these newer alternative methods avoid the destruction of any human embryos. It is these forms of research which may offer not only a way forward to these new treatments and these new cures but also a way out of these ethical dilemmas posed by other forms of research.

That is why in this package I asked the Senate to also continue legislation to enhance this support for alternatives to embryonic stem cell research. I am very pleased that Senators SANTORUM and SPECTER have joined together and crafted the Alternative Pluripotent Stem Cell Therapies Enhancement Act, S. 2754, which is similar to legislation I worked on with a number of our colleagues—most specifically Senator ISAKSON from Georgia—last year. I do encourage every Senator to support these new alternative ways of reaching pluripotency in cells. It is very exciting research. There is no reason this legislation should not truly unite us as a body and be something everyone can support.

The third bill that has been included in this unanimous consent request is the Fetus Farming Prohibition Act of 2006, S. 3504. One may ask, what is fetus farming? It is the implantation and gestation of an embryo in a human or animal for the purpose of aborting for research. As far as I am aware, fetus farming is not a method that is currently employed but a method that has been proposed. It is not out of the realm of possibility. Therefore, Senators BROWNBACK and SANTORUM have proposed legislation which would draw a clear line which should not be crossed.

Those are the three bills which we will be debating. Several of my colleagues on the other side of the aisle have come to the Senate over the last several weeks and months to suggest we take up H.R. 810 or that we immediately take it up. However, I am absolutely convinced that all three bills I have mentioned address the profound ethical questions surrounding the promise of stem cells, the hope that these stem cells will lead to cure and therapy. That is why I believe it is only fair on an issue of this magnitude that Senators be given the courtesy and respect of addressing all three of these very different ideas, these areas which are surrounded in some ethical concern but also are important to medicine, science, and health.

The other proposals for handling this include taking a bill out and seeing what happens. Because these bills are so complex and Members have so many potential amendments, we have taken this course of having 3 bills with the 60-vote thresholds.

I thank my colleagues. We covered the spectrum. It has actually taken several months to pull together this unanimous consent request and agreement. I am very pleased we now have a process in place, the timing of which we can determine or I will determine in consultation with my colleagues on both sides of the aisle

Mr. HATCH. Mr. President, I support the unanimous consent agreement on stem cell research legislation propounded by our majority leader, Senator FRIST.

Overall, this is a fair proposal and it is certainly a matter that this Senate should be prepared to debate and vote upon as soon as possible.

It is over a year since the House of Representatives acted in a bipartisan fashion to adopt legislation, H.R. 810 that would increase the number of stem cell lines eligible for Federal funding if those stem cell lines were derived from embryos no longer needed for in vitro fertilization.

This is a good bill that Senators SPECTER and HARKIN have urged on this body since 2001. It is time to debate and vote upon this proposal.

The unanimous consent agreement also accommodates the interests of other Senators by including two other bills in this package.

I believe I can support these other two measures which are designed to outlaw so-called fetal farming and to encourage alterative means of devising new stem cell lines.

While I do not think that the alternative measure can or should be thought of as a replacement for the new cell lines that will be derived if H.R. 810 is passed, I am supportive of this type of research.

The stem cell issue is ripe for debate and resolution and I think that this unanimous consent agreement will move us down the road in a constructive fashion.

While this unanimous consent agreement does not address the issue of cloning, or somatic cell research as it is known in the language of science, we will have ample time to debate these matters in the future. And as much as Senator FEINSTEIN and I and others would like to debate and vote on our bill to ban reproductive cloning and to erect ethical safeguards to govern therapeutic cloning that advances the science of regenerative medicine, we can agree to have this somewhat different debate on a different day.

It is time for the Senate to vote on the Castle-DeGette bill that passed the House last year. Scientists tell us that there is great advantage to expanding the number of stem cell lines eligible for Federal funding.

Here is what one Nobel Laureate, Paul Berg of Stanford University, has said about the importance of passing this legislation:

DEAR SENATOR FEINSTEIN,

The Senate will shortly be considering legislation to permit the National Institutes of Health (NIH) to fund research with additional and new and existing human embryonic stem cell (hESC) lines. As a staunch supporter of biomedical research and particularly research with hESCs, I trust that you will exert your influence to ensure passage of H.R 810. Scientists engaged in ESC research are counting on you and like-minded Senate colleagues to assure its passage. The President must also be persuaded not to veto this legislation for if we continue on the path he set five years ago United States investigators will be out of the running in converting embryonic stem cells into important new therapies. It is especially frustrating and demeaning that American scientists are prohibited from using their NIH grant funds for research with the hundreds of hESC line generated outside the United States or generated in this country with private funding.

Paul Berg

When our Nobel Award winning scientists, like Dr. Berg, are telling us how important this research is, we should all pay careful attention.

Many among the American public agree that the time has come for the Senate to take up and pass the legislation that the House has already passed over a year ago.

Let me just share with you a letter that I received from Nancy Reagan on this important issue.

OFFICE OF NANCY REAGAN,
Los Angeles, CA, May 1, 2006.

Hon. ORRIN HATCH,
Washington, DC.

DEAR ORRIN, Thank you for your continued commitment to helping the millions of Americans who suffer from devastating and disabling diseases. Your support has given so much hope to so many.

It has been nearly a year since the United States House of Representatives first approved the stem cell legislation that would open the research so we could fully unleash its promise. For those who are waiting every day for scientific progress to help their loved ones, the wait for United States Senate action has been very difficult and hard to comprehend.

I understand that the United States Senate is now considering voting on H.R. 810, the Stem Cell Research Enhancement Act, sometime this month. Orrin, I know I can count on friends like you to help make sure this happens. There is just no more time to wait.

Sincerely,

NANCY REAGAN.

I think that Mrs. Reagan has it exactly right.

We need to debate and vote on this issue and we need to do it now. That is what I understand that the unanimous consent agreement proposed by Senator FRIST will accomplish. I am pleased that all of my colleagues have agreed to this unanimous consent agreement.

This agreement is acceptable to some of the staunchest opponents of H.R. 810. For example, I do not think that anyone has been as outspoken in their opposition to H.R. 810 than my friend from Kansas, Senator BROWNBACK. But I understand that this unanimous consent agreement is acceptable to him.

Both Senator BROWNBACK and I—and many others—might have crafted a

slightly different unanimous consent agreement—but I think that most would agree that what is being proposed by Senator FRIST gives a fair series of votes that could be accomplished in a reasonable amount of floor time in a part of the year when floor time is becoming a precious quantity.

Stem cell research presents a great opportunity for scientists to gain knowledge that can help those families in America and around the world in which loved ones suffer from currently incurable diseases such as cancer, heart disease, Alzheimer's, diabetes and Parkinson's to name a few.

In order to develop a better understanding of the causes and cures of many diseases tomorrow, we must conduct a vigorous research program today.

And let me be clear, cures will not happen overnight or will come easily. We have years of hard work ahead of us. But we have much work to do today to bring about these future advances.

In my view, what this unanimous consent agreement does is to move the ball forward. I am pleased that no one appears to be objecting to this agreement so we can give this matter the debate and votes that it deserves.

The House has acted on an important bill and, in this case, I believe that the Senate should give the American people a simple, an up-or-down vote on this measure.

I think that each of these three bills can gain substantial majorities.

I support the unanimous consent agreement. I am prepared to vote and hope my colleagues will support this agreement that will allow us to debate and have votes in a manner that does not allow parliamentary tactics to unduly delay or otherwise obstruct debate on this important legislation.

This unanimous consent agreement is a step in the right direction and I look forward to the debate on these three bills which can benefit the American public so much down the road.

This is good news for individuals like young Cody Anderson of Utah, who suffers from juvenile diabetes. This is good news for many individuals.

I commend the majority leader and my colleagues for tonight's agreement on a way to move forward.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on today's Executive Calendar: 613, 621, 738, 739, 740, 741, 742, 743, 744, 746 through 750, 752 through 758, 759, and all nominations on the Secretary's desk.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

ENVIRONMENTAL PROTECTION AGENCY

James B. Gulliford, of Missouri, to be Assistant Administrator for Toxic Substances of the Environmental Protection Agency.

DEPARTMENT OF VETERANS AFFAIRS

Daniel L. Cooper, of Pennsylvania, to be Under Secretary for Benefits of the Department of Veterans Affairs for a term of four years.

DEPARTMENT OF DEFENSE

Michael L. Dominguez, of Virginia, to be Deputy Under Secretary of Defense for Personnel and Readiness, vice Charles S. Abell, resigned.

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Maurice L. McFann, Jr., 0000

IN THE ARMY

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Frank A. Cipolla, 0000

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Michael J. Silva, 0000

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Robert B. Murrett, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Mark J. Edwards, 0000

LEGAL SERVICES CORPORATION

Jonann E. Chiles, of Arkansas, to be a Member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 2008, vice Robert J. Dieter.

DEPARTMENT OF STATE

John Clint Williamson, of Louisiana, to be Ambassador at Large for War Crimes Issues.

Gaddi H. Vasquez, of California, for the rank of Ambassador during his tenure of service as U.S. Representative to the United Nations Agencies for Food and Agriculture.

Michael E. Ranneberger, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Kenya.

Robert D. McCallum, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Eric M. Bost, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of South Africa.

Leslie V. Rowe, of Washington, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Solomon Islands and Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Vanuatu.

W. Stuart Symington IV, of Missouri, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Djibouti.

Gayleatha Beatrice Brown, of New Jersey, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Benin.

Peter R. Coneway, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Principality of Liechtenstein.

Clifford M. Sobel, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federative Republic of Brazil.

Robert O. Blake, Jr., of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

Thomas C. Foley, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ireland.

SMALL BUSINESS ADMINISTRATION

Steven G. Preston, of Illinois, to be Administrator of the Small Business Administration.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE ARMY

PN1676 ARMY nomination of Con G. Pham, which was received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1677 ARMY nominations (7) beginning DARYL W. FRANCIS, and ending DWAINE M. TORGERSEN, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1678 ARMY nominations (6) beginning BRIAN E. BISHOP, and ending ALAN C. SAUNDERS, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1679 ARMY nominations (4) beginning JOSE R. ATENCIO III, and ending CHRISTOPHER J. MORGAN, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1680 ARMY nominations (3) beginning BRENT E. BRACEWELL, and ending ALLEN L. MEYER, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1681 ARMY nominations (9) beginning BRUCE R. DESCHERE, and ending MICHAEL B. ROUNTREE, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1682 ARMY nominations (3) beginning MICHAEL L. ELLIS, and ending KRISTINE KNUTSON, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1683 ARMY nomination of Debra R. Hernandez, which was received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1684 ARMY nomination of Anne M. Emshoff, which was received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1685 ARMY nomination of Andrew P. Cap, which was received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1686 ARMY nominations (27) beginning MARK E. GANTS, and ending SAMUEL L. YINGST, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1687 ARMY nominations (32) beginning CATHLEEN A. BURGESS, and ending JEFFREY L. WELLS, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1688 ARMY nominations (99) beginning HAZEL P. HAYNES, and ending GlA K. YI, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1689 ARMY nominations (24) beginning Ben L. Clark, and ending JENNIFER L. WILLIAMS, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

PN1690 ARMY nominations (699) beginning LYNN F. ABRAMS, and ending ROBERT T. ZABENKO, which nominations were received the Senate and appeared in the Congressional Record of June 14, 2006.

IN THE MARINE CORPS

PN1691 MARINE CORPS nominations (6) beginning CHRISTOPHER J. GALFANO, and ending RUSSELL W. PARKER, which nominations were received by the Senate and appeared in the Congressional Record of June 14, 2006.

IN THE NAVY

PN1692 NAVY nomination of Zina L. Rawlins, which was received by the Senate and appeared in the Congressional Record of June 14, 2006.

NOMINATION OF KENNETH WAINSTEIN

Mr. LEAHY. Mr. President, today we consider a nominee for the new position of Assistant Attorney General for the National Security Division. All too often, in the Bush-Cheney administration, national security has been cited as a justification for overriding the rule of law and for imposing unprecedented secrecy. With the acquiescence of the Republican-controlled Congress, this administration may be the most unresponsive in history and the most unaccountable.

Ken Wainstein is President Bush's selection to be the first Assistant Attorney General for National Security, a new position created by Congress. I will not oppose this nomination in the hope that Mr. Wainstein will work with us and be responsive to the Senate.

I have concerns about this administration's unilateral approach to national security issues. Four years ago, the Office of Legal Counsel at the Justice Department issued a secret legal opinion concluding that the President of the United States had the power to override domestic and international laws outlawing torture. The memo sought to redefine torture and asserted that the President enjoys ''complete authority over the conduct of war'' and asserted that application of the criminal law passed by Congress prohibiting torture ''in a manner that interferes with the President's direction of such core war matters as the detention and interrogation of enemy combatants would be unconstitutional.'' It seemed to assert that the President could immunize people from prosecution for violations of U.S. criminal laws that prohibit torture. This Justice Department memo was withdrawn only after it became public because it could not withstand public scrutiny.

We have learned through the media of warrantless wiretapping and data-mining conducted by this administration. This, despite the Foreign Surveillance Intelligence Act and its express provisions and the actions on the Senate in voting to curtail the data-mining programs by Admiral Poindexter at the Defense Department. We have yet to be provided with a convincing legal justification for these programs. We have yet to be able to investigate or hold the administration accountable. Instead, every effort at oversight and accountability have been obstructed or curtailed by the administration. The administration refuses to follow the law and submit matters to the FISA court and claims state secrets to force court challenges to be dismissed. The administration tells the Senate when, what and how it may investigate. The Department of Justice's own, internal Office of Professional Responsibility's probe of whether or not lawyers at the Department violated ethical rules in justifying these activities was shut down by the Attorney General and the White House.

As this administration continues to expand its power, the Department of Justice should be advising the President to obey the law and respect the Congress and the courts, not just helping to rationalize actions and forestall oversight.

In theory, this new position might help Department of Justice attorneys to act responsibly on national security issues, rather than just to do the White House's bidding. It should put national security issues into the hands of experts, not political cronies. In fact, the WMD Commission recommended in March of last year that the different components of the Department's dealing with national security, terrorism, counterintelligence, and foreign intelligence surveillance be combined to eliminate deficiencies and inefficiencies in the Department's national security efforts. Congress acted to create the post. This new Assistant Attorney General position can only serve a useful role if the person who occupies it is willing to think independently. This administration has consistently prized loyalty over independence and expertise.

Mr. Wainstein has some experience as a prosecutor, but he has also been a loyal official of this administration for some time now. I hope that he will be able to look at the crucial national security issues to be handled by this new office with a critical eye and a view toward respecting law and the Congress. If he does, he will be a breath of fresh air in the Bush-Cheney administration.

Recently, Judiciary Committee Chairman SPECTER and I received a letter from the Fraternal Order of Police. The FOP ''endorsed'' Mr. Wainstein ''in order to facilitate his departure from the U.S. Attorney's Office.'' They criticized him for being ''unwilling to perform'' the function of investigating and prosecuting an alleged attack on a police officer. That is not what I would term high praise for his judgment. I ask that a copy of the letter be printed in the RECORD

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GRAND LODGE,
FRATERNAL ORDER OF POLICE,
Washington, DC, June 9, 2006.

Hon. ARLEN SPECTER,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

Hon. PATRICK J. LEAHY,
Ranking Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN SPECTER AND SENATOR LEAHY, I am writing on behalf of the members of the Fraternal Order of Police to advise you of our position on the nomination of Kenneth L. Wainstein, currently the U.S. Attorney for the District of Columbia, to be the Assistant Attorney General for the National Security Division at the U.S. Department of Justice.

The F.O.P. is very frustrated by the manner in which Mr. Wainstein is handling the investigation into the attack on a Federal law enforcement officer by U.S. Representative Cynthia L. McKinney. The grand jury has held this case for more than two months when the usual practice of a Federal prosecutor is to immediately arrest and swiftly indict people that attack police officers. It is clear to us that the accused in this case is receiving special treatment from Mr. Wainstein. This is unacceptable—had the officer's attacker in this case been a visitor to the Capitol instead of a U.S. Representative, it is likely that he or she would have already stood trial. Instead, under the stewardship of Mr. Wainstein, we have a seemingly endless grand jury proceeding and rumored talks of a plea deal, despite the fact that there has not even been an indictment.

Given that the basic function of a prosecutor is to investigate and prosecute cases, and given that Mr. Wainstein seems unwilling to perform this function in a simple assault case, the F.O.P. was initially reluctant to support his nomination to Assistant Attorney General. However, upon further reflection, we have reconsidered. There is a

genuine need to have an effective and appropriately aggressive Federal prosecutor in the District of Columbia and, because the responsibilities of the position for which he has been nominated are largely advisory in nature, we have decided to advocate his swift and immediate confirmation in order to facilitate his departure from the U.S. Attorney's office. In so doing, we hope that his replacement will prove to be better able to handle pending cases—particularly those involving assaults on law enforcement officers.

Justice is something that must be vigorously pursued and Mr. Wainstein is waffling. We feel that someone of his temperament is better suited to a less operational position and, for this reason, on behalf of the more than 324,000 members of the Fraternal Order of Police, we urge his expeditious confirmation. I thank you both in advance for your consideration of our views on this matter. If I can be for any further help, please feel free to contact me or Executive Director Jim Pasco at my Washington office.

Sincerely,

CHUCK CANTERBURY,
National President.

SMALL BUSINESS ADMINISTRATION

Mr. KERRY. Mr. President, today the Senate Committee on Small Business and Entrepreneurship unanimously reported the President's nomination of Steven Preston to serve as Administrator for the Small Business Administration. I would like to thank Chair SNOWE and her staff for their work on this nomination.

Mr. Preston brings keen business sense and a wealth of management experience to an agency woefully in need of better management. From the disaster loan program to oversight of federal contracting, the SBA has failed small businesses under the current administration. Hurricane Katrina is now 10 months behind us, and still we are witnessing delays in getting loan money to the residents of the Gulf Coast. Deep budget cuts have bled the agency of key staff. Efforts to eliminate key programs like the Microloan program, PRIME and New Markets Venture Capital have undermined access to capital and business counseling for small businesses, especially the smallest of firms. As Mr. Preston stated many times throughout the nomination process, morale at the SBA is dangerously low. There is a vacuum of leadership into which Mr. Preston now steps, and there is much for him to do to reinvigorate this agency.

I am hopeful that Mr. Preston will prove to be an aggressive advocate for small business. His career and his actions demonstrate that he is not a political person, and I hope his instincts lead him to do the right thing rather than the political thing. With investment, commitment, and most of all, strong leadership, the SBA can make a real difference in people's lives.

I am also hopeful that as Administrator, Mr. Preston will fight for realistic budgets. The budget delivered to Congress by President Bush this past year had no basis in reality. The former SBA Administrator's reaction was to travel the country to support Administration proposals that often had little to do with the needs of small businesses. Meanwhile, the SBA budget was being slashed. The SBA needs someone who will consider the impact of the budget on small businesses and disaster victims and will fight budgets that hurt these communities. The President is proposing to assess unprecedented administrative fees on small business loans, on top of the high fees that are already passed on to small businesses in this zero subsidy environment. He is also trying to balance the Federal budget on the backs of disaster victims by raising interest rates on disaster loans. These are not recipes for helping small business, and I hope Mr. Preston recognizes that.

The SBA also needs to be a more vigilant watchdog for small business contracting. The record of the last few years is appalling. Federal small business contracting numbers have been manipulated and overstated to score political points. The SBA's office dedicated to veterans contracting has been shut down. Implementation of the women's contracting program has been delayed for 6 years. The SBA IG reports and GAO reports make it clear: There is a pattern of neglect when it comes to SBA's oversight of federal contracting to ensure fair access for small firms. Report after report indicates that there needs to be more staff to oversee federal contracting, and the agency continues to deny our efforts to get more accurate small business contracting numbers. This is a serious problem, and through this nomination process, Mr. Preston has been made well aware that I and my fellow committee members expect it to be addressed.

Above all, I am tired of hearing the administration's claim that it is doing ''more with less.'' At some point, this catch phrase gives way to the reality that an agency can no longer even fulfill its mandate with any less. It is my belief that we have reached that point. Small Business Development Centers have been forced to reduce services. Women's Business Centers are on the verge of shutting down. Lending to minorities has been generally flat or has gone down, particularly dollars loaned to African Americans and women. This agency has a unique role to play in fostering entrepreneurship in underserved communities. It is clear from his history of charitable involvement that Mr. Preston understands the needs of these underserved communities, and I hope that this spirit is evident in his work at the SBA on behalf of underserved and disadvantaged businesses.

I have served on the Committee on Small Business and Entrepreneurship for 21 years, as ranking member or Chairman since 1997, and I have worked with a number of SBA Administrators. Too often, a nominee comes before the Committee and says all the right things to get confirmed. My hope for Mr. Preston is that he will not simply talk the talk, but that he will walk the walk. By living up to his promises, I think Mr. Preston will see that he and Congress can work side by side to help small businesses across the Nation.

Ms. LANDRIEU. Mr. President, I welcome the confirmation of Steven Preston to be U.S. Small Business Administration, BSA Administrator. I had the pleasure of meeting with Mr. Preston a few weeks ago, and I believe that he has the management experience to take on the many challenges facing the Small Business Administration. More importantly, I was impressed with his passion to serve and to take on this particularly challenging position.

For too long this agency, which serves the backbone of our Nation's economy, has been a second-class citizen in this administration. The SBA enjoyed Cabinet-level status under President Clinton but has since been downgraded to a second-tier agency. The SBA's budget has been cut by nearly 40 percent since 2001—more than any other Federal agency. This sends the wrong signal to small businesses, especially our small businesses down in the gulf coast. It tells them that they are not worth the investment, that small businesses are not a national priority.

We need a SBA Administrator who is a ''work horse'' not a ''show horse.'' Washington has plenty of show horses, but they should not be running Federal agencies. We have seen that in the gulf, and we don't want to see it again. I am willing to work with Mr. Preston and with my colleagues on the Senate Committee on Small Business and Entrepreneurship to help the SBA be more effective and responsive in good times and bad.

One of the first challenges Mr. Preston will face is to ensure that the SBA is ready for this year's hurricane season. Experts forecast that this will be a very active season, and the SBA has to be ready. Last year, we had the sense that the agency was acting by the seat of their pants. Under the circumstances, that is not so surprising. The country had never seen anything like Katrina before. But now Mr. Preston and the SBA have the opportunity to take the lessons of last year to better prepared for this year.

The emergency supplemental appropriations bill we most recently passed contains language that I sponsored to require SBA to submit a comprehensive disaster preparedness plan to Congress by July 15. SBA did not have one in place for Katrina, so my colleagues and I want to ensure that they are more prepared for hurricane season this year and future disasters as well. I look forward to receiving this report next week.

I mentioned that Mr. Preston's management experience will serve him well as he works to make the SBA a more efficient and responsive agency. Congress also needs to give SBA the tools to allow it to improve. After Katrina, small businesses in Louisiana had nothing but complaints about SBA's service in the Disaster Loan Program.

They needed access to immediate capital to pay employees, restore inventory, and make quick repairs, but SBA said it was not in the business of short-term recovery. That is why the upcoming SBJ reauthorization is going to be so important. This will be an opportunity to not only reauthorize funding for the SBA capital and technical assistance programs but also to make the SBA more responsive and efficient for future disasters.

I intend to introduce legislation that I would like to see included in the reauthorization bill to give the SBA more tools for handling future disasters. We need to give SBA expedited disaster loan authority for businesses in good standing with the SBA. We need to authorize short-term bridge loan and grant authority, so that in a major disaster, businesses can get help earlier, rather than later. SBA needs a full-time planning staff, and we must encourage the agency to better utilize its district offices. In the aftermath of Katrina, we need a strong SBA more than ever. In taking the helm, Mr. Preston will be a pivotal figure in the recovery of the gulf coast as well as to the economic growth of small businesses nationwide.

As Administrator, he will be inheriting an agency that by many accounts has an unfortunate legacy of mismanagement, inefficiency, poor employee morale, and soured relations with Congress. The management challenges are huge, but the need to do it right is greater. I believe that in Steven Preston, we have a nominee who can use his corporate management and finance experience to fix SBA. I invite him to not be afraid to take on the old ways of doing things at SBA. If he runs into roadblocks, come talk to us on the Senate Small Business Committee. If he needs a legislative change to move this agency forward, come to us. We want this agency to work. Our small businesses need this agency to work and to work well.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

DISCHARGE AND REFERRAL

Mr. McCONNELL. Mr. President, I ask unanimous consent that the nomination of Drue Pearce to be the Federal Coordinator for Alaska Natural Gas Transportation Projects be discharged from the Committee on Commerce, Science, and Transportation and be referred to the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

PROVIDING FOR AN ADJOURNMENT OR RECESS OF THE HOUSE AND SENATE

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H. Con. Res. 440, the adjournment resolution; provided that the concurrent resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 440) was agreed to, as follows:

H. CON. RES. 440

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Thursday, June 29, 2006, or Friday, June 30, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Monday, July 10, 2006, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Thursday, June 29, 2006, Friday, June 30, 2006, or Saturday, July 1, 2006, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, July 10, 2006, or such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate if, in their opinion, the public interest shall warrant it.

AUTHORIZATION TO SIGN BILLS OR JOINT RESOLUTIONS

Mr. McCONNELL. Mr. President, I ask unanimous consent that during the adjournment of the Senate, the majority whip and both Senators from Virginia be authorized to sign duly enrolled bills or joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO MAKE APPOINTMENTS

Mr. McCONNELL. Mr. President, I ask unanimous consent that notwithstanding the upcoming recess or adjournment of the Senate, the President of the Senate, the President pro tempore, and the majority and minority leaders be authorized to make appointments to commissions, committees, boards, conferences, or interparliamentary conferences authorized by law, by concurrent action of the two Houses, or by order of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR—S. 3590

Mr. McCONNELL. Mr. President, I understand there is a bill at the desk that is due for a second reading.

The PRESIDING OFFICER. The clerk will read the title of the bill for a second time.

The legislative clerk read as follows:

A bill (S. 3590) to amend title XIX of the Social Security Act to delay the effective date of the amendments made by the Deficit Reduction Act of 2005 requiring documentation evidencing citizenship or nationality as a condition for receipt of medical assistance under the Medicaid program.

Mr. McCONNELL. In order to place the bill on the calendar under the provisions of rule XIV, I object to further proceeding.

The PRESIDING OFFICER. Objection is heard. The bill will be placed on the calendar.

AUTHORIZING PRINTING AND BINDING OF SUPPLEMENT TO AND REVISED EDITION OF SENATE PROCEDURE

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S.J. Res. 40 that was introduced earlier today.

The PRESIDING OFFICER. The clerk will report the joint resolution.

The legislative clerk read as follows:

S. J. RES. 40

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PRINTING OF SUPPLEMENT TO, AND REVISED EDITION OF, SENATE PROCEDURE.

(a) IN GENERAL.—Each of the following documents shall be prepared under the supervision of Alan Frumin, Parliamentarian and Parliamentarian Emeritus of the Senate, and shall be printed and bound as a Senate document:

(1) A supplement to ''Riddick's Senate Procedure'', to be styled ''Frumin's Supplement to Riddick's Senate Procedure''.

(2) A revised edition of ''Riddick's Senate Procedure'', to be styled ''Frumin's Senate Procedure''.

(b) COPIES.—One thousand five hundred copies of each document described in subsection (a) shall be printed for distribution to Senators and for the use of the Senate.

Mr. McCONNELL. I ask unanimous consent that the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 40) was ordered to be engrossed for a third reading, was read the third time, and passed.

LOUIS BRAILLE BICENTENNIAL—BRAILLE LITERACY COMMEMORATIVE COIN ACT

Mr. McCONNELL. I ask unanimous consent that the Senate proceed to the

immediate consideration of Calendar No. 475, S. 2321.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2321) to require the Secretary of the Treasury to mint coins in commemoration of Louis Braille.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2321) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

S. 2321

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Louis Braille Bicentennial—Braille Literacy Commemorative Coin Act''.

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Louis Braille, who invented the Braille method for reading and writing by the blind that has allowed millions of blind people to be literate participants in their societies, was born in Coupvray, a small village near Paris, on January 4, 1809.

(2) Braille lost his sight at the age of 3, after injuring himself with an awl in the shop of his father Rene, a maker of harnesses and other objects of leather.

(3) A youth who was both intelligent and creative, Braille was blessed with dedicated parents, a thoughtful local priest, and an energetic local schoolteacher.

(4) Braille adapted to his situation and attended local school with other children of his age, an unheard-of practice for a blind child of the period.

(5) At the age of 10, when his schooling otherwise would have stopped, Braille, with the aid of his priest and schoolteacher, was given a scholarship by a local nobleman and went to Paris to attend the Royal Institute for Blind Children, where he became the youngest pupil.

(6) At the Institute, most instruction was oral but Braille found there were books for the blind, large, expensive-to-produce books, in which the text was of large letters embossed upon the page.

(7) Soon, Braille had read all 14 books in the school, but thirsted for more.

(8) Charles Barbier de la Serre, a captain in Napoleon's army, had invented ''night writing'', a method for communicating on the battlefield amidst the thick smoke of combat, or at night without lighting a match (which would aid enemy gunners), that used dots and dashes that were felt and interpreted with the fingers. He later adapted the method for use by the blind, calling it ''Sonography'', because it represented words by sounds, rather than spelling.

(9) Braille adopted the Sonography method instantly, but soon recognized that the basis in sound and the large number of dots, as many as 12, used to represent words was too cumbersome.

(10) By the age of 15, and using a blunt awl, the same sort of tool that had blinded him, Braille had developed what is essentially modern Braille, a code that uses no more than 6 dots in a ''cell'' of 2 columns of 3 dots each to represent each letter, and contains a system of punctuation and of ''contractions'' to speed writing and reading.

(11) In contrast to the bulky books consisting of large embossed letters, Braille books can contain as many as 1,000 characters or contractions on a standard 11-by-12-inch page of heavy paper, and to this day, Braille can be punched with an awl-like ''stylus'' into paper held in a metal ''slate'' that is very similar to the ones that Louis Braille adapted from Barbier's original ''night writing'' devices.

(12) Also a talented organist who supported himself by giving concerts, Braille went on to develop the Braille representation of music, and in 1829, published the first-ever Braille book, a manual about how to read and write music.

(13) 8 years later, in 1837, Braille followed that publication with another book detailing a system of representation of mathematics.

(14) Braille's talents were quickly recognized, and at age 17, he was made the first blind apprentice teacher at the school, where he taught algebra, grammar, music, and geography.

(15) He and 2 blind classmates, his friends who probably were the first people to learn to read and write Braille, later became the first 3 blind full professors at the school.

(16) However, despite the fact that many blind people enthusiastically adopted the system of writing and reading, there was great skepticism among sighted people about the real usefulness of Braille's code, and even at the Royal Institute, it was not taught until after his death on January 6, 1852.

(17) Braille did not start to spread widely until 1868 when a group of British men, later to become known as the Royal National Institute for the Blind, began publicizing and teaching the system.

(18) Braille did not become the official and sole method of reading and writing for blind United States citizens until the 20th Century.

(19) Helen Keller, a Braille reader of another generation, said: ''Braille has been a most precious aid to me in many ways. It made my going to college possible—it was the only method by which I could take notes on lectures. All my examination papers were copied for me in this system. I use Braille as a spider uses its web—to catch thoughts that flit across my mind for speeches, messages, and manuscripts.''.

(20) While rapid technological advances in the 20th Century have greatly aided the blind in many ways by speeding access to information, each advance has seen a commensurate drop in the teaching of Braille, to the point that only about 10 percent of blind students today are taught the system.

(21) However, for the blind not to know Braille is in itself a handicap, because literacy is the ability to read and the ability to write and the ability to do the 2 interactively.

(22) The National Federation of the Blind, the Nation's oldest membership organization consisting of blind members, has been a champion of the Braille code, of Braille literacy for all blind people, and of the memory of Louis Braille, and continues its Braille literacy efforts today through its divisions emphasizing Braille literacy, education of blind children, and employment of the blind.

(23) Braille literacy aids the blind in taking responsible and self-sufficient roles in society, such as employment. While 70 percent of the blind are unemployed, 85 percent of the employed blind are Braille-literate.

SEC. 3. COIN SPECIFICATIONS.

(a) IN GENERAL.—The Secretary of the Treasury (hereafter in this Act referred to as the ''Secretary'') shall mint and issue not more than 400,000 $1 coins bearing the designs specified in section 4(a), each of which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5134 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

SEC. 4. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the life and legacy of Louis Braille.

(2) OBVERSE.—The design on the obverse shall bear a representation of the image of Louis Braille.

(3) REVERSE.—The design on the reverse shall emphasize Braille literacy, and shall specifically include the word for Braille in Braille code (the Braille capital sign and the letters Brl) represented in a way that complies with section 3 of specification 800 of the National Library Service for the Blind and Physically Handicapped of the Library of Congress specifications for Braille, and is tactilely indiscernible from printed or written Braille.

(4) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act, there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year ''2009''; and

(C) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary, after consultation with the Commission of Fine Arts and the National Federation of the Blind; and

(2) reviewed by the Citizens Coinage Advisory Committee.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act only during the 1-year period beginning on January 1, 2009.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in section 7(a) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

SEC. 7. SURCHARGES.

(a) SURCHARGE REQUIRED.—All sales of coins under this Act shall include a surcharge of $10 per coin.

(b) DISTRIBUTION.—Subject to section 5134(f) of title 31, United States Code, all surcharges which are received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the National Federation of the Blind, to further its programs to promote Braille literacy.

(c) AUDITS.—The National Federation of the Blind shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code, with regard to the amounts received by the National Federation of the Blind under subsection (b).

ABRAHAM LINCOLN COMMEMORATIVE COIN ACT

Mr. MCCONNELL. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 500, S. 811.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 811) to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the birth of Abraham Lincoln.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 811) was ordered to be engrossed for a third reading, read the third time and passed, as follows:

S. 811

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Abraham Lincoln Commemorative Coin Act''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Abraham Lincoln, the 16th President, was one of the Nation's greatest leaders, demonstrating true courage during the Civil War, one of the greatest crises in the Nation's history.

(2) Born of humble roots in present-day LaRue County, Kentucky, on February 12, 1809, Abraham Lincoln rose to the Presidency through a combination of honesty, integrity, intelligence, and commitment to the United States.

(3) With the belief that all men were created equal, Abraham Lincoln led the effort to free all slaves in the United States.

(4) Abraham Lincoln had a generous heart, with malice toward none and with charity for all.

(5) Abraham Lincoln gave the ultimate sacrifice for his country, dying from an assassin's bullet on April 15, 1865.

(6) The year 2009 will be the bicentennial anniversary of the birth of Abraham Lincoln.

(7) The Abraham Lincoln Bicentennial Commission has been charged by Congress with planning the celebration of President Lincoln's bicentennial.

(8) The proceeds from a commemorative coin will help fund the celebration and the continued study of the life of President Lincoln.

SEC. 3. COIN SPECIFICATIONS.

(a) $1 SILVER COINS.—The Secretary of the Treasury (in this Act referred to as the ''Secretary'') shall mint and issue not more than 500,000 $1 coins, which shall—

(1) weigh 26.73 grams;

(2) have a diameter of 1.500 inches; and

(3) contain 90 percent silver and 10 percent copper.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of sections 5134 and 5136 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

SEC. 4. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the life and legacy of President Abraham Lincoln.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act, there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year ''2009''; and

(C) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary, after consultation with the Commission of Fine Arts and the Abraham Lincoln Bicentennial Commission; and

(2) reviewed by the Citizens Coinage Advisory Committee established under section 5135 of title 31, United States Code.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD FOR ISSUANCE.—The Secretary may issue coins minted under this Act only during the 1-year period beginning on January 1, 2009.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins minted under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in section 7(a) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins minted under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

SEC. 7. SURCHARGES.

(a) IN GENERAL.—All sales of coins minted under this Act shall include a surcharge of $10 per coin.

(b) DISTRIBUTION.—Subject to section 5134(f) of title 31, United States Code, all surcharges received by the Secretary from the sale of coins minted under this Act shall be promptly paid by the Secretary to the Abraham Lincoln Bicentennial Commission to further the work of the Commission.

(c) AUDITS.—The Abraham Lincoln Bicentennial Commission shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.

DEMOCRATIC REPUBLIC OF THE CONGO RELIEF, SECURITY, AND DEMOCRACY PROMOTION ACT OF 2005

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 442, S. 2125.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2125) to promote relief, security, and democracy in the Democratic Republic of the Congo.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCONNELL. Mr. President, I understand that Senator OBAMA has an amendment at the desk. I ask unanimous consent that it be considered and agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read, without intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4545) was agreed to, as follows:

On page 1, line 6, strike ''2005'' and insert ''2006''.

On page 3, beginning on line 7, strike ''promoting security, peace, and prosperity in the'' and insert ''a secure, peaceful, and prosperous''.

Beginning on page 4, strike line 19 and all that follows through page 5, line 18, and insert the following:

(9) According to the 2005 Department of State report on human rights practices in the Democratic Republic of the Congo, ''In all areas of the country, the human rights record remained poor, and numerous serious abuses were committed; however, there were some improvements during the year.''.

On page 6, beginning on line 4, strike ''fair and democratic elections within the timeframe provided by the Sun City Peace Accords'' and insert ''that the elections scheduled to be held on July 30, 2006, and future elections in the Democratic Republic of the Congo are carried out in a fair and democratic manner''.

On page 6, line 23, insert ''through the provision of necessary equipment and training'' after ''establish''.

On page 7, line 15, insert ''and other illegally armed groups'' before the semicolon at the end.

On page 12, beginning on line 7, strike ''2005 (division D of the Consolidated Appropriations Act, 2005; Public Law 108–447; 118 Stat. 3015)'' and insert ''2006 (Public Law 109–102; 119 Stat. 2218)''.

On page 14, line 20, strike ''60'' and insert ''180''.

On page 15, after section (b) insert:

(c) ELIGIBILITY OF DEPARTMENT OF STATE EMPLOYEES.—The individual designated to serve as the Special Envoy may be an employee of the Department of State with the rank of Deputy Assistant Secretary or higher.

On page 16, line 9, strike ''IN GENERAL.—''.

On page 19, strike lines 3 through 11.

On page 20, strike lines 3 through 15 and insert the following:

(b) SUPPORT CONTINGENT ON PROGRESS.—If the Secretary of State determines that the Government of the Democratic Republic of the Congo is not making sufficient progress

towards accomplishing the policy objectives in section 102, the President shall consider withdrawing United States support for the assistance described in subsection (a) when future funding decisions are considered.

The bill (S. 2125), as amended, was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2125

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Democratic Republic of the Congo Relief, Security, and Democracy Promotion Act of 2006''.

TITLE I—BILATERAL ACTION ON ADDRESSING URGENT NEEDS IN THE DEMOCRATIC REPUBLIC OF THE CONGO

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) The National Security Strategy of the United States, dated September 17, 2002, concludes that ''[i]n Africa, promise and opportunity sit side-by-side with disease, war, and desperate poverty. This threatens both a core value of the United States preserving human dignity and our strategic priority combating global terror. American interests and American principles, therefore, lead in the same direction: we will work with others for an African continent that lives in liberty, peace, and growing prosperity.''

(2) On February 16, 2005, the Director of the Central Intelligence Agency testified, ''In Africa, chronic instability will continue to hamper counterterrorism efforts and pose heavy humanitarian and peacekeeping burdens.''

(3) According to the United States Agency for International Development, ''Given its size, population, and resources, the Congo is an important player in Africa and of long-term interest to the United States.''

(4) The Democratic Republic of Congo is 2,345,410 square miles (approximately ¼ the size of the United States), lies at the heart of Africa, and touches every major region of sub-Saharan Africa. Therefore, a secure, peaceful, and prosperous Democratic Republic of the Congo would have a profound impact on progress throughout Africa.

(5) A mortality study completed in December 2004 by the International Rescue Committee found that 31,000 people were dying monthly and 3,800,000 people had died in the previous 6 years because of the conflict in the Democratic Republic of the Congo and resulting disintegration of the social service infrastructure and that ''improving and maintaining security and increasing simple, proven and cost-effective interventions such as basic medical care, immunizations and clean water would save hundreds of thousands of lives in the Congo. There's no shortage of evidence. It's sustained compassion and political will that's lacking.''

(6) The International Crisis Group concluded, ''The conflict in the Democratic Republic of the Congo remains one of the deadliest conflicts since World War II and has resulted in the loss of nearly 4 million lives since 1998.... The international community, and the United Nations Security Council in particular, must take strong and urgent action to support the transition, establish a national army and secure lasting peace in the Democratic Republic of the Congo, if it is to live up to its responsibility to protect those in need.''

(7) According to the Department of State, ''returning one of Africa's largest countries [the Democratic Republic of the Congo] to full peace and stability will require significant United States investments in support of national elections, the reintegration of former combatants, the return and reintegration of refugees and [internally displaced persons], establishment of central government control over vast territories, and promotion of national reconciliation and good governance''.

(8) According to the 2005 Department of State report on human rights practices in the Democratic Republic of the Congo, ''In all areas of the country, the human rights record remained poor, and numerous serious abuses were committed; however, there were some improvements during the year.''.

SEC. 102. STATEMENT OF POLICY.

It is the policy of the United States—

(1) to promote, reinvigorate, and support the political process in the Democratic Republic of the Congo in order to press all parties in the Transitional National Government to move forward with approval of an electoral law and put in place mechanisms, including national and international election observers, fair and transparent voter registration procedures, and a significant civic awareness and public education campaign, to ensure that the elections scheduled to be held on July 30, 2006, and future elections in the Democratic Republic of the Congo are carried out in a fair and democratic manner;

(2) to ensure that, once a stable national government is established in the Democratic Republic of the Congo, it is committed to multiparty democracy, open and transparent governance, respect for human rights and religious freedom, ending the violence throughout the country, promoting peace and stability with its neighbors, rehabilitating the national judicial system and enhancing the rule of law, and combating corruption;

(3) to assist the Government of the Democratic Republic of the Congo in meeting the basic needs of its citizens, including security, safety, and access to health care, education, food, shelter, and clean drinking water;

(4) to engage in security sector reform by helping the Government of the Democratic Republic of the Congo establish through the provision of necessary equipment and training a viable and professional national army and police force that respects human rights and the rule of law, is under effective civilian control, and possesses a viable presence throughout the entire country, including by contributing to the provision of necessary equipment and training;

(5) to expedite planning and implementation of programs associated with the disarmament, demobilization, repatriation, reintegration, and rehabilitation process in the Democratic Republic of the Congo;

(6) to support efforts of the Government of the Democratic Republic of the Congo, the United Nations Peacekeeping Mission in the Democratic Republic of the Congo (MONUC), and other entities, as appropriate, to disarm, demobilize, and repatriate the Democratic Forces for the Liberation of Rwanda and other illegally armed groups;

(7) to ensure that the Government of the Democratic Republic of the Congo—

(A) is committed to responsible and transparent management of natural resources across the country; and

(B) takes active measures—

(i) to promote economic development;

(ii) to hold accountable individuals who misuse the country's natural resources for personal gain; and

(iii) to implement the Extractive Industries Transparency Initiative by enacting laws requiring disclosure and independent auditing of company payments and government receipts for natural resource extraction;

(8) to promote a viable civil society and to enhance nongovernmental organizations and institutions, including religious organizations, the media, political parties, trade unions, and trade and business associations, that can act as a stabilizing force and effective check on the government;

(9) to rebuild and enhance infrastructure, communications, and other mechanisms that will increase the ability of the central government to manage internal affairs, encourage economic development, and facilitate relief efforts of humanitarian organizations;

(10) to halt the high prevalence of sexual abuse and violence perpetrated against women and children in the Democratic Republic of the Congo and mitigate the detrimental effects from acts of this type of violence by undertaking a number of health, education, and financial support measures, including psycho-social programs, counseling, and HIV/AIDS testing and treatment, and providing financial support;

(11) to work aggressively on a bilateral basis to urge governments of countries contributing troops to the United Nations Peacekeeping Mission in the Democratic Republic of the Congo (MONUC) to enact and enforce laws on trafficking in persons and sexual abuse that meet international standards, promote codes of conduct for troops serving as part of United Nations peacekeeping missions, and immediately investigate and punish citizens who are responsible for abuses in the Democratic Republic of the Congo;

(12) to undertake steps that—

(A) protect internally displaced persons and refugees in the Democratic Republic of the Congo and border regions from all forms of violence, including gender-based violence and other human rights abuses;

(B) address other basic needs of vulnerable populations with the goal of allowing these conflict-affected individuals to ultimately return to their homes; and

(C) assess the magnitude of the problem in the Democratic Republic of the Congo of orphans from conflict and HIV/AIDS, and work to establish a program of national support;

(13) to engage with governments working to promote peace and security throughout the Democratic Republic of the Congo and hold accountable individuals, entities, and countries working to destabilize the country; and

(14) to promote appropriate use of the forests of the Democratic Republic of the Congo in a manner that benefits the rural population in that country that depends on the forests for their livelihoods and protects national and environmental interests.

SEC. 103. BILATERAL ASSISTANCE TO THE DEMOCRATIC REPUBLIC OF THE CONGO.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available for such purposes, including amounts from regional funds, there is authorized to be appropriated $52,000,000 for fiscal year 2006 for bilateral assistance programs in the Democratic Republic of the Congo under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454, chapter 469), and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(b) USES OF ASSISTANCE.—Amounts appropriated pursuant to subsection (a) shall be used to accomplish the policy objectives in section 102.

(c) FUTURE YEAR FUNDING.—The Department of State should submit budget requests in fiscal years 2007, 2008, and 2009 that contain increases in bilateral assistance for the Democratic Republic of the Congo that are

appropriate and similar to the increase authorized under subsection (a) for fiscal year 2006 if progress is being made, particularly cooperation by the Government of the Democratic Republic of the Congo, toward accomplishing the objectives in section 102.

(d) OFFSETS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of State should consult with the Chairmen and Ranking Members of the Committee on Foreign Relations, the Committee on Appropriations, and the Committee on the Budget of the Senate and the Committee on International Relations, the Committee on Appropriations, and the Committee on the Budget of the House of Representatives to determine appropriate reductions in funding, especially redundant or duplicative programs, to offset the increase in funding authorized in subsection (a).

(e) USES OF SECURITY ASSISTANCE.—Security assistance that is authorized to be appropriated under this section shall be made available consistent with section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102; 119 Stat. 2218) and other provisions of law related to eligibility.

(f) COORDINATION WITH OTHER DONOR NATIONS.—The United States should work with other donor nations, on a bilateral and multilateral basis, to increase international contributions to the Democratic Republic of the Congo and accomplish the policy objectives described in section 102.

SEC. 104. ACCOUNTABILITY FOR THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE CONGO.

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

(1) the Government of the Democratic Republic of the Congo must be committed to achieving the policy objectives described in this Act if the efforts of the United States and other members of the international community are to be effective in bringing relief, security, and democracy to the country; and

(2) the international community, through the United Nations peacekeeping mission, humanitarian and development relief, and other forms of assistance, is providing a substantial amount of funding that is giving the Government of the Democratic Republic of the Congo an opportunity to make progress towards accomplishing the policy objectives in section 102, but this assistance cannot continue in perpetuity.

(b) REPORT ON PROGRESS.—

(1) REPORT REQUIRED.—Not later than one year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the progress made toward accomplishing the policy objectives described in section 102.

(2) CONTENT.—The report required under paragraph (1) shall include—

(A) a description of any major impediments that prevent the accomplishment of the policy objectives described in section 102;

(B) an evaluation of United States policies and foreign assistance programs designed to accomplish such policy objectives; and

(C) recommendations for—

(i) improving these policies and programs; and

(ii) any additional bilateral or multilateral actions necessary to promote peace and prosperity in the Democratic Republic of the Congo.

(c) TERMINATION OF ASSISTANCE.—The Secretary of State may withhold assistance otherwise available under this Act if the Secretary determines and reports to Congress that the Government of the Democratic Republic of the Congo is not making sufficient progress towards accomplishing the policy objectives described in section 102.

SEC. 105. STRATEGY ON PROMOTING HUMANITARIAN RELIEF, SECURITY, AND DEMOCRACY IN THE DEMOCRATIC REPUBLIC OF THE CONGO.

Not later than 180 days after the date of the enactment of this Act, the President shall submit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives a report setting forth a strategy for achieving the policy objectives described in section 102, including a description of an effective mechanism for coordination of United States Government efforts to implement this strategy.

SEC. 106. SPECIAL ENVOY FOR THE GREAT LAKES REGION.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the President should appoint a Special Envoy for the Great Lakes Region to resolve the instability and insecurity in Eastern Congo, which is the result of multiple international and domestic factors, and to enhance the regional harmonization of United States policies and assistance programs.

(b) CONSULTATION.—In appointing the Special Envoy, the President should consult with the Majority Leader and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, and the Chairmen and Ranking Members of the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(c) ELIGIBILITY OF DEPARTMENT OF STATE EMPLOYEES.—The individual designated to serve as the Special Envoy may be an employee of the Department of State with the rank of Deputy Assistant Secretary or higher.

TITLE II—MULTILATERAL ACTIONS TO ADDRESS URGENT NEEDS IN THE DEMOCRATIC REPUBLIC OF THE CONGO

SEC. 201. PROMOTION OF UNITED STATES POLICY TOWARD THE DEMOCRATIC REPUBLIC OF THE CONGO IN THE UNITED NATIONS SECURITY COUNCIL.

The United States shall use its voice and vote in the United Nations Security Council—

(1) to address exploitation at the United Nations Peacekeeping Mission in the Democratic Republic of the Congo (MONUC) by urging, when credible allegations exist, appropriate investigation of alleged perpetrators and, as necessary, prosecution of United Nations personnel responsible for sexual abuses in the Democratic Republic of the Congo;

(2) to ensure that appropriate guidelines, codes of conduct, and programs for the prevention of sexual abuse and trafficking in persons are undertaken by the United Nations;

(3) to strengthen the authority and capacity of MONUC by—

(A) providing specific authority and obligation to prevent and effectively counter imminent threats;

(B) clarifying and strengthening MONUC's rules of engagement to enhance the protection of vulnerable civilian populations;

(C) enhancing the surveillance and intelligence-gathering capabilities available to MONUC;

(D) where consistent with United States policy, making available personnel, communications, and military assets that improve the effectiveness of robust peacekeeping, mobility, and command and control capabilities of MONUC; and

(E) providing MONUC with the authority and resources needed to support efforts surrounding national elections and the referendum on the constitution, and to monitor arms trafficking and natural resource exploitation at key border posts and airfields in the eastern part of the Democratic Republic of the Congo;

(4) to encourage regular visits of the United Nations Security Council to monitor the situation in the Democratic Republic of the Congo;

(5) to ensure that the practice of recruiting and arming children in the Democratic Republic of the Congo is immediately halted pursuant to Security Council Resolutions 1460 (2003) and 1539 (2004);

(6) to strengthen the arms embargo imposed pursuant to Security Council Resolution 1493 (2003) and ensure that violators are held accountable through appropriate measures, including the possible imposition of sanctions;

(7) to allow for the more effective protection and monitoring of natural resources in the Democratic Republic of the Congo, especially in the eastern part of the country, and for public disclosure and independent auditing of natural resource revenues to help ensure transparent and accountable management of these revenues;

(8) to press countries in the Congo region to help facilitate an end to the violence in the Democratic Republic of the Congo and promote relief, security, and democracy throughout the region; and

(9) to encourage the United Nations Secretary-General to become more involved in completing the policy objectives described in paragraphs (1) and (2) of section 102 and ensure that recent fighting in North Kivu, which displaced over 150,000 people, as well as fighting in Ituri and other areas, does not create widespread instability throughout the country.

SEC. 202. INCREASING CONTRIBUTIONS AND OTHER HUMANITARIAN AND DEVELOPMENT ASSISTANCE THROUGH INTERNATIONAL ORGANIZATIONS.

(a) IN GENERAL.—The President shall instruct the United States permanent representative or executive director, as the case may be, to the United Nations voluntary agencies, including the World Food Program, the United Nations Development Program, and the United Nations High Commissioner for Refugees, international financial institutions, and other appropriate international organizations to use the voice and vote of the United States to support additional humanitarian and development assistance for the Democratic Republic of the Congo in order to accomplish the objectives described in section 102.

(b) SUPPORT CONTINGENT ON PROGRESS.—If the Secretary of State determines that the Government of the Democratic Republic of the Congo is not making sufficient progress towards accomplishing the policy objectives in section 102, the President shall consider withdrawing United States support for the assistance described in subsection (a) when future funding decisions are considered.

RECOGNIZING THE FDA

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the HELP Committee be discharged from further consideration and the Senate now proceed to H. Con. Res 426.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 426) recognizing the Food and Drug Administration of the Department of Health and Human

Services on the occasion of the 100th anniversary of the passage of the Food and Drug Act for the important service it provides the Nation.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mrs. CLINTON. Mr. President, as we recognize the 100th anniversary of the establishment of the Food and Drug Administration, I would like to rise and express my concern about the current direction of this agency.

There is no doubt that, since the agency's founding, the employees of the FDA have made an enormous contribution to protection the health of our Nation, and I believe that we should recognize the efforts of the thousands of civil servants who have helped to ensure the safety of our food and medicine.

Yet while the FDA has long represented the gold standard of consumer protection, I am afraid that this standard is being tarnished by the current activities of the agency. Under this administration, we have seen ideology placed before science, and politics before the public health.

Consider the way in which the FDA has sought to block wider access to Emergency Contraception, also known as Plan B, a tool that can prevent unintended pregnancy. Two successive FDA commissioners—Bush administration political appointees—blocked Plan B from being sold over the counter, overruling the FDA's medical experts, advisors, and the recommendations of over 70 organizations, induding the American Medical Association and the American Academy of Pediatrics. The Government Accountability Office has confirmed that the FDA's 2004 decision not to approve over-the-counter sales was politically motivated. And despite the years that have passed since the original recommendation to approve Plan B for over the counter use, we still have no action, other than delay after delay, on that recommendation.

American women deserve an answer from the FDA. With Senator PATTY MURRAY, I have placed a hold on the nomination of current acting Commissioner Dr. Andrew Von Eschenbach's to lead this agency, and I will continue to hold the nomination of Dr. von Eschenbach until the FDA issues a decision on Plan B, yes or no.

The FDA was founded in 1906 to protect the interests of the American consumer. One hundred years later, I fear that politics and ideology may triumph over the agency's original mission. I believe the best way to celebrate the FDA centennial is to make a commitment to reforms that will restore this agency's reputation as the gold standard of consumer protection.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 426) was agreed to.

The preamble was agreed to.

WORKFORCE INVESTMENT ACT AMENDMENTS OF 2005

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 203, S. 1021.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 1021) to reauthorize the Workforce Investment Act of 1998, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce Investment Act Amendments of 2005''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 111. Purpose.
Sec. 112. State workforce investment boards.
Sec. 113. State plan.
Sec. 114. Local workforce investment areas.
Sec. 115. Local workforce investment boards.
Sec. 116. Local plan.
Sec. 117. Establishment of one-stop delivery systems.
Sec. 118. Eligible providers of training services.
Sec. 119. Eligible providers of youth activities.
Sec. 120. Youth activities.
Sec. 121. Adult and dislocated worker employment and training activities.
Sec. 122. Performance accountability system.
Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

Sec. 141. Native American programs.
Sec. 142. Migrant and seasonal farmworker programs.
Sec. 143. Veterans' workforce investment programs.
Sec. 144. Youth challenge grants.
Sec. 145. Technical assistance.
Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
Sec. 147. National dislocated worker grants.
Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

Sec. 151. Requirements and restrictions.
Sec. 152. Reports.
Sec. 153. Administrative provisions.
Sec. 154. Use of certain real property.
Sec. 155. General program requirements.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

Subtitle G—Conforming Amendments

Sec. 171. Table of contents.
Sec. 172. Conforming amendments.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

Sec. 201. Short title; purpose.
Sec. 202. Definitions.
Sec. 203. Authorization of appropriations.
Sec. 204. Home schools.
Sec. 205. Reservation of funds; grants to eligible agencies; allotments.
Sec. 206. Performance accountability system.
Sec. 207. State administration.
Sec. 208. State distribution of funds; matching requirement.
Sec. 209. State leadership activities.
Sec. 210. State plan.
Sec. 211. Programs for corrections education and other institutionalized individuals.
Sec. 212. Grants and contracts for eligible providers.
Sec. 213. Local application.
Sec. 214. Local administrative cost limits.
Sec. 215. Administrative provisions.
Sec. 216. National Institute for Literacy.
Sec. 217. National leadership activities.
Sec. 218. Integrated English literacy and civics education.
Sec. 219. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

Sec. 401. Short title.
Sec. 402. Technical amendments to table of contents.
Sec. 403. Purpose.
Sec. 404. Rehabilitation Services Administration
Sec. 405. Definitions.
Sec. 406. Administration of the Act.
Sec. 407. Reports.
Sec. 408. Carryover.

Subtitle A—Vocational Rehabilitation Services

Sec. 411. Declaration of policy; authorization of appropriations.
Sec. 412. State plans.
Sec. 413. Eligibility and individualized plan for employment.
Sec. 414. Vocational rehabilitation services.
Sec. 415. State rehabilitation council.
Sec. 416. Evaluation standards and performance indicators.
Sec. 417. Monitoring and review.
Sec. 418. State allotments.
Sec. 419. Reservation for expanded transition services.
Sec. 420. Client assistance program.
Sec. 421. Incentive grants.
Sec. 422. Vocational rehabilitation services grants.
Sec. 423. GAO studies.

Subtitle B—Research and Training

Sec. 431. Declaration of purpose.
Sec. 432. Authorization of appropriations.
Sec. 433. National Institute on Disability and Rehabilitation Research.
Sec. 434. Interagency committee.
Sec. 435. Research and other covered activities.
Sec. 436. Rehabilitation Research Advisory Council.
Sec. 437. Definition.

Subtitle C—Professional Development and Special Projects and Demonstrations

Sec. 441. Training.
Sec. 442. Demonstration and training programs.
Sec. 443. Migrant and seasonal farmworkers.
Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

Sec. 461. Architectural and Transportation Barriers Compliance Board.
Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

Sec. 471. Projects with industry.
Sec. 472. Projects with industry authorization of appropriations.

Sec. 473. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

Sec. 481. State plan.
Sec. 482. Statewide Independent Living Council.
Sec. 483. Independent living services authorization of appropriations.
Sec. 484. Program authorization.
Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
Sec. 487. Standards and assurances for centers for independent living.
Sec. 488. Centers for independent living authorization of appropriations.
Sec. 489. Independent living services for older individuals who are blind.
Sec. 490. Program of grants.
Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.
Sec. 502. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act 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 the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by redesignating paragraphs (1) through (4), (5) through (16), (17), (18) through (41), and (42) through (53) as paragraphs (2) through (5), (7) through (18), (20), (23) through (46), and (48) through (59), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for—

''(A) goods or other tangible property received;

''(B) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

''(C) other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.'';

(3) in paragraph (2) (as redesignated by paragraph (1)), by striking ''Except in sections 127 and 132,'' and inserting ''Except in section 132,'';

(4) by striking paragraph (5) (as redesignated by paragraph (1)) and inserting the following:

''(5) BASIC SKILLS DEFICIENT.—The term 'basic skills deficient' means, with respect to an individual, that the individual—

''(A) has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test; or

''(B) is unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the individual's family, or in society.'';

(5) by inserting after paragraph (5) (as redesignated by paragraph (1)) the following:

''(6) BUSINESS INTERMEDIARY.—The term 'business intermediary' means an entity that brings together various stakeholders with an expertise in an industry or business sector.'';

(6) in paragraph (9) (as redesignated by paragraph (1)), by inserting '', including a faith-based organization,'' after ''nonprofit organization'';

(7) in paragraph (10) (as redesignated by paragraph (1)), in subparagraph (C), by striking ''for not less than 50 percent of the cost of the training.'' and inserting ''for—

''(i) a significant portion of the cost of training as determined by the local board, taking into account the size of the employer and such other factors as the local board determines to be appropriate; and

''(ii) in the case of customized training (as defined in subparagraphs (A) and (B)) with an employer in multiple local areas in the State, a significant portion of the cost of the training, as determined by the Governor, taking into account the size of the employer and such other factors as the Governor determines to be appropriate.'';

(8) in paragraph (11) (as redesignated by paragraph (1))—

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (C), by striking ''or'' after the semicolon;

(C) in subparagraph (D), by striking the period and inserting ''; or''; and

(D) by adding at the end the following:

''(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

''(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).'';

(9) in paragraph (12)(A) (as redesignated by paragraph (1))—

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

''(ii) is the dependent spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and'';

(10) in paragraph (14)(A) (as redesignated by paragraph (1)), by striking ''section 122(e)(3)'' and inserting ''section 122'';

(11) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

''(19) HARD-TO-SERVE POPULATIONS.—The term 'hard-to-serve populations' means populations of individuals who are hard to serve, including displaced homemakers, low-income individuals, Native Americans, individuals with disabilities, older individuals, ex-offenders, homeless individuals, individuals with limited English proficiency, individuals who do not meet the definition of literacy in section 203, individuals facing substantial cultural barriers, migrant and seasonal farmworkers, individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), single parents (including single pregnant women), and such other groups as the Governor determines to be hard to serve.'';

(12) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

''(21) INTEGRATED TRAINING PROGRAM.—The term 'integrated training program' means a program that combines occupational skills training with English language acquisition.

''(22) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a), and subparagraphs (A) and (B) of section 102(a)(1), of the Higher Education Act of 1965 (20 U.S.C. 1001(a), 1002(a)(1)).'';

(13) in paragraph (30) (as redesignated by paragraph (1))—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);'';

(14) in paragraph (31) (as redesignated by paragraph (1)), by inserting after ''fields of work'' the following: '', including occupations in computer science and technology and other emerging high-skill occupations,'';

(15) in paragraph (35) (as redesignated by paragraph (1)), by inserting '', subject to section 121(b)(1)(C)'' after ''121(b)(1)'';

(16) by striking paragraph (38) (as redesignated by paragraph (1)) and inserting the following:

''(38) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means an out-of-school youth as defined in section 129(a)(1)(B).'';

(17) by inserting after paragraph (46) (as redesignated by paragraph (1)) the following:

''(47) SELF-SUFFICIENCY.—The term 'self-sufficiency' means self-sufficiency within the meaning of subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section 134.'';

(18) in paragraph (49) (as redesignated by paragraph (1)), by striking ''clause (iii) or (v) of section 136(b)(3)(A)'' and inserting ''section 136(b)(3)(A)(iii)'';

(19) in paragraph (58) (as redesignated by paragraph (1)), by striking ''(or as described in section 129(c)(5))'' and inserting ''(or as described in section 129(a)(2))''; and

(20) in paragraph (59) (as redesignated by paragraph (1)), by striking ''established under section 117(h)'' and inserting ''that may be established under section 117(h)(2)''.

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 111. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended to read as follows:

''SEC. 106. PURPOSES.

''The purposes of this subtitle are the following:

''(1)(A) Primarily, to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, self-sufficiency, and earnings of participants, and increase occupational skill attainment by participants.

''(B) As a result of the provision of the activities, to improve the quality of the workforce, reduce welfare dependency, increase self-sufficiency, and enhance the productivity and competitiveness of the Nation.

''(2) To enhance the workforce investment system of the Nation by strengthening one-stop centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment and training and related services, establishing a targeted approach to serving youth, improving performance accountability, and promoting State and local flexibility.

''(3) To provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.

''(4) To provide workforce investment systems that are demand-driven and responsive to the

needs of all employers, including small employers.

''(5) To provide workforce investment systems that work in all areas of the Nation, including urban and rural areas.

''(6) To allow flexibility to meet State, local, regional, and individual workforce investment needs.

''(7) To recognize and reinforce the vital link between economic development and workforce investment activities.

''(8) To provide for accurate data collection, reporting, and performance measures that are not unduly burdensome.

''(9) To address the ongoing shortage of essential skills in the United States workforce related to both manufacturing and knowledge-based economies to ensure that the United States remains competitive in the global economy.

''(10) To equip workers with higher skills and contribute to lifelong education.

''(11) To eliminate training disincentives for hard-to-serve populations and minority workers, including effectively utilizing community programs, services, and agencies.

''(12) To educate limited English proficient individuals about skills and language so the individuals are employable.

''(13) To increase the employment, retention and earnings of individuals with disabilities.''.

SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) in paragraph (1), by striking subparagraph (C) and inserting the following:

''(C) representatives appointed by the Governor, who—

''(i) are the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners, except that—

''(I) in any case in which no lead State agency official has responsibility for such a program or activity, the representative shall be a representative in the State with expertise relating to such program or activity; and

''(II) in the case of the programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), the representative shall be the director of the designated State unit, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705);

''(ii) are the State agency officials responsible for economic development;

''(iii) are representatives of business in the State, including small businesses, who—

''(I) are owners of businesses, chief executive or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority;

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations, business trade associations, and local boards;

''(iv) are chief elected officials (representing cities and counties, where appropriate);

''(v) are representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) are such other State agency officials and other representatives as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C. 2821(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2821(d)) is amended—

(1) in paragraph (1), by striking ''development'' and inserting ''development, implementation, and revision'';

(2) in paragraph (2)—

(A) by striking ''section 134(c)'' and inserting ''section 121(e)''; and

(B) in subparagraph (A), by inserting after ''section 121(b)'' the following: '', including granting the authority for the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) to plan and coordinate employment and training activities with local boards'';

(3) by striking paragraph (3) and inserting the following:

''(3) reviewing and providing comment on the State plans of all one-stop partner programs, where applicable, in order to provide effective strategic leadership in the development of a high quality, comprehensive statewide workforce investment system, including commenting at least once annually on the measures taken pursuant to section 113(b)(3) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)(3)) and title II of this Act;'';

(4) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively;

(5) by inserting after paragraph (3) the following:

''(4) development and review of statewide policies affecting the coordinated provision of services through the one-stop delivery system described in section 121(e) within the State, including—

''(A) the development of objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers under section 121(g);

''(B) the development of guidance for the allocation of one-stop center infrastructure funds under section 121(h)(1)(B);

''(C) the development of—

''(i) statewide policies relating to the appropriate roles and contributions of one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in the one-stop delivery system;

''(ii) statewide strategies for providing effective outreach to individuals, including hard-to-serve populations, and employers who could benefit from services provided through the one-stop delivery system;

''(iii) strategies for technology improvements to facilitate access to services provided through the one-stop delivery system, in remote areas, and for individuals with disabilities, which may be utilized throughout the State; and

''(iv) strategies for the effective coordination of activities between the one-stop delivery system of the State and the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

''(D) identification and dissemination of information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies, including for hard-to-serve populations; and

''(E) conduct of such other matters as may promote statewide objectives for, and enhance the performance of, the one-stop delivery system;'';

(6) in paragraph (5) (as redesignated by paragraph (4)), by inserting ''and the development of statewide criteria to be used by chief elected officials for the appointment of local boards consistent with section 117'' after ''section 116'';

(7) in paragraph (6) (as redesignated by paragraph (4)), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(8) in paragraph (9) (as redesignated by paragraph (4))—

(A) by striking ''employment statistics system'' and inserting ''workforce and labor market information system''; and

(B) by striking ''and'' after the semicolon;

(9) in paragraph (10) (as redesignated by paragraph (4))—

(A) by inserting ''section 136(i) and'' before ''section 503''; and

(B) by striking the period and inserting ''; and''; and

(10) by adding at the end the following:

''(11) increasing the availability of skills training, employment opportunities, and career advancement, for hard-to-serve populations.''.

(c) ALTERNATIVE ENTITY.—Section 111(e) (29 U.S.C. 2821(e)) is amended—

(1) in paragraph (1), by striking ''For'' and inserting ''Subject to paragraph (3), for''; and

(2) by adding at the end the following:

''(3) FAILURE TO MEET PERFORMANCE MEASURES.—If a State fails to have performed successfully, as defined in section 116(a)(2), the Secretary may require the State to establish a State board in accordance with subsections (a), (b), and (c) in lieu of the alternative entity established under paragraph (1).''.

(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29 U.S.C. 2821(f)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(e) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C. 2821(g)) is amended—

(1) by inserting '', and modifications to the State plan,'' before ''prior''; and

(2) by inserting '', and modifications to the State plan'' after ''the plan''.

(f) AUTHORITY TO HIRE STAFF.—Section 111 (29 U.S.C. 2821) is amended by adding at the end the following:

''(h) AUTHORITY TO HIRE STAFF.—

''(1) IN GENERAL.—The State board may hire staff to assist in carrying out the functions described in subsection (d) using funds allocated under sections 127(b)(1)(C) and 132(b).

''(2) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the State board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.''.

SEC. 113. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended—

(1) by inserting '', or a State unified plan as described in section 501,'' before ''that outlines'';

(2) by striking ''5-year strategy'' and inserting ''4-year strategy''; and

(3) by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the State board shall review and, as needed, amend the 4-year State plan to reflect labor market and economic conditions. In addition, the State shall submit a modification to the State plan at the end of the first 2-year period of the State plan, which may include redesignation of local areas pursuant to section 116(a) and specification of the levels of performance under sections 136 for the third and fourth years of the plan.''.

(b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b)) is amended—

(1) in paragraph (8)(A)—

(A) in clause (ix), by striking ''and'' after the semicolon; and

(B) by adding at the end the following:

''(xi) programs authorized under title II of the Social Security Act (42 U.S.C. 401 et seq.) (relating to Federal old-age, survivors, and disability insurance benefits), title XVI of such Act (42 U.S.C. 1381 et seq.) (relating to supplemental security income), title XIX of such Act (42 U.S.C. 1396 et seq.) (relating to medicaid), and title XX of such Act (42 U.S.C. 1397 et seq.) (relating to block grants to States for social services), programs authorized under title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.), and programs carried out by State agencies relating to mental retardation and developmental disabilities; and'';

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

''(10) a description of how the State will use funds the State received under this subtitle to

leverage other Federal, State, local, and private resources, in order to maximize the effectiveness of such resources, expand resources for the provision of education and training services, and expand the participation of businesses, employees, and individuals in the statewide workforce investment system, including a description of incentives and technical assistance the State will provide to local areas for such purposes;'';

(3) in paragraph (12)(A), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(4) in paragraph (14), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(5) in paragraph (15), by striking ''section 116(a)(5)'' and inserting ''section 116(a)(4)'';

(6) in paragraph (17)—

(A) in subparagraph (A)—

(i) in clause (iii)—

(I) by inserting ''local'' before ''customized training''; and

(II) by striking ''and'' at the end;

(ii) in clause (iv), by striking ''(including displaced homemakers),'' and all that follows through ''disabilities)'' and inserting '', hard-to-serve populations, and individuals training for nontraditional employment''; and

(iii) by adding after clause (iv) the following:

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities), including the provision of outreach, intake, the conduct of assessments, service delivery, the development of adjustments to performance measures established under section 136, and the training of staff; and''; and

(B) in subparagraph (B), by striking ''and'' at the end;

(7) in paragraph (18)(D)—

(A) by striking ''youth opportunity grants under section 169'' and inserting ''youth challenge grants authorized under section 169 and other federally funded youth programs''; and

(B) by striking the period and inserting a semicolon; and

(8) by adding at the end the following:

''(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be utilized throughout the State;

''(20) a description of the State strategy for coordinating workforce investment activities and economic development activities, and promoting entrepreneurial skills training and microenterprise services;

''(21) a description of the State strategy and assistance to be provided for ensuring regional cooperation within the State and across State borders as appropriate;

''(22) a description of how the State will use funds the State receives under this subtitle to—

''(A) implement innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

''(B) provide incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts to contribute to the economic well-being of the local area, as determined appropriate by the local board;

''(23) a description of the State strategy—

''(A) for ensuring cooperation between transportation providers, including public transportation providers, and providers of workforce investment activities; and

''(B) for ensuring coordination among appropriate State agencies and programs to make available skills training, employment services and opportunities, and career advancement activities, that will assist ex-offenders in reentering the workforce;

''(24) a description of how the State will assist local areas in assuring physical and programmatic accessibility for individuals with disabilities at one-stop centers;

''(25) a description of the process and methodology that will be used by the State board to—

''(A) review statewide policies and provide guidance on the coordinated provision of services through the one-stop delivery system described in section 121(e);

''(B) establish, in consultation with chief elected officials and local boards, objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system as described in section 121(g); and

''(C) determine—

''(i) one-stop partner program contributions for the costs of the infrastructure of one-stop centers under section 121(h)(2); and

''(ii) the formula for allocating the funds described in section 121(h)(2) to local areas;

''(26) a description of the State strategy for ensuring that activities carried out under this title are placing men and women in jobs, education, or training that lead to comparable pay; and

''(27) a description of the technical assistance available to one-stop operators and providers of training services for strategies to serve hard-to-serve populations and promote placement in nontraditional employment.''.

(c) MODIFICATIONS TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended—

(1) by striking ''5-year period'' and inserting ''4-year period''; and

(2) by adding at the end the following: ''In addition, the State shall submit the modifications to the State plan required under subsection (a), under circumstances prescribed by the Secretary that are due to changes in Federal law that significantly affect elements of the State plan.''.

SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1) (29 U.S.C. 2831(a)(1)) is amended—

(A) in subparagraph (A), by striking ''paragraphs (2), (3), and (4)'' and inserting ''paragraphs (2) and (3)''; and

(B) in subparagraph (B), by adding at the end the following:

''(vi) The extent to which such local areas will promote maximum effectiveness in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—The Governor shall approve a request for designation as a local area that is submitted prior to the submission of the State plan, or of a modification to the State plan relating to area designation, from any area that—

''(i) is a unit of general local government with a population of 500,000 or more, except that after the initial 2-year period following such designation pursuant to this clause that occurs after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation from such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(ii) was a local area under this title for the preceding 2-year period, if such local area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(iii) is served by a rural concentrated employment program grant recipient, except that after the initial 2-year period following any such designation under the initial State plan submitted after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity; or

''(iv) was a local area under section 116(a)(2)(C) (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), except that after the initial 2-year period following such designation pursuant to this clause that occurs after that date of enactment, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity.

''(B) DEFINITIONS.—For purposes of this paragraph:

''(i) PERFORMED SUCCESSFULLY.—The term 'performed successfully', when used with respect to a local area, means the local area performed at 80 percent or more of the adjusted level of performance for core indicators of performance described in section 136(b)(2)(A) for 2 consecutive years.

''(ii) SUSTAINED FISCAL INTEGRITY.—The term 'sustained fiscal integrity', used with respect to an area, means that the Secretary has not made a formal determination during the preceding 2-year period that either the grant recipient or the administrative entity of the area misexpended funds provided under this title due to willful disregard of the requirements of the Act involved, gross negligence, or failure to comply with accepted standards of administration.''.

(3) CONFORMING AMENDMENTS.—Section 116(a) (29 U.S.C. 2831(a)) is amended—

(A) by striking paragraph (3);

(B) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively;

(C) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking ''(including temporary designation)''; and

(ii) by striking ''(v)'' and inserting ''(vi)''; and

(D) in paragraph (4) (as redesignated by subparagraph (B))—

(i) by striking ''under paragraph (2) or (3)'' and inserting ''under paragraph (2)''; and

(ii) by striking the second sentence.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

''(b) SINGLE LOCAL AREA STATES.—

''(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a)(2), the Governor of any State that was a single local area for purposes of this title as of July 1, 2004, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

''(2) REDESIGNATION.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a)(2) requests such designation as a separate local area.

''(3) EFFECT ON LOCAL PLAN.—In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.''.

(c) REGIONAL PLANNING.—Section 116(c) (29 U.S.C. 2831(c)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) PLANNING.—

''(A) IN GENERAL.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State, after consultation with local boards and chief elected officials, may require the local boards for the designated region to prepare, submit, and obtain approval of a single regional plan that incorporates local plans for each of the local areas in the region, as required under section 118. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures pursuant to section 134(a)(2)(B)(iii).

''(B) TECHNICAL ASSISTANCE.—If the State requires regional planning as provided in subparagraph (A), the State shall provide technical assistance and labor market information to such local areas in the designated regions to assist with such regional planning and subsequent service delivery efforts.'';

(2) in paragraph (2), by inserting ''information about the skill requirements of existing and emerging industries and industry clusters,'' after ''information about employment opportunities and trends,''; and

(3) in paragraph (3), by adding at the end the following: ''Such services may be required to be coordinated with regional economic development services and strategies.''.

SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b) (29 U.S.C. 2832(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking subclause (II) and inserting the following:

''(II) collectively, represent businesses with employment opportunities that reflect the employment opportunities of the local area, and include representatives of businesses that are in high-growth and emerging industries, and representatives of businesses, including small businesses, in the local area; and'';

(B) by striking clause (ii) and inserting the following:

''(ii)(I) a superintendent representing the local school districts involved or another high-level official from such districts;

''(II) the president or highest ranking official of an institution of higher education participating in the workforce investment activities in the local area; and

''(III) an administrator of local entities providing adult education and literacy activities in the local area;'';

(C) in clause (iv), by inserting '', hard-to-serve populations,'' after ''disabilities'';

(D) in clause (v), by striking ''and'' at the end; and

(E) by striking clause (vi) and inserting the following:

''(vi) a representative from the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) who is serving the local area; and

''(vii) if the local board does not establish or continue a youth council, representatives with experience serving out-of-school youth, particularly out-of-school youth facing barriers to employment; and''; and

(2) by adding at the end the following:

''(6) SPECIAL RULE.—In the case that there are multiple school districts or institutions of higher education serving a local area, the representatives described in subclause (I) or (II) of paragraph (2)(A)(ii), respectively, shall be appointed from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such agencies or institutions.''.

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''AUTHORITY''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) CONFORMING AMENDMENT.—Section 117(c)(1)(C) (29 U.S.C. 2832(c)(1)(C)) is amended by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(ii)''.

(d) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (1), insert after ''Governor'' the following: '', and shall develop jointly with the head of the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) appropriate components of such plan to maximize coordination, improve service delivery, and avoid duplication of services'';

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) by inserting ''(except as provided in section 123(b))'' after ''basis''; and

(ii) by inserting ''(where appropriate)'' after ''youth council''; and

(B) by adding at the end the following:

''(E) CONSUMER CHOICE REQUIREMENTS.—Consistent with sections 122 and paragraphs (3) and (4) of 134(d), the local board shall work to ensure there are sufficient providers of intensive services and training services serving the local area in a manner that maximizes consumer choice, including providers with expertise in assisting individuals with disabilities.'';

(3) in paragraph (3)(B), by striking clause (ii) and inserting the following:

''(ii) STAFF.—

''(I) IN GENERAL.—The local board may hire staff.

''(II) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the local board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule, as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.'';

(4) in paragraph (4), by inserting '', and shall ensure the appropriate use and management of the funds provided under this subtitle for such programs, activities, and system'' after ''area'';

(5) in paragraph (6)—

(A) by striking ''EMPLOYMENT STATISTICS SYSTEM'' and inserting ''WORKFORCE AND LABOR MARKET INFORMATION SYSTEM''; and

(B) by striking ''employment statistics system'' and inserting ''workforce and labor market information system'';

(6) in paragraph (8)—

(A) by inserting '', including small employers,'' after ''private sector employers''; and

(B) by striking the period and inserting '', taking into account the unique needs of small businesses.''; and

(7) by adding at the end the following:

''(9) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services, in remote areas, for services authorized under this subtitle and carried out in the local area.''.

(e) CONFORMING AMENDMENT.—Section 117(f)(2) (29 U.S.C. 2832(f)(2)) is amended by striking ''described in section 134(c)''.

(f) CONFLICT OF INTEREST.—Section 117(g)(1) (29 U.S.C. 2832(g)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(g) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) COUNCILS.—The local board may establish or continue councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include—

''(1) a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system involved;

''(2) a youth council composed of experts and stakeholders in youth programs to advise the local board on youth activities; and

''(3) such other councils as the local board determines are appropriate.''.

(h) ALTERNATIVE ENTITY PROVISION.—Section 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''and paragraphs (1) and (2) of subsection (h),'';

(2) by striking subparagraph (B) and inserting the following:

''(B) was in existence on August 7, 1998, pursuant to State law; and'';

(3) by striking subparagraph (C); and

(4) by redesignating subparagraph (D) as subparagraph (C).

SEC. 116. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended—

(1) by striking ''5-year'' and inserting ''4-year''; and

(2) by adding at the end the following: ''At the end of the first 2-year period of the 4-year plan, the local board shall review and, as needed, amend the 4-year plan to reflect labor market and economic conditions.''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''and'' after the semicolon;

(B) by striking subparagraph (B) and inserting the following:

''(B) a description of how the local board will facilitate access to services provided through the one-stop delivery system involved, in remote areas, including facilitating access through the use of technology; and''; and

(C) by adding at the end the following:

''(C) a description of how the local board will ensure physical and programmatic accessibility for individuals with disabilities at one-stop centers;'';

(2) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(3) by redesignating paragraph (10) as paragraph (16); and

(4) by inserting after paragraph (9) the following:

''(10) a description of how the local board will coordinate workforce investment activities carried out in the local area with economic development activities carried out in the local area, and promote entrepreneurial skills training and microenterprise services;

''(11) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well-being of the local area, as determined appropriate by the local board, consistent with the objectives of this title;

''(12) a description of how the local board will expand access to education and training services for eligible individuals who are in need of such services through—

''(A) the utilization of programs funded under this title; and

''(B) the increased leveraging of resources other than those provided under this title, including tax credits, private sector-provided training, and other Federal, State, local, and private funds that are brokered through the one-stop centers for training services;

''(13) a description of how the local board will coordinate workforce investment activities carried out in the local area with the provision of transportation, including public transportation, in the local area;

''(14) a description of plans for, assurances concerning, and strategies for maximizing coordination of services provided by the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and services provided in the local area through the one-stop delivery system described in section 121(e), to improve service delivery and avoid duplication of services;

''(15) a description of how the local board will coordinate workforce investment activities carried out in the local area with other Federal, State, and local area education, job training, and economic development programs and activities; and''.

SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) by striking subparagraph (A) and inserting the following:

''(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

''(i) provide access through the one-stop delivery system to the programs and activities carried out by the entity, including making the core services described in section 134(d)(2) that are applicable to the program of the entity available at the one-stop centers (in addition to any other appropriate locations);

''(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop system that meets the requirements of subsection (c);

''(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

''(v) provide representation on the State board to the extent provided under section 111.'';

(B) in subparagraph (B)—

(i) by striking clause (v);

(ii) by redesignating clauses (vi) through (xii) as clauses (v) through (xi), respectively;

(iii) in clause (x) (as redesignated by clause (ii)), by striking ''and'' at the end;

(iv) in clause (xi) (as redesignated by clause (ii)), by striking the period and inserting ''; and''; and

(v) by adding at the end the following:

''(xii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).''; and

(C) by adding at the end the following:

''(C) DETERMINATION BY THE GOVERNOR.—

''(i) IN GENERAL.—An entity that carries out programs referred to in subparagraph (B)(xii) shall be included in the one-stop partners for the local area, as a required partner, for purposes of this title unless the Governor of the State provides the notification described in clause (ii).

''(ii) NOTIFICATION.—The notification referred to in clause (i) is a notification that—

''(I) is made in writing of a determination by the Governor not to include such entity in the one-stop partners described in clause (i); and

''(II) is provided to the Secretary and the Secretary of Health and Human Services.''.

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—Section 121(b)(2)(A) (29 U.S.C. 2841(b)(2)(A)) is amended to read as follows:

''(A) IN GENERAL.—With the approval of the local board and chief elected official, in addition to the entities described in paragraph (1), other entities that carry out human resource programs described in subparagraph (B) may be one-stop partners and carry out the responsibilities described in paragraph (1)(A).''.

(B) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19);

''(ii) employment and training programs carried out by the Small Business Administration;

''(iii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));''.

(b) LOCAL MEMORANDUM OF UNDERSTANDING.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

''(iv) methods to ensure the needs of hard-to-serve populations are addressed in providing access to services through the one-stop system; and

''(v) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 2-year period to ensure appropriate funding and delivery of services; and''.

(c) CONFORMING AMENDMENT.—Section 121(d)(2) (29 U.S.C. 2841(d)(2)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(d) PROVISION OF SERVICES.—

(1) ELIMINATION OF PROVISIONS CONCERNING ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C. 2841) is amended by striking subsection (e).

(2) REDESIGNATION.—Subtitle B of title I is amended—

(A) in section 134 (29 U.S.C. 2864), by redesignating subsection (c) as subsection (e); and

(B) by transferring that subsection (e) so that the subsection appears after subsection (d) of section 121.

(3) ONE-STOP DELIVERY SYSTEMS.—Paragraph (1) of section 121(e) (29 U.S.C. 2841(e)) (as redesignated by paragraph (2)) is amended—

(A) in subparagraph (A), by striking ''subsection (d)(2)'' and inserting ''section 134(d)(2)'';

(B) in subparagraph (B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(d)'';

(ii) by striking ''individual training accounts'' and inserting ''career scholarship accounts''; and

(iii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(d)(4)(G)'';

(C) in subparagraph (C), by striking ''subsection (e)'' and inserting ''section 134(e)'';

(D) in subparagraph (D), by striking ''section 121(b)'' and inserting ''subsection (b)''; and

(E) in subparagraph (E), by striking ''information described in section 15'' and inserting ''data, information, and analysis described in section 15(a)''.

(e) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—Section 121 (29 U.S.C. 2841) is amended by adding at the end the following:

''(g) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board, in consultation with chief local elected officials and local boards, shall establish objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system.

''(2) CRITERIA.—The procedures and criteria developed under this subsection shall include minimum standards relating to the scope and degree of service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers, consistent with the guidelines and guidance provided by the Governor and by the State board, in consultation with the chief elected official and local boards, for such partners' participation under subsections (h)(1)(B) and subsection (i), respectively, and such other factors relating to the quality, accessibility, and effectiveness of the one-stop delivery system as the State board determines to be appropriate.

''(3) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

''(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

''(1) IN GENERAL.—

''(A) OPTIONS FOR INFRASTRUCTURE FUNDING.—

''(i) LOCAL OPTIONS.—The local board, chief elected officials, and one-stop partners in a local area may choose to fund the costs of the infrastructure of one-stop centers through—

''(I) methods described in the local memorandum of understanding, if, the local board, chief elected officials, and one-stop partners agree to such methods; or

''(II) the State infrastructure funding mechanism described in paragraph (2).

''(ii) FAILURE TO REACH AGREEMENT ON FUNDING METHODS.—If, as of July 1, 2006, the local board, chief elected officials, and one-stop partners in a local area fail to reach agreement on methods of sufficient funding of the infrastructure costs of one-stop centers, as determined by the local area, the State infrastructure funding mechanism described in paragraph (2) shall be applicable to such local area.

''(B) GUIDANCE FOR INFRASTRUCTURE FUNDING.—In addition to carrying out the requirements relating to the State mechanism for one-stop center infrastructure funding described in paragraph (2), the Governor, after consultation with chief local elected officials, local boards, and the State board, and consistent with the guidelines provided by the State board under subsection (i), shall provide—

''(i) guidelines for State administered one-stop partner programs in determining such programs' contributions to and participation in the one-stop delivery system, including funding for the costs of infrastructure as defined in paragraph (2)(D), negotiated pursuant to the local memorandum of understanding under subsection (c); and

''(ii) guidance to assist local areas in identifying equitable and stable alternative methods of funding of the costs of the infrastructure of one-stop centers in local areas.

''(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—

''(A) PARTNER CONTRIBUTIONS.—

''(i) IN GENERAL.—Subject to clause (iii), a portion determined under clause (ii) of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the programs described in subsection (b)(1) and administered by one-stop partners for a fiscal year shall be provided to the Governor from such programs to assist in paying the costs of infrastructure of one-stop centers in those local

areas of the State not funded under the option described in paragraph (1)(A)(i)(I).

''(ii) DETERMINATION OF GOVERNOR.—

''(I) IN GENERAL.—Subject to subclause (II) and clause (iii), the Governor, after consultation with chief local elected officials, local boards, and the State board, shall determine the portion of funds to be provided under clause (i) by each one-stop partner from each program described in clause (i). In making such determination, the Governor shall calculate the proportionate use of the one-stop centers for the purpose of determining funding contributions pursuant to clause (i)(II) or (ii) of paragraph (1)(A) by each partner, and the costs of administration for purposes not related to one-stop centers for each partner. The Governor shall exclude from such determination the portion of funds and use of one-stop centers attributable to the programs of one-stop partners for those local areas of the State where the infrastructure of one-stop centers is funded under the option described in paragraph (1)(A)(i)(I).

''(II) SPECIAL RULE.—In a State in which the State constitution places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II and for postsecondary vocational and technical education activities authorized under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), or vocational rehabilitation services offered under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the determination described in subclause (I) with respect to the programs authorized under that title and those Acts shall be made by the chief officer of the entity with such authority in consultation with the Governor.

''(III) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(iii) LIMITATIONS.—

''(I) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the program limitations with respect to the portion of funds under such program that may be used for administration.

''(II) CAP ON REQUIRED CONTRIBUTIONS.—

''(aa) WIA FORMULA PROGRAMS AND EMPLOYMENT SERVICE.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by the programs authorized under chapters 4 and 5 and under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) shall not be in excess of 3 percent of the amount of Federal funds provided to carry out each such program in the State for a fiscal year.

''(bb) OTHER ONE-STOP PARTNERS.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by a one-stop partner from a program described in subsection (b)(1) other than the programs described under item (aa) shall not be in excess of 1½ percent of the amount of Federal funds provided to carry out such program in the State for a fiscal year.

''(cc) SPECIAL RULE.—Notwithstanding items (aa) and (bb), an agreement, including a local memorandum of understanding, entered into prior to the date of enactment of the Workforce Investment Act Amendments of 2005 by an entity regarding contributions under this title that permits the percentages described in such items to be exceeded, may continue to be in effect until terminated by the parties.

''(dd) VOCATIONAL REHABILITATION.—Notwithstanding items (aa) and (bb), an entity administering a program under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) shall not be required to provide, for the purposes of this paragraph, an amount in excess of—

''(AA) 0.75 percent of the amount provided for such program in the State for the second program year that begins after the date of enactment of the Workforce Investment Act Amendments of 2005;

''(BB) 1.0 percent of the amount provided for such program in the State for the third program year that begins after such date;

''(CC) 1.25 percent of the amount provided for such program in the State for the fourth program year that begins after such date; and

''(DD) 1.5 percent of the amount provided for such program in the State for the fifth and each succeeding program year that begins after such date.

''(III) FEDERAL DIRECT SPENDING PROGRAMS.—An entity administering a program funded with direct spending as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not be required to provide, for purposes of this paragraph, an amount in excess of the amount determined to be equivalent to the cost of the proportionate use of the one-stop centers for such program in the State.

''(IV) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection or subsection (i). The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

''(B) ALLOCATION BY GOVERNOR.—From the funds provided under subparagraph (A), the Governor shall allocate the funds to local areas in accordance with the formula established under subparagraph (C) for the purposes of assisting in paying the costs of infrastructure of one-stop centers.

''(C) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

''(D) COSTS OF INFRASTRUCTURE.—In this subsection, the term 'costs of infrastructure', used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including assessment-related products and adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center's strategic planning activities, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination of an appropriate allocation of the funds and noncash resources in local areas.''.

SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(d)(4) (referred to in this section as 'training services') to receive funds provided under section 133(b) for the provision of training services.

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to an associate degree, baccalaureate degree, or industry-recognized certification;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d)(1). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d)(1) for so long as the provider remains certified by the Department of Labor to carry out the programs described in paragraph (2)(B).

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established by the Governor pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle (taking into consideration the characteristics of the population served and relevant economic conditions);

''(B) the need to ensure access to training services throughout the State, including any rural areas;

''(C) the information such providers are required to report to State agencies with respect to Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs;

''(D) the requirements for State licensing of providers of training services, and the licensing status of each provider of training services if applicable;

''(E) to the extent practicable, encouraging the use of industry-recognized standards and certification;

''(F) the ability of the providers to offer programs that lead to a degree or an industry-recognized certification;

''(G) the ability to provide training services to hard-to-serve populations, including individuals with disabilities; and

''(H) such other factors as the Governor determines are appropriate to ensure—

''(i) the quality of services provided;

''(ii) the accountability of the providers;

''(iii) that the one-stop centers in the State will ensure that such providers meet the needs of local employers and participants;

''(iv) the informed choice of participants under chapter 5; and

''(v) that the collection of information required is not unduly burdensome or costly to providers.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on degrees and industry-recognized certifications received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants (taking into consideration the characteristics of the population served and relevant economic conditions), which may include information specifying the percentage of such participants who entered unsubsidized employment in an occupation related to the program.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for biennial review and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

''(5) INFORMATION TO ESTABLISH INITIAL ELIGIBILITY.—

''(A) IN GENERAL.—In an effort to provide the highest-quality training services and responsiveness to new and emerging industries, providers may seek initial eligibility under this section as providers of training services. The criteria established by the Governor shall require that a provider who has not previously been an eligible provider of training services under this section provide the information described in subparagraph (B).

''(B) INFORMATION.—The provider shall provide verifiable program-specific performance information supporting the provider's ability to serve participants under this subtitle. The information provided under this subparagraph may include information on outcome measures such as job placement and wage increases for individuals participating in the program, information on business partnerships and other factors that indicate high-quality training services, and information on alignment with industries targeted for potential employment opportunities.

''(C) PROVISION.—The provider shall provide the information described in subparagraph (B) to the Governor and the local boards in a manner that will permit the Governor and the local boards to make a decision on inclusion of the provider on the list of eligible providers described in subsection (d).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds provided under section 133(b) for the provision of training services, and identify the respective roles of the State and local areas in receiving and reviewing the applications and in making determinations of such eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants in choosing employment and training activities under chapter 5 and in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined to be eligible under this section in the State, accompanied by appropriate information, is provided to the one-stop delivery system in the State. The accompanying information shall consist of information provided by providers described in subparagraphs (A) and (C) of subsection (a)(2) in accordance with subsection (b) (including information on receipt of degrees and industry-recognized certifications, and costs of attendance, for participants receiving training services under this subtitle in applicable programs) and such other information as the Secretary determines is appropriate. The list and the accompanying information shall be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved may be terminated, or other appropriate action may be taken.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career scholarship accounts provided in another State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—In establishing criteria, procedures, requirements for information, and the list of eligible providers described in subsection (d)(1), the Governor shall provide an opportunity for interested members of the public to make recommendations and submit comments regarding such criteria, procedures, requirements for information, and list.

''(h) TRANSITION PERIOD FOR IMPLEMENTATION.—The requirements of this section shall be implemented not later than December 31, 2006. In order to facilitate early implementation of this section, the Governor may establish transition procedures under which providers eligible to provide training services under chapter 5 as such chapter was in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005 may continue to be eligible to provide such services until December 31, 2006, or until such earlier date as the Governor determines to be appropriate.

''(i) ON-THE-JOB TRAINING, CUSTOMIZED TRAINING, OR INCUMBENT WORKER TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training, customized training, or incumbent worker training shall not be subject to the requirements of subsections (a) through (h).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from providers of on-the-job training, customized training, and incumbent worker training as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.''.

SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan described in section 112 and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis under subsection (a).''.

SEC. 120. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C. 2852) is amended—

(1) in subsection (a)(1), by striking ''opportunity'' and inserting ''challenge''; and

(2) by striking subsection (b) and inserting the following:

''(b) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS AND YOUTH ACTIVITIES FOR FARMWORKERS AND NATIVE AMERICANS.—

''(i) IN GENERAL.—For each fiscal year in which the amount appropriated under section 137(a) exceeds $1,000,000,000, the Secretary shall reserve a portion of the amount to provide youth activities under section 167 (relating to migrant and seasonal farmworker programs) and provide youth challenge grants and other activities under section 169 (relating to youth challenge grants).

''(ii) PORTION.—The portion referred to in clause (i) shall equal, for a fiscal year—

''(I) except as provided in subclause (II), the difference obtained by subtracting $1,000,000,000 from the amount appropriated under section 137(a) for the fiscal year; or

''(II) for any fiscal year in which the amount is $1,250,000,000 or greater, $250,000,000.

''(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—For a fiscal year described in clause (i), the Secretary shall reserve the greater of $10,000,000 or 4 percent of the portion described in clause (i) for a fiscal year to provide youth activities under section 167. For a fiscal year not described in clause (i), the Secretary shall reserve $10,000,000 of the amount appropriated under section 137(a) to provide youth activities under section 167.

''(iv) YOUTH ACTIVITIES FOR NATIVE AMERICANS.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under clause (i) or (iii), the Secretary shall reserve not more than 1½ percent of such appropriated amount to provide youth activities under section 166 (relating to Native Americans).

''(B) OUTLYING AREAS.—

''(i) IN GENERAL.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under subparagraph (A), the Secretary shall reserve not more than ¼ of

1 percent of the appropriated amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities.

''(ii) LIMITATION FOR FREELY ASSOCIATED STATES.—

''(I) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States to carry out youth activities and statewide workforce investment activities.

''(II) AWARD BASIS.—The Secretary shall award grants pursuant to subclause (I) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

''(III) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive assistance under this subparagraph shall submit an application to the Secretary and shall include in the application for assistance—

''(aa) information demonstrating that the Freely Associated State will meet all conditions that apply to States under this title;

''(bb) an assurance that, notwithstanding any other provision of this title, the Freely Associated State will use such assistance only for the direct provision of services; and

''(cc) such other information and assurances as the Secretary may require.

''(IV) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under subclause (I) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this clause.

''(iii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to assistance provided to those areas, including the Freely Associated States, under this subparagraph.

''(C) STATES.—

''(i) IN GENERAL.—From the remainder of the amount appropriated under section 137(a) for a fiscal year that exists after the Secretary determines the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot to the States—

''(I) an amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2005 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), in accordance with the requirements of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I), in accordance with clause (ii).

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the amount described in clause (i)(II)—

''(I) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all States;

''(II) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

''(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—

''(I) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

''(II) MAXIMUM PERCENTAGE.—Subject to subclause (I), the Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this subparagraph that is less than the total of—

''(I) 3/10 of 1 percent of $1,000,000,000 of the remainder described in clause (i) for the fiscal year; and

''(II) if the remainder described in clause (i) for the fiscal year exceeds $1,000,000,000, ⅖ of 1 percent of the excess.

''(2) DEFINITIONS.—For the purposes of paragraph (1):

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received by the State involved through an allotment made under this subsection for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the State involved for fiscal year 2005.

''(B) DISADVANTAGED YOUTH.—Subject to paragraph (3), the term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(i) the poverty line; or

''(ii) 70 percent of the lower living standard income level.

''(C) FREELY ASSOCIATED STATE.—The term 'Freely Associated State' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(3) SPECIAL RULE.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.''.

(b) REALLOTMENT.—

(1) AMENDMENT.—Section 127(c) (29 U.S.C. 2852(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year for which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect for the program year that begins after the date of enactment of this Act.

(c) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) (29 U.S.C. 2853(a)) is amended to read as follows:

''(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the State under section 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of section 132(b) for a fiscal year for statewide workforce investment activities.

''(2) USE OF FUNDS.—Regardless of whether the reserved amounts were allotted under section 127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of section 132(b), the Governor may use the reserved amounts to carry out statewide activities under section 129(b) or statewide employment and training activities, for adults or dislocated workers, under section 134(a).''.

(2) WITHIN STATE ALLOCATION.—Section 128(b) (29 U.S.C. 2853(b)) is amended to read as follows:

''(b) WITHIN STATE ALLOCATIONS.—

''(1) IN GENERAL.—Of the amount allotted to the State under section 127(b)(1)(C) and not reserved under subsection (a)(1)—

''(A) a portion equal to not less than 80 percent of such amount shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) a portion equal to not more than 20 percent of such amount may be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the portion described in paragraph (1)(A), the Governor shall allocate—

''(i) 33⅓ percent on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all local areas in the State;

''(ii) 33⅓ percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and

''(iii) 33⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is more than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—In this paragraph:

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the portion described in paragraph (1)(A) that is received by the local area involved through an allocation made under this paragraph for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allocated to local areas

under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the local area involved for fiscal year 2005.

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who—

''(I) is age 16 through 21;

''(II) is not a college student or member of the Armed Forces; and

''(III) received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(aa) the poverty line; or

''(bb) 70 percent of the lower living standard income level.

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor may allocate the portion described in paragraph (1)(B) to local areas where there are a significant number of eligible youth, after consultation with the State board and local boards.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—

(A) AMENDMENT.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(i) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(ii) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(iii) by amending paragraph (3)—

(I) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(II) by striking ''for the prior program year'' the first place it appears and inserting ''for the program year for which the determination is made'';

(III) by striking ''such prior program year'' and inserting ''such program year''; and

(IV) by striking the last sentence; and

(iv) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area that does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect for the later of—

(i) the program year that begins after the date of enactment of this Act; or

(ii) program year 2006.

(d) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible to participate in activities carried out under this chapter during any program year an individual shall, at the time the eligibility determination is made, be an out-of-school youth or an in-school youth.

''(B) OUT-OF-SCHOOL YOUTH.—In this title the term 'out-of-school youth' means an individual who is—

''(i) not younger than age 16 nor older than age 21; and

''(ii) one of the following:

''(I) A school dropout.

''(II) A youth who is within the age for compulsory school attendance, but has not attended school for at least 1 school year calendar quarter.

''(III) A recipient of a secondary school diploma or its equivalent who is—

''(aa) deficient in basic skills, including limited English proficiency;

''(bb) a low-income individual; and

''(cc) not attending any school.

''(IV) Subject to the juvenile or adult justice system or ordered by a court to an alternative school.

''(V) A low-income individual who is pregnant or parenting and not attending any school.

''(VI) A youth who is not attending school or a youth attending an alternative school, who is homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(VII) A low-income individual who is not attending school and requires additional assistance to enter or complete an educational program or to secure or hold employment.

''(C) IN-SCHOOL YOUTH.—In this section the term 'in-school youth' means an individual who is—

''(i) not younger than age 14 nor older than age 21;

''(ii) a low-income individual; and

''(iii) one or more of the following:

''(I) Deficient in basic literacy skills, including limited English proficiency.

''(II) Homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(III) Pregnant or parenting.

''(IV) An offender (other than an individual described in subparagraph (B)(ii)(IV)).

''(V) An individual who requires additional assistance to complete an educational program or to secure or hold employment.

''(2) EXCEPTION.—Not more than 5 percent of the individuals assisted under this section in each local area, in the case of individuals for whom low income is a requirement for eligibility under this section, may be individuals who are not low income.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) IN GENERAL.—For any program year, not more than 60 percent of the funds available for statewide activities under subsection (b), and not more than 60 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B).

''(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

''(i) after an analysis of the eligible youth population in the local area, the State determines that the local area will be unable to use at least 40 percent of the funds available for activities under subsection (b) or (c) to serve out-of-school youth due to a low number of out-of-school youth; and

''(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed increased percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

''(II) the request is approved by the Secretary.

''(4) CONSISTENCY WITH COMPULSORY SCHOOL ATTENDANCE LAWS.—In providing assistance under this section to an individual who is required to attend school under applicable State compulsory school attendance laws, the priority in providing such assistance shall be for the individual to attend school regularly.''.

(e) STATEWIDE ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) shall be used, regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or under paragraph (1)(B) or (2)(B) of section 132(b) for statewide activities, which may include—

''(A) conducting—

''(i) evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(ii) research; and

''(iii) demonstration projects;

''(B) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this title, and for performance by local areas as described in section 136(i)(2);

''(C) providing technical assistance and capacity building activities to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), and the provision of technology to facilitate remote access to services provided through the one-stop delivery system in the State;

''(D) operating a fiscal and management accountability information system under section 136(f);

''(E) carrying out monitoring and oversight of activities carried out under this chapter and chapter 5, which may include a review comparing the services provided to male and female youth;

''(F) providing additional assistance to local areas that have high concentrations of eligible youth;

''(G) supporting the development of alternative programs and other activities that enhance the choices available to eligible youth and encourage such youth to reenter secondary education, enroll in postsecondary education and advanced training, and obtain career path employment;

''(H) supporting the provision of core services described in section 134(d)(2) in the one-stop delivery system in the State; and

''(I) supporting financial literacy, including—

''(i) supporting the ability to create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

''(ii) supporting the ability to manage spending, credit, and debt, including credit card debt, effectively;

''(iii) increasing awareness of the availability and significance of credit reports and credit scores in obtaining credit, the importance of their accuracy (and how to correct inaccuracies), their effect on credit terms, and the effect

common financial decisions may have on credit scores;

''(iv) supporting the ability to ascertain fair and favorable credit terms;

''(v) supporting the ability to avoid abusive, predatory, or deceptive credit offers and financial products;

''(vi) supporting the ability to understand, evaluate, and compare financial products, services, and opportunities;

''(vii) supporting the ability to understand resources that are easily accessible and affordable, and that inform and educate an investor as to the investor's rights and avenues of recourse when the investor believes the investor's rights have been violated by unprofessional conduct of market intermediaries;

''(viii) increasing awareness of the particular financial needs and financial transactions (such as the sending of remittances) of consumers who are targeted in multilingual financial literacy and education programs and improving the development and distribution of multilingual financial literacy and education materials;

''(ix) promoting bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining accounts with financial institutions; and

''(x) improving financial literacy and education through all other related skills, including personal finance and related economic education, with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted to a State under section 127(b)(1)(C) shall be used by the State for administrative activities carried out under this subsection or section 134(a).

''(3) PROHIBITION.—No funds described in this subsection may be used to develop or implement education curricula for school systems in the State.''.

(f) LOCAL ELEMENTS AND REQUIREMENTS.—

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c)(1)) is amended—

(A) in the matter that precedes subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to 1 or more of the performance measures relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as redesignated by clause (i)) the following:

''(i) activities leading to the attainment of a secondary school diploma or its equivalent, or another recognized credential;'';

(iii) in clause (ii) (as redesignated by clause (i)), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as redesignated by clause (i))—

(I) by inserting ''instruction based on State academic content and student academic achievement standards established under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311)'' after ''academic''; and

(II) by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by striking clause (v) (as redesignated by clause (i)) and inserting the following:

''(v) effective connections to all employers, including small employers, in sectors of the local and regional labor markets that are experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''the requirements for a secondary school diploma or its recognized equivalent (including recognized alternative standards for individuals with disabilities) or for another recognized credential, including dropout prevention strategies'';

(B) in subparagraph (B), by inserting '', with a priority on exposing youth to technology and nontraditional jobs'' before the semicolon;

(C) in subparagraph (F), by striking ''during nonschool hours'';

(D) in subparagraph (I), by striking ''and'' at the end;

(E) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(F) by adding at the end the following:

''(K) on-the-job training opportunities;

''(L) opportunities to acquire financial literacy skills;

''(M) entrepreneurial skills training and microenterprise services; and

''(N) information about average wages for a range of jobs available in the local area, including technology jobs.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth''.

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is amended by striking paragraphs (4) and (5).

(5) PROHIBITIONS AND LINKAGES.—Section 129(c) (29 U.S.C. 2854(c)), as amended by paragraph (4), is further amended—

(A) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6), respectively;

(B) in paragraph (4) (as redesignated by subparagraph (A))—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(C) in paragraph (5) (as redesignated by subparagraph (A)), by striking ''youth councils'' and inserting ''local boards''.

SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) RESERVATIONS.—Section 132(a)(2)(A) (29 U.S.C. 2862 (a)(2)(A)) is amended by striking ''national emergency grants, other than under subsection (a)(4), (f), and (g)'' and inserting ''national dislocated worker grants, other than under paragraph (4) or (5) of subsection (a), subsection (e), and subsection (f)''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended—

(A) in paragraph (1)(A)(ii), by striking ''section 127(b)(1)(B),'' and all that follows and inserting ''section 127(b)(1)(B).'';

(B) by striking paragraph (1)(B)(ii) and inserting the following:

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

''(I) 40 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

''(II) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States; and

''(III) 35 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States, except as described in clause (iii).'';

(C) in paragraph (1)(B)—

(i) in clause (iii), by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(iii)'';

(ii) in clause (iv)—

(I) in subclause (I)—

(aa) by striking ''Subject to subclause (IV), the'' and inserting ''The''; and

(bb) by striking ''than the greater of'' and all that follows and inserting ''than an amount based on 90 percent of the allotment percentage of the State for the preceding fiscal year.'';

(II) in subclause (II), by striking ''subclauses (I), (III), and (IV)'' and inserting ''subclauses (I) and (III)''; and

(III) by striking subclause (IV); and

(iii) in clause (v), by striking subclause (VI); and

(D) in paragraph (2)(A)(ii), by striking ''section 127(b)(1)(B)'' and all that follows and inserting ''section 127(b)(1)(B).''.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year for programs funded under subsection (b)(1)(B) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year (including amounts allotted to the State in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''under this section for such activities for the prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for the program year for which the determination is made''; and

(ii) by striking ''under this section for such activities for such prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means—

''(A) with respect to funds allotted under subsection (b)(1)(B), a State that does not have an amount of such funds available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allotted under subsection (b)(2)(B), a State that does not have an amount of such funds available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(4) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(b) WITHIN STATE ALLOCATIONS.—

(1) ALLOCATION.—Section 133(b)(2)(A)(i) (29 U.S.C. 2863(b)(2)(A)(i)) is amended—

(A) in subclause (I), by striking ''33⅓ percent'' and inserting ''40 percent'';

(B) in subclause (II), by striking ''33⅓ percent'' and inserting ''25 percent''; and

(C) in subclause (III), by striking ''33⅓ percent'' and inserting ''35 percent''.

(2) TRANSFER AUTHORITY.—Section 133(b)(4) (29 U.S.C. 2863(b)(4)) is amended by striking ''20 percent'' each place it appears and inserting ''45 percent''.

(3) REQUIREMENTS.—Clauses (i) and (ii) of section 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(4) REALLOCATION.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by inserting '', and under subsection (b)(2)(B) for dislocated worker employment and training activities,'' after ''activities'';

(B) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year for programs funded under paragraphs (2)(A) and (3) of subsection (b) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year (including amounts allocated to the local area in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the local area in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year.'';

(C) by striking paragraph (3) and inserting the following:

''(3) REALLOCATION.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State—

''(A) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under paragraphs (2)(A) or (3) of subsection (b), an amount based on the relative amount allocated to such local area under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for such program year; and

''(B) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under subsection (b)(2)(B), an amount based on the relative amount allocated to such local area under subsection (b)(2)(B) for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under subsection (b)(2)(B) for such program year.''; and

(D) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means—

''(A) with respect to funds allocated under paragraphs (2)(A) or (3) of subsection (b), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allocated under subsection (b)(2)(B), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(5) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(c) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—Section 134(a)(2)(A) (29 U.S.C. 2864(a)(2)(A)) is amended to read as follows:

''(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—

''(i) IN GENERAL.—A State shall carry out statewide rapid response activities using funds reserved by a Governor for a State under section 133(a)(2). Such activities shall include—

''(I) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials for the local areas; and

''(II) provision of additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials for the local areas.

''(ii) USE OF UNEXPENDED FUNDS.—Funds reserved under section 133(a)(2) to carry out this subparagraph that remain unexpended after the first program year for which such funds were allotted may be used by the Governor to carry out statewide activities authorized under subparagraph (B) and paragraph (3)(A) in addition to activities under this subparagraph.''.

(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) (regardless of whether the funds were allotted to the States under section 127(b)(1)(C) or paragraphs (1)(B) or (2)(B) of section 132(b)) shall be used for statewide employment and training activities, including—

''(i) disseminating—

''(I) the State list of eligible providers of training services, including eligible providers of nontraditional training services and eligible providers of apprenticeship programs described in section 122(a)(2)(B);

''(II) information identifying eligible providers of on-the-job training, customized training, and incumbent worker training;

''(III) information on effective business outreach, partnerships, and services;

''(IV) performance information and information on costs of attendance, as described in subsections (d) and (i) of section 122; and

''(V) information on physical and programmatic accessibility for individuals with disabilities;

''(ii) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(iii) providing incentive grants to local areas, in accordance with section 136(i);

''(iv) developing strategies for ensuring that activities carried out under this section are placing men and women in jobs, education, and training that lead to comparable pay;

''(v) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

''(vi) operating a fiscal and management accountability system under section 136(f); and

''(vii) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4.''.

(C) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A)) is amended to read as follows:

''(A) IN GENERAL.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) or (2)(B) (regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b)) may be used to carry out additional statewide employment and training activities, which may include—

''(i) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, including regional skills alliances, sectoral skills partnerships (in which representatives of multiple employers for a specific industry sector or group of related occupations, economic development agencies, providers of training services described in subsection (d)(4), labor federations, and other entities that can provide needed supportive services tailored to the needs of workers in that sector or group, for a local area or region, identify gaps between the current and expected demand and supply of labor and skills in that sector or group for that area or region and develop a strategic skills gap action plan), career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(ii) developing strategies for effectively serving hard-to-serve populations and for coordinating programs and services among one-stop partners;

''(iii) implementing innovative programs for displaced homemakers, which for purposes of this clause may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(iv) implementing programs to increase the number of individuals training for and placed in nontraditional employment;

''(v) carrying out activities to facilitate remote access to services, including training services described in subsection (d)(4), provided through a one-stop delivery system, including facilitating access through the use of technology;

''(vi) supporting the provision of core services described in subsection (d)(2) in the one-stop delivery system in the State;

''(vii) coordinating with the child welfare system to facilitate services for children in foster care and those who are eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677);

''(viii) activities—

''(I) to improve coordination between workforce investment activities carried out within the

State involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services;

''(II) to improve coordination between employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(III) to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(IV) to improve coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a);

''(V) to develop and disseminate workforce and labor market information;

''(VI) to improve coordination with the corrections system to facilitate provision of training services and employment opportunities that will assist ex-offenders in reentering the workforce; and

''(VII) to promote financial literacy, including carrying out activities described in section 129(b)(1)(I);

''(ix) conducting—

''(I) research; and

''(II) demonstration projects; and

''(x) adopting, calculating, or commissioning a minimum self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations.''.

(2) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is amended—

(i) in clause (i), by striking ''described in subsection (c)'';

(ii) in clause (iii), by striking ''and'' at the end;

(iii) in clause (iv), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(v) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries; and

''(vi) in order to improve service delivery to avoid duplication of services and enhance coordination of services, to require the colocation of employment services provided under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) at the one-stop centers.''.

(B) CORE SERVICES.—Section 134(d)(2) (29 U.S.C. 2864(d)(2)) is amended—

(i) in the matter preceding subparagraph (A), by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)'';

(ii) in subparagraph (C), by inserting ''(including literacy, numeracy, and English language proficiency)'' after ''skill levels'';

(iii) by striking subparagraph (D) and inserting the following:

''(D) labor exchange services, including—

''(i) job search and placement assistance and, in appropriate cases, career counseling, including—

''(I) exposure to high wage, high skill jobs; and

''(II) nontraditional employment; and

''(ii) appropriate recruitment and other business services for all employers, including small employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system;'';

(iv) in subparagraph (E)(iii)—

(I) by inserting '', career ladders,'' after ''earnings''; and

(II) by striking ''and'' at the end;

(v) in subparagraph (F)—

(I) by striking ''and program cost information''; and

(II) by striking ''described in section 123'';

(vi) by striking subparagraph (H) and inserting the following:

''(H) provision of accurate information, in formats that are usable and understandable to all one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.), benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the earned income tax credit under section 32 of the Internal Revenue Code of 1986, and assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other supportive services and transportation provided through funds made available under such part, available in the local area, and referral to such services or assistance as appropriate;''; and

(vii) in subparagraph (J), by striking ''for—'' and all that follows through ''(ii) programs'' and inserting ''for programs''.

(C) INTENSIVE SERVICES.—Section 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers, respectively—

''(I) who are unemployed and who, after an interview, evaluation, or assessment, have been determined by a one-stop operator or one-stop partner to be—

''(aa) unlikely or unable to obtain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through core services described in paragraph (2); and

''(bb) in need of intensive services to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; or

''(II) who are employed, but who, after an interview, evaluation, or assessment are determined by a one-stop operator or one-stop partner to be in need of intensive services to obtain or retain employment that leads to self-sufficiency.

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding at the end the following:

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness.

''(ix) Financial literacy services, such as activities described in section 129(b)(1)(I).

''(x) Out-of-area job search assistance and relocation assistance.

''(xi) English language acquisition and integrated training programs.''.

(D) TRAINING SERVICES.—Section 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide training services to adults and dislocated workers, respectively—

''(I) who, after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through the intensive services described in paragraph (3);

''(bb) be in need of training services to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) who select programs of training services that are directly linked to the employment opportunities in the local area or region involved or in another area to which the adults or dislocated workers are willing to commute or relocate;

''(III) who meet the requirements of subparagraph (B); and

''(IV) who are determined to be eligible in accordance with the priority system in effect under subparagraph (E).

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) in subparagraph (D)—

(I) in clause (viii), by striking ''and'' after the semicolon;

(II) in clause (ix), by striking the period and inserting ''; and''; and

(III) by adding at the end the following:

''(x) English language acquisition and integrated training programs.'';

(iv) in subparagraph (F)—

(I) in clause (ii), by striking ''referred to in subsection (c), shall make available—'' and all that follows and inserting ''shall make available a list of eligible providers of training services, and accompanying information, in accordance with section 122(d).'';

(II) in the heading of clause (iii), by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(III) in clause (iii)—

(aa) by striking ''identifying information'' and inserting ''accompanying information'';

(bb) by striking ''clause (ii)(I)'' and inserting ''clause (ii)''; and

(cc) by striking ''an individual training account'' and inserting ''a career scholarship account''; and

(IV) by adding at the end the following:

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career scholarship accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.''; and

(v) in subparagraph (G)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(II) in clause (i), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career scholarship account'';

(bb) in subclause (II), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(cc) in subclause (II) by striking ''or'' after the semicolon;

(dd) in subclause (III), by striking ''special participant populations that face multiple barriers to employment'' and inserting ''hard-to-serve populations'';

(ee) in subclause (III), by striking the period and inserting ''; or''; and

(ff) by adding at the end the following:

''(IV) the local board determines that it would be most appropriate to award a contract to an institution of higher education in order to facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.''; and

(IV) in clause (iv)—

(aa) by redesignating subclause (IV) as subclause (V); and

(bb) by inserting after subclause (III) the following:

''(IV) Individuals with disabilities.''.

(3) PERMISSIBLE ACTIVITIES.—Section 134(e) (29 U.S.C. 2864(e)) is amended—

(A) by striking the matter preceding paragraph (2) and inserting the following:

''(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) IN GENERAL.—

''(A) ACTIVITIES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved—

''(i) customized screening and referral of qualified participants in training services described in subsection (d)(4) to employment;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to enable members of hard-to-serve populations, including individuals with disabilities, to navigate among multiple services and activities for such populations;

''(iv) technical assistance and capacity building for serving individuals with disabilities in local areas, for one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the provision of outreach, intake, assessments, and service delivery, and the development of performance measures;

''(v) employment and training assistance provided in coordination with child support enforcement activities of the State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vi) activities to improve coordination between employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vii) activities to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(viii) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

''(ix) activities—

''(I) to improve coordination between workforce investment activities carried out within the local area involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services; and

''(II) to improve services and linkages between the local workforce investment system including the local one-stop delivery system, and all employers, including small employers in the local area, through services described in this section, including subparagraph (B);

''(x) training programs for displaced homemakers and for individuals training for nontraditional occupations, in conjunction with programs operated in the local area;

''(xi) using a portion of the funds allocated under section 133(b), activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118, which services—

''(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee-for-service basis or through the leveraging of economic development and other resources as determined appropriate by the local board; and

''(II) may include—

''(aa) identifying and disseminating to business, educators, and job seekers, information related to the workforce, economic and community development needs, and opportunities of the local economy;

''(bb) development and delivery of innovative workforce investment services and strategies for area businesses, which may include sectoral, industry cluster, regional skills alliances, career ladder, skills upgrading, skill standard development and certification, apprenticeship, and other effective initiatives for meeting the workforce investment needs of area employers and workers;

''(cc) participation in seminars and classes offered in partnership with relevant organizations focusing on the workforce-related needs of area employers and job seekers;

''(dd) training consulting, needs analysis, and brokering services for area businesses, including the organization and aggregation of training (which may be paid for with funds other than those provided under this title), for individual employers and coalitions of employers with similar interests, products, or workforce needs;

''(ee) assistance to area employers in the aversion of layoffs and in managing reductions in force in coordination with rapid response activities;

''(ff) the marketing of business services offered under this title, to appropriate area employers, including small and mid-sized employers;

''(gg) information referral on concerns affecting local employers; and

''(hh) other business services and strategies designed to better engage employers in workforce investment activities and to make the workforce investment system more relevant to the workforce investment needs of area businesses, as determined by the local board to be consistent with the objectives of this title;

''(xii) activities to adjust the self-sufficiency standards for local factors, or activities to adopt, calculate, or commission a self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations; and

''(xiii) improved coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a).

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved, work support activities designed to assist low-wage workers in retaining and enhancing employment. The one-stop partners shall coordinate the appropriate programs and resources of the partners with the activities and resources provided under this subparagraph.

''(ii) ACTIVITIES.—The activities described in clause (i) may include the provision of activities described in this section through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate in the activities, such as the provision of activities described in this section during nontraditional hours and the provision of onsite child care while such activities are being provided.'';

(B) in paragraph (2), by striking the matter preceding subparagraph (A) and inserting the following:

''(2) SUPPORTIVE SERVICES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide supportive services to adults and dislocated workers, respectively—''; and

(C) by adding at the end the following:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through an incumbent worker training program carried out in accordance with this paragraph. The Governor or State board may make recommendations to the local board regarding incumbent worker training with statewide impact.

''(B) TRAINING ACTIVITIES.—The training program for incumbent workers carried out under this paragraph shall be carried out by the local board in conjunction with the employers or groups of employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs.

''(C) EMPLOYER SHARE REQUIRED.—

''(i) IN GENERAL.—Employers participating in the program carried out under this paragraph shall be required to pay the non-Federal share of the costs of providing the training to incumbent workers of the employers. The local board shall establish the non-Federal share of such costs, which may include in-kind contributions. The non-Federal share shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF EMPLOYER SHARE.—The non-Federal share paid by such an employer may include the amount of the wages paid by the employer to a worker while the worker is attending a training program under this paragraph.''.

SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) INDICATORS OF PERFORMANCE.—Section 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amended—

(A) in clause (i)—

(i) in the matter preceding subclause (I), by striking ''and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(ii) by striking subclause (III) and inserting the following:

''(III) increases in earnings from unsubsidized employment; and''; and

(iii) in subclause (IV), by striking '', or by participants'' and all that follows through ''unsubsidized employment''; and

(B) by striking clause (ii) and inserting the following:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for

youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) school retention, and attainment of secondary school diplomas or their recognized equivalents and of postsecondary certificates; and

''(III) literacy or numeracy gains.''.

(2) ADDITIONAL INDICATORS.—Section 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to read as follows:

''(C) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities under this subtitle, including indicators identified in collaboration with State business and industry associations, with employee representatives where applicable, and with local boards, to measure the performance of the workforce investment system in serving the workforce needs of business and industry in the State.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS'';

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''described in clauses (i) and (ii) of paragraph (2)(A) and the customer satisfaction indicator of performance, for the first 2''; and

(iii) by inserting at the end the following: ''Agreements on levels of performance for each of the core indicators of performance for the third and fourth program years covered by the State plan shall be reached prior to the beginning of the third program year covered by the State plan, and incorporated as a modification to the State plan.'';

(B) in clause (iv)—

(i) in the matter preceding subclause (I), by striking ''or (v)'';

(ii) in subclause (II)—

(I) by striking ''taking into account'' and inserting ''and shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(II) by inserting ''(such as differences in unemployment rates and job losses or gains in particular industries)'' after ''economic conditions'';

(III) by inserting ''(such as indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''program''; and

(IV) by striking ''and'' at the end;

(iii) in subclause (III), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(IV) the extent to which the levels involved will assist the State in meeting the national goals described in clause (v).'';

(C) by striking clause (v) and inserting the following:

''(v) ESTABLISHMENT OF NATIONAL GOALS.—In order to promote enhanced performance outcomes on the performance measures and to facilitate the process of reaching agreements with the States under clause (iii) and to measure systemwide performance for the one-stop delivery systems of the States, the Secretary shall establish long-term national goals for the adjusted levels of performance for that systemwide performance to be achieved by the programs assisted under chapters 4 and 5 on the core indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 in consultation with the States and other appropriate parties.''; and

(D) in clause (vi)—

(i) by striking ''or (v)''; and

(ii) by striking ''with the representatives described in subsection (i)'' and inserting ''with the States and other interested parties''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c)(3) (29 U.S.C. 2871(c)(3)) is amended—

(1) by striking ''shall take into account'' and inserting ''shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(2) by inserting ''(characteristics such as unemployment rates and job losses or gains in particular industries)'' after ''economic''; and

(3) by inserting ''(characteristics such as indicators of poor work history, lack of work experience, lack of educational and occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''demographic''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by adding at the end the following: ''In the case of a State or local area that chooses to expend funds for activities under subsection (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section 134, the report also shall include the amount of such funds so expended and the percentage that such funds are of the funds available for activities under section 134.'';

(2) in paragraph (2)—

(A) in subparagraph (E)—

(i) by striking ''(excluding participants who received only self-service and informational activities)''; and

(ii) by striking ''and'' after the semicolon;

(B) in subparagraph (F)—

(i) by inserting ''noncustodial parents with child support obligations, homeless individuals,'' after ''displaced homemakers,''; and

(ii) by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(G) the number of participants who have received services, other than followup services, authorized under this title;

''(H) the number of participants who have received services, other than followup services, authorized under this title, in the form of core services described in section 134(d)(2), intensive services described in section 134(d)(3), and training services described in section 134(d)(4), respectively;

''(I) the number of participants who have received followup services authorized under this title;

''(J) the cost per participant for services authorized under this title; and

''(K) the amount of adult and dislocated worker funds spent on—

''(i) core, intensive, and training services, respectively; and

''(ii) services provided under subsection (a)(3)(A)(i) or (e)(1)(A)(xi) of section 134, if applicable.''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure that the information contained in the reports is valid and reliable.''.

(d) EVALUATION OF STATE PROGRAMS.—Section 136(e)(3) (29 U.S.C. 2871(e)(3)) is amended by inserting '', including information on promoting self-sufficiency and comparable pay between men and women'' after ''employers''.

(e) SANCTIONS FOR STATE.—Section 136(g)(1)(B) (29 U.S.C. 2871(g)(1)(B)) is amended by striking ''If such failure continues for a second consecutive year'' and inserting ''If a State performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years''.

(f) SANCTIONS FOR LOCAL AREA.—Section 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''If such failure continues for a second consecutive year'' and inserting ''If a local area performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years'';

(2) in clause (ii), by striking ''or'' after the semicolon;

(3) by redesignating clause (iii) as clause (iv); and

(4) by inserting after clause (ii) the following:

''(iii) redesignate the local area in accordance with section 116(b)(2); or''.

(g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(1) IN GENERAL.—From funds reserved under sections 128(a) and 133(a)(1), the Governor involved shall award incentive grants to local areas for performance described in paragraph (2).

''(2) BASIS.—The Governor shall award the grants on the basis that the local areas—

''(A) have exceeded the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); or

''(B) have—

''(i) met the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment services under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under this title;

''(cc) implementation of coordination activities relating to the one-stop partner programs, through agreements with relevant regional or local agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) regional coordination relating to the one-stop partner programs, with other local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a local area under this subsection may be used to carry out activities authorized for local areas in programs carried out under this title, the Adult Education and Family Literacy Act, and the Rehabilitation Act of 1973 (referred to in this subsection as 'workforce and education programs'), and such innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, as may be approved by the Governor, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs;

''(G) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

''(H) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.

''(4) TECHNICAL ASSISTANCE.—The Governor shall reserve 4 percent of the funds available for grants under this subsection to provide technical assistance to local areas—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs, and other education programs; or

''(D) to strengthen regional economic development.''.

(h) USE OF CORE MEASURES IN OTHER DEPARTMENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C. 2871) is amended by adding at the end the following:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapters 4 and 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2) to assess the effectiveness of the programs described in clauses (i), (ii), and (vi) of section 121(b)(1)(B) that are carried out by the Secretary.''.

(i) PREVIOUS DEFINITIONS OF CORE INDICATORS.—Section 502 (29 U.S.C. 9272) is repealed.

SEC. 123. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

Subtitle C—Job Corps

SEC. 131. JOB CORPS.

(a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:

''(F) A child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(b) IMPLEMENTATION OF STANDARDS AND PROCEDURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(D) child welfare agencies that are responsible for children in foster care and children eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(c) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding at the end the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.

''(4) SPECIAL RULE FOR SINGLE LOCAL AREA STATES.—In the case of a single local area State designated under section 116(b), the industry council shall include a representative of the State Board.''.

(d) INDICATORS OF PERFORMANCE.—Section 159 (29 U.S.C. 2899) is amended—

(1) in subsection (c)—

(A) by striking paragraph (1) and inserting the following:

''(1) PERFORMANCE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators of performance for youth activities identified in section 136(b)(2)(A)(ii).'';

(B) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''; and

(C) in paragraph (3)—

(i) in the first sentence, by striking ''core performance measures, as compared to the expected performance level for each performance measure'' and inserting ''performance indicators described in paragraph (1), as compared to the expected level of performance established under paragraph (1) for each performance measure''; and

(ii) in the second sentence, by striking ''measures'' each place it appears and inserting ''indicators''; and

(2) in subsection (f)(2), in the first sentence, by striking ''core performance measures'' and inserting ''indicators of performance''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

Subtitle D—National Programs

SEC. 141. NATIVE AMERICAN PROGRAMS.

(a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section, including the selection of the individual appointed as head of the unit established under paragraph (1).''.

(b) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is amended to read as follows:

''(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary is authorized to provide assistance to the Cook Inlet Tribal Council, Incorporated, and the University of Hawaii at Maui, for the unique populations who reside in Alaska or Hawaii, to improve job training and workforce investment activities.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal years 2006 through 2011.''.

(c) PERFORMANCE INDICATORS.—Section 166 (29 U.S.C. 2911) is amended by adding at the end the following:

''(k) PERFORMANCE INDICATORS.—

''(1) DEVELOPMENT OF INDICATORS.—The Secretary, in consultation with the Native American Employment and Training Council, shall develop a set of performance indicators and standards which shall be applicable to programs under this section.

''(2) SPECIAL CONSIDERATIONS.—Such performance indicators and standards shall take into account—

''(A) the purpose of this section as described in subsection (a)(1);

''(B) the needs of the groups served by this section, including the differences in needs among such groups in various geographic service areas; and

''(C) the economic circumstances of the communities served, including differences in circumstances among various geographic service areas.''.

SEC. 142. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167 (29 U.S.C. 2912) is amended—

(1) in subsection (a), by striking ''2'' and inserting ''2 to 4'';

(2) in subsection (b), by inserting ''and deliver'' after ''administer'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''2-year'' and inserting ''4-year'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting ''describe the population to be served and'' before ''identify''; and

(II) by inserting '', including upgraded employment in agriculture'' before the semicolon;

(ii) in subparagraph (B), by striking ''and'' at the end;

(iii) in subparagraph (C), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(D) describe the availability and accessibility of local resources such as supportive services, services provided through one-stop delivery systems, and education and training services, and how the resources can be made available to the population to be served; and

''(E) describe the plan for providing services under this section, including strategies and systems for outreach, case management, assessment, and delivery through one-stop delivery systems.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) COMPETITION.—The competition for grants made and contracts entered into under this section shall be conducted every 2 to 4 years.'';

(4) in subsection (d), by striking ''include'' and all that follows and inserting ''include outreach, employment, training, educational assistance, literary assistance, English language and literacy instruction, pesticide and worker safety training, housing (including permanent housing), supportive services, school dropout prevention activities, followup services for those individuals placed in employment, self-employment and related business or micro-enterprise development or education as needed by eligible individuals and as identified pursuant to the plan required by subsection (c), customized career and technical education in occupations that will lead to higher wages, enhanced benefits, and long-term employment in agriculture or another area, and technical assistance to improve coordination of services and implement best practices relating to service delivery through one-stop delivery systems.'';

(5) in subsection (f), by striking ''take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.'' and inserting ''are adjusted based on

the economic and demographic barriers to employment of eligible migrant and seasonal farmworkers.'';

(6) in subsection (g), by striking ''(enacted by the Single Audit Act of 1984)'';

(7) in subsection (h)—

(A) by striking paragraph (1) and inserting the following:

''(1) DEPENDENT.—The term 'dependent', used with respect to an eligible migrant or seasonal farmworker, means an individual who—

''(A) was claimed as a dependent on the farmworker's Federal income tax return for the previous year;

''(B) is the spouse of the farmworker; or

''(C) is able to establish—

''(i) a relationship as the farmworker's—

''(I) biological or legally adopted child, grandchild, or great-grandchild;

''(II) foster child;

''(III) stepchild;

''(IV) brother, sister, half-brother, half-sister, stepbrother, or stepsister;

''(V) parent, grandparent, or other direct ancestor (but not foster parent);

''(VI) stepfather or stepmother;

''(VII) uncle or aunt;

''(VIII) niece or nephew; or

''(IX) father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; and

''(ii) the receipt of over half of the individual's total support from the farmworker's family during the eligibility determination period for the farmworker.''; and

(B) in paragraph (4)(A)—

(i) by striking ''disadvantaged person'' and inserting ''low-income individual''; and

(ii) by inserting ''and who faces multiple barriers to self-sufficiency'' before the semicolon;

(8) by redesignating subsection (h) as subsection (i); and

(9) by inserting before subsection (i) the following:

''(h) FUNDING ALLOCATION.—From the funds appropriated and made available to carry out this section, the Secretary shall reserve not more than 1 percent for discretionary purposes, such as providing technical assistance to eligible entities.''

SEC. 143. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3) (29 U.S.C. 2913(a)(3)) is amended—

(1) in subparagraph (A), by inserting '', including services provided by one-stop operators and one-stop partners'' before the semicolon; and

(2) in subparagraph (C), by striking ''section 134(c)'' and inserting ''section 121(e)''.

SEC. 144. YOUTH CHALLENGE GRANTS.

Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(b)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award competitive grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this subsection to assist eligible youth in acquiring the skills, credentials, and employment experience necessary to achieve the performance outcomes for youth described in section 136.

''(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) a State or consortium of States;

''(B) a local board or consortium of local boards;

''(C) a recipient of a grant under section 166 (relating to Native American programs); or

''(D) a public or private entity (including a consortium of such entities) with expertise in the provision of youth activities, applying in partnership with a local board or consortium of local boards.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this subsection, and how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such activities;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the State, local, and private resources that will be leveraged to provide the activities described under subparagraph (A) in addition to funds provided under this subsection, and a description of the extent of the involvement of employers in the activities;

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii); and

''(E) an assurance that the State board of each State in which the proposed activities are to be carried out had the opportunity to review the application, and including the comments, if any, of the affected State boards on the application, except that this subparagraph shall not apply to an eligible entity described in paragraph (2)(C).

''(4) FACTORS FOR AWARD.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the quality of the proposed activities;

''(ii) the goals to be achieved;

''(iii) the likelihood of successful implementation;

''(iv) the extent to which the proposed activities are based on proven strategies or the extent to which the proposed activities will expand the base of knowledge relating to the provision of activities for eligible youth;

''(v) the extent of collaboration with the State and local workforce investment systems in carrying out the proposed activities;

''(vi) the extent of employer involvement in the proposed activities;

''(vii) whether there are other Federal and non-Federal funds available for similar activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities;

''(viii) the quality of the proposed activities in meeting the needs of the eligible youth to be served; and

''(ix) the extent to which the proposed activities will expand on services provided under section 127.

''(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out activities that are designed to assist eligible youth in acquiring the skills, credentials, and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129.

''(B) ACTIVITIES.—The activities carried out pursuant to subparagraph (A) may include the following:

''(i) Training and internships for out-of-school youth in sectors of the economy experiencing, or projected to experience, high growth.

''(ii) Dropout prevention activities for in-school youth.

''(iii) Activities designed to assist special youth populations, such as court-involved youth and youth with disabilities.

''(iv) Activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to post-secondary education, apprenticeships, and career-ladder employment.

''(v) Activities, including work experience, paid internships, and entrepreneurial training, in areas where there is a migration of youth out of the areas.

''(C) PARTICIPANT ELIGIBILITY.—Youth who are 14 years of age through 21 years of age, as of the time the eligibility determination is made, may be eligible to participate in activities carried out under this subsection.

''(6) GRANT PERIOD.—The Secretary shall make a grant under this subsection for a period of 2 years and may renew the grant, if the eligible entity has performed successfully, for a period of not more than 3 succeeding years.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATION.—The Secretary shall reserve not more than 3 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of (using appropriate techniques as described in section 172(c)), the projects funded under this subsection.

''(c) COMPETITIVE FIRST JOBS FOR YOUTH.—

''(1) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a consortium that—

''(A) shall include—

''(i)(I) a State board; or

''(II) a local board; and

''(ii) a consortium of businesses, including small businesses;

''(B) may include 1 or more—

''(i) local educational agencies;

''(ii) institutions of higher education;

''(iii) business intermediaries;

''(iv) community-based organizations; or

''(v) entities carrying out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); and

''(C) submits an application under paragraph (3).

''(2) AUTHORIZATION.—From the funds described in subsection (a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, entering, and retaining employment.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the area to be served, including information demonstrating that the area has—

''(i) high unemployment among individuals ages 16 through 21;

''(ii) high unemployment among youth who are individuals with disabilities; or

''(iii) high job loss;

''(B) a description of the proposed program, including activities, compensation, and expected outcomes;

''(C) an assurance that the participating employers in the proposed program are located in the area to be served, and a demonstration of the commitment of the participating employers to hire individuals who—

''(i) have successfully completed the program; or

''(ii) continue to work in the program;

''(D) demographic information about the targeted populations to be served by the proposed program, including information on gender, age, and race;

''(E) a description of how the proposed program will address the barriers to employment of the targeted populations;

''(F) a description of the manner in which the eligible entity will evaluate the program; and

''(G) a description of the ability of the eligible entity to carry out and expand the program after the expiration of the grant period.

''(4) EQUITABLE DISTRIBUTION TO RURAL AREAS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants to rural areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out—

''(i) activities that will assist youth in preparing for, entering, and retaining employment, including the activities described in section 129 for out-of-school youth (as defined in section 129(a));

''(ii) activities designed to strengthen academic skills that would assist—

''(I) in-school youth (as so defined) to be successful in secondary school and continue such participants' education; and

''(II) out-of-school youth (as so defined) to earn a high school diploma or its recognized equivalent, or prepare for postsecondary programs;

''(iii) activities designed to assist youth in economically distressed areas;

''(iv) subsidized employment for not more than 9 months that provides direct experience in a sector that has opportunities for full-time employment;

''(v) career and academic advisement, activities to promote financial literacy and the attainment of entrepreneurial skills, and provision of labor market information on high-skill, high-wage, and nontraditional occupations; and

''(vi) such other activities as the Secretary determines are appropriate to ensure that youth entering the workforce have the skills needed by employers.

''(B) PARTICIPANT ELIGIBILITY.—An individual who is not younger than 16 years of age and not older than 21 years of age, as of the time the eligibility determination is made, who faces barriers to employment, including an individual who is an individual with a disability, may be eligible to participate in activities under this subsection.

''(6) SPECIAL RULE.—An eligible entity that receives a grant under this subsection shall coordinate activities with the designated State agency (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)) and other appropriate State agencies in the State to be served.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out with assistance provided under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATIONS.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 145. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) in subsection (a)(1), by—

(A) inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, the training of members of State boards and local boards, peer review activities under this title,'' after ''localities,''; and

(B) striking ''from carrying out activities'' and all that follows through the period and inserting ''to implement the amendments made by the Workforce Investment Act Amendments of 2005.'';

(2) in subsection (a)(2), by adding at the end the following: ''The Secretary shall also hire staff qualified to provide the assistance described in paragraph (1).'';

(3) in subsection (b)(2), by striking the last sentence and inserting ''Such projects shall be administered by the Employment and Training Administration.''; and

(4) by adding at the end the following:

''(c) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act;

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps; and

''(3) commission research under section 171(c) to address knowledge gaps identified under paragraph (2).''.

SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (G) through (I), respectively;

(C) by striking subparagraphs (A) through (E) and inserting the following:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers for career ladder jobs and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the maximum effectiveness of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing, or are likely to experience, high rates of growth and jobs with wages leading to self-sufficiency;

''(D) projects that focus on collaborations among local boards, institutions of higher education, medical facilities, and other community stakeholders, to promote opportunities for dislocated workers to receive training and related services for employment in the high-demand health care sector;

''(E) computerized, individualized, self-paced training projects targeted to dislocated, disadvantaged, or incumbent workers utilizing equipment and curriculum designed in partnership with industries for employment in the operations, repair, and maintenance of high-tech equipment that is used in integrated systems technology;

''(F) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(D) in subparagraph (H) (as redesignated by subparagraph (B)), by striking ''and'' after the semicolon; and

(E) by striking subparagraph (I) (as redesignated by subparagraph (B)), and inserting the following:

''(I) projects that provide retention grants, which shall—

''(i) be made to qualified job training programs offering instruction, assessment, or professional coaching, upon placement of a low-income individual trained by the program involved in employment with an employer and retention of the low-income individual in that employment with that employer for a period of 1 year, if that employment provides the low-income individual with an annual salary—

''(I) that is at least $10,000 more than the individual's federally adjusted income for the previous year; and

''(II) that is not less than twice the poverty line applicable to the individual; and

''(ii) be made taking into account the economic benefit received by the Federal Government from the employment and retention of the individual, including the economic benefit from tax revenue and decreased public subsidies;

''(J) targeted innovation projects that improve access to and delivery of employment and training services, with emphasis given to projects that incorporate advanced technologies to facilitate the connection of individuals to the information and tools the individuals need to upgrade skills;

''(K) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet; and

''(L) projects that provide comprehensive education and training services, and support services, in coordination with local boards, for populations in targeted high poverty areas where the greatest barriers to employment exist, including ex-offenders, out-of-school youth, and public assistance recipient populations.''; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) STUDIES AND REPORTS.—

''(i) NET IMPACT STUDIES AND REPORTS.—

''(I) IN GENERAL.—The Secretary, in coordination with the Secretary of Education, shall conduct studies to determine the net impacts of, including best practices of, programs, services, and activities carried out under this title.

''(II) REPORTS.—The Secretary shall prepare and disseminate to the public reports containing the results of the studies conducted under subclause (I).

''(ii) STUDY ON RESOURCES AVAILABLE TO ASSIST OUT-OF-SCHOOL YOUTH.—The Secretary, in coordination with the Secretary of Education, may conduct a study examining the resources available at the Federal, State, and local levels to assist out-of-school youth in obtaining the skills, credentials, and work experience necessary to become successfully employed, including the availability of funds provided through average daily attendance and other methodologies used by States and local areas to distribute funds.

''(iii) STUDY OF INDUSTRY-BASED CERTIFICATION AND CREDENTIALS.—

''(I) IN GENERAL.—The Secretary shall conduct a study concerning the role and benefits of credentialing and certification to businesses and workers in the economy and the implications of certification to the services provided through the workforce investment system. The study may examine issues such as—

''(aa) the characteristics of successful credentialing and certification systems that serve business and individual needs;

''(bb) the relative proportions of certificates and credentials attained with assistance from the public sector, with private-sector training of new hires or incumbent workers, and by individuals on their own initiative without other assistance, respectively;

''(cc) the return on human capital investments from occupational credentials and industry-based skill certifications, including the extent to which acquisition of such credentials or certificates enhances outcomes such as entry into employment, retention, earnings (including the number and amount of wage increases), career advancement, and layoff aversion;

''(dd) the implications of the effects of skill certifications and credentials to the types and delivery of services provided through the workforce investment system;

''(ee) the role that Federal and State governments play in fostering the development of and disseminating credentials and skill standards; and

''(ff) the use of credentials by businesses to achieve goals for workforce skill upgrading and greater operating efficiency.

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study conducted pursuant to subclause (I). Such report may include any recommendations that the Secretary determines are appropriate to include in such report relating to promoting the acquisition of industry-based certification and credentials, and the appropriate role of the Department of Labor and the workforce investment system in supporting the needs of business and individuals with respect to such certification and credentials.

''(iv) STUDY OF EFFECTIVENESS OF WORKFORCE INVESTMENT SYSTEM IN MEETING BUSINESS NEEDS.—

''(I) IN GENERAL.—Using funds available to carry out this section jointly with funds available to the Secretary of Commerce and Administrator of the Small Business Administration, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may conduct a study of the effectiveness of the workforce investment system in meeting the needs of business, with particular attention to the needs of small business, including in assisting workers to obtain the skills needed to utilize emerging technologies. In conducting the study, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may examine issues such as—

''(aa) methods for identifying the workforce needs of businesses and how the requirements of small businesses may differ from larger establishments;

''(bb) business satisfaction with the workforce investment system, with particular emphasis on the satisfaction of small businesses;

''(cc) the extent to which business is engaged as a collaborative partner in the workforce investment system, including the extent of business involvement as members of State boards and local boards, and the extent to which such boards and one-stop centers effectively collaborate with business and industry leaders in developing workforce investment strategies, including strategies to identify high growth opportunities;

''(dd) ways in which the workforce investment system addresses changing skill needs of business that result from changes in technology and work processes;

''(ee) promising practices for serving small businesses;

''(ff) the extent and manner in which the workforce investment system uses technology to serve business and individual needs, and how uses of technology could enhance efficiency and effectiveness in providing services; and

''(gg) the extent to which various segments of the labor force have access to and utilize technology to locate job openings and apply for jobs, and characteristics of individuals utilizing such technology (such as age, gender, race or ethnicity, industry sector, and occupational groups).

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study described in subclause (I). Such report may include any recommendations the Secretary determines are appropriate to include in such report, including ways to enhance the effectiveness of the workforce investment system in meeting the needs of business for skilled workers.''.

(c) ADMINISTRATION.—Section 171(d) (29 U.S.C. 2916(d)) is amended by striking the last sentence and inserting the following: ''Such projects shall be administered by the Employment and Training Administration.''.

(d) NEXT GENERATION TECHNOLOGIES.—Section 171 (29 U.S.C. 2916) is amended by adding at the end the following:

''(e) SKILL CERTIFICATION PILOT PROJECTS.—

''(1) PILOT PROJECTS.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (10), the Secretary shall establish and carry out not more than 10 pilot projects to establish a system of industry-validated national certifications of skills, including—

''(A) not more than 8 national certifications of skills in high-technology industries, including biotechnology, telecommunications, highly automated manufacturing (including semiconductors), nanotechnology, and energy technology; and

''(B) not more than 2 cross-disciplinary national certifications of skills in homeland security technology.

''(2) GRANTS TO ELIGIBLE ENTITIES.—In carrying out the pilot projects, the Secretary shall make grants to eligible entities, for periods of not less than 36 months and not more than 48 months, to carry out the authorized activities described in paragraph (7) with respect to the certifications described in paragraph (1). In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(3) ELIGIBLE ENTITIES.—

''(A) DEFINITION OF ELIGIBLE ENTITY.—In this subsection the term 'eligible entity' means an entity that shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(ii) An advanced technology education center.

''(iii) A local board.

''(iv) A representative of a business in a target industry for the certification involved.

''(v) A representative of an industry association, labor organization, or community development organization.

''(B) HISTORY OF DEMONSTRATED CAPABILITY REQUIRED.—To be eligible to receive a grant under this subsection, an eligible entity shall have a history of demonstrated capability for effective collaboration with industry on workforce investment activities that is consistent with the objectives of this title.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(5) CRITERIA.—The Secretary shall establish criteria, consistent with paragraph (6), for awarding grants under this subsection.

''(6) PRIORITY.—In selecting eligible entities to receive grants under this subsection, the Secretary shall give priority to eligible entities that demonstrate the availability of and ability to provide matching funds from industry or nonprofit sources. Such matching funds may be provided in cash or in kind.

''(7) AUTHORIZED ACTIVITIES.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the funds made available through the grant—

''(i) to facilitate the establishment of certification requirements for a certification described in paragraph (1) for an industry;

''(ii) to develop and initiate a certification program that includes preparatory courses, course materials, procedures, and examinations, for the certification; and

''(iii) to collect and analyze data related to the program at the program's completion, and to identify best practices (consistent with paragraph (8)) that may be used by State and local workforce investment boards in the future.

''(B) BASIS FOR REQUIREMENTS.—The certification requirements established under the grant shall be based on applicable skill standards for the industry involved that have been developed by or linked to national centers of excellence under the National Science Foundation's Advanced Technological Education Program. The requirements shall require an individual to demonstrate an identifiable set of competencies relevant to the industry in order to receive certification. The requirements shall be designed to provide evidence of a transferable skill set that allows flexibility and mobility of workers within a high technology industry.

''(C) RELATIONSHIP TO TRAINING AND EDUCATION PROGRAMS.—The eligible entity shall ensure that—

''(i) a training and education program related to competencies for the industry involved, that is flexible in mode and timeframe for delivery and that meets the needs of those seeking the certification, is offered; and

''(ii) the certification program is offered at the completion of the training and education program.

''(D) RELATIONSHIP TO THE ASSOCIATE DEGREE.—The eligible entity shall ensure that the certification program is consistent with the requirements for a 2-year associate degree.

''(E) AVAILABILITY.—The eligible entity shall ensure that the certification program is open to students pursuing associate degrees, employed workers, and displaced workers.

''(8) CONSULTATION.—The Secretary shall consult with the Director of the National Science Foundation to ensure that the pilot projects build on the expertise and information about best practices gained through the implementation of the National Science Foundation's Advanced Technological Education Program.

''(9) CORE COMPONENTS; GUIDELINES; REPORTS.—After collecting and analyzing the data obtained from the pilot programs, the Secretary shall—

''(A) establish the core components of a model high-technology certification program;

''(B) establish guidelines to assure development of a uniform set of standards and policies for such programs;

''(C) prepare and submit a report on the pilot projects to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives; and

''(D) make available to the public both the data and the report.

''(10) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $30,000,000 for fiscal year 2006 to carry out this subsection.''.

(e) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Section 171 (29 U.S.C. 2916), as amended by subsection (d), is further amended by adding at the end the following:

''(f) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

''(1) DEFINITIONS.—In this subsection:

''(A) INTEGRATED WORKFORCE TRAINING.—The term 'integrated workforce training' means training that integrates occupational skills training with language acquisition.

''(B) SECRETARY.—The term 'Secretary' means the Secretary of Labor in consultation with the Secretary of Education.

''(2) DEMONSTRATION PROJECT.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (11), the Secretary shall establish and implement a national

demonstration project designed to both analyze and provide data on workforce training programs that integrate English language acquisition and occupational training.

''(3) GRANTS.—

''(A) IN GENERAL.—In carrying out the demonstration project, the Secretary shall make not less than 10 grants, on a competitive basis, to eligible entities to provide the integrated workforce training programs. In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(B) PERIODS.—The Secretary shall make the grants for periods of not less than 24 months and not more than 48 months.

''(4) ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An employer or employer association.

''(ii) A nonprofit provider of English language instruction.

''(iii) A provider of occupational or skills training.

''(iv) A community-based organization.

''(v) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(vi) A labor organization.

''(vii) A local board.

''(B) EXPERTISE.—To be eligible to receive a grant under this subsection, an eligible entity shall have proven expertise in—

''(i) serving individuals with limited English proficiency, including individuals with lower levels of oral and written English; and

''(ii) providing workforce programs with training and English language instruction.

''(5) APPLICATIONS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

''(i) contain information, including capability statements, that demonstrates that the eligible entity has the expertise described in paragraph (4)(B); and

''(ii) include an assurance that the program to be assisted shall—

''(I) establish a generalized adult bilingual workforce training and education model that integrates English language acquisition and occupational training, and incorporates the unique linguistic and cultural factors of the participants;

''(II) establish a framework by which the employer, employee, and other relevant members of the eligible entity can create a career development and training plan that assists both the employer and the employee to meet their long-term needs;

''(III) ensure that the framework established under subclause (II) takes into consideration the knowledge, skills, and abilities of the employee with respect to both the current and economic conditions of the employer and future labor market conditions relevant to the local area; and

''(IV) establish identifiable measures so that the progress of the employee and employer and the relative efficacy of the program can be evaluated and best practices identified.

''(6) CRITERIA.—The Secretary shall establish criteria for awarding grants under this subsection.

''(7) INTEGRATED WORKFORCE TRAINING PROGRAMS.—

''(A) PROGRAM COMPONENTS.—

''(i) REQUIRED COMPONENTS.—Each program that receives funding under this subsection shall—

''(I) test an individual's English language proficiency levels to assess oral and literacy gains from the beginning and throughout program enrollment;

''(II) combine training specific to a particular occupation or occupational cluster, with—

''(aa) English language instruction, such as instruction through an English as a Second Language program, or an English for Speakers of Other Languages program;

''(bb) basic skills instruction; and

''(cc) supportive services;

''(III) effectively integrate public and private sector entities, including the local workforce investment system and its functions, to achieve the goals of the program; and

''(IV) require matching or in-kind resources from private and nonprofit entities.

''(ii) PERMISSIBLE COMPONENTS.—The program may offer other services, as necessary to promote successful participation and completion, including work-based learning, substance abuse treatment, and mental health services.

''(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient adults for, and place such adults in employment in, growing industries with identifiable career ladder paths.

''(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

''(i) A program that—

''(I) serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages; and

''(II) aims to prepare such individuals for, and place such individuals in, higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75 percent of the median wage in the local area.

''(ii) A program that—

''(I) serves limited English proficient individuals with lower levels of oral and written fluency, who are working but at persistently low wages; and

''(II) aims to prepare such individuals for, and place such individuals in, higher paying employment, through services provided at the worksite, or at a location central to several work sites, during work hours.

''(iii) A program that—

''(I) serves unemployed, limited English proficient individuals with lower levels of oral and written fluency, who have little or no work experience; and

''(II) aims to prepare such individuals for, and place such individuals in, employment through services that include subsidized employment, in addition to the components required in subparagraph (A)(i).

''(iv) A program that includes funds from private and nonprofit entities.

''(D) PROGRAM APPROACHES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs with different approaches to integrated workforce training, in different contexts, in order to obtain comparative data on multiple approaches to integrated workforce training and English language instruction, to ensure programs are tailored to characteristics of individuals with varying skill levels, and to assess how different curricula work for limited English proficient populations. Such approaches may include—

''(i) bilingual programs in which the workplace language component and the training are conducted in a combination of an individual's native language and English;

''(ii) integrated workforce training programs that combine basic skills, language instruction, and job specific skills training; or

''(iii) sequential programs that provide a progression of skills, language, and training to ensure success upon an individual's completion of the program.

''(8) EVALUATION BY ELIGIBLE ENTITY.—Each eligible entity that receives a grant under this subsection for a program shall carry out a continuous program evaluation and an evaluation specific to the last phase of the program operations.

''(9) EVALUATION BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall conduct an evaluation of program impacts of the programs funded under the demonstration project, with a random assignment, experimental design impact study done at each worksite at which such a program is carried out.

''(B) DATA COLLECTION AND ANALYSIS.—The Secretary shall collect and analyze the data from the demonstration project to determine program effectiveness, including gains in language proficiency, acquisition of skills, and job advancement for program participants.

''(C) REPORT.—The Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, and make available to the public, a report on the demonstration project, including the results of the evaluation.

''(10) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to recipients of grants under this subsection throughout the grant periods.

''(11) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $10,000,000 for fiscal year 2006 to carry out this subsection.''.

(f) COMMUNITY-BASED JOB TRAINING.—Section 171 (29 U.S.C. 2916), as amended by subsection (e), is further amended by adding at the end the following:

''(g) COMMUNITY-BASED JOB TRAINING.—

''(1) DEFINITIONS.—In this subsection:

''(A) COMMUNITY COLLEGE.—The term 'community college' means—

''(i) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides a 2-year degree that is acceptable for full credit toward a bachelor's degree; or

''(ii) a tribally controlled college or university, as defined in section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801).

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means a community college, a consortium of community colleges, or a consortium composed of a community college and 1 or more institutions of higher education, that shall work with—

''(i) a local board;

''(ii) a business in the qualified industry or an industry association in the qualified industry, as identified in the application of the entity; and

''(iii) an economic development entity.

''(C) INSTITUTION OF HIGHER EDUCATION.—Except as otherwise provided in subparagraph (A)(i), the term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) and the meaning given the term 'postsecondary vocational institution' in section 102(a)(1)(B) of such Act (20 U.S.C. 1002(a)(1)(B)).

''(D) QUALIFIED INDUSTRY.—The term 'qualified industry' means an industry or economic sector that is projected to experience significant growth, such as an industry or economic sector that—

''(i) is projected to add substantial numbers of new jobs to the regional economy;

''(ii) has or is projected to have significant impact on the regional economy;

''(iii) impacts or is projected to impact the growth of other industries or economic sectors in the regional economy;

''(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

''(v) is a new or emerging industry or economic sector that is projected to grow; or

''(vi) requires high skills and has significant labor shortages in the regional economy.

''(2) DEMONSTRATION PROJECT.—In addition to the demonstration projects authorized under subsection (b), the Secretary may establish and implement a national demonstration project designed—

''(A) to develop local innovative solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages; and

''(B) to increase employment opportunities for workers in high-growth, high-demand occupations by establishing partnerships among education entities, the State workforce investment systems, and businesses in high-growth, high-skill industries or sectors.

''(3) GRANTS.—In carrying out the national demonstration project authorized under this subsection, the Secretary shall award grants, on a competitive basis, for 2, 3, or 4 years, in accordance with generally applicable Federal requirements, to eligible entities to enable the eligible entities to carry out activities authorized under this subsection.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the eligible entity that will offer training under the grant;

''(B) a justification of the need for discretionary funding under the grant, including the need for external funds to create a program to carry out the activities described in paragraph (6);

''(C) an economic analysis of the local labor market to identify—

''(i) high-growth, high-demand industries;

''(ii) the workforce issues faced by such industries; and

''(iii) potential participants in programs funded under this subsection;

''(D) a description of the qualified industry for which the training will occur, the availability of competencies on which the training will be based, and how the grant will help workers acquire the competencies and skills necessary for employment;

''(E) a description of the involvement of the local board and businesses, including small businesses, in the geographic area where the proposed grant will be implemented;

''(F) performance measures for the grant, including performance measures for the expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and initial earnings and earnings increases for such individuals;

''(G) a description of how the activities funded by the grant will be coordinated with activities provided through the one-stop center in the local area; and

''(H) a description of the local or private resources that will—

''(i) support the activities carried out under this subsection; and

''(ii) enable the entity to carry out and expand such activities after the expiration of the grant.

''(5) FACTORS FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding grants under this subsection, the Secretary shall consider—

''(i) the extent of public and private collaboration, including existing partnerships among qualified industries, the eligible entity, and the public workforce investment system;

''(ii) the extent to which the grant will provide job seekers with high-quality training for employment in high-growth, high-demand occupations;

''(iii) the extent to which the grant will expand the eligible entity and local one-stop center's capacity to be demand-driven and responsive to local economic needs;

''(iv) the extent to which local businesses commit to hire, retain, or advance individuals who receive training through the grant; and

''(v) the extent to which the eligible entity commits to make any newly developed products, such as skill standards, assessments, or industry-recognized training curricula, available for dissemination nationally.

''(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

''(i) the extent to which local or private resources will be made available to support the activities carried out under this subsection, taking into account the resources of the eligible entity and the entity's partners; and

''(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

''(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants across diverse industries and geographic areas.

''(6) USE OF FUNDS.—An eligible entity that receives a grant under this subsection—

''(A) shall use the grant funds for—

''(i) the development by the community college that is a part of the eligible entity in collaboration with other partners identified in the application, and, if applicable, other representatives of qualified industries, of rigorous training and education programs leading to an industry-recognized credential or degree and employment in the qualified industry; and

''(ii) training of adults, incumbent workers, dislocated workers, or out-of-school youth in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application; and

''(B) may use the grant funds for—

''(i) disseminating information on training available for high-growth, high-demand occupations in qualified industries through the one-stop delivery system to prospective participants, businesses, business intermediaries, and community-based organizations in the region, including training available through the grant;

''(ii) referring individuals trained under the grant for employment in qualified industries;

''(iii) enhancing integration of community colleges, training and education with businesses, and the one-stop system to meet the training needs of qualified industries for new and incumbent workers;

''(iv) providing training and relevant job skills to small business owners or operators to facilitate small business development in high-growth, high-skill industries; or

''(v) expanding or creating programs for distance, evening, weekend, modular, or compressed learning opportunities that provide training and relevant job skills for high-growth, high-demand occupations.

''(7) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

''(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

''(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to submit an interim and final report to the Secretary on the impact on business partners and employment outcomes obtained by individuals receiving training under this subsection using the performance measures identified in the eligible entity's grant application.

''(B) EVALUATION.—The Secretary shall require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking the heading and inserting the following:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by striking the matter preceding paragraph (1) and inserting the following:

''(a) IN GENERAL.—The Secretary is authorized to award national dislocated worker grants—'';

(B) in paragraph (1), by striking ''subsection (c)'' and inserting ''subsection (b)'';

(C) in paragraph (3), by striking ''and'' after the semicolon; and

(D) by striking paragraph (4) and inserting the following:

''(4) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (e), including providing assistance to eligible individuals;

''(5) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (f), including providing assistance to eligible individuals;

''(6) to provide additional assistance to a State board or local board where a higher than average demand for employment and training activities for dislocated members of the Armed Forces, or spouses, as described in section 101(11)(E), of members of the Armed Forces, described in subsection (b)(2)(A)(iv), exceeds State and local resources for providing such services, and where such programs are to be carried out in partnership with the Department of Defense and Department of Veterans Affairs transition assistance programs; and

''(7) to provide assistance to a State for statewide or local use in order to—

''(A) address cases in which there have been worker dislocations across multiple sectors, across multiple businesses within a sector, or across multiple local areas, and such workers remain dislocated;

''(B) meet emerging economic development needs; and

''(C) train eligible individuals who are dislocated workers described in subparagraph (A). The Secretary shall issue a final decision on an application for a national dislocated worker grant under this subsection not later than 45 calendar days after receipt of the application. The Secretary shall issue a notice of obligation for such a grant not later than 10 days after the award of the grant.''.

(b) ADMINISTRATION AND ADDITIONAL ASSISTANCE.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively;

(3) in paragraph (2) of subsection (b) (as redesignated by paragraph (2))—

(A) in subparagraph (A), in the matter preceding clause (i), by striking ''national emergency grant'' and inserting ''national dislocated worker grant''; and

(B) in subparagraph (C), by striking ''national emergency grants'' and inserting ''national dislocated worker grants'';

(4) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

''(d) ADDITIONAL ASSISTANCE.—

''(1) IN GENERAL.—From the amount appropriated and made available to carry out this section for any program year, the Secretary shall use not more than $20,000,000 to make grants to States to provide employment and training activities under section 134, in accordance with subtitle B.

''(2) ELIGIBLE STATES.—The Secretary shall make a grant under paragraph (1) to a State for a program year if—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003, is greater than

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).

''(3) AMOUNT OF GRANTS.—Subject to paragraph (1), the amount of the grant made under paragraph (1) to a State for a program year shall be based on the difference between—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003; and

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).'';

(5) in subsection (e) (as redesignated by paragraph (2))—

(A) in paragraph (1), by striking ''paragraph (4)(A)'' and inserting ''paragraph (4)'';

(B) in paragraph (2), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(C) in paragraph (3)(B), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(4)'';

(D) in paragraph (4), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(E) in paragraph (5), by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(F) in paragraph (6)—

(i) by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(ii) by striking ''subsection (c)(1)(B)'' and inserting ''subsection (b)(1)(B)''; and

(6) in subsection (f) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) by striking ''paragraph (4)(B)'' and inserting ''paragraph (5)''; and

(ii) by striking ''subsection (f)(1)(A)'' and inserting ''subsection (e)(1)(A)''; and

(B) in paragraph (4)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(5)''.

SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) RESERVATIONS.—Section 174(b) (29 U.S.C. 2919(b)) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—

''(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to carry out sections 170 through 172 and section 503 such sums as may be necessary for each of fiscal years 2006 through 2011.

''(2) RESERVATION.—Of the amount appropriated pursuant to the authorization of appropriations under paragraph (1) for a fiscal year, the Secretary shall, for each of the fiscal years 2006 through 2011, reserve not less than 25 percent for carrying out section 503.''.

(c) ASSISTANCE FOR ELIGIBLE WORKERS.—Section 174(c) (29 U.S.C. 2919(c)) is amended—

(1) in paragraphs (1)(A) and (2)(A), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(4)''; and

(2) in paragraphs (1)(B) and (2)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(5)''.

Subtitle E—Administration

SEC. 151. REQUIREMENTS AND RESTRICTIONS.

Section 181(e) (29 U.S.C. 2931(e)) is amended by striking ''economic development activities,''.

SEC. 152. REPORTS.

Section 185(c) (29 U.S.C. 2935(c)) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.''.

SEC. 153. ADMINISTRATIVE PROVISIONS.

(a) ANNUAL REPORT.—Section 189(d) (29 U.S.C. 2939(d)) is amended—

(1) in paragraph (3), by striking ''and'' after the semicolon;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

''(4) the negotiated levels of performance of the States, the States' requests for adjustments of such levels, and the adjustments of such levels that are made; and''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended, in the first sentence—

(1) by striking ''Funds'' and inserting ''Except as otherwise provided in this paragraph, funds''; and

(2) by striking ''each State receiving'' and inserting ''each recipient of''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A)(i), by inserting ''the funding of infrastructure costs for one-stop centers,'' after ''local boards,'';

(2) in subparagraph (C), by striking ''90'' and inserting ''60''; and

(3) by adding at the end the following:

''(D) EXPEDITED REQUESTS.—The Secretary shall expedite requests for waivers of statutory or regulatory requirements that have been approved for a State pursuant to subparagraph (B), if the requirements of this paragraph have been satisfied.

''(E) SPECIAL RULE.—With respect to any State that has a waiver under this paragraph relating to the transfer authority under section 133(b)(4), and has the waiver in effect on the date of enactment of the Workforce Investment Act Amendments of 2005 or subsequently receives such a waiver, the waiver shall continue to apply for so long as the State meets or exceeds State performance measures relating to the indicators described in section 136(b)(2)(A)(i).''.

SEC. 154. USE OF CERTAIN REAL PROPERTY.

Section 193 (29 U.S.C. 2943) is amended to read as follows:

''SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EMPLOYMENT SECURITY AGENCY REAL PROPERTY TO THE STATES.

''(a) TRANSFER OF FEDERAL EQUITY.—Notwithstanding any other provision of law, any Federal equity acquired in real property through grants to States awarded under title III of the Social Security Act (42 U.S.C. 501 et seq.) or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) is transferred to the States that used the grants for the acquisition of such equity. The portion of any real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act. Any disposition of such real property shall be carried out in accordance with the procedures prescribed by the Secretary and the portion of the proceeds from the disposition of such real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act.

''(b) LIMITATION ON USE.—A State shall not use funds awarded under title III of the Social Security Act or the Wagner-Peyser Act to amortize the costs of real property that is purchased by any State on or after the effective date of this provision.''.

SEC. 155. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies (as defined in section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c))). For purposes of this paragraph, such an enterprise does not include a one-stop service delivery system described in section 121(e).''.

Subtitle F—Incentive Grants

SEC. 161. INCENTIVE GRANTS.

Section 503 (20 U.S.C. 9273) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) TIMELINE.—

''(A) PRIOR TO JULY 1, 2006.—Prior to July 1, 2006, the Secretary shall award a grant to each State in accordance with the provisions of this section as this section was in effect on July 1, 2003.

''(B) BEGINNING JULY 1, 2006.—Beginning on July 1, 2006, the Secretary shall award incentive grants to States for performance described in paragraph (2), to implement or enhance innovative and coordinated programs as described in paragraph (3), consistent with the statewide economic, workforce, and educational interests of the State.

''(2) BASIS.—The Secretary shall award the grants on the basis that the States—

''(A) have exceeded the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)), and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)); or

''(B) have—

''(i) met the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act, and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998; and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment activities under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under title I;

''(cc) implementation of statewide coordination activities relating to the one-stop partner programs, through agreements with relevant State agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) statewide coordination relating to the one-stop partner programs, through arrangements with local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a State under this section may be used to carry out activities authorized for States in programs carried out under title I, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.) (referred to in this subsection as 'workforce and education programs'), including demonstration projects, and innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support statewide economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of a statewide integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs; or

''(G) activities that support local workforce investment boards or areas in improving performance in workforce and education programs and program coordination of workforce and education programs.

''(4) WAIVER.—For States that have developed and implemented a statewide integrated performance information system with common measures, as described in paragraph (3)(E), for the one-stop partner programs, the Secretary may waive for the State such reporting requirements for the one-stop partner programs as the Secretary has authority or agreement to waive.

''(5) TECHNICAL ASSISTANCE.—The Secretary shall reserve 4 percent of the funds available for grants under this section to provide technical assistance to States—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs and other education programs; or

''(D) to strengthen economic development.

''(6) DEFINITION.—As used in this subsection, the term 'hard-to-serve populations' has the meaning given the term in section 101.'';

(2) in subsection (b)(2)—

(A) in the matter preceding subparagraph (A), by striking ''only'' and all that follows through ''assurances:'' and inserting ''to ensure that the application contains, and to determine the accuracy of, the following assurances:''; and

(B) by striking subparagraph (C) and inserting the following:

''(C) the State meets the requirements of subparagraph (A) or (B) of subsection (a)(2).''; and

(3) by striking subsection (d).

Subtitle G—Conforming Amendments

SEC. 171. TABLE OF CONTENTS.

Section 1(b) (29 U.S.C. 9201 note) is amended—

(1) by striking the item relating to section 106 and inserting the following:

''Sec. 106. Purposes.'';

(2) by striking the item relating to section 123 and inserting the following:

''Sec. 123. Eligible providers of youth activities.'';

(3) by striking the item relating to section 169 and inserting the following:

''Sec. 169. Youth challenge grants.'';

(4) by striking the item relating to section 173 and inserting the following:

''Sec. 173. National dislocated worker grants.'';

(5) by striking the item relating to section 193 and inserting the following:

''Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.'';

(6) by inserting after the item relating to section 243 the following:

''Sec. 244. Integrated English literacy and civics education.'';

and

(7) by striking the item relating to section 502.

SEC. 172. CONFORMING AMENDMENTS.

(a) TRADE ACT OF 1974.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(b) ADULT EDUCATION AND FAMILY LITERACY ACT.—Section 212(b)(3)(A)(vi) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi)) is amended by striking ''the representatives described in section 136(i)(1)'' and inserting ''representatives of appropriate Federal agencies, and representatives of States and political subdivisions, business and industry, employees, eligible providers of employment and training activities (as defined in section 101), educators, and participants (as defined in section 101), with expertise regarding workforce investment policies and workforce investment activities (as defined in section 101)''.

(c) OLDER AMERICANS ACT OF 1965.—

(1) Subparagraphs (H) and (O) of section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) are amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(2) Section 505(c)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056c(c)(1)) is amended by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

(3) Section 512(a) of the Older Americans Act of 1965 (42 U.S.C. 3056j(a)) is amended—

(A) by striking ''(B)(vi)'' and inserting ''(B)(v)''; and

(B) by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

SEC. 201. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the ''Adult Education and Family Literacy Act Amendments of 2005''.

(b) PURPOSE.—Section 202 of the Adult Education and Family Literacy Act (20 U.S.C. 9201) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking ''education.'' and inserting ''education and in the transition to postsecondary education; and''; and

(3) by adding at the end the following:

''(4) assist immigrants and other individuals with limited English proficiency in improving their reading, writing, speaking, and mathematics skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.''.

SEC. 202. DEFINITIONS.

Section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''services or instruction below the postsecondary level'' and inserting ''academic instruction and education services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematics''; and

(B) by striking subparagraph (C)(i) and inserting the following:

''(i) are basic skills deficient as defined in section 101;'';

(2) in paragraph (2), by striking ''activities described in section 231(b)'' and inserting ''programs and services which include reading, writing, speaking, or mathematics skills, workplace literacy activities, family literacy activities, English language acquisition activities, or other activities necessary for the attainment of a secondary school diploma or its State recognized equivalent'';

(3) in paragraph (5)—

(A) by inserting ''an organization that has demonstrated effectiveness in providing adult education, that may include'' after ''means'';

(B) in subparagraph (B), by striking ''of demonstrated effectiveness'';

(C) in subparagraph (C), by striking ''of demonstrated effectiveness''; and

(D) in subparagraph (I), by inserting ''or coalition'' after ''consortium'';

(4) in paragraph (6)—

(A) by striking ''LITERACY PROGRAM'' and inserting ''LANGUAGE ACQUISITION PROGRAM'';

(B) by striking ''literacy program'' and inserting ''language acquisition program''; and

(C) by inserting ''reading, writing, and speaking'' after ''competence in'';

(5) by striking paragraph (10);

(6) by redesignating paragraphs (7) through (9) and (12) through (18) as paragraphs (8) through (10) and (13) through (19), respectively;

(7) by inserting after paragraph (6) the following:

''(7) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).'';

(8) by inserting after paragraph (11) the following:

''(12) LIMITED ENGLISH PROFICIENCY.—The term 'limited English proficiency', when used with respect to an individual, means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.'';

(9) by striking paragraph (15), as redesignated by paragraph (6), and inserting the following:

''(15) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

(10) by striking paragraph (19), as redesignated by paragraph (6), and inserting the following:

''(19) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program designed to improve the productivity of the workforce through the improvement of literacy skills that is offered by an eligible provider in collaboration with an employer or an employee organization at a workplace, at an off-site location, or in a simulated workplace environment.''.

SEC. 203. HOME SCHOOLS.

Section 204 of the Adult Education and Family Literacy Act (20 U.S.C. 9203) is amended to read as follows:

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, family literacy services, or adult education.''.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Adult Education and Family Literacy Act (20 U.S.C. 9204) is amended—

(1) by striking ''1999'' and inserting ''2006''; and

(2) by striking ''2003'' and inserting ''2011''.

SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

Section 211 of the Adult Education and Family Literacy Act (20 U.S.C. 9211) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) RESERVATION OF FUNDS.—From the sum appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve 1.5 percent to carry out section 242, except that the amount so reserved shall not exceed $10,000,000;

''(2) shall reserve 1.5 percent to carry out section 243 and subsection (f)(4), except that the amount so reserved shall not exceed $8,000,000;

''(3) shall make available, to the Secretary of Labor, 1.72 percent for incentive grants under section 136(i); and

''(4) shall reserve 12 percent of the amount that remains after reserving funds under paragraphs (1), (2) and (3) to carry out section 244.'';

(2) in subsection (c)(2)—

(A) by inserting ''and the sole agency responsible for administering or supervising policy for adult education and literacy in the Republic of Palau'' after ''an initial allotment under paragraph (1)'';

(B) by inserting ''or served by the agency for the Republic of Palau'' after ''by the eligible agency''; and

(C) by striking ''States and outlying areas'' and inserting ''States, outlying areas, and the Republic of Palau'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, or'' and inserting ''or''; and

(B) in paragraph (3)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''2001'' and inserting ''2007'';

(4) by striking subsection (f) and inserting the following:

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for fiscal year 2005 and each succeeding fiscal year, no eligible agency shall receive an allotment under this section that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this section.

''(2) 100 PERCENT ALLOTMENT.—Notwithstanding paragraphs (1) and (2) of subsection (e), an eligible agency that receives only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment under this section that is equal to 100 percent of the initial allotment under subsection (c)(1).

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this subtitle is insufficient to satisfy the provisions of paragraphs (1) and (2), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(4) ADDITIONAL ASSISTANCE.—

''(A) IN GENERAL.—From amounts reserved under subsection (a)(2), the Secretary shall make grants to eligible agencies described in subparagraph (B) to enable such agencies to provide activities authorized under chapter 2.

''(B) ELIGIBILITY.—An eligible agency is eligible to receive a grant under this paragraph for a fiscal year if the amount of the allotment such agency receives under this section for the fiscal year is less than the amount such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year.

''(C) AMOUNT OF GRANT.—The amount of a grant made to an eligible agency under this paragraph for a fiscal year shall be the difference between—

''(i) the amount of the allotment such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year; and

''(ii) the amount of the allotment such agency receives under this section for the fiscal year.''; and

(5) by adding at the end the following:

''(h) STUDY AND REPORT.—

''(1) STUDY.—The Comptroller General of the United States shall conduct a study concerning the formula described in this section and, in conducting the study, shall at a minimum—

''(A) examine whether the formula results in a distribution of funds that sufficiently serves the entire population of individuals eligible for adult education and literacy activities under this subtitle;

''(B) examine whether the data used to count qualified adults, for purposes of the formula, accurately measure the population of individuals eligible for the activities; and

''(C) develop recommendations for improving the formula so that the formula results in a distribution of funds that better serves that population and the data used to count qualified adults accurately measure that population.

''(2) REPORT.—Not later than 3 years after the date of enactment of the Workforce Investment Act Amendments of 2005, the Comptroller General shall submit to Congress a report containing the results of the study described in paragraph (1).''.

SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 212 of the Adult Education and Family Literacy Act (20 U.S.C. 9212) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(ii), by striking ''additional indicators of performance (if any)'' and inserting ''the employment performance indicators'';

(B) by striking paragraph (2) and inserting the following:

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—An eligible agency shall identify in the State plan individual academic performance indicators that include, at a minimum, the following:

''(i) Measurable improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.

''(ii) Placement in, retention in, or completion of, postsecondary education or other training programs.

''(iii) Completion of a secondary school diploma, its recognized equivalent, or a recognized alternative standard for individuals with disabilities.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—

''(i) IN GENERAL.—An eligible agency shall identify in the State plan individual participant employment performance indicators that include, at a minimum, the following:

''(I) Entry into unsubsidized employment.

''(II) Retention in unsubsidized employment 6 months after entry into the employment.

''(III) Increases in earnings from unsubsidized employment.

''(ii) DATA COLLECTION.—The State workforce investment board shall assist the eligible agency in obtaining and using quarterly wage records to collect data for each of the indicators described in clause (i), consistent with applicable Federal and State privacy laws.

''(C) INDICATORS FOR WORKPLACE LITERACY PROGRAMS.—Special accountability measures may be negotiated for workplace literacy programs.''; and

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (i)(II), by striking ''in performance'' and inserting ''the agency's performance outcomes in an objective, quantifiable, and measurable form'';

(II) in clause (ii), by striking ''3 program years'' and inserting ''2 program years'';

(III) in clause (iii), by striking ''FIRST 3 YEARS'' and inserting ''FIRST 2 YEARS'';

(IV) in clause (iii), by striking ''first 3 program years'' and inserting ''first 2 program years'';

(V) in clause (v), by striking ''4TH AND 5TH'' and inserting ''3RD AND 4TH'';

(VI) in clause (v), by striking ''to the fourth'' and inserting ''to the third'';

(VII) in clause (v), by striking ''fourth and fifth'' and inserting ''third and fourth''; and

(VIII) in clause (vi), by striking ''(II)'' and inserting ''(I)'';

(ii) in subparagraph (B)—

(I) by striking the heading and inserting ''LEVELS OF EMPLOYMENT PERFORMANCE'';

(II) by striking ''may'' and inserting ''shall''; and

(III) by striking ''additional'' and inserting ''employment performance''; and

(iii) by adding at the end the following:

''(C) ALTERNATIVE ASSESSMENT SYSTEMS.—Eligible agencies may approve the use of assessment systems that are not commercially available standardized systems if such systems meet the Standards for Educational and Psychological Testing issued by the Joint Committee on Standards for Educational and Psychological Testing of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting '', the Governor, the State legislature, and the State workforce investment board'' after ''Secretary''; and

(ii) by striking ''including'' and all that follows through the period and inserting ''including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance, and employment performance indicators.

''(B) Information on the number or percentage of qualifying adults (as defined in section 211(d)) who are participants in adult education programs under this subtitle and making satisfactory progress toward 1 or more of each of the following:

''(i) Core indicators of performance.

''(ii) Employment performance indicators.

''(iii) Other long-term objectives.

''(C) The number and type of each eligible provider that receives funding under such grant.

''(D) The number of enrollees 16 to 18 years of age who enrolled in adult education not later than 1 year after participating in secondary school education.'';

(B) in paragraph (2)(A), by inserting ''eligible providers and'' after ''available to''; and

(C) by adding at the end the following:

''(3) DATA ACCESS.—The report made available under paragraph (2) shall indicate which eligible agencies did not have access to State unemployment insurance wage data in measuring employment performance indicators.''; and

(3) by adding at the end the following:

''(d) PROGRAM IMPROVEMENT.—

''(1) IN GENERAL.—If the Secretary determines that an eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A) for any program year, the eligible agency shall—

''(A) work with the Secretary to develop and implement a program improvement plan for the 2 program years succeeding the program year in which the eligible agency did not meet its adjusted levels of performance; and

''(B) revise its State plan under section 224, if necessary, to reflect the changes agreed to in the program improvement plan.

''(2) FURTHER ASSISTANCE.—If, after the period described in paragraph (1)(A), the Secretary has provided technical assistance to the eligible agency but determines that the eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A), the Secretary

may require the eligible agency to make further revisions to the program improvement plan described in paragraph (1). Such further revisions shall be accompanied by further technical assistance from the Secretary.''.

SEC. 207. STATE ADMINISTRATION.

Section 221(1) of the Adult Education and Family Literacy Act (20 U.S.C. 9221(1)) is amended by striking ''and implementation'' and inserting ''implementation, and monitoring''.

SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

Section 222 of the Adult Education and Family Literacy Act (20 U.S.C. 9222) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''82.5'' the first place such term appears and inserting ''80''; and

(ii) by striking ''the 82.5 percent'' and inserting ''such amount'';

(B) in paragraph (2), by striking ''not more than 12.5 percent'' and inserting ''not more than 15 percent''; and

(C) in paragraph (3), by striking ''$65,000'' and inserting ''$75,000''; and

(2) in subsection (b)(1), by striking ''equal to'' and inserting ''that is not less than''.

SEC. 209. STATE LEADERSHIP ACTIVITIES.

Section 223 of the Adult Education and Family Literacy Act (20 U.S.C. 9223) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''to develop or enhance the adult education system of the State or outlying area'' after ''activities'';

(B) in paragraph (1), by striking ''instruction incorporating'' and all that follows through the period and inserting ''instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.'';

(C) in paragraph (2), by inserting '', including development and dissemination of instructional and programmatic practices based on the most rigorous research available and appropriate, including scientifically based research that is available and appropriate, in reading, writing, speaking, mathematics, English language acquisition programs, distance learning, and staff training'' after ''activities'';

(D) in paragraph (5), by striking ''monitoring and'';

(E) by striking paragraph (6) and inserting the following:

''(6) The development and implementation of technology applications, translation technology, or distance learning, including professional development to support the use of instructional technology.''; and

(F) by striking paragraph (7) through paragraph (11) and inserting the following:

''(7) Coordination with—

''(A) other partners carrying out activities authorized under this Act; and

''(B) existing support services, such as transportation, child care, mental health services, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, for adults enrolled in such activities.

''(8) Developing and disseminating curricula, including curricula incorporating the essential components of reading instruction as such components relate to adults.

''(9) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this subtitle.

''(10) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education, including linkages with postsecondary educational institutions.

''(11) Integration of literacy and English language instruction with occupational skill training, and promoting linkages with employers.

''(12) Activities to promote workplace literacy programs.

''(13) Activities to promote and complement local outreach initiatives described in section 243(b)(3)(F).

''(14) In cooperation with efforts funded under sections 242 and 243, the development of curriculum frameworks and rigorous content standards that—

''(A) specify what adult learners should know and be able to do in the areas of reading and language arts, mathematics, and English language acquisition; and

''(B) take into consideration the following:

''(i) State academic standards established under section 1111(b) of the Elementary and Secondary Education Act of 1965.

''(ii) The current adult skills and literacy assessments used in the State or outlying area.

''(iii) The core indicators of performance established under section 212(b)(2)(A).

''(iv) Standards and academic requirements for enrollment in non-remedial, for-credit, courses in postsecondary education institutions supported by the State or outlying area.

''(v) Where appropriate, the basic and literacy skill content of occupational and industry skill standards widely used by business and industry in the State or outlying area.

''(15) In cooperation with efforts funded under sections 242 and 243, development and piloting of—

''(A) new assessment tools and strategies that—

''(i) are based on scientifically based research, where available and appropriate; and

''(ii) identify the needs and capture the gains of students at all levels, with particular emphasis on—

''(I) students at the lowest achievement level;

''(II) students who have limited English proficiency; and

''(III) adults with learning disabilities;

''(B) options for improving teacher quality and retention; and

''(C) assistance in converting research into practice.

''(16) The development and implementation of programs and services to meet the needs of adult learners with learning disabilities or limited English proficiency.

''(17) Other activities of statewide significance that promote the purpose of this title.''; and

(2) in subsection (c), by striking ''being State- or outlying area-imposed'' and inserting ''being imposed by the State or outlying area''.

SEC. 210. STATE PLAN.

Section 224 of the Adult Education and Family Literacy Act (20 U.S.C. 9224) is amended—

(1) in subsection (a)—

(A) by striking the heading and inserting ''4-YEAR PLANS''; and

(B) in paragraph (1), by striking ''5'' and inserting ''4'';

(2) in subsection (b)—

(A) in paragraph (1), by inserting ''and the role of provider and cooperating agencies in preparing the assessment'' after ''serve'';

(B) by striking paragraph (2) and inserting the following:

''(2) a description of how the eligible agency will address the adult education and literacy needs identified under paragraph (1) in each workforce development area of the State, using funds received under this subtitle, as well as other Federal, State, or local funds received in partnership with other agencies for the purpose of adult literacy as applicable;'';

(C) in paragraph (3)—

(i) by inserting ''and measure'' after ''evaluate'';

(ii) by inserting ''and improvement'' after ''effectiveness''; and

(iii) by striking ''212'' and inserting ''212, including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this subtitle and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on performance)'';

(D) by redesignating paragraphs (5) through (12) as paragraphs (6) through (13), respectively;

(E) by inserting after paragraph (4) the following:

''(5) a description of how the eligible agency will improve teacher quality, the professional development of eligible providers, and instruction;'';

(F) in paragraph (6) (as redesignated by subparagraph (D)), by striking ''who'' and all that follows through the semicolon and inserting ''that—

''(A) offers flexible schedules and coordinates with necessary Federal, State, and local support services (such as child care, transportation, mental health services, and case management) to enable individuals, including individuals with disabilities or individuals with other special needs, to participate in adult education and literacy activities; and

''(B) attempts to coordinate with support services that are not provided under this subtitle prior to using funds for adult education and literacy activities provided under this subtitle for support services;'';

(G) in paragraph (10) (as redesignated by subparagraph (D)), by striking ''plan;'' and inserting ''plan, which process—

''(A) shall include the State workforce investment board, the Governor, State officials representing public schools, community colleges, welfare agencies, agencies that provide services to individuals with disabilities, other State agencies that promote or operate adult education and literacy activities, and direct providers of such adult literacy services; and

''(B) may include consultation with the State agency for higher education, institutions responsible for professional development of adult education and literacy education program instructors, institutions of higher education, representatives of business and industry, refugee assistance programs, and community-based organizations (as such term is defined in section 101);'';

(H) in paragraph (11) (as redesignated by subparagraph (D))—

(i) by inserting ''assess potential population needs and'' after ''will'';

(ii) in subparagraph (A), by striking ''students'' and inserting ''individuals'';

(iii) in subparagraph (C), by striking ''and'' after the semicolon; and

(iv) by adding at the end the following:

''(E) the unemployed; and

''(F) those individuals who are employed, but at levels below self-sufficiency, as defined in section 101;'';

(I) in paragraph (12) (as redesignated by subparagraph (D))—

(i) by inserting ''and how the plan submitted under this subtitle is coordinated with the plan submitted by the State under title I'' after ''eligible agency''; and

(ii) by striking ''and'' after the semicolon;

(J) in paragraph (13) (as redesignated by subparagraph (D)), by striking ''231(c)(1).'' and inserting ''231(c)(1), including—

''(A) how the State will build the capacity of organizations that provide adult education and literacy activities; and

''(B) how the State will increase the participation of business and industry in adult education and literacy activities;''; and

(K) by adding at the end the following:

''(14) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult

education programs and services (including academic skill development and support services) that prepare students to enter postsecondary education upon the attainment of a secondary school diploma or its recognized equivalent;

''(15) a description of how the eligible agency will consult with the State agency responsible for workforce development to develop adult education programs and services that are designed to prepare students to enter the workforce; and

''(16) a description of how the eligible agency will improve the professional development of eligible providers of adult education and literacy activities.'';

(3) in subsection (c), by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the eligible agency shall review and, as needed, revise the 4-year State plan.''; and

(4) in subsection (d)—

(A) in paragraph (1), by inserting '', the chief State school officer, the State officer responsible for administering community and technical colleges, and the State workforce investment board'' after ''Governor''; and

(B) in paragraph (2), by striking ''comments'' and all that follows through the period and inserting ''comments regarding the State plan by the Governor, the chief State school officer, the State officer responsible for administering community and technical colleges, and the State workforce investment board, and any revision to the State plan, are submitted to the Secretary.''.

SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

Section 225 of the Adult Education and Family Literacy Act (20 U.S.C. 9225) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''basic education'' and inserting ''adult education and literacy activities'';

(B) in paragraph (2), by inserting ''and'' after the semicolon;

(C) by striking paragraph (3); and

(D) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (d), by striking ''DEFINITION OF CRIMINAL OFFENDER.—'' and inserting ''DEFINITIONS.—In this section:''.

SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

Section 231 of the Adult Education and Family Literacy Act (20 U.S.C. 9241) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''workplace literacy services'' and inserting ''workplace literacy programs''; and

(B) in paragraph (3), by striking ''literacy'' and inserting ''language acquisition''; and

(2) in subsection (e)—

(A) in paragraph (1), by inserting ''to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2)'' after ''outcomes'';

(B) by striking paragraph (3) and inserting the following:

''(3) the commitment of the eligible provider to be responsive to local needs and to serve individuals in the community who were identified by the assessment as most in need of adult literacy services, including individuals who are low-income, have minimal literacy skills, have learning disabilities, or have limited English proficiency;'';

(C) in paragraph (4)(B), by striking '', such as'' and all that follows through the semicolon and inserting ''that include the essential components of reading instruction;'';

(D) in paragraph (5), by striking ''research'' and inserting ''the most rigorous research available, including scientifically based research,'';

(E) in paragraph (9), by inserting ''education, job training, and social service'' after ''other available'';

(F) in paragraph (10)—

(i) by inserting ''coordination with Federal, State, and local'' after ''schedules and''; and

(ii) by striking ''and transportation'' and inserting '', transportation, mental health services, and case management'';

(G) in paragraph (11)—

(i) by inserting ''measurable'' after ''report'';

(ii) by striking ''eligible agency'';

(iii) by inserting ''established by the eligible agency'' after ''performance measures''; and

(iv) by striking ''and'' after the semicolon;

(H) in paragraph (12), by striking ''literacy programs.'' and inserting ''language acquisition programs and civics education programs;''; and

(I) by adding at the end the following:

''(13) the capacity of the eligible provider to produce information on performance results, including enrollments and measurable participant outcomes;

''(14) whether reading, writing, speaking, mathematics, and English language acquisition instruction provided by the eligible provider are based on the best practices derived from the most rigorous research available and appropriate, including scientifically based research that is available and appropriate;

''(15) whether the eligible provider's applications of technology and services to be provided are sufficient to increase the amount and quality of learning and lead to measurable learning gains within specified time periods; and

''(16) the capacity of the eligible provider to serve adult learners with learning disabilities.''.

SEC. 213. LOCAL APPLICATION.

Section 232 of the Adult Education and Family Literacy Act (20 U.S.C. 9242) is amended—

(1) in paragraph (1)—

(A) by inserting ''consistent with the requirements of this subtitle'' after ''spent''; and

(B) by striking ''and'' after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) information that addresses each of the considerations required under section 231(e).''.

SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.

Section 233 of the Adult Education and Family Literacy Act (20 U.S.C. 9243) is amended—

(1) in subsection (a)(2)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''; and

(2) in subsection (b)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''.

SEC. 215. ADMINISTRATIVE PROVISIONS.

Section 241(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9251(b)) is amended—

(1) in paragraph (1)(A)—

(A) by striking ''adult education and literacy activities'' each place the term appears and inserting ''activities under this subtitle''; and

(B) by striking ''was'' and inserting ''were''; and

(2) in paragraph (4)—

(A) by inserting ''not more than'' after ''this subsection for''; and

(B) by striking ''only''.

SEC. 216. NATIONAL INSTITUTE FOR LITERACY.

Section 242 of the Adult Education and Family Literacy Act (20 U.S.C. 9252) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''literacy'' and inserting ''effective literacy programs for children, youth, adults, and families'';

(B) in paragraph (2), by inserting ''and disseminates information on'' after ''coordinates''; and

(C) by striking paragraph (3)(A) and inserting the following:

''(A) coordinating and participating in the Federal effort to identify and disseminate information on literacy that is derived from scientifically based research, or the most rigorous research available, and effective programs that serve children, youth, adults, and families; and'';

(2) by striking subsection (b)(3) and inserting the following:

''(3) RECOMMENDATIONS.—The Interagency Group, in consultation with the National Institute for Literacy Advisory Board (in this section referred to as the 'Board') established under subsection (e), shall plan the goals of the Institute and the implementation of any programs to achieve the goals. The Board may also request a meeting of the Interagency Group to discuss any recommendations the Board may make.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking ''to establish'' and inserting ''to maintain'';

(II) in clause (i), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension'' and inserting ''the essential components of reading instruction'';

(III) in clause (iii), by striking ''and'' after the semicolon;

(IV) in clause (iv), by inserting ''and'' after the semicolon; and

(V) by adding at the end the following:

''(v) a list of local adult education and literacy programs;'';

(ii) in subparagraph (C)—

(I) by striking ''reliable and replicable research'' and inserting ''reliable and replicable research as defined by the Institute of Education Sciences''; and

(II) by striking ''especially with the Office of Educational Research and Improvement in the Department of Education,'';

(iii) in subparagraph (D), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension based on'' and inserting ''the essential components of reading instruction and'';

(iv) in subparagraph (H), by striking ''and'' after the semicolon;

(v) in subparagraph (I), by striking the period at the end and inserting a semicolon; and

(vi) by adding at the end the following:

''(J) to work cooperatively with the Department of Education to assist States that are pursuing the implementation of standards-based educational improvements for adults through the dissemination of training, technical assistance, and related support and through the development and dissemination of related standards-based assessment instruments; and

''(K) to identify scientifically based research where available and appropriate, or the most rigorous research available and appropriate, on the effectiveness of instructional practices and organizational strategies relating to literacy programs on the acquisition of skills in reading, writing, English acquisition, and mathematics.''; and

(B) by adding at the end the following:

''(3) COORDINATION.—In identifying the reliable and replicable research the Institute will support, the Institute shall use standards for research quality that are consistent with those of the Institute of Education Sciences.'';

(4) in subsection (e)—

(A) in paragraph (1)(B)—

(i) in clause (i), by striking ''literacy programs'' and inserting ''language acquisition programs'';

(ii) in clause (ii), by striking ''literacy programs'' and inserting ''or have participated in or partnered with workplace literacy programs'';

(iii) in clause (iv), by inserting '', including adult literacy research'' after ''research'';

(iv) in clause (vi), by striking ''and'' after the semicolon;

(v) in clause (vii), by striking the period at the end and inserting ''; and''; and

(vi) by adding at the end the following:

''(viii) institutions of higher education.'';

(B) in paragraph (2)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) review the biennial report submitted to Congress pursuant to subsection (k).''; and

(C) in paragraph (5), by striking the second sentence and inserting the following: ''A recommendation of the Board may be passed only by a majority of the Board's members present at a meeting for which there is a quorum.''; and

(5) in subsection (k)—

(A) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(B) by striking ''The Institute shall submit a report biennially to'' and inserting ''Not later than 1 year after the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005, and biennially thereafter, the Institute shall submit a report to''.

SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.

Section 243 of the Adult Education and Family Literacy Act (20 U.S.C. 9253) is amended to read as follows:

''SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and literacy programs nationwide.

''(b) PERMISSIVE ACTIVITIES.—The national leadership activities described in subsection (a) may include the following:

''(1) Technical assistance, including—

''(A) assistance provided to eligible providers in developing and using performance measures for the improvement of adult education and literacy activities, including family literacy services;

''(B) assistance related to professional development activities, and assistance for the purposes of developing, improving, identifying, and disseminating the most successful methods and techniques for providing adult education and literacy activities, including family literacy services, based on scientific evidence where available;

''(C) assistance in distance learning and promoting and improving the use of technology in the classroom;

''(D) assistance in developing valid, measurable, and reliable performance data, including data about employment and employment outcome, and using performance information for the improvement of adult education and literacy programs; and

''(E) assistance to help States, particularly low-performing States, meet the requirements of section 212.

''(2) A program of grants, contracts, or cooperative agreements awarded on a competitive basis to national, regional, or local networks of private nonprofit organizations, public libraries, or institutions of higher education to build the capacity of such networks' members to meet the performance requirements of eligible providers under this title and involve adult learners in program improvement.

''(3) Funding national leadership activities that are not described in paragraph (1), either directly or through grants, contracts, or cooperative agreements awarded on a competitive basis to or with postsecondary educational institutions, public or private organizations or agencies, or consortia of such institutions, organizations, or agencies, such as—

''(A) developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults, including instructional practices using the essential components of reading instruction based on the work of the National Institute of Child Health and Human Development;

''(B) increasing the effectiveness of, and improving the quality of, adult education and literacy activities, including family literacy services;

''(C) carrying out rigorous research, including scientifically based research where appropriate, on national literacy basic skill acquisition for adult learning, including estimating the number of adults functioning at the lowest levels of literacy proficiency;

''(D)(i) carrying out demonstration programs;

''(ii) disseminating best practices information, including information regarding promising practices resulting from federally funded demonstration programs; and

''(iii) developing and replicating best practices and innovative programs, including—

''(I) the development of models for basic skill certificates;

''(II) the identification of effective strategies for working with adults with learning disabilities and with adults with limited English proficiency;

''(III) integrated basic and workplace skills education programs;

''(IV) coordinated literacy and employment services; and

''(V) postsecondary education transition programs;

''(E) providing for the conduct of an independent evaluation and assessment of adult education and literacy activities through studies and analyses conducted independently through grants and contracts awarded on a competitive basis, which evaluation and assessment shall include descriptions of—

''(i) the effect of performance measures and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

''(ii) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy activities;

''(iii) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increase the rate of enrollment in, and successful completion of, such programs; and

''(iv) the extent to which different types of providers measurably improve the skills of participants in adult education and literacy programs;

''(F) supporting efforts aimed at capacity building of programs at the State and local levels such as technical assistance in program planning, assessment, evaluation, and monitoring of activities carried out under this subtitle;

''(G) collecting data, such as data regarding the improvement of both local and State data systems, through technical assistance and development of model performance data collection systems;

''(H) supporting the development of an entity that would produce and distribute technology-based programs and materials for adult education and literacy programs using an interconnection system (as defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397)) and expand the effective outreach and use of such programs and materials to adult education eligible providers;

''(I) determining how participation in adult education and literacy activities prepares individuals for entry into postsecondary education and employment and, in the case of prison-based services, has an effect on recidivism; and

''(J) other activities designed to enhance the quality of adult education and literacy activities nationwide.''.

SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:

''SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

''(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year, the Secretary shall award grants to States, from allotments under subsection (b), for integrated English literacy and civics education.

''(b) ALLOTMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), from amounts made available under section 211(a)(4) for a fiscal year, the Secretary shall allocate—

''(A) 65 percent to the States on the basis of a State's need for integrated English literacy and civics education as determined by calculating each State's share of a 10-year average of the Immigration and Naturalization Service data for immigrants admitted for legal permanent residence for the 10 most recent years; and

''(B) 35 percent to the States on the basis of whether the State experienced growth as measured by the average of the 3 most recent years for which Immigration and Naturalization Service data for immigrants admitted for legal permanent residence are available.

''(2) MINIMUM.—No State shall receive an allotment under paragraph (1) in an amount that is less than $60,000.''.

SEC. 219. TRANSITION.

The Secretary shall take such steps as the Secretary determines to be appropriate to provide for the orderly transition to the authority of the Adult Education and Family Literacy Act (as amended by this title) from any authority under provisions of the Adult Education and Family Literacy Act (as such Act was in effect on the day before the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005).

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

SEC. 301. WAGNER-PEYSER ACT.

(a) CONFORMING AMENDMENT.—Section 2(3) of the Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(b) COLOCATION.—Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended by adding at the end the following:

''(d) In order to avoid duplication of services and enhance integration of services, employment services offices in each State shall be colocated with one-stop centers established under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(e) The Secretary, in consultation with States, is authorized to assist in the development of national electronic tools that may be used to improve access to workforce information for individuals through—

''(1) the one-stop delivery systems established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(2) such other delivery systems as the Secretary determines to be appropriate.''.

(c) COOPERATIVE STATISTICAL PROGRAM.—Section 14 of the Wagner-Peyser Act (29 U.S.C. 49l–1) is amended by striking the section heading and all that follows through ''There'' and inserting the following:

''SEC. 14. COOPERATIVE STATISTICAL PROGRAM.

''There''.

(d) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—Section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.'';

(2) by striking ''employment statistics system'' each place it appears and inserting ''workforce and labor market information system'';

(3) in subsection (a)(1), by striking ''of employment statistics'';

(4) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''The'' and inserting the following:

''(A) STRUCTURE.—The''; and

(ii) by adding at the end the following:

''(B) GRANTS OR COOPERATIVE AGREEMENTS.—

''(i) IN GENERAL.—The Secretary shall carry out the provisions of this section in a timely manner through grants or cooperative agreements with States.

''(ii) DISTRIBUTION OF FUNDS.—With regard to distributing funds appropriated under subsection (g) (relating to workforce and labor market information funding) for fiscal years 2006 through 2011, the Secretary shall continue to distribute the funds to States in the manner in which the Secretary distributed funds to the States under this section for fiscal years 1999 through 2003.''; and

(B) in paragraph (2)(E)—

(i) in clause (i), by adding ''and'' at the end;

(ii) in clause (ii), by striking ''; and'' and inserting a period; and

(iii) by striking clause (iii);

(5) by striking subsections (c) and (d) and inserting the following:

''(c) TWO-YEAR PLAN.—The Secretary, working through the Commissioner of Labor Statistics, and in cooperation with the States and with the assistance of the Assistant Secretary for Employment and Training and heads of other appropriate Federal agencies, shall prepare a 2-year plan which shall be the mechanism for achieving cooperative management of the nationwide workforce and labor market information system described in subsection (a) and the statewide workforce and labor market information systems that comprise the nationwide system. The plan shall—

''(1) describe the steps the to be taken in the following 2 years to carry out the duties described in subsection (b)(2);

''(2) evaluate the performance of the system and recommend needed improvements, with particular attention to the improvements needed at the State and local levels; and

''(3) describe the involvement of States in the development of the plan, through consultation between the Secretary and representatives from State agencies in accordance with subsection (d).

''(d) COORDINATION WITH THE STATES.—The Secretary, working though the Commissioner of Labor Statistics and in coordination with the Assistant Secretary for Employment and Training, shall formally consult at least twice annually with representatives of each of the Federal regions of the Department of Labor, elected (pursuant to a process established by the Secretary) by and from the State workforce and labor market information directors affiliated with the State agencies that perform the duties described in subsection (e)(2).'';

(6) in subsection (e)—

(A) in paragraph (1)(A), by striking ''annual plan'' and inserting ''plan described in subsection (c)''; and

(B) in paragraph (2)—

(i) in subparagraph (G), by adding ''and'' at the end;

(ii) by striking subparagraph (H); and

(iii) by redesignating subparagraph (I) as subparagraph (H); and

(7) in subsection (g), by striking ''1999 through 2004'' and inserting ''2006 through 2011''.

TITLE IV—REHABILITATION ACT AMENDMENTS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rehabilitation Act Amendments of 2005''.

SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CONTENTS.

(a) EXPANDED TRANSITION SERVICES.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.''.

(b) INCENTIVE GRANTS.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 112 the following:

''Sec. 113. Incentive grants.''.

(c) INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.—Section 1(b) of the Rehabilitation Act of 1973 is amended by striking the items relating to sections 752 and 753 and inserting the following:

''Sec. 752. Training and technical assistance.

''Sec. 753. Program of grants.

''Sec. 754. Authorization of appropriations.''.

SEC. 403. PURPOSE.

Section 2 of the Rehabilitation Act of 1973 (29 U.S.C. 701) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking ''and'' after the semicolon;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7)(A) a high proportion of youth who are individuals with disabilities is leaving special education without being employed or being enrolled in continuing education; and

''(B) there is a substantial need to support those youth as the youth transition from school to postsecondary life.''; and

(2) in subsection (b)—

(A) in paragraph (1)(F), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to provide opportunities for employers and vocational rehabilitation service providers to provide meaningful input at all levels of government to ensure successful employment of individuals with disabilities.''.

SEC. 404. REHABILITATION SERVICES ADMINISTRATION.

Section 3 of the Rehabilitation Act of 1973 (29 U.S.C. 702) is amended—

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

(2) by inserting after subsection (a) the following:

''(b) The Secretary shall ensure that—

''(1) the Rehabilitation Services Administration has sufficient staff to provide oversight of, conduct auditing of, and provide technical assistance to, the designated State agencies funded under this Act; and

''(2) such staff include individuals who have training in and experience with the provision of vocational rehabilitation services.''.

SEC. 405. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) in paragraph (2)(B)—

(A) in the matter preceding clause (i), by inserting ''and literacy services'' after ''supported employment''; and

(B) in clause (iii), by inserting ''and literacy skills'' after ''educational achievements'';

(2) by striking paragraphs (3) and (4) and inserting the following:

''(3) ASSISTIVE TECHNOLOGY DEFINITIONS.—

''(A) ASSISTIVE TECHNOLOGY.—The term 'assistive technology' has the meaning given such term in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).

''(B) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section to the term 'individuals with disabilities' shall be deemed to mean more than one individual with a disability as defined in paragraph (20)(A).

''(C) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section—

''(i) to the term 'individual with a disability' shall be deemed to mean an individual with a disability, as defined in paragraph (20)(A); and

''(ii) to the term 'individuals with disabilities' shall be deemed to mean more than one such individual.'';

(3) by inserting after paragraph (6) the following:

''(7) CONSUMER ORGANIZATION.—The term 'consumer organization' means a membership organization, or disability advocacy group, for which a majority of the members of the board of directors of the organization or group are individuals with disabilities or family members of individuals with disabilities.'';

(4) in paragraph (17)—

(A) in subparagraph (C), by striking ''and'' after the semicolon;

(B) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(E)(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences; and

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community.'';

(5) by redesignating paragraphs (24) through (28), (29) through (34), (35) through (37), and (38) through (39), as paragraphs (25) through (29), (31) through (36), (38) through (40), and (42) through (43), respectively;

(6) by inserting after paragraph (23) the following:

''(24) LITERACY.—The term 'literacy' has the meaning given the term in section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202).'';

(7) by inserting after paragraph (29), as redesignated by paragraph (5), the following:

''(30) POST-EMPLOYMENT SERVICE.—The term 'post-employment' service means a service identified in section 103(a) that is—

''(A) provided subsequent to the achievement of an employment outcome; and

''(B) necessary for an individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.'';

(8) by inserting after paragraph (36), as redesignated by paragraph (5), the following:

''(37) STUDENT WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'student with a disability' means an individual with a disability who attends an elementary school or secondary school and who—

''(i) is not younger than 16 years of age;

''(ii) is not older than 22 years of age;

''(iii) has been determined to be eligible under section 102(a) for assistance under title I; and

''(iv)(I) is eligible for, and receiving, special education or related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) STUDENTS WITH DISABILITIES.—The term 'students with disabilities' means more than 1 student with a disability.'';

(9) in paragraph (38)(A)(ii), as redesignated by paragraph (5), by striking ''paragraph (36)(C)'' and inserting ''paragraph (39)(C)''; and

(10) by inserting after paragraph (40), as redesignated by paragraph (5), the following:

''(41) TRANSITION SERVICES EXPANSION YEAR.—The term 'transition services expansion year' means—

''(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2006 by not less than $100,000,000; and

''(B) each fiscal year subsequent to that first fiscal year.''.

SEC. 406. ADMINISTRATION OF THE ACT.

Section 12(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 709(a)(1)) is amended—

(1) by inserting ''(A)'' after ''(1)''; and

(2) by adding at the end the following:

''(B) provide technical assistance to the designated State units on developing successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities; and

''(C) provide technical assistance on developing self-employment opportunities and outcomes for individuals with disabilities;''.

SEC. 407. REPORTS.

Section 13 of the Rehabilitation Act of 1973 (29 U.S.C. 710) is amended by adding at the end the following:

''(d)(1)(A) The Commissioner shall ensure that the reports, information, and data described in subparagraph (B) will be posted in a timely manner on the website of the Department of Education, in order to inform the public about the administration and performance of programs in each State under this Act.

''(B) The reports, information, and data referred to in subparagraph (A) shall consist of—

''(i) reports submitted by a designated State unit under this Act;

''(ii) accountability information (including State performance information relating to evaluation standards and performance indicators under section 106 and State performance information relating to State performance measures under section 136 of the Workforce Investment Act of 1998 (29 U.S.C. 2871)) submitted by a designated State unit under this Act or submitted by a State to the Secretary of Labor under subsection (d) of such section 136;

''(iii) data collected from each designated State unit under this Act with the approval of the Office of Management and Budget; and

''(iv) monitoring reports conducted under this Act.

''(C) The Commissioner shall maintain, and post on the website, a listing of the reports, information, and data required to be submitted by designated State units under this Act.

''(D) The Commissioner shall post on the website, or establish links on the website to, evaluations, studies, and audits, including evaluations, studies, and audits conducted by agencies of the Federal Government, concerning programs carried out under this Act.

''(E) The Commissioner shall maintain on the website a list of the designated State units and shall establish links on the website to websites maintained by those units.

''(2) The Commissioner shall maintain public use read-only access to the State and aggregated reports and analyzed data filed and maintained on the Rehabilitation Services Administration management information system or a similar system maintained by the Department of Education.''.

SEC. 408. CARRYOVER.

Section 19 of the Rehabilitation Act of 1973 (29 U.S.C. 716) is amended—

(1) in subsection (a)(1)—

(A) by inserting ''(except for the client assistance program funded under section 112)'' after ''any grant program under part B of title I'';

(B) by striking '', section 509 (except as provided in section 509(b))'';

(C) by striking ''or C''; and

(D) by striking ''752(b)'' and inserting ''753(b)''; and

(2) by adding at the end the following:

''(c) CLIENT ASSISTANCE PROGRAM; PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—

''(1) APPROPRIATED AMOUNTS.—Notwithstanding any other provision of law, any funds appropriated for a fiscal year to carry out a grant program under section 112 or 509 (except as provided in section 509(b)), including any funds reallotted under such grant program, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

''(2) PROGRAM INCOME.—Notwithstanding any other provision of law, any amounts of program income received by recipients under a grant program under section 112 or 509 in a fiscal year that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year, shall remain available until expended.''.

Subtitle A—Vocational Rehabilitation Services

SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

Section 100(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 412. STATE PLANS.

(a) IN GENERAL.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

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

''(D) STATE AGENCY FOR REIMBURSEMENT PURPOSES.—A governing body of an Indian tribe that receives a grant under section 121 shall be considered, for purposes of the cost reimbursement provisions—

''(i) in section 222(d)(1) of the Social Security Act (42 U.S.C. 422(d)(1)), to be a State; and

''(ii) in subsections (d) and (e) of section 1615 of the Social Security Act (42 U.S.C. 1382d), to be a State agency described in subsection (d) of that section.'';

(2) in paragraph (6)(B), by striking ''to employ and advance in employment'' and inserting ''to recruit, employ, and advance in employment'';

(3) in paragraph (7)(A)(v), by striking subclause (I) and inserting the following:

''(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology, including training implemented in coordination with State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003); and'';

(4) in paragraph (10)—

(A) in subparagraph (B), by striking ''annual reporting on the eligible individuals receiving the services, on those specific data elements described in section 136(d)(2) of the Workforce Investment Act of 1998'' and inserting ''annual reporting of information on eligible individuals receiving the services that is needed to assess performance on the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i))'';

(B) in subparagraph (C), by striking clauses (iii) and (iv) and inserting the following:

''(iii) the number of applicants and eligible recipients, including the number of individuals with significant disabilities, who exited the program carried out under this title and the number of such individuals who achieved employment outcomes after receiving vocational rehabilitation services; and

''(iv) the number of individuals who received vocational rehabilitation services who entered and retained employment and the earnings of such individuals, as such entry, retention, and earnings are defined for purposes of the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i)).''; and

(C) in subparagraph (E)(ii), by striking ''in meeting'' and all that follows through the period and inserting ''in meeting the standards and indicators established pursuant to section 106.'';

(5) in paragraph (11)—

(A) by striking subparagraph (C) and inserting the following:

''(C) INTERAGENCY COOPERATION WITH OTHER AGENCIES.—The State plan shall include descriptions of interagency cooperation with, and utilization of the services and facilities of, Federal, State, and local agencies and programs, including the State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), programs carried out by the Under Secretary for Rural Development of the Department of Agriculture, and State use contracting programs, to the extent that such agencies and programs are not carrying out activities through the statewide workforce investment system.'';

(B) by striking subparagraph (D)(ii) and inserting the following:

''(ii) transition planning by personnel of the designated State agency and the State educational agency that will facilitate the development and completion of the individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;''; and

(C) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit, and the lead agency and implementing agency (if any) designated by the Governor of the State under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), have developed working relationships and will enter into agreements for the coordination of their activities, including the referral of individuals with disabilities to programs and activities described in that section.

''(H) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall include an assurance that the designated State unit will coordinate activities with any other State agency that is functioning as an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).'';

(6) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking ''and'' after the semicolon;

(II) in subclause (III), by inserting ''and'' after the semicolon; and

(III) by adding at the end the following:

''(IV) for purposes of addressing needs in a transition services expansion year, students with disabilities, including their need for transition services;'';

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

''(ii) include an assessment of the needs of individuals with disabilities for transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and an assessment as to whether the transition services provided under those Acts meet the needs of individuals with disabilities;''; and

(B) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

''(iii) for use in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to postsecondary life, including the receipt of vocational rehabilitation services under this title, postsecondary education, or employment;'';

(7) in paragraph (20)—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

''(B) INFORMATION ON ASSISTANCE FOR BENEFICIARIES OF ASSISTANCE UNDER TITLE II OR XVI OF THE SOCIAL SECURITY ACT.—The State plan shall include an assurance that the designated State agency will make available to individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(i) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(ii) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(iii) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).''; and

(C) in subparagraph (C)(ii), as redesignated by subparagraph (A)—

(i) in subclause (II), by inserting '', to the maximum extent possible,'' after ''point of contact''; and

(ii) in subclause (III), by striking ''or regain'' and inserting ''regain, or advance in''; and

(8) by adding at the end the following:

''(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Secretary that the State—

''(A) has developed and shall implement, in each transition services expansion year, strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) in each transition services expansion year—

''(i) shall not use more than 5 percent of the funds reserved under section 110A and available for this subparagraph, to pay for administrative costs; and

''(ii) shall use the remaining funds to carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities, through partnerships described in subparagraph (C), that—

''(I) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(II) improve the achievement of post-school goals of students with disabilities through the provision of transition services, including improving the achievement through participation (as appropriate when vocational goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(III) provide vocational guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities;

''(IV) support the provision of training and technical assistance to local educational agency personnel responsible for the planning and provision of services to students with disabilities; and

''(V) support outreach activities to students with disabilities who are eligible for, and need, services under this title; and

''(C) in each transition services expansion year, shall ensure that the funds described in subparagraph (B)(ii) are awarded only to partnerships that—

''(i) shall include local vocational rehabilitation services providers and local educational agencies; and

''(ii) may include (or may have linkages with)—

''(I) other agencies such as employment, social service, and health organizations, that contribute funds for the provision of vocational rehabilitation services described in subparagraph (B)(ii) for eligible students with disabilities; and

''(II) businesses and business-led intermediaries.''.

(b) CONSTRUCTION.—Section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721) is amended by adding at the end the following:

''(c) CONSTRUCTION.—

''(1) DEFINITIONS.—In this subsection, the terms 'child with a disability', 'free appropriate public education', 'related services', and 'special education' have the meanings given the terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

''(2) OBLIGATION TO PROVIDE OR PAY FOR TRANSITION SERVICES.—Nothing in this part shall be construed to reduce the obligation of a local educational agency or any other agency to provide or pay for any transition services that are also considered special education or related services and that are necessary for ensuring a free appropriate public education to children with disabilities within the State involved.''.

SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

Section 102 of the Rehabilitation Act of 1973 (29 U.S.C. 722) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the semicolon at the end and inserting '', including a listing of all the community resources (including resources from consumer organizations (including advocacy organizations)), to the maximum extent possible, to assist in the development of such individual's individualized plan for employment to enable the individual to make informed and effective choices in developing the individualized plan for employment;''; and

(ii) in subparagraph (D)—

(I) in clause (i), by striking ''and'' after the semicolon;

(II) in clause (ii), by striking the period at the end and inserting a semicolon; and

(III) by adding at the end the following:

''(iii) for individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(I) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(II) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(III) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).'';

(B) in paragraph (2)(E)—

(i) in clause (i)(II), by striking ''and'' after the semicolon;

(ii) in clause (ii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(iii) amended, as necessary, to include the post-employment services and service providers that are necessary for the individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.''; and

(C) in paragraph (3)—

(i) in subparagraph (B)(i)(I), by striking ''and personal assistance services'' and all that follows and inserting ''mentoring services, and personal assistance services, including training in the management of such services, and referrals described in section 103(a)(3) to the device reutilization programs and device demonstrations described in subparagraphs (B) and (D) of section 4(e)(2) of the Assistive Technology Act of 1998 (42 U.S.C. 3003(e)(2)) through agreements developed under section 101(a)(11)(G); and'';

(ii) in subparagraph (F)(ii), by striking ''and'' after the semicolon;

(iii) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(H) for an individual who is receiving assistance from an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), a list of the services that are listed in the individual work plan that the individual developed with the employment network under subsection (g) of that section.''; and

(2) in subsection (c)(7), by inserting ''that take into consideration the informed choice of the individual'' after ''plan development''.

SEC. 414. VOCATIONAL REHABILITATION SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by inserting ''literacy services,'' after ''vocational adjustment services,'';

(B) by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the transition from school to postsecondary life (including employment through the achievement of the employment outcome identified in the individualized plan for employment), including, in a transition services expansion year, services described in subclauses (I) through (III) of section 101(a)(25)(B)(ii);'';

(C) in paragraph (17), by striking ''and'' after the semicolon;

(D) in paragraph (18), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(19) mentoring services.''; and

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to postsecondary life, including employment.

''(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(ii)(IV).

''(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i), (ii), and (iv) of section 7(37)(A), including services described in subclauses (I), (II), (III), and (V) of section 101(a)(25)(B)(ii), to assist in the transition from school to postsecondary life, including employment.''.

SEC. 415. STATE REHABILITATION COUNCIL.

Section 105 of the Rehabilitation Act of 1973 (29 U.S.C. 725) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)—

(i) by striking clause (ix) and inserting the following:

''(ix) in a State in which one or more projects provide services under section 121, at least one representative of the directors of the projects;'';

(ii) in clause (x), by striking the ''and'' after the semicolon;

(iii) in clause (xi), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(xii) the director of the State's comprehensive statewide program of technology-related assistance funded under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003).''; and

(B) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''; and

(2) in subsection (c)(6), by inserting before the semicolon the following: ''and with the activities of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.)''.

SEC. 416. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in subsection (a), by striking paragraph (1)(C) and all that follows through paragraph (2) and inserting the following:

''(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that include measures of the program's performance with respect to the transition from school to postsecondary life, including employment, and achievement of the postsecondary vocational goals, of students with disabilities served under the program.''; and

(2) in subsection (b)(2)(B)(i), by striking '', if necessary'' and all that follows through the semicolon and inserting '', if the State has not improved its performance to acceptable levels, as determined by the Commissioner, direct the State to make further revisions to the plan to improve performance, which may include revising the plan to allocate a higher proportion of the State's resources for services to individuals with disabilities if the State agency's spending on such services is low in comparison to spending on such services by comparable agencies in other States;''.

SEC. 417. MONITORING AND REVIEW.

Section 107(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 727(b)(1)) is amended by inserting before the semicolon the following: '', including—

''(A) consulting with the Department of Labor, the Small Business Administration, other appropriate Federal agencies, and businesses or business-led intermediaries; and

''(B) based on information obtained through the consultations, providing technical assistance that improves that quality by enabling designated State units to develop successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities, and technical assistance on developing self-employment opportunities and improving employment outcomes for individuals with disabilities''.

SEC. 418. STATE ALLOTMENTS.

Section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) is amended—

(1) by striking subsection (b) and inserting the following:

''(b)(1) Not later than 45 days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any amount from the payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

''(2)(A) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall reallot the amount available under paragraph (1) to other States, consistent with subparagraphs (B) and (C), for carrying out the purposes of this title to the extent the Commissioner determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes.

''(B)(i) The Commissioner shall reallot a portion of the amount available under paragraph (1) for a fiscal year to each State whose allotment under subsection (a) for such fiscal year is less than such State's allotment under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(ii)(I) A State that is eligible to receive a reallotment under clause (i) shall receive a portion for a fiscal year from the amount available for reallotment under paragraph (1) that is equal to the difference between—

''(aa) the amount such State was allotted under subsection (a) for such fiscal year; and

''(bb) the amount such State was allotted under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(II) If the amount available for reallotment under paragraph (1) is insufficient to provide each State eligible to receive a reallotment with the portion described in subclause (I), the amount reallotted to each eligible State shall be determined by the Commissioner.

''(C) If there are funds remaining after each State eligible to receive a reallotment under subparagraph (B)(i) receives the portion described in subparagraph (B)(ii), the Commissioner shall reallot the remaining funds among the States requesting a reallotment.

''(3) The Commissioner shall reallot an amount to a State under this subsection only if the State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

''(4) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.''; and

(2) by striking subsection (c)(2) and inserting the following:

''(2)(A) In this paragraph:

''(i) The term 'appropriated amount' means the amount appropriated under section 100(b)(1) for allotment under this section.

''(ii) The term 'covered year' means a fiscal year—

''(I) that begins after September 30, 2005; and

''(II) for which the appropriated amount exceeds the total of—

''(aa) the appropriated amount for the preceding fiscal year; and

''(bb) 0.075 percent of the appropriated amount for the preceding fiscal year.

''(B) For each covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the covered year; and

''(ii) not less than the total of the sum reserved under this subsection for the preceding fiscal year and 0.1 percent of the appropriated amount for the covered year, subject to clause (i).

''(C) For each fiscal year that is not a covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the fiscal year; and

''(ii) not less than the sum reserved under this subsection for the preceding fiscal year, subject to clause (i).''.

SEC. 419. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''(a) RESERVATION.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Commissioner under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

''(b) CALCULATION.—The Commissioner shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

''(1) the amount allotted to that State under section 110 for the prior fiscal year; by

''(2) the total amount allotted to all States under section 110 for that prior fiscal year.''.

SEC. 420. CLIENT ASSISTANCE PROGRAM.

Section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''States'' and inserting ''agencies designated under subsection (c)''; and

(B) in the second sentence, by striking ''State'' and inserting ''State in which the program is located'';

(2) in subsection (b), by striking ''the State has in effect not later than October 1, 1984, a client assistance program which'' and inserting ''the State has designated under subsection (c) an agency that'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''The Secretary'' and all that follows through the period and inserting the following: ''After reserving funds under subparagraphs (E) and (F), the Secretary shall allot the remainder of the sums appropriated for each fiscal year under this section among the agencies designated under subsection (c) within the States (referred to individually in this subsection as a 'designated agency') on the basis of relative population of each State, except that no such agency shall receive less than $50,000.'';

(ii) in subparagraph (B), by inserting ''the designated agencies located in'' after ''each to'';

(iii) in subparagraph (D)(i)—

(I) by inserting ''the designated agencies located in'' after ''$100,000 for''; and

(II) by inserting ''the designated agencies located in'' after ''$45,000 for''; and

(iv) by adding at the end the following:

''(E)(i) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $13,000,000, the Secretary shall reserve funds appropriated under this section to make a grant to the protection and advocacy system serving the American Indian Consortium to provide client assistance services in accordance with this section. The amount of such a grant shall be the same amount as is provided to a territory under subparagraph (B), as increased under clauses (i) and (ii) of subparagraph (D).

''(ii) In this subparagraph:

''(I) The term 'American Indian Consortium' has the meaning given the term in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002).

''(II) The term 'protection and advocacy system' means a protection and advocacy system established under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).

''(F) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $14,000,000, the Secretary shall reserve not less than 1.8 percent and not more than 2.2 percent of such amount to provide a grant for training and technical assistance for the programs established under this section. Such training and technical assistance shall be coordinated with activities provided under section 509(c)(1)(A).''; and

(B) in paragraph (2)—

(i) by striking ''State'' each place such term appears and inserting ''designated agency''; and

(ii) by striking ''States'' each place such term appears and inserting ''designated agencies'';

(4) in subsection (f), by striking ''State'' and inserting ''agency designated under subsection (c)'';

(5) in subsection (g)(1), by striking ''State'' and inserting ''State in which the program is located''; and

(6) in subsection (h), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 421. INCENTIVE GRANTS.

Part B of title I of the Rehabilitation Act of 1973 (29 U.S.C. 730 et seq.) is amended by adding at the end the following:

''SEC. 113. INCENTIVE GRANTS.

''(a) AUTHORITY.—The Commissioner is authorized to make incentive grants to States that, based on the criteria established under subsection (b)(1), demonstrate—

''(1) a high level of performance; or

''(2) a significantly improved level of performance in a reporting period as compared to the previous reporting period or periods.

''(b) CRITERIA.—

''(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this section, the Commissioner shall establish, and publish in the Federal Register, criteria for making grant awards under subsection (a).

''(2) DEVELOPMENT AND EVALUATION STANDARDS.—The criteria established under paragraph (1) shall—

''(A) be developed with input from designated State agencies and other vocational rehabilitation stakeholders, including vocational rehabilitation consumers and consumer organizations (including advocacy organizations); and

''(B) be based upon the evaluation standards and performance indicators established under section 106 and other performance-related measures that the Commissioner determines to be appropriate.

''(c) USE OF FUNDS.—A State that receives a grant under subsection (a) shall use the grant funds for any approved activities in the State's State plan submitted under section 101.

''(d) NO NON-FEDERAL SHARE REQUIREMENT.—The provisions of sections 101(a)(3) and 111(a)(2) shall not apply to this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2006 through 2011.''.

SEC. 422. VOCATIONAL REHABILITATION SERVICES GRANTS.

Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. 741) is amended—

(1) in subsection (a), in the first sentence, by inserting '', consistent with such individuals' strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, so that such individuals may prepare for, and engage in, gainful employment'' before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) contains assurances that—

''(i) all decisions affecting eligibility for vocational rehabilitation services, the nature and scope of available services, and the provision of such services, will be made by a representative of the tribal vocational rehabilitation program; and

''(ii) such decisions will not be delegated to another agency or individual.'';

(B) in paragraph (3), by striking the first sentence and inserting the following: ''An application approved under this part that complies with the program requirements set forth in the regulations promulgated to carry out this part shall be effective for 5 years and shall be renewed for additional 5-year periods if the Commissioner determines that the grant recipient demonstrated acceptable past performance and the grant recipient submits a plan, including a proposed budget, to the Commissioner that the Commissioner approves that identifies future performance criteria, goals, and objectives.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) In allocating funds under this part, the Secretary shall give priority to paying the continuation costs of projects in existence on the date of the allocation and may provide for increases in funding for such projects that the Secretary determines to be necessary.''.

SEC. 423. GAO STUDIES.

(a) STUDY ON TITLE I AND TICKET TO WORK.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the interaction of programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) with the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), including the impact of the interaction on beneficiaries, community rehabilitation programs (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)), and State vocational rehabilitation agencies.

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with all types of participants in the Ticket to Work and Self-Sufficiency Program, including the Social Security Administration, the Rehabilitation Services Administration, ticketholders, designated State agencies, entities carrying out such community rehabilitation programs (including employment networks and nonemployment networks), protection and advocacy agencies, MAXIMUS, and organizations representing the interests of ticketholders.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

(b) STUDY ON THE ALLOTMENT FORMULA.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the relationship between the State allotment formula under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) and the ability of States to provide vocational rehabilitation services in accordance with the States' State plans under section 101 of such Act (29 U.S.C. 721).

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with appropriate entities.

(3) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

Subtitle B—Research and Training

SEC. 431. DECLARATION OF PURPOSE.

Section 200(3) of the Rehabilitation Act of 1973 (29 U.S.C. 760(3)) is amended by inserting '', in a timely and efficient manner,'' before ''through''.

SEC. 432. AUTHORIZATION OF APPROPRIATIONS.

Section 201 of the Rehabilitation Act of 1973 (29 U.S.C. 761) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(B) in paragraph (2), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(2) by adding at the end the following:

''(c) Of the sums appropriated under subsection (a)(1) for a fiscal year, the Secretary may reserve not more than $200,000 for activities related to convening a national assistive technology summit under section 202(b)(6).''.

SEC. 433. NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH.

Section 202 of the Rehabilitation Act of 1973 (29 U.S.C. 762) is amended—

(1) in subsection (b)—

(A) in paragraph (6), by inserting before the semicolon the following: '', including convening a national assistive technology summit, to be held at or in conjunction with a national conference relating to assistive technology with respect to all categories of disabilities''; and

(B) in paragraph (10), by striking ''and telecommuting'' and inserting '', supported employment, and telecommuting'';

(2) in subsection (f)(1)—

(A) by striking ''Federal employees'' and inserting ''Department of Education employees''; and

(B) by adding at the end the following: ''The peer review panel shall include a director of a designated State unit. Such panel shall include a member of the covered school community (for an activity resulting in educational materials or a product to be used in a covered school), a member of the business community (for an activity resulting in a product to be used in an employment activity), an assistive technology developer or manufacturer (for an activity relating to assistive technology), or an accessible electronic and information technology vendor or manufacturer (for an activity relating to accessible electronic and information technology).'';

(3) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively;

(4) by inserting after subsection (h) the following:

''(i)(1) The Director, with the assistance of the Rehabilitation Research Advisory Council established under section 205, shall determine if entities that receive financial assistance under this title are complying with the applicable requirements of this Act and achieving measurable goals, described in section 204(d)(2), that are consistent with the requirements of the programs under which the entities received the financial assistance.

''(2) To assist the Director in carrying out the responsibilities described in paragraph (1), the

Director shall require recipients of financial assistance under this title to submit relevant information to evaluate program outcomes with respect to the measurable goals described in section 204(d)(2).''; and

(5) by adding at the end the following:

''(m)(1) Not later than December 31 of each year, the Director shall prepare, and submit to the Secretary, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report on the activities funded under this title.

''(2) Such report shall include—

''(A) a compilation and summary of the information provided by recipients of financial assistance for such activities under this title; and

''(B) a summary of the applications for financial assistance received under this title and the progress of the recipients of financial assistance in achieving the measurable goals described in section 204(d)(2).

''(n)(1) If the Director determines that an entity that receives financial assistance under this title fails to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals described in section 204(d)(2), with respect to the covered activities involved, the Director shall assist the entity through technical assistance or other means, within 90 days after such determination, to develop a corrective action plan.

''(2) If the entity fails to develop and comply with a corrective action plan described in paragraph (1) during a fiscal year, the entity shall be subject to 1 of the following corrective actions selected by the Director:

''(A) Partial or complete termination of financial assistance for the covered activities, until the entity develops and complies with such a plan.

''(B) Ineligibility to receive financial assistance for such covered activities for the following year.

''(3) The Secretary shall establish appeals procedures for entities described in paragraph (1) that the Secretary determines fail to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals.

''(4) As part of the annual report required under subsection (m), the Secretary shall describe each action taken by the Secretary under paragraph (1) or (2) and the outcomes of such action.''.

SEC. 434. INTERAGENCY COMMITTEE.

Section 203 of the Rehabilitation Act of 1973 (29 U.S.C. 763) is amended—

(1) in subsection (a)(1), by striking ''and the Director of the National Science Foundation'' and inserting ''the Director of the National Science Foundation, the Secretary of Commerce, and the Administrator of the Small Business Administration''; and

(2) in subsection (b)(2)—

(A) in subparagraph (D), by striking ''and'' after the semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(F) conduct a study, on the assistive technology industry, for which the Committee shall—

''(i) determine the number of individuals who use assistive technology and the scope of the technologies they use;

''(ii) separately identify categories of assistive technology companies by the disability group served, and the type of product or service provided, categorized by—

''(I) size (small, medium, and large) of the companies;

''(II) capitalization of the companies;

''(III) region in which the companies are located; and

''(IV) products or services produced by the companies;

''(iii) compile aggregate data on revenues and unit sales of such companies, including information on international sales, for a recent reporting period, categorized by institution or user type acquiring the products or services, disability for which the products or services are used, and industry segment for the companies;

''(iv) identify platform availability and usage, for those products and services that are electronic and information technology-related;

''(v) identify the types of clients of the companies, such as Government, school, business, private payor, and charitable clients, and funding sources for the clients; and

''(vi) specify geographic segments for the companies, to determine whether there are significant distinctions in industry opportunities on the basis of geography, other than distinctions related to population.''.

SEC. 435. RESEARCH AND OTHER COVERED ACTIVITIES.

Section 204 of the Rehabilitation Act of 1973 (29 U.S.C. 764) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(B)—

(i) in clause (vi), by striking ''and'' after the semicolon;

(ii) in clause (vii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(viii) studies, analyses, and other activities affecting employment outcomes, including self-employment and telecommuting, of individuals with disabilities.''; and

(B) by adding at the end the following:

''(3) In carrying out this section, the Director shall emphasize covered activities that are collaborations between—

''(A) for-profit companies working in the assistive technology, rehabilitative engineering, or information technology fields; and

''(B) States or public or private agencies and organizations.

''(4) In carrying out this section, the Director shall emphasize covered activities that include plans for—

''(A) dissemination of educational materials, research results, or findings, conclusions, and recommendations resulting from covered activities; or

''(B) the commercialization of marketable products resulting from the covered activities.'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''(18)'' each place it appears and inserting ''(19)'';

(B) in paragraph (2)—

(i) in subparagraph (A)(i), by striking ''rehabilitation services or'' and inserting ''rehabilitation services, developers or providers of assistive technology devices, assistive technology services, or information technology devices or services, or providers of'';

(ii) in subparagraph (B)—

(I) in clause (i), by inserting ''improve the evaluation process for determining the assistive technology needs of individuals with disabilities,''after ''conditions,'';

(II) in clause (ii), by inserting ''and assistive technology services'' before the semicolon; and

(III) in clause (iii), by inserting '', assistive technology services personnel,'' before ''and other'';

(iii) in subparagraph (C)—

(I) in clause (i), by inserting '', including research on assistive technology devices, assistive technology services, and accessible electronic and information technology devices'' before the semicolon; and

(II) in clause (iii), by inserting '', including the use of assistive technology devices and accessible electronic and information technology devices in employment'' before the semicolon;

(iv) in subparagraph (D), by inserting '', including training to provide knowledge about assistive technology devices, assistive technology services, and accessible electronic and information technology devices and services,'' after ''personnel''; and

(v) in subparagraph (G)(i), by inserting '', assistive technology-related, and accessible electronic and information technology-related'' before ''courses'';

(C) in paragraph (3)—

(i) in subparagraph (D)(ii), by adding at the end the following: ''Each such Center conducting an activity relating to assistive technology or relating to accessible electronic and information technology shall include in the committee an assistive technology developer or manufacturer, or an accessible electronic and information technology vendor or manufacturer, respectively. Each such Center conducting an activity resulting in educational materials or a product to be used in a covered school, or resulting in a product to be used in an employment activity, shall include in the committee a member of the covered school community, or a member of the business community, respectively.''; and

(ii) in subparagraph (G)(ii) by inserting ''the success of any commercialized product researched or developed through the Center,'' after ''disabilities,'';

(D) in paragraph (8), by inserting ''the Department of Commerce, the Small Business Administration, the Department of Labor,'' before ''other Federal agencies,'';

(E) in paragraph (13), in the matter preceding subparagraph (A), by striking ''employment needs of individuals with disabilities'' and inserting ''employment needs, opportunities, and outcomes, including needs, opportunities, and outcomes relating to self-employment, supported employment, and telecommuting, of individuals with disabilities, including older individuals with disabilities, and students with disabilities who are transitioning from school to postsecondary life, including employment''; and

(F) by adding at the end the following:

''(19) Research grants may be used to provide for research and demonstration projects that—

''(A) explore methods and practices for promoting access to electronic commerce activities for individuals with disabilities; and

''(B) will—

''(i) ensure dissemination of research findings;

''(ii) provide encouragement and support for initiatives and new approaches by companies engaged in electronic commerce activities; and

''(iii) result in the establishment and maintenance of close working relationships between the disability, research, and business communities.'';

(3) in subsection (c)(2), by striking ''$500,000'' and inserting ''$750,000''; and

(4) by adding at the end the following:

''(d)(1) In awarding grants, contracts, or other financial assistance under this title, the Director shall award the financial assistance on a competitive basis.

''(2)(A) To be eligible to receive financial assistance described in paragraph (1) for a covered activity, an entity shall submit an application to the Director at such time, in such manner, and containing such information as the Director may require.

''(B) The application shall include information describing—

''(i) measurable goals, and a timeline and specific plan for meeting the goals, that the applicant has set for addressing priorities related to—

''(I) commercialization of a marketable product (including a marketable curriculum or research) resulting from the covered activity;

''(II) in the case of a covered activity relating to technology, technology transfer;

''(III) in the case of research, dissemination of research results to, as applicable, Government entities, individuals with disabilities, covered schools, the business community, the assistive technology community, and the accessible electronic and information technology community; and

''(IV) other matters as required by the Director; and

''(ii) information describing how the applicant will quantifiably measure the goals to determine whether the goals have been accomplished.

''(3)(A) In the case of an application for financial assistance under this title to carry out a covered activity that results in the development of a marketable product, the application shall also include a commercialization and dissemination plan, containing commercialization and marketing strategies for the product involved, and strategies for disseminating information about the product. The financial assistance shall not be used to carry out the commercialization and marketing strategies.

''(B) In the case of any other application for financial assistance to carry out a covered activity under this title, the application shall also include a dissemination plan, containing strategies for disseminating educational materials, research results, or findings, conclusions, and recommendations, resulting from the covered activity.''.

SEC. 436. REHABILITATION RESEARCH ADVISORY COUNCIL.

Section 205 of the Rehabilitation Act of 1973 (29 U.S.C. 765) is amended—

(1) in subsection (a), by inserting ''at least'' before ''12''; and

(2) in subsection (c), by inserting after ''rehabilitation researchers,'' the following: ''the directors of community rehabilitation programs, the business community (and shall include a representative of the small business community) that has experience with the system of vocational rehabilitation services carried out under this Act and with hiring individuals with disabilities, the community of assistive technology developers and manufacturers, the community of information technology vendors and manufacturers, the community of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.), the community of covered school professionals,''.

SEC. 437. DEFINITION.

Title II of the Rehabilitation Act of 1973 (29 U.S.C. 760 et seq.) is amended by adding at the end the following:

''SEC. 206. DEFINITION.

''In this title, the term 'covered school' means an elementary school or secondary school (as such terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) or an institution of higher education.''.

Subtitle C—Professional Development and Special Projects and Demonstrations

SEC. 441. TRAINING.

Section 302 of the Rehabilitation Act of 1973 (29 U.S.C. 772) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (F), by striking the ''and'' after the semicolon;

(ii) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(H) personnel trained in providing assistive technology services.''; and

(B) in paragraph (4)(B), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(2) in subsection (b)(1)(B)(i), by striking ''or prosthetics and orthotics'' and inserting ''prosthetics and orthotics, rehabilitation teaching for the blind, or orientation and mobility instruction''; and

(3) in subsection (i), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.

Section 303 of the Rehabilitation Act of 1973 (29 U.S.C. 773) is amended—

(1) in subsection (b)(5)(A)(i), by striking ''special projects'' and inserting ''not less than 2 special projects'';

(2) by redesignating subsections (c), (d), and (e) as subsections (h), (i), and (j), respectively;

(3) by inserting after subsection (b) the following:

''(c) DEMONSTRATION PROJECTS FOR EMPLOYMENT OF STUDENTS WITH INTELLECTUAL DISABILITIES OR MENTAL ILLNESS.—

''(1) PURPOSE.—The purpose of this subsection is to support model demonstration projects to provide supported and competitive employment experiences for students with intellectual disabilities or students with mental illness, and training for personnel that work with students described in this paragraph, to enable the students to gain employment skills and experience that will promote effective transitions from school to postsecondary life, including employment.

''(2) AWARDS AUTHORIZED.—

''(A) COMPETITIVE AWARDS AUTHORIZED.—The Secretary may award grants, contracts, and cooperative agreements, on a competitive basis, to eligible organizations described in paragraph (3), to enable the organizations to carry out demonstration projects described in paragraph (1).

''(B) DURATION.—The Secretary shall award grants, contracts, and cooperative agreements under this subsection for periods of 3 to 5 years.

''(3) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an organization shall—

''(A) have expertise in providing employment and support services for individuals with intellectual disabilities or individuals with mental illness;

''(B) have a proven track record in successfully running supported employment programs;

''(C) provide employment services that are exclusively integrated community-based supported employment services;

''(D) have expertise in creating natural supports for employment;

''(E) have expertise in providing computer training for the targeted population for the project involved; and

''(F) have experience operating mentoring programs for the target population in middle and high schools for at least a decade in diverse communities throughout the Nation.

''(4) APPLICATIONS.—Each organization desiring to receive a grant, contract, or cooperative agreement under this subsection shall submit an application to the Secretary at such time, in such manner, and including such information as the Secretary may require. Each application shall include—

''(A) a description of how the organization plans to carry out the activities authorized in this subsection through a demonstration project;

''(B) a description of how the organization will evaluate the project;

''(C) a description of how the organization will disseminate information about the activities and the impact of the activities on the lives of students served by the project; and

''(D) a description of how the organization will coordinate activities with any other relevant service providers in the locality where the organization is based, including federally supported independent living centers.

''(5) AUTHORIZED ACTIVITIES.—An organization that receives a grant, contract, or cooperative agreement under this subsection shall use the funds made available through the grant, contract, or cooperative agreement to carry out 1 or more of the following activities for individuals, ages 14 through 21, who are students with intellectual disabilities or students with mental illness:

''(A) PROVIDING SUPPORTED AND COMPETITIVE EMPLOYMENT EXPERIENCES.—The development of innovative and effective supported and competitive employment experiences after school, on weekends, and in the summer, utilizing natural supports that lead to competitive high-paying jobs.

''(B) PROVIDING TRAINING TO SCHOOL AND TRANSITION PERSONNEL.—The development and deployment of experts to work with transition programs (including personnel working with students on transition) so that personnel from the programs develop skills needed to train students with intellectual disabilities or students with mental illness to be successful in competitive employment in a range of settings, including office settings. The training shall include training for the personnel in providing instruction to students in computer skills, office skills, interview etiquette, and appropriate social behavior required for successful long-term employment in professional environments.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $5,000,000 for fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2011.

''(d) DEMONSTRATION PROJECT FOR EMPLOYMENT OF INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.—

''(1) PURPOSE.—The purpose of this subsection is to support a model demonstration project to provide training and employment and support services for individuals who are deaf and low functioning to enable them to gain employment skills that will allow them to become employed and economically self-sufficient.

''(2) DEFINITION.—

''(A) IN GENERAL.—In this subsection, the term 'individual who is deaf and low functioning' means an individual who has been deaf from birth or very early childhood, reads at or below the second grade level, has little or no intelligible speech, and lacks a secondary school diploma or its recognized equivalent.

''(B) SECONDARY DISABILITIES.—Such term may include an individual with a secondary disability.

''(3) GRANTS AUTHORIZED.—

''(A) COMPETITIVE GRANTS AUTHORIZED.—The Secretary may award grants to State agencies, other public agencies or organizations, or not-for-profit organizations with expertise in providing training and employment and support services for individuals who are deaf and low functioning to support model demonstration projects.

''(B) DURATION.—Grants under this subsection shall be awarded for a period not to exceed 5 years.

''(4) AUTHORIZED ACTIVITIES.—

''(A) DEVELOPING A COMPREHENSIVE TRAINING PROGRAM.—Each grant recipient under this subsection shall develop an innovative, comprehensive training program for individuals who are deaf and low functioning that can be implemented at multiple training locations through such means as distance learning and use of advanced technology, as appropriate. Such training program shall be developed to maximize the potential for replication of the program by other training providers.

''(B) IMPLEMENTATION.—Each grant recipient under this subsection shall implement the comprehensive training program developed under subparagraph (A) as soon as feasible. Such training shall provide instruction on the job and the social skills necessary for successful long-term employment of individuals who are deaf and low functioning.

''(C) ESTABLISHING A POST-TRAINING PROGRAM OF EMPLOYMENT AND SUPPORT SERVICES.—Each grant recipient under this subsection shall implement employment and support services to assist individuals who complete the training program under subparagraph (A) in securing employment and transitioning to the workplace, for a period of not less than 90 days subsequent to placement in the employment.

''(5) APPLICATIONS.—Each entity desiring to receive a grant under this subsection for a model demonstration project shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require including—

''(A) a description of how the applicant plans to address the activities authorized under this subsection;

''(B) a description of the evaluation plan to be used in the model demonstration project;

''(C) a description of how the applicant will disseminate information about the training program developed and the results of the project; and

''(D) a description of how the entity will coordinate activities with any other relevant service providers or entities providing training and employment and support services for individuals who are deaf and low functioning.

''(6) MANDATED EVALUATION AND DISSEMINATION ACTIVITIES.—

''(A) ANNUAL REPORT.—Not later than 2 years after the date on which a grant under this subsection is awarded and annually thereafter, the grant recipient shall submit to the Commissioner a report containing information on—

''(i) the number of individuals who are participating in the demonstration project funded under this subsection;

''(ii) the employment and other skills being taught in the project;

''(iii) the number of individuals participating in the project that are placed in employment;

''(iv) the job sites in which those individuals are placed and the type of jobs the individuals are placed in; and

''(v) the number of individuals who have dropped out of the project and the reasons for their terminating participation in the project.

''(B) EVALUATION OF THE PROJECT.—Each grant recipient under this subsection shall implement the evaluation plan approved in its application for determining the results of the project within the timeframe specified in, and following the provisions of, the approved application.

''(C) PARTICIPANT EVALUATION PROCESS; FINAL EVALUATION.—In the final year of the project, the grant recipient will prepare and submit to the Commissioner a final evaluation report of the results of the model demonstration project containing—

''(i) information on—

''(I) the number of individuals who participated in the demonstration project;

''(II) the number of those individuals that are placed in employment;

''(III) the job sites in which those individuals were placed and the type of jobs the individuals were placed in;

''(IV) the number of those individuals who have dropped out of the project and the reasons for their terminating participation in the project; and

''(V) the number of those individuals who participated in the project and who remain employed as of 2 months prior to the date on which the final report is submitted to the Secretary;

''(ii) a written analysis of the project, including both the strengths and weaknesses of the project, to assist other entities in replicating the training program developed through the project; and

''(iii) such other information as the Secretary determines appropriate.

''(D) DISSEMINATION.—Not later than 5 years after the date on which a grant is awarded under this subsection, the evaluation report containing results of activities funded by such grant shall be disseminated to designated State agencies, school systems providing instruction to students who are individuals who are deaf and low functioning, supported employment providers, postsecondary vocational training programs, employers, the Social Security Administration, and other interested parties.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011.

''(e) TRAINING AND TECHNICAL ASSISTANCE CENTER TO PROMOTE HIGH-QUALITY EMPLOYMENT OUTCOMES FOR INDIVIDUALS RECEIVING SERVICES FROM DESIGNATED STATE AGENCIES.—

''(1) IN GENERAL.—The Commissioner shall award a grant, contract, or cooperative agreement to an entity to support a training and technical assistance program that—

''(A) responds to State-specific information requests concerning high-quality employment outcomes, from designated State agencies funded under title I, including—

''(i) requests for information on the expansion of self-employment, business ownership, and business development opportunities, and other types of entrepreneurial employment opportunities for individuals with disabilities;

''(ii) requests for information on the expansion and improvement of transition services to facilitate the transition of students with disabilities from school to postsecondary life, including employment;

''(iii) requests for examples of policies, practices, procedures, or regulations, that have enhanced or may enhance access to funding for assistive technology devices and assistive technology services for individuals with disabilities;

''(iv) requests for information on effective approaches to enhance informed choice and a consumer-directed State vocational rehabilitation system;

''(v) requests for assistance developing corrective action plans;

''(vi) requests for assistance in developing and implementing effective data collection and reporting systems that measure the outcomes of the vocational rehabilitation services, and preparing reports for the Commissioner as described in section 106(b)(1); and

''(vii) requests for information on effective approaches that enhance employment outcomes for individuals with disabilities, including conducting outreach and forming partnerships with business and industry; and

''(B) provides State-specific, regional, and national training and technical assistance concerning vocational rehabilitation services and related information to designated State agencies, including—

''(i) facilitating onsite and electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that affect vocational rehabilitation programs authorized under title I;

''(ii) enabling the designated State agencies to coordinate training and data collection efforts with one-stop centers established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e));

''(iii) enabling the designated State agencies to provide information on how the vocational rehabilitation programs authorized under title I can provide technical assistance to the one-stop centers on making programs offered through the centers physically and programmatically accessible to individuals with disabilities;

''(iv) sharing evidence-based and promising practices among the vocational rehabilitation programs;

''(v) maintaining an accessible website that includes links to—

''(I) the vocational rehabilitation programs;

''(II) appropriate Federal departments and agencies, and private associations;

''(III) State assistive technology device and assistive technology service demonstration programs, device loan programs, device reutilization programs, alternative financing systems, or State financing activities, operated through, or independently of, comprehensive statewide programs of technology-related assistance carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), telework programs, and other programs that provide sources of funding for assistive technology devices; and

''(IV) various programs, including programs with tax credits, available to employers for hiring or accommodating employees who are individuals with disabilities;

''(vi) enhancing employment outcomes for individuals with mental illness and individuals with cognitive disabilities;

''(vii) convening experts from the vocational rehabilitation programs to discuss and make recommendations with regard to the employment of individuals with disabilities and national emerging issues of importance to individuals with vocational rehabilitation needs;

''(viii) enabling the designated State agencies to provide practical information on effective approaches for business and industry to use in employing individuals with disabilities, including provision of reasonable accommodations;

''(ix) providing information on other emerging issues concerning the delivery of publicly funded employment and training services and supports to assist individuals with disabilities to enter the workforce, achieve improved employment outcomes, and become economically self-sufficient; and

''(x) carrying out such other activities as the Secretary may require.

''(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an entity shall have (or agree to award a grant or contract to an entity that has)—

''(A) experience and expertise in administering vocational rehabilitation services;

''(B) documented experience with and knowledge about self-employment, business ownership, business development, and other types of entrepreneurial employment opportunities and outcomes for individuals with disabilities, providing transition services for students with disabilities, and assistive technology; and

''(C) the expertise necessary to identify the additional data elements needed to provide comprehensive reporting of activities and outcomes of the vocational rehabilitation programs authorized under title I, and experience in utilizing data to provide annual reports.

''(3) COLLABORATION.—In developing and providing training and technical assistance under this subsection, a recipient of a grant, contract, or cooperative agreement under this subsection shall collaborate with other organizations, in particular—

''(A) agencies carrying out vocational rehabilitation programs under title I and national organizations representing such programs;

''(B) organizations representing individuals with disabilities;

''(C) organizations representing State officials and agencies engaged in the delivery of assistive technology;

''(D) relevant employees from Federal departments and agencies, other than the Department of Education;

''(E) representatives of businesses;

''(F) individuals with disabilities who use assistive technology and understand the barriers to the acquisition of such technology and assistive technology services; and

''(G) family members, guardians, advocates, and authorized representatives of such individuals.

''(f) ACCESS TO TELEWORK.—

''(1) DEFINITION OF TELEWORK.—In this subsection, the term 'telework' means work from home and other telework sites with the assistance of a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.

''(2) AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.

''(3) APPLICATION.—A State or Indian tribe that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

''(4) USE OF FUNDS.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall establish or expand a telework program that

shall provide assistance through loans or other alternative financing mechanisms to individuals with disabilities. The State or Indian tribe shall provide the assistance through the program to enable such individuals to purchase computers or other equipment, including adaptive equipment, to facilitate access to employment and enhance employment outcomes by providing the individual with the opportunity—

''(i) to work from home or other telework sites so that such individuals are able to telework; or

''(ii) to become self-employed on a full-time or part-time basis from home or other telework sites.

''(B) DEVELOPMENT OF TELEWORK OPPORTUNITIES AND BUSINESS PLANS.—A State or Indian tribe that receives a grant under this subsection may use not more than 10 percent of the grant award to develop telework opportunities with employers and assist in the development of business plans for individuals with disabilities interested in self-employment, before such individuals apply for assistance through the telework program.

''(C) SELF EMPLOYMENT.—A State or Indian tribe that receives a grant under this subsection shall enter into cooperative agreements with small business development centers for the development of business plans as described in section 103(a)(13) for individuals described in subparagraph (B), and provide assurances that the State or Indian tribe will, through plans to achieve self-support, vocational rehabilitation services, or other means, identify ways for the individuals described in subparagraph (B) to pay for the development of business plans, before such individuals apply for assistance through the telework program.

''(D) DEFINITIONS.—In this paragraph:

''(i) PLAN TO ACHIEVE SELF-SUPPORT.—The term 'plan to achieve self-support' means a plan described in sections 416.1180 through 416.1182 of title 20, Code of Federal Regulations (or any corresponding similar regulation or ruling).

''(ii) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'small business development center' means a center established under section 21 of the Small Business Act (15 U.S.C. 648).

''(5) FEDERAL SHARE.—The Federal share of the cost of establishing or expanding a telework program under this section shall be 90 percent of the cost.

''(6) EXISTING GRANT RECIPIENTS.—An entity that receives a grant under the Access to Telework Fund Program under subsection (b) for a fiscal year may use the funds made available through that grant for that fiscal year in accordance with this subsection rather than subsection (b).

''(7) ANNUAL REPORT.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall prepare and submit an annual report to the Commissioner.

''(B) CONTENTS.—The report under subparagraph (A) shall include the following:

''(i) Information on the characteristics of each individual with a disability that receives assistance through a loan or other alternative financing mechanism under the program, including information about the individual such as the following:

''(I) Age.

''(II) Employment status at the time of application for assistance through a loan or other alternative financing mechanism under this subsection.

''(III) Whether the individual attempted to secure financial support from other sources to enable the individual to telework and, if so, a description of such sources.

''(IV) Whether the individual is working and, if so, whether the individual teleworks, the occupation in which the individual is working, the hourly salary the individual receives, and the hourly salary of the individual prior to receiving assistance through a loan or other alternative financing mechanism under the program.

''(V) Whether the individual has repaid assistance from the loan or other alternative financing mechanism received under the program, is in repayment status, is delinquent on repayments, or has defaulted on the assistance from the loan or other alternative financing mechanism.

''(ii) An analysis of the individuals with disabilities that have benefited from the program.

''(iii) Any other information that the Commissioner may require.

''(g) GRANTS FOR DISABILITY CAREER PATHWAYS PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) CENTER FOR INDEPENDENT LIVING.—The term 'center for independent living' means a center for independent living funded under subtitle C of title VII.

''(B) COVERED INSTITUTION.—The term 'covered institution' means—

''(i) a secondary school; and

''(ii) in the discretion of the eligible consortium involved, an institution of higher education.

''(C) ELIGIBLE CONSORTIUM.—The term 'eligible consortium' means a consortium described in paragraph (3)(A).

''(D) SECONDARY SCHOOL.—The term 'secondary school' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(2) PURPOSE OF PROGRAM.—The Commissioner may establish a Disability Career Pathways program, through which the Commissioner may make grants, for periods of not more than 5 years, to institutions of higher education that establish eligible consortia, to enable the consortia to develop and carry out training and education related to disability studies and leadership development. The consortia shall provide the training and education for the purpose of providing career pathways for students at a covered institution, in fields pertinent to individuals with disabilities, and particularly pertinent to the employment of individuals with disabilities.

''(3) APPLICATION.—To be eligible to receive a grant under this subsection on behalf of a consortium, an institution of higher education shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including information demonstrating—

''(A) that the institution of higher education has established a consortium of members that represent—

''(i) the institution of higher education;

''(ii) a community college;

''(iii) a secondary school;

''(iv) a center for independent living;

''(v) a designated State agency;

''(vi) a one-stop center established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(vii) the local business community;

''(B) the collaborative working relationships between the institution of higher education and the other members of the consortium, and describing the activities that each member shall undertake; and

''(C) the capacity and expertise of the institution of higher education—

''(i) to coordinate training and education related to disability studies and leadership development with educational institutions and disability-related organizations; and

''(ii) to conduct such training and education effectively.

''(4) DISTRIBUTION OF GRANTS.—In making grants under this subsection, the Commissioner shall ensure that the grants shall be distributed for a geographically diverse set of eligible consortia throughout all regions.

''(5) MANDATORY USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium shall ensure that the consortium shall use the grant funds to—

''(A) encourage interest in, enhance awareness and understanding of, and provide educational opportunities in, disability-related fields, and encourage leadership development among students served by a covered institution, including such students who are individuals with disabilities;

''(B) enable the students at a covered institution to gain practical skills and identify work experience opportunities, including opportunities developed by the consortium in conjunction with the private sector, that benefit individuals with disabilities;

''(C) develop postsecondary school career pathways leading to gainful employment, the attainment of an associate or baccalaureate degree, or the completion of further coursework or a further degree, in a disability-related field;

''(D) offer credit-bearing, college-level coursework in a disability-related field to qualified students served by a covered institution; and

''(E) ensure faculty and staff employed by the members of the consortium are available to—

''(i) students at a covered institution for educational and career advising; and

''(ii) teachers and staff of a covered institution for disability-related training.

''(6) PERMISSIBLE USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium may permit the consortium to use the grant funds to develop or adapt disabilities studies curricula, including curricula with distance learning opportunities, for use at covered institutions, to encourage students served by such covered institutions to enter careers in disability-related fields.

''(7) CONSULTATION.—The consortium shall consult with appropriate agencies that serve or assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, located in the jurisdiction served by the consortium, concerning the program of education and training carried out by the consortium.

''(8) REVIEWS.—

''(A) ADVISORY COMMITTEE.—For an institution of higher education to be eligible to receive a grant under this subsection on behalf of a consortium, the consortium shall have an advisory committee that consists of members that represent the interests of individuals with disabilities, including—

''(i) a professional in the field of vocational rehabilitation;

''(ii) an individual with a disability or a family member of such an individual; and

''(iii) a representative of each type of entity or community represented on the consortium.

''(B) QUARTERLY REVIEWS.—The advisory committee shall meet at least once during each calendar quarter to conduct a review of the program of education and training carried out by the consortium. The committee shall directly advise the governing board of the institution of higher education in the consortium about the views and recommendations of the advisory committee resulting from the review.

''(9) ACCOUNTABILITY.—Every 2 years, the Commissioner shall—

''(A) using information collected from the reviews required in paragraph (8), assess the effectiveness of the Disability Career Pathways program carried out under this subsection, including assessing how many individuals were served by each eligible consortium and how many of those individuals received postsecondary education, or entered into employment, in a disability-related field; and

''(B) prepare and submit to Congress a report containing the results of the assessments described in subparagraph (A).''; and

(4) in subsection (j), as redesignated by paragraph (2)—

(A) by striking ''There'' and inserting the following:

''(1) IN GENERAL.—There'';

(B) in paragraph (1), as designated by subparagraph (A)—

(i) by striking ''this section'' and inserting ''this section (other than subsections (c) and (d))''; and

(ii) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(C) by adding at the end the following:

''(2) RESERVATIONS.—Of the sums appropriated under paragraph (1) for a fiscal year, the Secretary may reserve—

''(A) not more than $500,000 to carry out subsection (e);

''(B) not more than $5,000,000 to carry out subsection (f); and

''(C) not more than $5,000,000 to carry out subsection (g).''.

SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.

Section 304(b) of the Rehabilitation Act of 1973 (29 U.S.C. 774(b)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 444. RECREATIONAL PROGRAMS.

Section 305 of the Rehabilitation Act of 1973 (29 U.S.C. 775) is amended—

(1) in subsection (a)(1)(B), by striking ''construction of facilities for aquatic rehabilitation therapy,''; and

(2) in subsection (b), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle D—National Council on Disability

SEC. 451. AUTHORIZATION OF APPROPRIATIONS.

Section 405 of the Rehabilitation Act of 1973 (29 U.S.C. 785) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle E—Rights and Advocacy

SEC. 461. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

Section 502(j) of the Rehabilitation Act of 1973 (29 U.S.C. 792(j)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e) is amended—

(1) in subsection (c)(1)(A), by inserting ''a grant for'' after ''to provide'';

(2) in subsection (g)(2), by striking ''was paid'' and inserting ''was paid, except that program income generated from the amount paid to an eligible system shall remain available to such system until expended'';

(3) in subsection (l), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(4) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively; and

(5) by inserting after subsection (k) the following:

''(l) SYSTEM AUTHORITY.—For purposes of serving persons eligible for services under this section, an eligible system shall have the same general authorities, including access to records, as the system is afforded under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (29 U.S.C. 796c et seq.), as determined by the Secretary.''.

Subtitle F—Employment Opportunities for Individuals With Disabilities

SEC. 471. PROJECTS WITH INDUSTRY.

Section 611(a) of the Rehabilitation Act of 1973 (29 U.S.C. 795(a)) is amended—

(1) in paragraph (1), by inserting '', locally and nationally'' before the period at the end; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting ''local and national'' before ''Projects With Industry''; and

(B) in subparagraph (A)—

(i) in clause (iii), by striking ''and'' after the semicolon;

(ii) in clause (iv), by inserting ''and'' after the semicolon; and

(iii) by adding at the end the following:

''(v) coordinate activities with the Job Corps center industry councils established under section 154 of the Workforce Investment Act of 1998 (29 U.S.C. 2894);''.

SEC. 472. PROJECTS WITH INDUSTRY AUTHORIZATION OF APPROPRIATIONS.

Section 612 of the Rehabilitation Act of 1973 (29 U.S.C. 795a) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 473. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT DISABILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 628 of the Rehabilitation Act of 1973 (29 U.S.C. 795n) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle G—Independent Living Services and Centers for Independent Living

SEC. 481. STATE PLAN.

Section 704 of the Rehabilitation Act of 1973 (29 U.S.C. 796c) is amended by adding at the end the following:

''(o) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(1) IN GENERAL.—The plan shall describe how the State will provide independent living services that promote full access to community life for individuals with significant disabilities.

''(2) SERVICES.—The services shall include, as appropriate—

''(A) facilitating transitions of—

''(i) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(ii) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(B) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(C) promoting home ownership among individuals with significant disabilities.''.

SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.

(a) ESTABLISHMENT.—Section 705(a) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(a)) is amended by striking the second sentence and inserting the following: ''The Council shall not be established as an entity within a State agency, and shall not provide independent living services directly to individuals with significant disabilities or manage such services.''.

(b) COMPOSITION.—Section 705(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)) is amended—

(1) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) in a State in which 1 or more projects provide services under section 121, not less than 1 representative of the directors of the projects.''; and

(2) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

(c) DUTIES.—Section 705(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(c)) is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and aligning the margins of those subparagraphs with the margins of subparagraph (E) of subsection (b)(3);

(2) by striking ''(c)'' and all that follows through ''shall—'' and inserting the following:

''(c) FUNCTIONS.—

''(1) DUTIES.—The Council shall—''; and

(3) by adding at the end the following:

''(2) AUTHORITIES.—The Council may, consistent with the State plan described in section 704, unless prohibited by State law—

''(A) provide advice and assistance to the designated State unit regarding the performance of its responsibilities under this title;

''(B) facilitate the improvement and coordination of services provided to individuals with disabilities by centers for independent living, the designated State unit, other Government agencies, and community organizations;

''(C) conduct resource development activities to obtain funding from public and private resources to support the activities described in this subsection or to support the provision of independent living services by centers for independent living; and

''(D) perform such other functions, consistent with the purpose of this chapter and comparable to other functions described in this subsection, as the Council determines to be appropriate.''.

SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZATION OF APPROPRIATIONS.

Section 714 of the Rehabilitation Act of 1973 (29 U.S.C. 796e–3) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 484. PROGRAM AUTHORIZATION.

Section 721 of the Rehabilitation Act of 1973 (29 U.S.C. 796f) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) ALLOTMENTS TO STATES.—

''(1) DEFINITIONS.—In this subsection:

''(A) ADDITIONAL APPROPRIATION.—The term 'additional appropriation' means the amount (if any) by which the appropriation for a fiscal year exceeds the total of—

''(i) the amount reserved under subsection (b) for that fiscal year; and

''(ii) the appropriation for fiscal year 2005.

''(B) APPROPRIATION.—The term 'appropriation' means the amount appropriated to carry out this part.

''(C) BASE APPROPRIATION.—The term 'base appropriation' means the portion of the appropriation for a fiscal year that is equal to the lesser of—

''(i) an amount equal to 100 percent of the appropriation, minus the amount reserved under subsection (b) for that fiscal year; or

''(ii) the appropriation for fiscal year 2005.

''(2) ALLOTMENTS TO STATES FROM BASE APPROPRIATION.—After the reservation required by subsection (b) has been made, the Commissioner shall allot to each State whose State plan has been approved under section 706 an amount that bears the same ratio to the base appropriation as the amount the State received under this subsection for fiscal year 2005 bears to the total amount that all States received under this subsection for fiscal year 2005.

''(3) ALLOTMENTS TO STATES OF ADDITIONAL APPROPRIATION.—From any additional appropriation for each fiscal year, the Commissioner shall allot to each State whose State plan has been approved under section 706 an amount equal to the sum of—

''(A) an amount that bears the same ratio to 50 percent of the additional appropriation as the population of the State bears to the population of all States; and

''(B) 1/56 of 50 percent of the additional appropriation.''; and

(2) by adding at the end the following:

''(e) CARRYOVER AUTHORITY.—Notwithstanding any other provision of law—

''(1) any funds appropriated for a fiscal year to carry out a grant program under section 722 or 723, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year; and

''(2) any amounts of program income received by recipients under a grant program under section 722 or 723 in a fiscal year, that are not obligated and expended by recipients prior to the

beginning of the succeeding fiscal year, shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year.''.

SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH FEDERAL FUNDING EXCEEDS STATE FUNDING.

Section 722(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–1(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH STATE FUNDING EQUALS OR EXCEEDS FEDERAL FUNDING.

Section 723(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–2(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR INDEPENDENT LIVING.

Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–4(b)) is amended by adding at the end the following:

''(8) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(A) IN GENERAL.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities.

''(B) SERVICES.—The services shall include, as appropriate—

''(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(iii) promoting home ownership among individuals with significant disabilities.''.

SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZATION OF APPROPRIATIONS.

Section 727 of the Rehabilitation Act of 1973 (29 U.S.C. 796f–6) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.

Chapter 2 of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796j et seq.) is amended—

(1) by redesignating sections 752 and 753 as sections 753 and 754, respectively; and

(2) by inserting after section 751 the following:

''SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.

''(a) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—For any fiscal year for which the funds appropriated to carry out this chapter exceed the funds appropriated to carry out this chapter for fiscal year 2005, the Commissioner shall first reserve from such excess, to provide training and technical assistance to designated State agencies for such fiscal year, not less than 1.8 percent, and not more than 2 percent, of the funds appropriated to carry out this chapter for the fiscal year involved.

''(b) ALLOCATION.—From the funds reserved under subsection (a), the Commissioner shall make grants to, and enter into contracts and other arrangements with, entities that demonstrate expertise in the provision of services to older individuals who are blind to provide training and technical assistance with respect to planning, developing, conducting, administering, and evaluating independent living programs for older individuals who are blind.

''(c) FUNDING PRIORITIES.—The Commissioner shall conduct a survey of designated State agencies that receive grants under section 753 regarding training and technical assistance needs in order to determine funding priorities for grants, contracts, and other arrangements under this section.

''(d) REVIEW.—To be eligible to receive a grant or enter into a contract or other arrangement under this section, an entity shall submit an application to the Commissioner at such time, in such manner, containing a proposal to provide such training and technical assistance, and containing such additional information as the Commissioner may require.

''(e) PROHIBITION ON COMBINED FUNDS.—No funds reserved by the Commissioner under this section may be combined with funds appropriated under any other Act or part of this Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such reserved funds are separately identified in the agreement for such grant or payment and are used for the purposes of this chapter.''.

SEC. 490. PROGRAM OF GRANTS.

Section 753 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended—

(1) by striking subsection (h);

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively;

(3) in subsection (b), by striking ''section 753'' and inserting ''section 754'';

(4) in subsection (c)—

(A) in paragraph (1), by striking ''section 753'' and inserting ''section 754''; and

(B) in paragraph (2)—

(i) by striking ''subsection (j)'' and inserting ''subsection (i)''; and

(ii) by striking ''subsection (i)'' and inserting ''subsection (h)'';

(5) in subsection (g), by inserting '', or contracts with,'' after ''grants to'';

(6) in subsection (h), as redesignated by paragraph (2)—

(A) in paragraph (1), by striking ''subsection (j)(4)'' and inserting ''subsection (i)(4)''; and

(B) in paragraph (2)—

(i) in subparagraph (A)(vi), by adding ''and'' after the semicolon;

(ii) in subparagraph (B)(ii)(III), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(7) in subsection (i), as redesignated by paragraph (2)—

(A) by striking paragraph (2) and inserting the following:

''(2) MINIMUM ALLOTMENT.—

''(A) STATES.—In the case of any of the several States, the District of Columbia, or the Commonwealth of Puerto Rico, the amount referred to in paragraph (1)(A) for a fiscal year is the greater of—

''(i) $350,000;

''(ii) an amount equal to the amount the State, the District of Columbia, or the Commonwealth of Puerto Rico received to carry out this chapter for fiscal year 2005; or

''(iii) an amount equal to ⅓ of 1 percent of the amount appropriated under section 754, and not reserved under section 752, for the fiscal year and available for allotments under subsection (a).

''(B) CERTAIN TERRITORIES.—In the case of Guam, American Samoa, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the amount referred to in paragraph (1)(A) for a fiscal year is $60,000.'';

(B) in paragraph (3)(A), by striking ''section 753'' and inserting ''section 754, and not reserved under section 752,''; and

(C) in paragraph (4)(B)(i), by striking ''subsection (i)'' and inserting ''subsection (h)''.

SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND AUTHORIZATION OF APPROPRIATIONS.

Section 754 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle H—Miscellaneous

SEC. 495. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of the Helen Keller National Center Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles I and III of this Act. The Secretary of Education shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles II and IV of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

Mr. ENZI. Mr. President, passing S. 1021, the Workforce Investment Act amendments, is an important step toward ensuring America's competitiveness in the global economy. We need a skilled workforce to maintain our competitive edge in this technology-driven economy. This reauthorization of our job-training system created under the Workforce Investment Act, WIA, will help our workers obtain the skills they need to find good jobs with good wages and fulfilling careers in high skilled occupations.

This bill will help our businesses find the skilled workers they need to grow and remain competitive. We have a skilled worker shortage in this country. Fortunately, that can be addressed by ensuring our workers have access to lifelong education, training, and retraining opportunities

The substitute amendment to S. 1021 makes technical changes to the bill that was reported out of the Health, Education, Labor, and Pensions Committee unanimously. Most importantly, this amendment provides for 100 percent flexibility between WIA adult and dislocated funding streams in order to meet State and local job training needs. However, formula funding for each of these WIA funding streams remains the same. Increased flexibility moves us further toward achieving our goal of an effective, coordinated, and accountable job training system.

This bill allows for real reform shaped at the State and local level with the full participation of the business community. States working in concert with their local governments and leaders should have the option of determining what is best and most needed—for their economy.

There are many other important features of this bill such as improved connections with the private sector, postsecondary education and training, and economic development systems, and a new focus on entrepreneurial skills and microenterprises coupled with the unique needs of small businesses and rural areas.

S. 1021 includes amendments to the Adult Education and Family Literacy Act and the Vocational Rehabilitation Act. These amendments encourage coordination with K–12 schools, postsecondary education, and the workforce system so that individuals can overcome the barriers to their participation in the workforce and have an opportunity to gain the literacy, language, or core skills needed to enter and advance in their chosen profession. I am especially pleased that we have been able to define an improved transition process for youth with disabilities in order to achieve significant improvements in postsecondary outcomes for youth with disabilities.

I thank Senator KENNEDY and the rest of my colleagues on the HELP Committee for their hard work in getting this important bill passed on a bipartisan basis. I also thank the HELP Committee staff on both sides of the aisle who spent countless hours crafting this bill. I would particularly like to thank Katherine McGuire, Beth Buehlmann, Ilyse Schuman, Scott Fleming, and Aaron Bishop on my staff, and Michael Myers, Carmel Martin, and Connie Garner on Senator KENNEDY's staff, and Jane Oates, formerly on Senator KENNEDY's staff.

Unless we can make sure that those workers with minimum skills have the opportunities and the resources to improve their ability to meet the challenges of the 21st century workplace, we will find ourselves as a nation losing our competitive advantage in a global economy. I look forward to going to conference and getting this important bill signed into law.

Mr. KENNEDY. Mr. President, I strongly support this bipartisan bill to reauthorize the Workforce Investment Act. Thirteen months have passed since our committee first approved the bill, and I commend Chairman ENZI for his leadership and perseverance in bringing it before the Senate today.

The reauthorization renews our commitment to raising the skills of the American workforce and helping workers compete in the job market. The bill will increase opportunities for workers to find new or better jobs, enable them to hold the good jobs of the future, and help the Nation maintain its leadership in the global economy.

The bill strengthens the so-called one-stop system, which is a comprehensive service delivery system for jobseekers and employers. The system is a lifeline for workers who have lost their jobs and need assistance and training to get back on track. It creates stronger partnerships with businesses to recruit new workers and train current workers, so that many more people can be served. It improves opportunities for career ladders and enables job training centers to work with local leaders and businesses to meet the changing needs of their community. The services that one-stops deliver are needed now more than ever as Americans struggle to adjust to the forces of globalization transforming our society and our workforce.

The bill also encourages local service providers to continue their training programs until employees are self-sufficient, so that a support system will be in place to help workers qualify for better-paying jobs that will enable them to provide for themselves and their families.

In addition, the youth program in the bill will continue to work with both in-school and out-of-school youths to help them obtain the education and the job experience they need to succeed in the future.

The bill pays particular attention to the needs of people with disabilities. Workforce training programs must coordinate with vocational rehabilitation programs to provide many more opportunities for those with physical or mental challenges. Through vocational rehabilitation, they can obtain the training, counseling, support and job opportunities they need in order to have independent, productive, and fulfilling lives. For millions of these Americans, vocational rehabilitation is the difference between dependence and independence, between lost potential and a productive career.

The bill also contains the Adult Literacy Act, which funds critical programs for states to assist adults in obtaining the basic reading, writing and English language skills they need in order to participate fully in the workforce and in society.

In December, the Department of Education released the results of the most recent National Assessment of Adult Literacy, and the facts are alarming. Only a quarter of college graduates could read a document well enough to be considered proficient.

Adults in Massachusetts are struggling: 26 percent scored at or below basic the level in document literacy and 46 percent scored at the lowest levels in quantitative literacy. Improving these skills is a key component of job training, and we need to do more to for those who recognize their need to improve these skills in order to improve their lives.

The Workforce Investment Act has improved the quality of job training and strengthened connections between employers and training providers. In 2004, every State met or exceeded its performance level for getting participants into employment. The national average was 80 percent of job seekers who entered employment.

Currently, there are not enough skilled workers in Massachusetts in key industries such as health care, education, community and social services, and the sciences. Workforce investment boards across the State have been doing their part to fill these needs. For example, the Northshore Workforce Investment Board works with 15 long-term care facilities in the region to train workers in basic and clinical skills. Statewide, the Extended Care Career Ladder Initiative has trained over 6,500 workers in over 140 facilities. Wages increase as these workers move up the ladder, and the facilities are able to retain skilled employees and save on personnel costs.

With the extraordinary needs of people looking for jobs, people struggling to keep their jobs and the new needs of employers, the Workforce Investment Act and the services it provides are in high demand. Unfortunately, the Bush administration has continued to underfund and undermine these programs. We need to invest adequate amounts in job training, so that more Americans can take advantage of these opportunities.

The Senate's passage of this reauthorization today is a strong sign of support for the workforce system and the programs that help millions of American workers find new and good jobs. Our bipartisan effort in the Senate enabled us to reach a worthwhile consensus on these provisions, and I urge our colleagues in the House to pass this bipartisan package as well.

Today's skill deficiencies and the skill demands of tomorrow will require a significant new investment in education and job training. This bill will help workers obtain the training they need to meet the employment priorities of their community, and in doing so will strengthen the entire American workforce and its ability to compete in the global marketplace. It deserves to be enacted as soon as possible.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the amendment at the desk be agreed to, the committee reported amendment, as amended, be agreed to, and the bill, as amended, be read the third time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4546) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The committee amendment, as amended, was agreed to.

The bill (S. 1021) was ordered to be engrossed for a third reading and was read the third time.

Mr. MCCONNELL. Mr. President, I now ask unanimous consent that the HELP Committee be discharged and the Senate proceed to the immediate consideration of H.R. 27, the House companion bill; that all after the enacting clause be stricken and the text of S. 1021, as amended, be inserted in lieu thereof; that the bill, as amended, be read a third time and passed, and S. 1021 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The bill (H.R. 27), as amended, was passed, as follows:

H.R. 27

Resolved, That the bill from the House of Representatives (H.R. 27) entitled ''An Act to enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Workforce Investment Act Amendments of 2005''.

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. References.

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

Sec. 101. Definitions.

Subtitle B—Statewide and Local Workforce Investment Systems

Sec. 111. Purpose.
Sec. 112. State workforce investment boards.
Sec. 113. State plan.
Sec. 114. Local workforce investment areas.
Sec. 115. Local workforce investment boards.
Sec. 116. Local plan.
Sec. 117. Establishment of one-stop delivery systems.
Sec. 118. Eligible providers of training services.
Sec. 119. Eligible providers of youth activities.
Sec. 120. Youth activities.
Sec. 121. Adult and dislocated worker employment and training activities.
Sec. 122. Performance accountability system.
Sec. 123. Authorization of appropriations.

Subtitle C—Job Corps

Sec. 131. Job Corps.

Subtitle D—National Programs

Sec. 141. Native American programs.
Sec. 142. Migrant and seasonal farmworker programs.
Sec. 143. Veterans' workforce investment programs.
Sec. 144. Youth challenge grants.
Sec. 145. Technical assistance.
Sec. 146. Demonstration, pilot, multiservice, research, and multistate projects.
Sec. 147. National dislocated worker grants.
Sec. 148. Authorization of appropriations for national activities.

Subtitle E—Administration

Sec. 151. Requirements and restrictions.
Sec. 152. Reports.
Sec. 153. Administrative provisions.
Sec. 154. Use of certain real property.
Sec. 155. General program requirements.

Subtitle F—Incentive Grants

Sec. 161. Incentive grants.

Subtitle G—Conforming Amendments

Sec. 171. Table of contents.
Sec. 172. Conforming amendments.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

Sec. 201. Short title; purpose.
Sec. 202. Definitions.
Sec. 203. Home schools.
Sec. 204. Authorization of appropriations.
Sec. 205. Reservation of funds; grants to eligible agencies; allotments.
Sec. 206. Performance accountability system.
Sec. 207. State administration.
Sec. 208. State distribution of funds; matching requirement.
Sec. 209. State leadership activities.
Sec. 210. State plan.
Sec. 211. Programs for corrections education and other institutionalized individuals.
Sec. 212. Grants and contracts for eligible providers.
Sec. 213. Local application.
Sec. 214. Local administrative cost limits.
Sec. 215. Administrative provisions.
Sec. 216. National Institute for Literacy.
Sec. 217. National leadership activities.
Sec. 218. Integrated English literacy and civics education.
Sec. 219. Transition.

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

Sec. 301. Wagner-Peyser Act.

TITLE IV—REHABILITATION ACT AMENDMENTS

Sec. 401. Short title.
Sec. 402. Technical amendments to table of contents.
Sec. 403. Purpose.
Sec. 404. Rehabilitation Services Administration
Sec. 405. Definitions.
Sec. 406. Administration of the Act.
Sec. 407. Reports.
Sec. 408. Carryover.

Subtitle A—Vocational Rehabilitation Services

Sec. 411. Declaration of policy; authorization of appropriations.
Sec. 412. State plans.
Sec. 413. Eligibility and individualized plan for employment.
Sec. 414. Vocational rehabilitation services.
Sec. 415. State rehabilitation council.
Sec. 416. Evaluation standards and performance indicators.
Sec. 417. Monitoring and review.
Sec. 418. State allotments.
Sec. 419. Reservation for expanded transition services.
Sec. 420. Client assistance program.
Sec. 421. Incentive grants.
Sec. 422. Vocational rehabilitation services grants.
Sec. 423. GAO studies.

Subtitle B—Research and Training

Sec. 431. Declaration of purpose.
Sec. 432. Authorization of appropriations.
Sec. 433. National Institute on Disability and Rehabilitation Research.
Sec. 434. Interagency committee.
Sec. 435. Research and other covered activities.
Sec. 436. Rehabilitation Research Advisory Council.
Sec. 437. Definition.

Subtitle C—Professional Development and Special Projects and Demonstrations

Sec. 441. Training.
Sec. 442. Demonstration and training programs.
Sec. 443. Migrant and seasonal farmworkers.
Sec. 444. Recreational programs.

Subtitle D—National Council on Disability

Sec. 451. Authorization of appropriations.

Subtitle E—Rights and Advocacy

Sec. 461. Architectural and Transportation Barriers Compliance Board.
Sec. 462. Protection and advocacy of individual rights.

Subtitle F—Employment Opportunities for Individuals With Disabilities

Sec. 471. Projects with industry.
Sec. 472. Projects with industry authorization of appropriations.
Sec. 473. Services for individuals with significant disabilities authorization of appropriations.

Subtitle G—Independent Living Services and Centers for Independent Living

Sec. 481. State plan.
Sec. 482. Statewide Independent Living Council.
Sec. 483. Independent living services authorization of appropriations.
Sec. 484. Program authorization.
Sec. 485. Grants to centers for independent living in States in which Federal funding exceeds State funding.
Sec. 486. Grants to centers for independent living in States in which State funding equals or exceeds Federal funding.
Sec. 487. Standards and assurances for centers for independent living.
Sec. 488. Centers for independent living authorization of appropriations.
Sec. 489. Independent living services for older individuals who are blind.
Sec. 490. Program of grants.
Sec. 491. Independent living services for older individuals who are blind authorization of appropriations.

Subtitle H—Miscellaneous

Sec. 495. Helen Keller National Center Act.

TITLE V—TRANSITION AND EFFECTIVE DATE

Sec. 501. Transition provisions.
Sec. 502. Effective date.

SEC. 3. REFERENCES.

Except as otherwise expressly provided, wherever in this Act 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 the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

TITLE I—AMENDMENTS TO TITLE I OF THE WORKFORCE INVESTMENT ACT OF 1998

Subtitle A—Definitions

SEC. 101. DEFINITIONS.

Section 101 (29 U.S.C. 2801) is amended—

(1) by redesignating paragraphs (1) through (4), (5) through (16), (17), (18) through (41), and (42) through (53) as paragraphs (2) through (5), (7) through (18), (20), (23) through (46), and (48) through (59), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) ACCRUED EXPENDITURES.—The term 'accrued expenditures' means charges incurred by recipients of funds under this title for a given period requiring the provision of funds for—

''(A) goods or other tangible property received;

''(B) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and

''(C) other amounts becoming owed under programs assisted under this title for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.'';

(3) in paragraph (2) (as redesignated by paragraph (1)), by striking ''Except in sections 127 and 132,'' and inserting ''Except in section 132,'';

(4) by striking paragraph (5) (as redesignated by paragraph (1)) and inserting the following:

''(5) BASIC SKILLS DEFICIENT.—The term 'basic skills deficient' means, with respect to an individual, that the individual—

''(A) has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test or a comparable score on a criterion-referenced test; or

''(B) is unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the individual's family, or in society.'';

(5) by inserting after paragraph (5) (as redesignated by paragraph (1)) the following:

''(6) BUSINESS INTERMEDIARY.—The term 'business intermediary' means an entity that brings together various stakeholders with an expertise in an industry or business sector.'';

(6) in paragraph (9) (as redesignated by paragraph (1)), by inserting '', including a faith-

based organization,'' after ''nonprofit organization'';

(7) in paragraph (10) (as redesignated by paragraph (1)), in subparagraph (C), by striking ''for not less than 50 percent of the cost of the training.'' and inserting ''for—

''(i) a significant portion of the cost of training as determined by the local board, taking into account the size of the employer and such other factors as the local board determines to be appropriate; and

''(ii) in the case of customized training (as defined in subparagraphs (A) and (B)) with an employer in multiple local areas in the State, a significant portion of the cost of the training, as determined by the Governor, taking into account the size of the employer and such other factors as the Governor determines to be appropriate.'';

(8) in paragraph (11) (as redesignated by paragraph (1))—

(A) in subparagraph (A)(ii)(II), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(B) in subparagraph (C), by striking ''or'' after the semicolon;

(C) in subparagraph (D), by striking the period and inserting ''; or''; and

(D) by adding at the end the following:

''(E)(i) is the spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) who has experienced a loss of employment as a direct result of relocation to accommodate a permanent change in duty station of such member; or

''(ii) is the spouse of a member of the Armed Forces on active duty who meets the criteria described in paragraph (12)(B).'';

(9) in paragraph (12)(A) (as redesignated by paragraph (1))—

(A) by striking ''and'' after the semicolon and inserting ''or'';

(B) by striking ''(A)'' and inserting ''(A)(i)''; and

(C) by adding at the end the following:

''(ii) is the dependent spouse of a member of the Armed Forces on active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code) whose family income is significantly reduced because of a deployment (as defined in section 991(b) of title 10, United States Code, or pursuant to paragraph (4) of such section), a call or order to active duty pursuant to a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, a permanent change of station, or the service-connected (as defined in section 101(16) of title 38, United States Code) death or disability of the member; and'';

(10) in paragraph (14)(A) (as redesignated by paragraph (1)), by striking ''section 122(e)(3)'' and inserting ''section 122'';

(11) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

''(19) HARD-TO-SERVE POPULATIONS.—The term 'hard-to-serve populations' means populations of individuals who are hard to serve, including displaced homemakers, low-income individuals, Native Americans, individuals with disabilities, older individuals, ex-offenders, homeless individuals, individuals with limited English proficiency, individuals who do not meet the definition of literacy in section 203, individuals facing substantial cultural barriers, migrant and seasonal farmworkers, individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), single parents (including single pregnant women), and such other groups as the Governor determines to be hard to serve.'';

(12) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

''(21) INTEGRATED TRAINING PROGRAM.—The term 'integrated training program' means a program that combines occupational skills training with English language acquisition.

''(22) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a), and subparagraphs (A) and (B) of section 102(a)(1), of the Higher Education Act of 1965 (20 U.S.C. 1001(a), 1002(a)(1)).'';

(13) in paragraph (30) (as redesignated by paragraph (1))—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following:

''(D) receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);'';

(14) in paragraph (31) (as redesignated by paragraph (1)), by inserting after ''fields of work'' the following: '', including occupations in computer science and technology and other emerging high-skill occupations,'';

(15) in paragraph (35) (as redesignated by paragraph (1)), by inserting '', subject to section 121(b)(1)(C)'' after ''121(b)(1)'';

(16) by striking paragraph (38) (as redesignated by paragraph (1)) and inserting the following:

''(38) OUT-OF-SCHOOL YOUTH.—The term 'out-of-school youth' means an out-of-school youth as defined in section 129(a)(1)(B).'';

(17) by inserting after paragraph (46) (as redesignated by paragraph (1)) the following:

''(47) SELF-SUFFICIENCY.—The term 'self-sufficiency' means self-sufficiency within the meaning of subsections (a)(3)(A)(x) and (e)(1)(A)(xii) of section 134.'';

(18) in paragraph (49) (as redesignated by paragraph (1)), by striking ''clause (iii) or (v) of section 136(b)(3)(A)'' and inserting ''section 136(b)(3)(A)(iii)'';

(19) in paragraph (58) (as redesignated by paragraph (1)), by striking ''(or as described in section 129(c)(5))'' and inserting ''(or as described in section 129(a)(2))''; and

(20) in paragraph (59) (as redesignated by paragraph (1)), by striking ''established under section 117(h)'' and inserting ''that may be established under section 117(h)(2)''.

Subtitle B—Statewide and Local Workforce Investment Systems

SEC. 111. PURPOSE.

Section 106 (29 U.S.C. 2811) is amended to read as follows:

''SEC. 106. PURPOSES.

''The purposes of this subtitle are the following:

''(1)(A) Primarily, to provide workforce investment activities, through statewide and local workforce investment systems, that increase the employment, retention, self-sufficiency, and earnings of participants, and increase occupational skill attainment by participants.

''(B) As a result of the provision of the activities, to improve the quality of the workforce, reduce welfare dependency, increase self-sufficiency, and enhance the productivity and competitiveness of the Nation.

''(2) To enhance the workforce investment system of the Nation by strengthening one-stop centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment and training and related services, establishing a targeted approach to serving youth, improving performance accountability, and promoting State and local flexibility.

''(3) To provide workforce investment activities in a manner that promotes the informed choice of participants and actively involves participants in decisions affecting their participation in such activities.

''(4) To provide workforce investment systems that are demand-driven and responsive to the needs of all employers, including small employers.

''(5) To provide workforce investment systems that work in all areas of the Nation, including urban and rural areas.

''(6) To allow flexibility to meet State, local, regional, and individual workforce investment needs.

''(7) To recognize and reinforce the vital link between economic development and workforce investment activities.

''(8) To provide for accurate data collection, reporting, and performance measures that are not unduly burdensome.

''(9) To address the ongoing shortage of essential skills in the United States workforce related to both manufacturing and knowledge-based economies to ensure that the United States remains competitive in the global economy.

''(10) To equip workers with higher skills and contribute to lifelong education.

''(11) To eliminate training disincentives for hard-to-serve populations and minority workers, including effectively utilizing community programs, services, and agencies.

''(12) To educate limited English proficient individuals about skills and language so the individuals are employable.

''(13) To increase the employment, retention and earnings of individuals with disabilities.''.

SEC. 112. STATE WORKFORCE INVESTMENT BOARDS.

(a) MEMBERSHIP.—

(1) IN GENERAL.—Section 111(b) (29 U.S.C. 2821(b)) is amended—

(A) in paragraph (1), by striking subparagraph (C) and inserting the following:

''(C) representatives appointed by the Governor, who—

''(i) are the lead State agency officials with responsibility for the programs and activities that are described in section 121(b) and carried out by one-stop partners, except that—

''(I) in any case in which no lead State agency official has responsibility for such a program or activity, the representative shall be a representative in the State with expertise relating to such program or activity; and

''(II) in the case of the programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), the representative shall be the director of the designated State unit, as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705);

''(ii) are the State agency officials responsible for economic development;

''(iii) are representatives of business in the State, including small businesses, who—

''(I) are owners of businesses, chief executive or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority;

''(II) represent businesses with employment opportunities that reflect employment opportunities in the State; and

''(III) are appointed from among individuals nominated by State business organizations, business trade associations, and local boards;

''(iv) are chief elected officials (representing cities and counties, where appropriate);

''(v) are representatives of labor organizations, who have been nominated by State labor federations; and

''(vi) are such other State agency officials and other representatives as the Governor may designate.''; and

(B) in paragraph (3), by striking ''paragraph (1)(C)(i)'' and inserting ''paragraph (1)(C)(iii)''.

(2) CONFORMING AMENDMENT.—Section 111(c) (29 U.S.C. 2821(c)) is amended by striking ''subsection (b)(1)(C)(i)'' and inserting ''subsection (b)(1)(C)(iii)''.

(b) FUNCTIONS.—Section 111(d) (29 U.S.C. 2821(d)) is amended—

(1) in paragraph (1), by striking ''development'' and inserting ''development, implementation, and revision'';

(2) in paragraph (2)—

(A) by striking ''section 134(c)'' and inserting ''section 121(e)''; and

(B) in subparagraph (A), by inserting after ''section 121(b)'' the following: '', including granting the authority for the State employment

service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) to plan and coordinate employment and training activities with local boards'';

(3) by striking paragraph (3) and inserting the following:

''(3) reviewing and providing comment on the State plans of all one-stop partner programs, where applicable, in order to provide effective strategic leadership in the development of a high quality, comprehensive statewide workforce investment system, including commenting at least once annually on the measures taken pursuant to section 113(b)(3) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)(3)) and title II of this Act;'';

(4) by redesignating paragraphs (4) through (9) as paragraphs (5) through (10), respectively;

(5) by inserting after paragraph (3) the following:

''(4) development and review of statewide policies affecting the coordinated provision of services through the one-stop delivery system described in section 121(e) within the State, including—

''(A) the development of objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers under section 121(g);

''(B) the development of guidance for the allocation of one-stop center infrastructure funds under section 121(h)(1)(B);

''(C) the development of—

''(i) statewide policies relating to the appropriate roles and contributions of one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in the one-stop delivery system;

''(ii) statewide strategies for providing effective outreach to individuals, including hard-to-serve populations, and employers who could benefit from services provided through the one-stop delivery system;

''(iii) strategies for technology improvements to facilitate access to services provided through the one-stop delivery system, in remote areas, and for individuals with disabilities, which may be utilized throughout the State; and

''(iv) strategies for the effective coordination of activities between the one-stop delivery system of the State and the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

''(D) identification and dissemination of information on best practices for effective operation of one-stop centers, including use of innovative business outreach, partnerships, and service delivery strategies, including for hard-to-serve populations; and

''(E) conduct of such other matters as may promote statewide objectives for, and enhance the performance of, the one-stop delivery system;'';

(6) in paragraph (5) (as redesignated by paragraph (4)), by inserting ''and the development of statewide criteria to be used by chief elected officials for the appointment of local boards consistent with section 117'' after ''section 116'';

(7) in paragraph (6) (as redesignated by paragraph (4)), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(8) in paragraph (9) (as redesignated by paragraph (4))—

(A) by striking ''employment statistics system'' and inserting ''workforce and labor market information system''; and

(B) by striking ''and'' after the semicolon;

(9) in paragraph (10) (as redesignated by paragraph (4))—

(A) by inserting ''section 136(i) and'' before ''section 503''; and

(B) by striking the period and inserting ''; and''; and

(10) by adding at the end the following:

''(11) increasing the availability of skills training, employment opportunities, and career advancement, for hard-to-serve populations.''.

(c) ALTERNATIVE ENTITY.—Section 111(e) (29 U.S.C. 2821(e)) is amended—

(1) in paragraph (1), by striking ''For'' and inserting ''Subject to paragraph (3), for''; and

(2) by adding at the end the following:

''(3) FAILURE TO MEET PERFORMANCE MEASURES.—If a State fails to have performed successfully, as defined in section 116(a)(2), the Secretary may require the State to establish a State board in accordance with subsections (a), (b), and (c) in lieu of the alternative entity established under paragraph (1).''.

(d) CONFLICT OF INTEREST.—Section 111(f)(1) (29 U.S.C. 2821(f)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(e) SUNSHINE PROVISION.—Section 111(g) (29 U.S.C. 2821(g)) is amended—

(1) by inserting '', and modifications to the State plan,'' before ''prior''; and

(2) by inserting '', and modifications to the State plan'' after ''the plan''.

(f) AUTHORITY TO HIRE STAFF.—Section 111 (29 U.S.C. 2821) is amended by adding at the end the following:

''(h) AUTHORITY TO HIRE STAFF.—

''(1) IN GENERAL.—The State board may hire staff to assist in carrying out the functions described in subsection (d) using funds allocated under sections 127(b)(1)(C) and 132(b).

''(2) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the State board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.''.

SEC. 113. STATE PLAN.

(a) PLANNING CYCLE.—Section 112(a) (29 U.S.C. 2822(a)) is amended—

(1) by inserting '', or a State unified plan as described in section 501,'' before ''that outlines'';

(2) by striking ''5-year strategy'' and inserting ''4-year strategy''; and

(3) by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the State board shall review and, as needed, amend the 4-year State plan to reflect labor market and economic conditions. In addition, the State shall submit a modification to the State plan at the end of the first 2-year period of the State plan, which may include redesignation of local areas pursuant to section 116(a) and specification of the levels of performance under sections 136 for the third and fourth years of the plan.''.

(b) CONTENTS.—Section 112(b) (29 U.S.C. 2822(b)) is amended—

(1) in paragraph (8)(A)—

(A) in clause (ix), by striking ''and'' after the semicolon; and

(B) by adding at the end the following:

''(xi) programs authorized under title II of the Social Security Act (42 U.S.C. 401 et seq.) (relating to Federal old-age, survivors, and disability insurance benefits), title XVI of such Act (42 U.S.C. 1381 et seq.) (relating to supplemental security income), title XIX of such Act (42 U.S.C. 1396 et seq.) (relating to medicaid), and title XX of such Act (42 U.S.C. 1397 et seq.) (relating to block grants to States for social services), programs authorized under title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796 et seq.), and programs carried out by State agencies relating to mental retardation and developmental disabilities; and'';

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

''(10) a description of how the State will use funds the State received under this subtitle to leverage other Federal, State, local, and private resources, in order to maximize the effectiveness of such resources, expand resources for the provision of education and training services, and expand the participation of businesses, employees, and individuals in the statewide workforce investment system, including a description of incentives and technical assistance the State will provide to local areas for such purposes;'';

(3) in paragraph (12)(A), by striking ''sections 128(b)(3)(B) and 133(b)(3)(B)'' and inserting ''sections 128(b)(3) and 133(b)(3)(B)'';

(4) in paragraph (14), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(5) in paragraph (15), by striking ''section 116(a)(5)'' and inserting ''section 116(a)(4)'';

(6) in paragraph (17)—

(A) in subparagraph (A)—

(i) in clause (iii)—

(I) by inserting ''local'' before ''customized training''; and

(II) by striking ''and'' at the end;

(ii) in clause (iv), by striking ''(including displaced homemakers),'' and all that follows through ''disabilities)'' and inserting '', hard-to-serve populations, and individuals training for nontraditional employment''; and

(iii) by adding after clause (iv) the following:

''(v) how the State will serve the employment and training needs of individuals with disabilities, consistent with section 188 and Executive Order 13217 (42 U.S.C. 12131 note; relating to community-based alternatives for individuals with disabilities), including the provision of outreach, intake, the conduct of assessments, service delivery, the development of adjustments to performance measures established under section 136, and the training of staff; and''; and

(B) in subparagraph (B), by striking ''and'' at the end;

(7) in paragraph (18)(D)—

(A) by striking ''youth opportunity grants under section 169'' and inserting ''youth challenge grants authorized under section 169 and other federally funded youth programs''; and

(B) by striking the period and inserting a semicolon; and

(8) by adding at the end the following:

''(19) a description of how the State will utilize technology to facilitate access to services in remote areas, which may be utilized throughout the State;

''(20) a description of the State strategy for coordinating workforce investment activities and economic development activities, and promoting entrepreneurial skills training and microenterprise services;

''(21) a description of the State strategy and assistance to be provided for ensuring regional cooperation within the State and across State borders as appropriate;

''(22) a description of how the State will use funds the State receives under this subtitle to—

''(A) implement innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliances, career ladder programs, utilization of effective business intermediaries, and other business services and strategies that better engage employers in workforce investment activities and make the statewide workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title; and

''(B) provide incentives and technical assistance to assist local areas in more fully engaging all employers, including small employers, in local workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts to contribute to the economic well-being of the local area, as determined appropriate by the local board;

''(23) a description of the State strategy—

''(A) for ensuring cooperation between transportation providers, including public transportation providers, and providers of workforce investment activities; and

''(B) for ensuring coordination among appropriate State agencies and programs to make

available skills training, employment services and opportunities, and career advancement activities, that will assist ex-offenders in reentering the workforce;

''(24) a description of how the State will assist local areas in assuring physical and programmatic accessibility for individuals with disabilities at one-stop centers;

''(25) a description of the process and methodology that will be used by the State board to—

''(A) review statewide policies and provide guidance on the coordinated provision of services through the one-stop delivery system described in section 121(e);

''(B) establish, in consultation with chief elected officials and local boards, objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system as described in section 121(g); and

''(C) determine—

''(i) one-stop partner program contributions for the costs of the infrastructure of one-stop centers under section 121(h)(2); and

''(ii) the formula for allocating the funds described in section 121(h)(2) to local areas;

''(26) a description of the State strategy for ensuring that activities carried out under this title are placing men and women in jobs, education, or training that lead to comparable pay; and

''(27) a description of the technical assistance available to one-stop operators and providers of training services for strategies to serve hard-to-serve populations and promote placement in nontraditional employment.''.

(c) MODIFICATIONS TO PLAN.—Section 112(d) (29 U.S.C. 2822(d)) is amended—

(1) by striking ''5-year period'' and inserting ''4-year period''; and

(2) by adding at the end the following: ''In addition, the State shall submit the modifications to the State plan required under subsection (a), under circumstances prescribed by the Secretary that are due to changes in Federal law that significantly affect elements of the State plan.''.

SEC. 114. LOCAL WORKFORCE INVESTMENT AREAS.

(a) DESIGNATION OF AREAS.—

(1) CONSIDERATIONS.—Section 116(a)(1) (29 U.S.C. 2831(a)(1)) is amended—

(A) in subparagraph (A), by striking ''paragraphs (2), (3), and (4)'' and inserting ''paragraphs (2) and (3)''; and

(B) in subparagraph (B), by adding at the end the following:

''(vi) The extent to which such local areas will promote maximum effectiveness in the administration and provision of services.''.

(2) AUTOMATIC DESIGNATION.—Section 116(a)(2) (29 U.S.C. 2831(a)(2)) is amended to read as follows:

''(2) AUTOMATIC DESIGNATION.—

''(A) IN GENERAL.—The Governor shall approve a request for designation as a local area that is submitted prior to the submission of the State plan, or of a modification to the State plan relating to area designation, from any area that—

''(i) is a unit of general local government with a population of 500,000 or more, except that after the initial 2-year period following such designation pursuant to this clause that occurs after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation from such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(ii) was a local area under this title for the preceding 2-year period (prior to the date of approval), if such local area—

''(I) performed successfully; and

''(II) sustained fiscal integrity;

''(iii) is served by a rural concentrated employment program grant recipient, except that after the initial 2-year period following any such designation under the initial State plan submitted after the date of enactment of the Workforce Investment Act Amendments of 2005, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity; or

''(iv) was a local area under section 116(a)(2)(C) (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), except that after the initial 2-year period following such designation pursuant to this clause that occurs after that date of enactment, the Governor shall only be required to approve a request for designation under this clause for such area if such area—

''(I) performed successfully; and

''(II) sustained fiscal integrity.

''(B) DEFINITIONS.—For purposes of this paragraph:

''(i) PERFORMED SUCCESSFULLY.—The term 'performed successfully', when used with respect to a local area, means the local area performed at 80 percent or more of the adjusted level of performance for core indicators of performance described in section 136(b)(2)(A) for 2 consecutive years.

''(ii) SUSTAINED FISCAL INTEGRITY.—The term 'sustained fiscal integrity', used with respect to an area, means that the Secretary has not made a formal determination during the preceding 2-year period that either the grant recipient or the administrative entity of the area misexpended funds provided under this title due to willful disregard of the requirements of the Act involved, gross negligence, or failure to comply with accepted standards of administration.''.

(3) CONFORMING AMENDMENTS.—Section 116(a) (29 U.S.C. 2831(a)) is amended—

(A) by striking paragraph (3);

(B) by redesignating paragraphs (4) and (5) as paragraph (3) and (4), respectively;

(C) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking ''(including temporary designation)''; and

(ii) by striking ''(v)'' and inserting ''(vi)''; and

(D) in paragraph (4) (as redesignated by subparagraph (B))—

(i) by striking ''under paragraph (2) or (3)'' and inserting ''under paragraph (2)''; and

(ii) by striking the second sentence.

(b) SINGLE LOCAL AREA STATES.—Section 116(b) (29 U.S.C. 2831(b)) is amended to read as follows:

''(b) SINGLE LOCAL AREA STATES.—

''(1) CONTINUATION OF PREVIOUS DESIGNATION.—Notwithstanding subsection (a)(2), the Governor of any State that was a single local area for purposes of this title as of July 1, 2004, may continue to designate the State as a single local area for purposes of this title if the Governor identifies the State as a local area in the State plan under section 112(b)(5).

''(2) REDESIGNATION.—The Governor of a State not described in paragraph (1) may designate the State as a single local area if, prior to the submission of the State plan or modification to such plan so designating the State, no local area meeting the requirements for automatic designation under subsection (a)(2) requests such designation as a separate local area.

''(3) EFFECT ON LOCAL PLAN.—In any case in which a State is designated as a local area pursuant to this subsection, the local plan prepared under section 118 for the area shall be submitted to the Secretary for approval as part of the State plan under section 112.''.

(c) REGIONAL PLANNING.—Section 116(c) (29 U.S.C. 2831(c)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) PLANNING.—

''(A) IN GENERAL.—As part of the process for developing the State plan, a State may require regional planning by local boards for a designated region in the State. The State may require the local boards for a designated region to participate in a regional planning process that results in the establishment of regional performance measures for workforce investment activities authorized under this subtitle. The State, after consultation with local boards and chief elected officials, may require the local boards for the designated region to prepare, submit, and obtain approval of a single regional plan that incorporates local plans for each of the local areas in the region, as required under section 118. The State may award regional incentive grants to the designated regions that meet or exceed the regional performance measures pursuant to section 134(a)(2)(B)(iii).

''(B) TECHNICAL ASSISTANCE.—If the State requires regional planning as provided in subparagraph (A), the State shall provide technical assistance and labor market information to such local areas in the designated regions to assist with such regional planning and subsequent service delivery efforts.'';

(2) in paragraph (2), by inserting ''information about the skill requirements of existing and emerging industries and industry clusters,'' after ''information about employment opportunities and trends,''; and

(3) in paragraph (3), by adding at the end the following: ''Such services may be required to be coordinated with regional economic development services and strategies.''.

SEC. 115. LOCAL WORKFORCE INVESTMENT BOARDS.

(a) COMPOSITION.—Section 117(b) (29 U.S.C. 2832(b)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking subclause (II) and inserting the following:

''(II) collectively, represent businesses with employment opportunities that reflect the employment opportunities of the local area, and include representatives of businesses that are in high-growth and emerging industries, and representatives of businesses, including small businesses, in the local area; and'';

(B) by striking clause (ii) and inserting the following:

''(ii)(I) a superintendent representing the local school districts involved or another high-level official from such districts;

''(II) the president or highest ranking official of an institution of higher education participating in the workforce investment activities in the local area; and

''(III) an administrator of local entities providing adult education and literacy activities in the local area;'';

(C) in clause (iv), by inserting '', hard-to-serve populations,'' after ''disabilities'';

(D) in clause (v), by striking ''and'' at the end; and

(E) by striking clause (vi) and inserting the following:

''(vi) a representative from the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) who is serving the local area; and

''(vii) if the local board does not establish or continue a youth council, representatives with experience serving out-of-school youth, particularly out-of-school youth facing barriers to employment; and''; and

(2) by adding at the end the following:

''(6) SPECIAL RULE.—In the case that there are multiple school districts or institutions of higher education serving a local area, the representatives described in subclause (I) or (II) of paragraph (2)(A)(ii), respectively, shall be appointed from among individuals nominated by regional or local educational agencies, institutions, or organizations representing such agencies or institutions.''.

(b) AUTHORITY OF BOARD MEMBERS.—Section 117(b)(3) (29 U.S.C. 2832(b)(3)) is amended—

(1) in the heading, by inserting ''AND REPRESENTATION'' after ''AUTHORITY''; and

(2) by adding at the end the following: ''The members of the board shall represent diverse geographic sections within the local area.''.

(c) CONFORMING AMENDMENT.—Section 117(c)(1)(C) (29 U.S.C. 2832(c)(1)(C)) is amended by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(iii)''.

(d) FUNCTIONS.—Section 117(d) (29 U.S.C. 2832(d)) is amended—

(1) in paragraph (1), insert after ''Governor'' the following: '', and shall develop jointly with the head of the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) appropriate components of such plan to maximize coordination, improve service delivery, and avoid duplication of services'';

(2) in paragraph (2)—

(A) in subparagraph (B)—

(i) by inserting ''(except as provided in section 123(b))'' after ''basis''; and

(ii) by inserting ''(where appropriate)'' after ''youth council''; and

(B) by adding at the end the following:

''(E) CONSUMER CHOICE REQUIREMENTS.—Consistent with sections 122 and paragraphs (3) and (4) of 134(d), the local board shall work to ensure there are sufficient providers of intensive services and training services serving the local area in a manner that maximizes consumer choice, including providers with expertise in assisting individuals with disabilities.'';

(3) in paragraph (3)(B), by striking clause (ii) and inserting the following:

''(ii) STAFF.—

''(I) IN GENERAL.—The local board may hire staff.

''(II) LIMITATION ON RATE.—Funds appropriated under this title shall not be used to pay staff employed by the local board, either as a direct cost or through any proration as an indirect cost, at a rate in excess of the maximum rate payable for a position at GS–15 of the General Schedule, as in effect on the date of enactment of the Workforce Investment Act Amendments of 2005.'';

(4) in paragraph (4), by inserting '', and shall ensure the appropriate use and management of the funds provided under this subtitle for such programs, activities, and system'' after ''area'';

(5) in paragraph (6)—

(A) by striking ''EMPLOYMENT STATISTICS SYSTEM'' and inserting ''WORKFORCE AND LABOR MARKET INFORMATION SYSTEM''; and

(B) by striking ''employment statistics system'' and inserting ''workforce and labor market information system'';

(6) in paragraph (8)—

(A) by inserting '', including small employers,'' after ''private sector employers''; and

(B) by striking the period and inserting '', taking into account the unique needs of small businesses.''; and

(7) by adding at the end the following:

''(9) TECHNOLOGY IMPROVEMENTS.—The local board shall develop strategies for technology improvements to facilitate access to services, in remote areas, for services authorized under this subtitle and carried out in the local area.''.

(e) CONFORMING AMENDMENT.—Section 117(f)(2) (29 U.S.C. 2832(f)(2)) is amended by striking ''described in section 134(c)''.

(f) CONFLICT OF INTEREST.—Section 117(g)(1) (29 U.S.C. 2832(g)(1)) is amended by inserting ''or participate in action taken'' after ''vote''.

(g) AUTHORITY TO ESTABLISH COUNCILS AND ELIMINATION OF REQUIREMENT FOR YOUTH COUNCILS.—Section 117(h) (29 U.S.C. 2832(h)) is amended to read as follows:

''(h) COUNCILS.—The local board may establish or continue councils to provide information and advice to assist the local board in carrying out activities under this title. Such councils may include—

''(1) a council composed of one-stop partners to advise the local board on the operation of the one-stop delivery system involved;

''(2) a youth council composed of experts and stakeholders in youth programs to advise the local board on youth activities; and

''(3) such other councils as the local board determines are appropriate.''.

(h) ALTERNATIVE ENTITY PROVISION.—Section 117(i)(1) (29 U.S.C. 2832(i)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''and paragraphs (1) and (2) of subsection (h),'';

(2) by striking subparagraph (B) and inserting the following:

''(B) was in existence on August 7, 1998, pursuant to State law; and'';

(3) by striking subparagraph (C); and

(4) by redesignating subparagraph (D) as subparagraph (C).

SEC. 116. LOCAL PLAN.

(a) PLANNING CYCLE.—Section 118(a) (29 U.S.C. 2833(a)) is amended—

(1) by striking ''5-year'' and inserting ''4-year''; and

(2) by adding at the end the following: ''At the end of the first 2-year period of the 4-year plan, the local board shall review and, as needed, amend the 4-year plan to reflect labor market and economic conditions.''.

(b) CONTENTS.—Section 118(b) (29 U.S.C. 2833(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''and'' after the semicolon;

(B) by striking subparagraph (B) and inserting the following:

''(B) a description of how the local board will facilitate access to services provided through the one-stop delivery system involved, in remote areas, including facilitating access through the use of technology; and''; and

(C) by adding at the end the following:

''(C) a description of how the local board will ensure physical and programmatic accessibility for individuals with disabilities at one-stop centers;'';

(2) in paragraph (9), by striking ''; and'' and inserting a semicolon;

(3) by redesignating paragraph (10) as paragraph (16); and

(4) by inserting after paragraph (9) the following:

''(10) a description of how the local board will coordinate workforce investment activities carried out in the local area with economic development activities carried out in the local area, and promote entrepreneurial skills training and microenterprise services;

''(11) a description of the strategies and services that will be initiated in the local area to more fully engage all employers, including small employers, in workforce investment activities, to make the workforce investment system more relevant to the needs of area businesses, and to better coordinate workforce investment and economic development efforts, which may include the implementation of innovative initiatives such as incumbent worker training programs, sectoral and industry cluster strategies, regional skills alliance initiatives, career ladder programs, utilization of effective business intermediaries, and other business services and strategies designed to meet the needs of area employers and contribute to the economic well-being of the local area, as determined appropriate by the local board, consistent with the objectives of this title;

''(12) a description of how the local board will expand access to education and training services for eligible individuals who are in need of such services through—

''(A) the utilization of programs funded under this title; and

''(B) the increased leveraging of resources other than those provided under this title, including tax credits, private sector-provided training, and other Federal, State, local, and private funds that are brokered through the one-stop centers for training services;

''(13) a description of how the local board will coordinate workforce investment activities carried out in the local area with the provision of transportation, including public transportation, in the local area;

''(14) a description of plans for, assurances concerning, and strategies for maximizing coordination of services provided by the State employment service under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and services provided in the local area through the one-stop delivery system described in section 121(e), to improve service delivery and avoid duplication of services;

''(15) a description of how the local board will coordinate workforce investment activities carried out in the local area with other Federal, State, and local area education, job training, and economic development programs and activities; and''.

SEC. 117. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.

(a) ONE-STOP PARTNERS.—

(1) REQUIRED PARTNERS.—Section 121(b)(1) (29 U.S.C. 2841(b)(1)) is amended—

(A) by striking subparagraph (A) and inserting the following:

''(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—Each entity that carries out a program or activities described in subparagraph (B) shall—

''(i) provide access through the one-stop delivery system to the programs and activities carried out by the entity, including making the core services described in section 134(d)(2) that are applicable to the program of the entity available at the one-stop centers (in addition to any other appropriate locations);

''(ii) use a portion of the funds available to the program of the entity to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) enter into a local memorandum of understanding with the local board relating to the operation of the one-stop system that meets the requirements of subsection (c);

''(iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the programs carried out by the entity; and

''(v) provide representation on the State board to the extent provided under section 111.'';

(B) in subparagraph (B)—

(i) by striking clause (v);

(ii) by redesignating clauses (vi) through (xii) as clauses (v) through (xi), respectively;

(iii) in clause (x) (as redesignated by clause (ii)), by striking ''and'' at the end;

(iv) in clause (xi) (as redesignated by clause (ii)), by striking the period and inserting ''; and''; and

(v) by adding at the end the following:

''(xii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).''; and

(C) by adding at the end the following:

''(C) DETERMINATION BY THE GOVERNOR.—

''(i) IN GENERAL.—An entity that carries out programs referred to in subparagraph (B)(xii) shall be included in the one-stop partners for the local area, as a required partner, for purposes of this title unless the Governor of the State provides the notification described in clause (ii).

''(ii) NOTIFICATION.—The notification referred to in clause (i) is a notification that—

''(I) is made in writing of a determination by the Governor not to include such entity in the one-stop partners described in clause (i); and

''(II) is provided to the Secretary and the Secretary of Health and Human Services.''.

(2) ADDITIONAL PARTNERS.—

(A) IN GENERAL.—Section 121(b)(2)(A) (29 U.S.C. 2841(b)(2)(A)) is amended to read as follows:

''(A) IN GENERAL.—With the approval of the local board and chief elected official, in addition to the entities described in paragraph (1), other entities that carry out human resource programs described in subparagraph (B) may be one-stop partners and carry out the responsibilities described in paragraph (1)(A).''.

(B) ADDITIONAL PARTNERS.—Section 121(b)(2)(B) (29 U.S.C. 2841(b)(2)(B)) is amended by striking clauses (i) through (iii) and inserting the following:

''(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19);

''(ii) employment and training programs carried out by the Small Business Administration;

''(iii) programs authorized under section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));''.

(b) LOCAL MEMORANDUM OF UNDERSTANDING.—Section 121(c)(2)(A) (29 U.S.C. 2841(c)(2)(A)) is amended to read as follows:

''(A) provisions describing—

''(i) the services to be provided through the one-stop delivery system consistent with the requirements of this section, including the manner in which the services will be coordinated through such system;

''(ii) how the costs of such services and the operating costs of such system will be funded, through cash and in-kind contributions, to provide a stable and equitable funding stream for ongoing one-stop system operations, including the funding of the infrastructure costs of one-stop centers in accordance with subsection (h);

''(iii) methods of referral of individuals between the one-stop operator and the one-stop partners for appropriate services and activities;

''(iv) methods to ensure the needs of hard-to-serve populations are addressed in providing access to services through the one-stop system; and

''(v) the duration of the memorandum of understanding and the procedures for amending the memorandum during the term of the memorandum, and assurances that such memorandum shall be reviewed not less than once every 2-year period to ensure appropriate funding and delivery of services; and''.

(c) CONFORMING AMENDMENT.—Section 121(d)(2) (29 U.S.C. 2841(d)(2)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(d) PROVISION OF SERVICES.—

(1) ELIMINATION OF PROVISIONS CONCERNING ESTABLISHED SYSTEMS.—Section 121 (29 U.S.C. 2841) is amended by striking subsection (e).

(2) REDESIGNATION.—Subtitle B of title I is amended—

(A) in section 134 (29 U.S.C. 2864), by redesignating subsection (c) as subsection (e); and

(B) by transferring that subsection (e) so that the subsection appears after subsection (d) of section 121.

(3) ONE-STOP DELIVERY SYSTEMS.—Paragraph (1) of section 121(e) (29 U.S.C. 2841(e)) (as redesignated by paragraph (2)) is amended—

(A) in subparagraph (A), by striking ''subsection (d)(2)'' and inserting ''section 134(d)(2)'';

(B) in subparagraph (B)—

(i) by striking ''subsection (d)'' and inserting ''section 134(d)'';

(ii) by striking ''individual training accounts'' and inserting ''career scholarship accounts''; and

(iii) by striking ''subsection (d)(4)(G)'' and inserting ''section 134(d)(4)(G)'';

(C) in subparagraph (C), by striking ''subsection (e)'' and inserting ''section 134(e)'';

(D) in subparagraph (D), by striking ''section 121(b)'' and inserting ''subsection (b)''; and

(E) in subparagraph (E), by striking ''information described in section 15'' and inserting ''data, information, and analysis described in section 15(a)''.

(e) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—Section 121 (29 U.S.C. 2841) is amended by adding at the end the following:

''(g) CONTINUOUS IMPROVEMENT OF ONE-STOP CENTERS.—

''(1) IN GENERAL.—The State board, in consultation with chief local elected officials and local boards, shall establish objective criteria and procedures for use by local boards in periodically assessing the effectiveness, physical and programmatic accessibility, and continuous improvement of one-stop centers and the one-stop delivery system.

''(2) CRITERIA.—The procedures and criteria developed under this subsection shall include minimum standards relating to the scope and degree of service coordination achieved by the one-stop delivery system with respect to the programs administered by the one-stop partners at the one-stop centers, consistent with the guidelines and guidance provided by the Governor and by the State board, in consultation with the chief elected official and local boards, for such partners' participation under subsections (h)(1)(B) and subsection (i), respectively, and such other factors relating to the quality, accessibility, and effectiveness of the one-stop delivery system as the State board determines to be appropriate.

''(3) LOCAL BOARDS.—Consistent with the criteria developed by the State, the local board may develop additional criteria of higher standards to respond to local labor market and demographic conditions and trends.

''(h) FUNDING OF ONE-STOP INFRASTRUCTURE.—

''(1) IN GENERAL.—

''(A) OPTIONS FOR INFRASTRUCTURE FUNDING.—

''(i) LOCAL OPTIONS.—The local board, chief elected officials, and one-stop partners in a local area may choose to fund the costs of the infrastructure of one-stop centers through—

''(I) methods described in the local memorandum of understanding, if, the local board, chief elected officials, and one-stop partners agree to such methods; or

''(II) the State infrastructure funding mechanism described in paragraph (2).

''(ii) FAILURE TO REACH AGREEMENT ON FUNDING METHODS.—If, as of July 1, 2006, the local board, chief elected officials, and one-stop partners in a local area fail to reach agreement on methods of sufficient funding of the infrastructure costs of one-stop centers, as determined by the local area, the State infrastructure funding mechanism described in paragraph (2) shall be applicable to such local area.

''(B) GUIDANCE FOR INFRASTRUCTURE FUNDING.—In addition to carrying out the requirements relating to the State mechanism for one-stop center infrastructure funding described in paragraph (2), the Governor, after consultation with chief local elected officials, local boards, and the State board, and consistent with the guidelines provided by the State board under subsection (i), shall provide—

''(i) guidelines for State administered one-stop partner programs in determining such programs' contributions to and participation in the one-stop delivery system, including funding for the costs of infrastructure as defined in paragraph (2)(D), negotiated pursuant to the local memorandum of understanding under subsection (c); and

''(ii) guidance to assist local areas in identifying equitable and stable alternative methods of funding of the costs of the infrastructure of one-stop centers in local areas.

''(2) STATE ONE-STOP INFRASTRUCTURE FUNDING.—

''(A) PARTNER CONTRIBUTIONS.—

''(i) IN GENERAL.—Subject to clause (iii), a portion determined under clause (ii) of the Federal funds provided to the State and areas within the State under the Federal laws authorizing the programs described in subsection (b)(1) and administered by one-stop partners for a fiscal year shall be provided to the Governor from such programs to assist in paying the costs of infrastructure of one-stop centers in those local areas of the State not funded under the option described in paragraph (1)(A)(i)(I).

''(ii) DETERMINATION OF GOVERNOR.—

''(I) IN GENERAL.—Subject to subclause (II) and clause (iii), the Governor, after consultation with chief local elected officials, local boards, and the State board, shall determine the portion of funds to be provided under clause (i) by each one-stop partner from each program described in clause (i). In making such determination, the Governor shall calculate the proportionate use of the one-stop centers for the purpose of determining funding contributions pursuant to clause (i)(II) or (ii) of paragraph (1)(A) by each partner, and the costs of administration for purposes not related to one-stop centers for each partner. The Governor shall exclude from such determination the portion of funds and use of one-stop centers attributable to the programs of one-stop partners for those local areas of the State where the infrastructure of one-stop centers is funded under the option described in paragraph (1)(A)(i)(I).

''(II) SPECIAL RULE.—In a State in which the State constitution places policymaking authority that is independent of the authority of the Governor in an entity or official with respect to the funds provided for adult education and literacy activities authorized under title II and for postsecondary vocational and technical education activities authorized under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), or vocational rehabilitation services offered under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), the determination described in subclause (I) with respect to the programs authorized under that title and those Acts shall be made by the chief officer of the entity with such authority in consultation with the Governor.

''(III) APPEAL BY ONE-STOP PARTNERS.—The Governor shall establish a procedure for the one-stop partner administering a program described in subsection (b) to appeal a determination regarding the portion of funds to be contributed under this paragraph on the basis that such determination is inconsistent with the criteria described in the State plan or with the requirements of this paragraph. Such procedure shall ensure prompt resolution of the appeal.

''(iii) LIMITATIONS.—

''(I) PROVISION FROM ADMINISTRATIVE FUNDS.—The funds provided under this paragraph by each one-stop partner shall be provided only from funds available for the costs of administration under the program administered by such partner, and shall be subject to the program limitations with respect to the portion of funds under such program that may be used for administration.

''(II) CAP ON REQUIRED CONTRIBUTIONS.—

''(aa) WIA FORMULA PROGRAMS AND EMPLOYMENT SERVICE.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by the programs authorized under chapters 4 and 5 and under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) shall not be in excess of 3 percent of the amount of Federal funds provided to carry out each such program in the State for a fiscal year.

''(bb) OTHER ONE-STOP PARTNERS.—The portion of funds required to be contributed under clause (i)(II) or (ii) of paragraph (1)(A) by a one-stop partner from a program described in subsection (b)(1) other than the programs described under item (aa) shall not be in excess of 1½ percent of the amount of Federal funds provided to carry out such program in the State for a fiscal year.

''(cc) SPECIAL RULE.—Notwithstanding items (aa) and (bb), an agreement, including a local memorandum of understanding, entered into prior to the date of enactment of the Workforce Investment Act Amendments of 2005 by an entity regarding contributions under this title that permits the percentages described in such items to be exceeded, may continue to be in effect until terminated by the parties.

''(dd) VOCATIONAL REHABILITATION.—Notwithstanding items (aa) and (bb), an entity administering a program under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) shall not be required to provide, for the purposes of this paragraph, an amount in excess of—

''(AA) 0.75 percent of the amount provided for such program in the State for the second program year that begins after the date of enactment of the Workforce Investment Act Amendments of 2005;

''(BB) 1.0 percent of the amount provided for such program in the State for the third program year that begins after such date;

''(CC) 1.25 percent of the amount provided for such program in the State for the fourth program year that begins after such date; and

''(DD) 1.5 percent of the amount provided for such program in the State for the fifth and each succeeding program year that begins after such date.

''(III) FEDERAL DIRECT SPENDING PROGRAMS.—An entity administering a program funded with direct spending as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900(c)(8)) shall not be required to provide, for purposes of this paragraph, an amount in excess of the amount determined to be equivalent to the cost of the proportionate use of the one-stop centers for such program in the State.

''(IV) NATIVE AMERICAN PROGRAMS.—Native American programs established under section 166 shall not be subject to the provisions of this subsection or subsection (i). The method for determining the appropriate portion of funds to be provided by such Native American programs to pay for the costs of infrastructure of a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum.

''(B) ALLOCATION BY GOVERNOR.—From the funds provided under subparagraph (A), the Governor shall allocate the funds to local areas in accordance with the formula established under subparagraph (C) for the purposes of assisting in paying the costs of infrastructure of one-stop centers.

''(C) ALLOCATION FORMULA.—The State board shall develop a formula to be used by the Governor to allocate the funds provided under subparagraph (A) to local areas not funding infrastructure costs under the option described in paragraph (1)(A)(i)(I). The formula shall be based on factors including the number of one-stop centers in a local area, the population served by such centers, the services provided by such centers, and other factors relating to the performance of such centers that the State board determines are appropriate.

''(D) COSTS OF INFRASTRUCTURE.—In this subsection, the term 'costs of infrastructure', used with respect to a one-stop center, means the nonpersonnel costs that are necessary for the general operation of the one-stop center, including the rental costs of the facilities, the costs of utilities and maintenance, equipment (including assessment-related products and adaptive technology for individuals with disabilities), and technology to facilitate remote access to the one-stop center's strategic planning activities, and common outreach activities.

''(i) OTHER FUNDS.—

''(1) IN GENERAL.—Subject to the memorandum of understanding described in subsection (c) for the one-stop delivery system involved, in addition to the funds provided to carry out subsection (h), a portion of funds made available under Federal law authorizing the programs described in subsection (b) and administered by one-stop partners, or the noncash resources available under such programs, shall be used to pay the additional costs relating to the operation of the one-stop delivery system that are not paid from the funds provided under subsection (h), as determined in accordance with paragraph (2), to the extent not inconsistent with the Federal law involved. Such costs shall include the costs of the provision of core services described in section 134(d)(2) applicable to each program and may include common costs that are not paid from the funds provided under subsection (h).

''(2) DETERMINATION AND GUIDANCE.—The method for determining the appropriate portion of funds and noncash resources to be provided by each program under paragraph (1) for a one-stop center shall be determined as part of the development of the memorandum of understanding under subsection (c) for the one-stop center and shall be stated in the memorandum. The State board shall provide guidance to facilitate the determination of an appropriate allocation of the funds and noncash resources in local areas.''.

SEC. 118. ELIGIBLE PROVIDERS OF TRAINING SERVICES.

Section 122 (29 U.S.C. 2842) is amended to read as follows:

''SEC. 122. IDENTIFICATION OF ELIGIBLE PROVIDERS OF TRAINING SERVICES.

''(a) ELIGIBILITY.—

''(1) IN GENERAL.—The Governor, after consultation with the State board, shall establish criteria and procedures regarding the eligibility of providers of training services described in section 134(d)(4) (referred to in this section as 'training services') to receive funds provided under section 133(b) for the provision of training services.

''(2) PROVIDERS.—Subject to the provisions of this section, to be eligible to receive the funds provided under section 133(b) for the provision of training services, the provider shall be—

''(A) a postsecondary educational institution that—

''(i) is eligible to receive Federal funds under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

''(ii) provides a program that leads to an associate degree, baccalaureate degree, or industry-recognized certification;

''(B) an entity that carries out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); or

''(C) another public or private provider of a program of training services.

''(3) INCLUSION IN LIST OF ELIGIBLE PROVIDERS.—A provider described in subparagraph (A) or (C) of paragraph (2) shall comply with the criteria and procedures established under this section to be included on the list of eligible providers of training services described in subsection (d). A provider described in paragraph (2)(B) shall be included on the list of eligible providers of training services described in subsection (d) for so long as the provider remains certified by the Department of Labor to carry out the programs described in paragraph (2)(B).

''(b) CRITERIA.—

''(1) IN GENERAL.—The criteria established by the Governor pursuant to subsection (a) shall take into account—

''(A) the performance of providers of training services with respect to the performance measures and other matters for which information is required under paragraph (2) and other appropriate measures of performance outcomes for those participants receiving training services under this subtitle (taking into consideration the characteristics of the population served and relevant economic conditions);

''(B) the need to ensure access to training services throughout the State, including any rural areas;

''(C) the information such providers are required to report to State agencies with respect to Federal and State programs (other than the program carried out under this subtitle), including one-stop partner programs;

''(D) the requirements for State licensing of providers of training services, and the licensing status of each provider of training services if applicable;

''(E) to the extent practicable, encouraging the use of industry-recognized standards and certification;

''(F) the ability of the providers to offer programs that lead to a degree or an industry-recognized certification;

''(G) the ability to provide training services to hard-to-serve populations, including individuals with disabilities; and

''(H) such other factors as the Governor determines are appropriate to ensure—

''(i) the quality of services provided;

''(ii) the accountability of the providers;

''(iii) that the one-stop centers in the State will ensure that such providers meet the needs of local employers and participants;

''(iv) the informed choice of participants under chapter 5; and

''(v) that the collection of information required is not unduly burdensome or costly to providers.

''(2) INFORMATION.—The criteria established by the Governor shall require that a provider of training services submit appropriate, accurate, and timely information to the State for purposes of carrying out subsection (d), with respect to participants receiving training services under this subtitle in the applicable program, including—

''(A) information on degrees and industry-recognized certifications received by such participants;

''(B) information on costs of attendance for such participants;

''(C) information on the program completion rate for such participants; and

''(D) information on the performance of the provider with respect to the performance measures described in section 136 for such participants (taking into consideration the characteristics of the population served and relevant economic conditions), which may include information specifying the percentage of such participants who entered unsubsidized employment in an occupation related to the program.

''(3) RENEWAL.—The criteria established by the Governor shall also provide for biennial review and renewal of eligibility under this section for providers of training services.

''(4) LOCAL CRITERIA.—A local board in the State may establish criteria in addition to the criteria established by the Governor, or may require higher levels of performance than required under the criteria established by the Governor, for purposes of determining the eligibility of providers of training services to receive funds described in subsection (a) to provide the services in the local area involved.

''(5) INFORMATION TO ESTABLISH INITIAL ELIGIBILITY.—

''(A) IN GENERAL.—In an effort to provide the highest-quality training services and responsiveness to new and emerging industries, providers may seek initial eligibility under this section as providers of training services. The criteria established by the Governor shall require that a provider who has not previously been an eligible provider of training services under this section provide the information described in subparagraph (B).

''(B) INFORMATION.—The provider shall provide verifiable program-specific performance information supporting the provider's ability to serve participants under this subtitle. The information provided under this subparagraph may include information on outcome measures such as job placement and wage increases for individuals participating in the program, information on business partnerships and other factors that indicate high-quality training services, and information on alignment with industries targeted for potential employment opportunities.

''(C) PROVISION.—The provider shall provide the information described in subparagraph (B) to the Governor and the local boards in a manner that will permit the Governor and the local boards to make a decision on inclusion of the provider on the list of eligible providers described in subsection (d).

''(c) PROCEDURES.—The procedures established under subsection (a) shall identify the application process for a provider of training services to become eligible to receive funds provided under section 133(b) for the provision of

training services, and identify the respective roles of the State and local areas in receiving and reviewing the applications and in making determinations of such eligibility based on the criteria established under this section. The procedures shall also establish a process for a provider of training services to appeal a denial or termination of eligibility under this section, that includes an opportunity for a hearing and prescribes appropriate time limits to ensure prompt resolution of the appeal.

''(d) INFORMATION TO ASSIST PARTICIPANTS IN CHOOSING PROVIDERS.—In order to facilitate and assist participants in choosing employment and training activities under chapter 5 and in choosing providers of training services, the Governor shall ensure that an appropriate list of providers determined to be eligible under this section in the State, accompanied by appropriate information, is provided to the one-stop delivery system in the State. The accompanying information shall consist of information provided by providers described in subparagraphs (A) and (C) of subsection (a)(2) in accordance with subsection (b) (including information on receipt of degrees and industry-recognized certifications, and costs of attendance, for participants receiving training services under this subtitle in applicable programs) and such other information as the Secretary determines is appropriate. The list and the accompanying information shall be made available to such participants and to members of the public through the one-stop delivery system in the State.

''(e) ENFORCEMENT.—

''(1) IN GENERAL.—The criteria and procedures established under this section shall provide the following:

''(A) INTENTIONALLY SUPPLYING INACCURATE INFORMATION.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services, or individual providing information on behalf of the provider, intentionally supplied inaccurate information under this section, the eligibility of such provider to receive funds under chapter 5 shall be terminated for a period of time that is not less than 2 years.

''(B) SUBSTANTIAL VIOLATIONS.—Upon a determination, by an individual or entity specified in the criteria or procedures, that a provider of training services substantially violated any requirement under this title, the eligibility of such provider to receive funds under the program involved may be terminated, or other appropriate action may be taken.

''(C) REPAYMENT.—A provider of training services whose eligibility is terminated under subparagraph (A) or (B) shall be liable for the repayment of funds received under chapter 5 during a period of noncompliance described in such subparagraph.

''(2) CONSTRUCTION.—Paragraph (1) shall be construed to provide remedies and penalties that supplement, but do not supplant, other civil and criminal remedies and penalties.

''(f) AGREEMENTS WITH OTHER STATES.—States may enter into agreements, on a reciprocal basis, to permit eligible providers of training services to accept career scholarship accounts provided in another State.

''(g) OPPORTUNITY TO SUBMIT COMMENTS.—In establishing criteria, procedures, requirements for information, and the list of eligible providers described in subsection (d), the Governor shall provide an opportunity for interested members of the public to make recommendations and submit comments regarding such criteria, procedures, requirements for information, and list.

''(h) TRANSITION PERIOD FOR IMPLEMENTATION.—The requirements of this section shall be implemented not later than December 31, 2006. In order to facilitate early implementation of this section, the Governor may establish transition procedures under which providers eligible to provide training services under chapter 5 as such chapter was in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005 may continue to be eligible to provide such services until December 31, 2006, or until such earlier date as the Governor determines to be appropriate.

''(i) ON-THE-JOB TRAINING, CUSTOMIZED TRAINING, OR INCUMBENT WORKER TRAINING EXCEPTION.—

''(1) IN GENERAL.—Providers of on-the-job training, customized training, or incumbent worker training shall not be subject to the requirements of subsections (a) through (h).

''(2) COLLECTION AND DISSEMINATION OF INFORMATION.—A one-stop operator in a local area shall collect such performance information from providers of on-the-job training, customized training, and incumbent worker training as the Governor may require, determine whether the providers meet such performance criteria as the Governor may require, and disseminate information identifying providers that meet the criteria as eligible providers, and the performance information, through the one-stop delivery system. Providers determined to meet the criteria shall be considered to be identified as eligible providers of training services.''.

SEC. 119. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

Section 123 (29 U.S.C. 2843) is amended to read as follows:

''SEC. 123. ELIGIBLE PROVIDERS OF YOUTH ACTIVITIES.

''(a) IN GENERAL.—From the funds allocated under section 128(b) to a local area, the local board for such area shall award grants or contracts on a competitive basis to providers of youth activities identified based on the criteria in the State plan described in section 112 and shall conduct oversight with respect to such providers.

''(b) EXCEPTIONS.—A local board may award grants or contracts on a sole-source basis if such board determines there is an insufficient number of eligible providers of youth activities in the local area involved (such as a rural area) for grants and contracts to be awarded on a competitive basis under subsection (a).''.

SEC. 120. YOUTH ACTIVITIES.

(a) STATE ALLOTMENTS.—Section 127 (29 U.S.C. 2852) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''opportunity'' and inserting ''challenge''; and

(B) in paragraph (2), by striking ''make allotments'' and all that follows and inserting ''make allotments and grants, and enter into contracts and cooperative agreements, in accordance with subparagraphs (A)(iv), (B), and (C) of subsection (b)(1).''; and

(2) by striking subsection (b) and inserting the following:

''(b) ALLOTMENT AMONG STATES.—

''(1) YOUTH ACTIVITIES.—

''(A) YOUTH CHALLENGE GRANTS AND YOUTH ACTIVITIES FOR FARMWORKERS AND NATIVE AMERICANS.—

''(i) IN GENERAL.—For each fiscal year in which the amount appropriated under section 137(a) exceeds $1,000,000,000, the Secretary shall reserve a portion of the amount to provide youth activities under section 167 (relating to migrant and seasonal farmworker programs) and provide youth challenge grants and other activities under section 169 (relating to youth challenge grants).

''(ii) PORTION.—The portion referred to in clause (i) shall equal, for a fiscal year—

''(I) except as provided in subclause (II), the difference obtained by subtracting $1,000,000,000 from the amount appropriated under section 137(a) for the fiscal year; or

''(II) for any fiscal year in which the amount is $1,250,000,000 or greater, $250,000,000.

''(iii) YOUTH ACTIVITIES FOR FARMWORKERS.—For a fiscal year described in clause (i), the Secretary shall reserve the greater of $10,000,000 or 4 percent of the portion described in clause (i) for a fiscal year to provide youth activities under section 167. For a fiscal year not described in clause (i), the Secretary shall reserve $10,000,000 of the amount appropriated under section 137(a) to provide youth activities under section 167.

''(iv) YOUTH ACTIVITIES FOR NATIVE AMERICANS.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under clause (i) or (iii), the Secretary shall reserve not more than 1½ percent of such appropriated amount to provide youth activities under section 166 (relating to Native Americans).

''(B) OUTLYING AREAS.—

''(i) IN GENERAL.—From the amount appropriated under section 137(a) for each fiscal year that is not reserved under subparagraph (A), the Secretary shall reserve not more than ¼ of 1 percent of the appropriated amount to provide assistance to the outlying areas to carry out youth activities and statewide workforce investment activities.

''(ii) LIMITATION FOR FREELY ASSOCIATED STATES.—

''(I) COMPETITIVE GRANTS.—The Secretary shall use funds described in clause (i) to award grants to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States to carry out youth activities and statewide workforce investment activities.

''(II) AWARD BASIS.—The Secretary shall award grants pursuant to subclause (I) on a competitive basis and pursuant to the recommendations of experts in the field of employment and training, working through the Pacific Region Educational Laboratory in Honolulu, Hawaii.

''(III) ASSISTANCE REQUIREMENTS.—Any Freely Associated State that desires to receive assistance under this subparagraph shall submit an application to the Secretary and shall include in the application for assistance—

''(aa) information demonstrating that the Freely Associated State will meet all conditions that apply to States under this title;

''(bb) an assurance that, notwithstanding any other provision of this title, the Freely Associated State will use such assistance only for the direct provision of services; and

''(cc) such other information and assurances as the Secretary may require.

''(IV) ADMINISTRATIVE COSTS.—The Secretary may provide not more than 5 percent of the funds made available for grants under subclause (I) to pay the administrative costs of the Pacific Region Educational Laboratory in Honolulu, Hawaii, regarding activities assisted under this clause.

''(iii) ADDITIONAL REQUIREMENT.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to assistance provided to those areas, including the Freely Associated States, under this subparagraph.

''(C) STATES.—

''(i) IN GENERAL.—From the remainder of the amount appropriated under section 137(a) for a fiscal year that exists after the Secretary determines the amounts to be reserved under subparagraphs (A) and (B), the Secretary shall allot to the States—

''(I) an amount of the remainder that is less than or equal to the total amount that was allotted to States for fiscal year 2005 under section 127(b)(1)(C) of this Act (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005), in accordance with the requirements of clause (ii) of such section 127(b)(1)(C); and

''(II) the amount of the remainder, if any, in excess of the amount referred to in subclause (I), in accordance with clause (ii).

''(ii) FORMULA.—Of the amount described in clause (i)(II)—

''(I) 33⅓ percent shall be allotted on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in

each State, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all States;

''(II) 33⅓ percent shall be allotted on the basis of the relative number of unemployed individuals in each State, compared to the total number of unemployed individuals in all States; and

''(III) 33⅓ percent shall be allotted on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each State, compared to the total number of disadvantaged youth who are ages 16 through 21 in all States.

''(iii) MINIMUM AND MAXIMUM PERCENTAGES.—

''(I) MINIMUM PERCENTAGE.—The Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is less than 90 percent of the allotment percentage of the State for the preceding fiscal year.

''(II) MAXIMUM PERCENTAGE.—Subject to subclause (I), the Secretary shall ensure that no State shall receive an allotment percentage under this subparagraph for a fiscal year that is more than 130 percent of the allotment percentage of the State for the preceding fiscal year.

''(iv) SMALL STATE MINIMUM ALLOTMENT.—Subject to clause (iii), the Secretary shall ensure that no State shall receive an allotment under this subparagraph that is less than the total of—

''(I) 3/10 of 1 percent of $1,000,000,000 of the remainder described in clause (i) for the fiscal year; and

''(II) if the remainder described in clause (i) for the fiscal year exceeds $1,000,000,000, 2/5 of 1 percent of the excess.

''(2) DEFINITIONS.—For the purposes of paragraph (1):

''(A) ALLOTMENT PERCENTAGE.—The term 'allotment percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the remainder described in paragraph (1)(C)(i) that is received by the State involved through an allotment made under this subsection for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allotted to States under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the State involved for fiscal year 2005.

''(B) DISADVANTAGED YOUTH.—Subject to paragraph (3), the term 'disadvantaged youth' means an individual who is age 16 through 21 who received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(i) the poverty line; or

''(ii) 70 percent of the lower living standard income level.

''(C) FREELY ASSOCIATED STATE.—The term 'Freely Associated State' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(3) SPECIAL RULE.—For purposes of the formula specified in paragraph (1)(C), the Secretary shall, as appropriate and to the extent practicable, exclude college students and members of the Armed Forces from the determination of the number of disadvantaged youth.''.

(b) REALLOTMENT.—

(1) AMENDMENT.—Section 127(c) (29 U.S.C. 2852(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under this section during such prior program year (including amounts allotted to the State in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under this section during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''for the prior program year'' and inserting ''for the program year for which the determination is made''; and

(ii) by striking ''such prior program year'' and inserting ''such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means a State that does not have an amount available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect for the program year that begins after the date of enactment of this Act.

(c) WITHIN STATE ALLOCATIONS.—

(1) RESERVATION FOR STATEWIDE ACTIVITIES.—Section 128(a) (29 U.S.C. 2853(a)) is amended to read as follows:

''(a) RESERVATIONS FOR STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—The Governor of a State shall reserve not more than 15 percent of each of the amounts allotted to the State under section 127(b)(1)(C) and paragraphs (1)(B) and (2)(B) of section 132(b) for a fiscal year for statewide workforce investment activities.

''(2) USE OF FUNDS.—Regardless of whether the reserved amounts were allotted under section 127(b)(1)(C), or under paragraph (1)(B) or (2)(B) of section 132(b), the Governor may use the reserved amounts to carry out statewide activities under section 129(b) or statewide employment and training activities, for adults or dislocated workers, under section 134(a).''.

(2) WITHIN STATE ALLOCATION.—Section 128(b) (29 U.S.C. 2853(b)) is amended to read as follows:

''(b) WITHIN STATE ALLOCATIONS.—

''(1) IN GENERAL.—Of the amount allotted to the State under section 127(b)(1)(C) and not reserved under subsection (a)(1)—

''(A) a portion equal to not less than 80 percent of such amount shall be allocated by the Governor to local areas in accordance with paragraph (2); and

''(B) a portion equal to not more than 20 percent of such amount may be allocated by the Governor to local areas in accordance with paragraph (3).

''(2) ESTABLISHED FORMULA.—

''(A) IN GENERAL.—Of the portion described in paragraph (1)(A), the Governor shall allocate—

''(i) 33⅓ percent on the basis of the relative number of individuals in the civilian labor force who are ages 16 through 21 in each local area, compared to the total number of individuals in the civilian labor force who are ages 16 through 21 in all local areas in the State;

''(ii) 33⅓ percent on the basis of the relative number of unemployed individuals in each local area, compared to the total number of unemployed individuals in all local areas in the State; and

''(iii) 33⅓ percent on the basis of the relative number of disadvantaged youth who are ages 16 through 21 in each local area, compared to the total number of disadvantaged youth who are ages 16 through 21 in all local areas in the State.

''(B) MINIMUM AND MAXIMUM PERCENTAGES.—

''(i) MINIMUM PERCENTAGE.—The Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is less than 90 percent of the allocation percentage of the local area for the preceding fiscal year.

''(ii) MAXIMUM PERCENTAGE.—Subject to clause (i), the Governor shall ensure that no local area shall receive an allocation percentage under this paragraph for a fiscal year that is more than 130 percent of the allocation percentage of the local area for the preceding fiscal year.

''(C) DEFINITIONS.—In this paragraph:

''(i) ALLOCATION PERCENTAGE.—The term 'allocation percentage', used with respect to fiscal year 2006 or a subsequent fiscal year, means a percentage of the portion described in paragraph (1)(A) that is received by the local area involved through an allocation made under this paragraph for the fiscal year. The term, used with respect to fiscal year 2005, means the percentage of the amounts allocated to local areas under this chapter (as in effect on the day before the date of enactment of the Workforce Investment Act Amendments of 2005) that is received by the local area involved for fiscal year 2005.

''(ii) DISADVANTAGED YOUTH.—The term 'disadvantaged youth' means an individual who—

''(I) is age 16 through 21;

''(II) is not a college student or member of the Armed Forces; and

''(III) received an income, or is a member of a family that received a total family income, that, in relation to family size, does not exceed the higher of—

''(aa) the poverty line; or

''(bb) 70 percent of the lower living standard income level.

''(3) YOUTH DISCRETIONARY ALLOCATION.—The Governor may allocate the portion described in paragraph (1)(B) to local areas where there are a significant number of eligible youth, after consultation with the State board and local boards.

''(4) LOCAL ADMINISTRATIVE COST LIMIT.—

''(A) IN GENERAL.—Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board involved for the administrative costs of carrying out local workforce investment activities under this chapter or chapter 5.

''(B) USE OF FUNDS.—Funds made available for administrative costs under subparagraph (A) may be used for the administrative costs of any of the local workforce investment activities described in this chapter or chapter 5, regardless of whether the funds were allocated under this subsection or section 133(b).''.

(3) REALLOCATION.—

(A) AMENDMENT.—Section 128(c) (29 U.S.C. 2853(c)) is amended—

(i) in paragraph (1), by striking ''paragraph (2)(A) or (3) of'';

(ii) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under this section during such prior program year (including amounts allocated to the local area in all prior program years that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under this section during the program year prior to the program year for which the determination is made (including amounts allocated to the local area in all prior program years that remained available); and

''(B) the accrued expenditures during such prior program year.'';

(iii) by amending paragraph (3)—

(I) by striking ''subsection (b)(3)'' each place it appears and inserting ''subsection (b)'';

(II) by striking ''for the prior program year'' the first place it appears and inserting ''for the

program year for which the determination is made'';

(III) by striking ''such prior program year'' and inserting ''such program year''; and

(IV) by striking the last sentence; and

(iv) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means a local area that does not have an amount available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect for the later of—

(i) the program year that begins after the date of enactment of this Act; or

(ii) program year 2006.

(d) YOUTH PARTICIPANT ELIGIBILITY.—Section 129(a) (29 U.S.C. 2854(a)) is amended to read as follows:

''(a) YOUTH PARTICIPANT ELIGIBILITY.—

''(1) ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible to participate in activities carried out under this chapter during any program year an individual shall, at the time the eligibility determination is made, be an out-of-school youth or an in-school youth.

''(B) OUT-OF-SCHOOL YOUTH.—In this title the term 'out-of-school youth' means an individual who is—

''(i) not younger than age 16 nor older than age 21; and

''(ii) one of the following:

''(I) A school dropout.

''(II) A youth who is within the age for compulsory school attendance, but has not attended school for at least 1 school year calendar quarter.

''(III) A recipient of a secondary school diploma or its equivalent who is—

''(aa) deficient in basic skills, including limited English proficiency;

''(bb) a low-income individual; and

''(cc) not attending any school.

''(IV) Subject to the juvenile or adult justice system or ordered by a court to an alternative school.

''(V) A low-income individual who is pregnant or parenting and not attending any school.

''(VI) A youth who is not attending school or a youth attending an alternative school, who is homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(VII) A low-income individual who is not attending school and requires additional assistance to enter or complete an educational program or to secure or hold employment.

''(C) IN-SCHOOL YOUTH.—In this section the term 'in-school youth' means an individual who is—

''(i) not younger than age 14 nor older than age 21;

''(ii) a low-income individual; and

''(iii) one or more of the following:

''(I) Deficient in basic literacy skills, including limited English proficiency.

''(II) Homeless, a runaway, a foster child, a child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement.

''(III) Pregnant or parenting.

''(IV) An offender (other than an individual described in subparagraph (B)(ii)(IV)).

''(V) An individual who requires additional assistance to complete an educational program or to secure or hold employment.

''(2) EXCEPTION.—Not more than 5 percent of the individuals assisted under this section in each local area, in the case of individuals for whom low income is a requirement for eligibility under this section, may be individuals who are not low income.

''(3) LIMITATIONS ON ACTIVITIES FOR IN-SCHOOL YOUTH.—

''(A) IN GENERAL.—For any program year, not more than 60 percent of the funds available for statewide activities under subsection (b), and not more than 60 percent of funds available to local areas under subsection (c), may be used to provide activities for in-school youth meeting the requirements of paragraph (1)(B).

''(B) EXCEPTION.—A State that receives a minimum allotment under section 127(b)(1) in accordance with section 127(b)(1)(C)(iv) or under section 132(b)(1) in accordance with section 132(b)(1)(B)(iv)(II) may increase the percentage described in subparagraph (A) for a local area in the State, if—

''(i) after an analysis of the eligible youth population in the local area, the State determines that the local area will be unable to use at least 40 percent of the funds available for activities under subsection (b) or (c) to serve out-of-school youth due to a low number of out-of-school youth; and

''(ii)(I) the State submits to the Secretary, for the local area, a request including a proposed increased percentage for purposes of subparagraph (A), and the summary of the eligible youth population analysis; and

''(II) the request is approved by the Secretary.

''(4) CONSISTENCY WITH COMPULSORY SCHOOL ATTENDANCE LAWS.—In providing assistance under this section to an individual who is required to attend school under applicable State compulsory school attendance laws, the priority in providing such assistance shall be for the individual to attend school regularly.''.

(e) STATEWIDE ACTIVITIES.—Section 129(b) (29 U.S.C. 2854(b)) is amended to read as follows:

''(b) STATEWIDE ACTIVITIES.—

''(1) IN GENERAL.—Funds reserved by a Governor for a State as described in sections 128(a) and 133(a)(1) shall be used, regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or under paragraph (1)(B) or (2)(B) of section 132(b) for statewide activities, which may include—

''(A) conducting—

''(i) evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(ii) research; and

''(iii) demonstration projects;

''(B) providing incentive grants to local areas for regional cooperation among local boards (including local boards in a designated region as described in section 116(c)), for local coordination of activities carried out under this title, and for performance by local areas as described in section 136(i)(2);

''(C) providing technical assistance and capacity building activities to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), and the provision of technology to facilitate remote access to services provided through the one-stop delivery system in the State;

''(D) operating a fiscal and management accountability information system under section 136(f);

''(E) carrying out monitoring and oversight of activities carried out under this chapter and chapter 5, which may include a review comparing the services provided to male and female youth;

''(F) providing additional assistance to local areas that have high concentrations of eligible youth;

''(G) supporting the development of alternative programs and other activities that enhance the choices available to eligible youth and encourage such youth to reenter secondary education, enroll in postsecondary education and advanced training, and obtain career path employment;

''(H) supporting the provision of core services described in section 134(d)(2) in the one-stop delivery system in the State; and

''(I) supporting financial literacy, including—

''(i) supporting the ability to create household budgets, initiate savings plans, and make strategic investment decisions for education, retirement, home ownership, wealth building, or other savings goals;

''(ii) supporting the ability to manage spending, credit, and debt, including credit card debt, effectively;

''(iii) increasing awareness of the availability and significance of credit reports and credit scores in obtaining credit, the importance of their accuracy (and how to correct inaccuracies), their effect on credit terms, and the effect common financial decisions may have on credit scores;

''(iv) supporting the ability to ascertain fair and favorable credit terms;

''(v) supporting the ability to avoid abusive, predatory, or deceptive credit offers and financial products;

''(vi) supporting the ability to understand, evaluate, and compare financial products, services, and opportunities;

''(vii) supporting the ability to understand resources that are easily accessible and affordable, and that inform and educate an investor as to the investor's rights and avenues of recourse when the investor believes the investor's rights have been violated by unprofessional conduct of market intermediaries;

''(viii) increasing awareness of the particular financial needs and financial transactions (such as the sending of remittances) of consumers who are targeted in multilingual financial literacy and education programs and improving the development and distribution of multilingual financial literacy and education materials;

''(ix) promoting bringing individuals who lack basic banking services into the financial mainstream by opening and maintaining accounts with financial institutions; and

''(x) improving financial literacy and education through all other related skills, including personal finance and related economic education, with the primary goal of programs not simply to improve knowledge, but rather to improve consumers' financial choices and outcomes.

''(2) LIMITATION.—Not more than 5 percent of the funds allotted to a State under section 127(b)(1)(C) shall be used by the State for administrative activities carried out under this subsection or section 134(a).

''(3) PROHIBITION.—No funds described in this subsection may be used to develop or implement education curricula for school systems in the State.''.

(f) LOCAL ELEMENTS AND REQUIREMENTS.—

(1) PROGRAM DESIGN.—Section 129(c)(1) (29 U.S.C. 2854(c)(1)) is amended—

(A) in the matter that precedes subparagraph (A), by striking ''paragraph (2)(A) or (3), as appropriate, of'';

(B) in subparagraph (B), by inserting ''are directly linked to 1 or more of the performance measures relating to this chapter under section 136, and that'' after ''for each participant that''; and

(C) in subparagraph (C)—

(i) by redesignating clauses (i) through (iv) as clauses (ii) through (v), respectively;

(ii) by inserting before clause (ii) (as redesignated by clause (i)) the following:

''(i) activities leading to the attainment of a secondary school diploma or its equivalent, or another recognized credential;'';

(iii) in clause (ii) (as redesignated by clause (i)), by inserting ''and advanced training'' after ''opportunities'';

(iv) in clause (iii) (as redesignated by clause (i))—

(I) by inserting ''instruction based on State academic content and student academic achievement standards established under section 1111 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311)'' after ''academic''; and

(II) by inserting ''that lead to the attainment of recognized credentials'' after ''learning''; and

(v) by striking clause (v) (as redesignated by clause (i)) and inserting the following:

''(v) effective connections to all employers, including small employers, in sectors of the local and regional labor markets that are experiencing high growth in employment opportunities.''.

(2) PROGRAM ELEMENTS.—Section 129(c)(2) (29 U.S.C. 2854(c)(2)) is amended—

(A) in subparagraph (A), by striking ''secondary school, including dropout prevention strategies'' and inserting ''the requirements for a secondary school diploma or its recognized equivalent (including recognized alternative standards for individuals with disabilities) or for another recognized credential, including dropout prevention strategies'';

(B) in subparagraph (B), by inserting '', with a priority on exposing youth to technology and nontraditional jobs'' before the semicolon;

(C) in subparagraph (F), by striking ''during nonschool hours'';

(D) in subparagraph (I), by striking ''and'' at the end;

(E) in subparagraph (J), by striking the period at the end and inserting a semicolon; and

(F) by adding at the end the following:

''(K) on-the-job training opportunities;

''(L) opportunities to acquire financial literacy skills;

''(M) entrepreneurial skills training and microenterprise services; and

''(N) information about average wages for a range of jobs available in the local area, including technology jobs.''.

(3) ADDITIONAL REQUIREMENTS.—Section 129(c)(3)(A) (29 U.S.C. 2854(c)(3)(A)) is amended in the matter preceding clause (i) by striking ''or applicant who meets the minimum income criteria to be considered an eligible youth''.

(4) PRIORITY AND EXCEPTIONS.—Section 129(c) (29 U.S.C. 2854(c)) is amended by striking paragraphs (4) and (5).

(5) PROHIBITIONS AND LINKAGES.—Section 129(c) (29 U.S.C. 2854(c)), as amended by paragraph (4), is further amended—

(A) by redesignating paragraphs (6), (7), and (8) as paragraphs (4), (5), and (6), respectively;

(B) in paragraph (4) (as redesignated by subparagraph (A))—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B); and

(C) in paragraph (5) (as redesignated by subparagraph (A)), by striking ''youth councils'' and inserting ''local boards''.

SEC. 121. ADULT AND DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) STATE ALLOTMENTS.—

(1) RESERVATIONS.—Section 132(a)(2)(A) (29 U.S.C. 2862 (a)(2)(A)) is amended by striking ''national emergency grants, other than under subsection (a)(4), (f), and (g)'' and inserting ''national dislocated worker grants, other than under subparagraph (D) or (E) of subsection (a)(1), subsection (e), and subsection (f)''.

(2) ALLOTMENT AMONG STATES.—Section 132(b) (29 U.S.C. 2862(b)) is amended—

(A) in paragraph (1)(A)(ii), by striking ''section 127(b)(1)(B),'' and all that follows and inserting ''section 127(b)(1)(B).'';

(B) by striking paragraph (1)(B)(ii) and inserting the following:

''(ii) FORMULA.—Subject to clauses (iii) and (iv), of the remainder—

''(I) 40 percent shall be allotted on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each State, compared to the total number of unemployed individuals in areas of substantial unemployment in all States;

''(II) 25 percent shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State, compared to the total number of such individuals in all States; and

''(III) 35 percent shall be allotted on the basis of the relative number of disadvantaged adults in each State, compared to the total number of disadvantaged adults in all States, except as described in clause (iii).'';

(C) in paragraph (1)(B)—

(i) in clause (iii), by striking ''section 116(a)(2)(B)'' and inserting ''section 116(a)(2)(A)(iii)'';

(ii) in clause (iv)—

(I) in subclause (I)—

(aa) by striking ''Subject to subclause (IV), the'' and inserting ''The''; and

(bb) by striking ''than the greater of'' and all that follows and inserting ''than an amount based on 90 percent of the allotment percentage of the State for the preceding fiscal year.'';

(II) in subclause (II), by striking ''subclauses (I), (III), and (IV)'' and inserting ''subclauses (I) and (III)''; and

(III) by striking subclause (IV); and

(iii) in clause (v), by striking subclause (VI); and

(D) in paragraph (2)(A)(ii), by striking ''section 127(b)(1)(B)'' and all that follows and inserting ''section 127(b)(1)(B).''.

(3) REALLOTMENT.—Section 132(c) (29 U.S.C. 2862(c)) is amended—

(A) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallotment for a program year for programs funded under subsection (b)(1)(B) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year (including amounts allotted to the State in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the State under subsection (b)(1)(B) or (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the State in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under subsection (b)(1)(B) or (b)(2)(B), respectively, during such prior program year.'';

(B) in paragraph (3)—

(i) by striking ''under this section for such activities for the prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for the program year for which the determination is made''; and

(ii) by striking ''under this section for such activities for such prior program year'' and inserting ''under subsection (b)(1)(B) or (b)(2)(B), as appropriate, for such program year'';

(C) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible State means—

''(A) with respect to funds allotted under subsection (b)(1)(B), a State that does not have an amount of such funds available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allotted under subsection (b)(2)(B), a State that does not have an amount of such funds available for reallotment under paragraph (2) for the program year for which the determination under paragraph (2) is made.''; and

(D) in paragraph (5), by striking ''obligation'' and inserting ''accrued expenditure''.

(4) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(b) WITHIN STATE ALLOCATIONS.—

(1) ALLOCATION.—Section 133(b)(2)(A)(i) (29 U.S.C. 2863(b)(2)(A)(i)) is amended—

(A) in subclause (I), by striking ''33⅓ percent'' and inserting ''40 percent'';

(B) in subclause (II), by striking ''33⅓ percent'' and inserting ''25 percent''; and

(C) in subclause (III), by striking ''33⅓ percent'' and inserting ''35 percent''.

(2) TRANSFER AUTHORITY.—Section 133(b)(4) (29 U.S.C. 2863(b)(4)) is amended by striking ''20 percent'' each place it appears and inserting ''100 percent''.

(3) REQUIREMENTS.—Clauses (i) and (ii) of section 133(b)(5)(B) (29 U.S.C. 2863(b)(5)(B)) are amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(4) REALLOCATION.—Section 133(c) (29 U.S.C. 2863(c)) is amended—

(A) in paragraph (1), by inserting '', and under subsection (b)(2)(B) for dislocated worker employment and training activities,'' after ''activities'';

(B) by striking paragraph (2) and inserting the following:

''(2) AMOUNT.—The amount available for reallocation for a program year for programs funded under paragraphs (2)(A) and (3) of subsection (b) (relating to adult employment and training) and subsection (b)(2)(B) (relating to dislocated worker employment and training), respectively, is equal to the amount by which the unexpended balance at the end of the program year prior to the program year for which the determination is made exceeds 30 percent of the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year (including amounts allocated to the local area in all prior program years under such provisions that remained available). For purposes of this paragraph, the unexpended balance is the amount that is the difference between—

''(A) the total amount of funds available to the local area under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during the program year prior to the program year for which the determination is made (including amounts allotted to the local area in all prior program years under such provisions that remained available); and

''(B) the accrued expenditures from such total amount of funds available under paragraphs (2)(A) and (3) of subsection (b), or subsection (b)(2)(B), respectively, during such prior program year.'';

(C) by striking paragraph (3) and inserting the following:

''(3) REALLOCATION.—In making reallocations to eligible local areas of amounts available pursuant to paragraph (2) for a program year, the Governor shall allocate to each eligible local area within the State—

''(A) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under paragraphs (2)(A) or (3) of subsection (b), an amount based on the relative amount allocated to such local area under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under paragraphs (2)(A) or (3) of subsection (b), as appropriate, for such program year; and

''(B) with respect to amounts that are available for reallocation under paragraph (2) that were allocated under subsection (b)(2)(B), an amount based on the relative amount allocated to such local area under subsection (b)(2)(B) for the program year for which the determination is made, as compared to the total amount allocated to all eligible local areas under subsection (b)(2)(B) for such program year.''; and

(D) by striking paragraph (4) and inserting the following:

''(4) ELIGIBILITY.—For purposes of this subsection, an eligible local area means—

''(A) with respect to funds allocated under paragraphs (2)(A) or (3) of subsection (b), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made; and

''(B) with respect to funds allocated under subsection (b)(2)(B), a local area that does not have an amount of such funds available for reallocation under paragraph (2) for the program year for which the determination under paragraph (2) is made.''.

(5) EFFECTIVE DATE.—The amendments made by paragraph (3) shall take effect for the later of—

(A) the program year that begins after the date of enactment of this Act; or

(B) program year 2006.

(c) USE OF FUNDS FOR EMPLOYMENT AND TRAINING ACTIVITIES.—

(1) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—Section 134(a)(2)(A) (29 U.S.C. 2864(a)(2)(A)) is amended to read as follows:

''(A) STATEWIDE RAPID RESPONSE ACTIVITIES.—

''(i) IN GENERAL.—A State shall carry out statewide rapid response activities using funds reserved by a Governor for a State under section 133(a)(2). Such activities shall include—

''(I) provision of rapid response activities, carried out in local areas by the State or by an entity designated by the State, working in conjunction with the local boards and the chief elected officials for the local areas; and

''(II) provision of additional assistance to local areas that experience disasters, mass layoffs, or plant closings, or other events that precipitate substantial increases in the number of unemployed individuals, carried out in local areas by the State, working in conjunction with the local boards and the chief elected officials for the local areas.

''(ii) USE OF UNEXPENDED FUNDS.—Funds reserved under section 133(a)(2) to carry out this subparagraph that remain unexpended after the first program year for which such funds were allotted may be used by the Governor to carry out statewide activities authorized under subparagraph (B) and paragraph (3)(A) in addition to activities under this subparagraph.''.

(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(2) (29 U.S.C. 2864(a)(2)) is amended by striking subparagraph (B) and inserting the following:

''(B) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) (regardless of whether the funds were allotted to the States under section 127(b)(1)(C) or paragraphs (1)(B) or (2)(B) of section 132(b)) shall be used for statewide employment and training activities, including—

''(i) disseminating—

''(I) the State list of eligible providers of training services, including eligible providers of nontraditional training services and eligible providers of apprenticeship programs described in section 122(a)(2)(B);

''(II) information identifying eligible providers of on-the-job training, customized training, and incumbent worker training;

''(III) information on effective business outreach, partnerships, and services;

''(IV) performance information and information on costs of attendance, as described in subsections (d) and (i) of section 122; and

''(V) information on physical and programmatic accessibility for individuals with disabilities;

''(ii) conducting evaluations under section 136(e) of activities authorized under this chapter and chapter 5 in coordination with evaluations carried out by the Secretary under section 172;

''(iii) providing incentive grants to local areas, in accordance with section 136(i);

''(iv) developing strategies for ensuring that activities carried out under this section are placing men and women in jobs, education, and training that lead to comparable pay;

''(v) providing technical assistance and capacity building to local areas, one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the development of exemplary program activities, and the provision of technical assistance to local areas that fail to meet local performance measures described in section 136(c), which may include the development and training of staff to provide opportunities for hard-to-serve populations to enter high-wage, high-skilled, and nontraditional occupations;

''(vi) operating a fiscal and management accountability system under section 136(f); and

''(vii) carrying out monitoring and oversight of activities carried out under this chapter and chapter 4.''.

(C) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES.—Section 134(a)(3)(A) (29 U.S.C. 2864(a)(3)(A)) is amended to read as follows:

''(A) IN GENERAL.—Funds reserved by a Governor for a State under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) or (2)(B) (regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b)) may be used to carry out additional statewide employment and training activities, which may include—

''(i) implementing innovative programs and strategies designed to meet the needs of all businesses in the State, including small businesses, which may include incumbent worker training programs, sectoral and industry cluster strategies and partnerships, including regional skills alliances, sectoral skills partnerships (in which representatives of multiple employers for a specific industry sector or group of related occupations, economic development agencies, providers of training services described in subsection (d)(4), labor federations, and other entities that can provide needed supportive services tailored to the needs of workers in that sector or group, for a local area or region, identify gaps between the current and expected demand and supply of labor and skills in that sector or group for that area or region and develop a strategic skills gap action plan), career ladder programs, micro-enterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce investment system more relevant to the needs of State and local businesses, consistent with the objectives of this title;

''(ii) developing strategies for effectively serving hard-to-serve populations and for coordinating programs and services among one-stop partners;

''(iii) implementing innovative programs for displaced homemakers, which for purposes of this clause may include an individual who is receiving public assistance and is within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(iv) implementing programs to increase the number of individuals training for and placed in nontraditional employment;

''(v) carrying out activities to facilitate remote access to services, including training services described in subsection (d)(4), provided through a one-stop delivery system, including facilitating access through the use of technology;

''(vi) supporting the provision of core services described in subsection (d)(2) in the one-stop delivery system in the State;

''(vii) coordinating with the child welfare system to facilitate services for children in foster care and those who are eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677);

''(viii) activities—

''(I) to improve coordination between workforce investment activities carried out within the State involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services;

''(II) to improve coordination between employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(III) to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(IV) to improve coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a);

''(V) to develop and disseminate workforce and labor market information;

''(VI) to improve coordination with the corrections system to facilitate provision of training services and employment opportunities that will assist ex-offenders in reentering the workforce; and

''(VII) to promote financial literacy, including carrying out activities described in section 129(b)(1)(I);

''(ix) conducting—

''(I) research; and

''(II) demonstration projects; and

''(x) adopting, calculating, or commissioning a minimum self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations.''.

(2) REQUIRED LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

(A) ALLOCATED FUNDS.—Section 134(d)(1)(A) (29 U.S.C. 2864(d)(1)(A)) is amended—

(i) in clause (i), by striking ''described in subsection (c)'';

(ii) in clause (iii), by striking ''and'' at the end;

(iii) in clause (iv), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(v) to designate a dedicated business liaison in the local area who may be funded with funds provided under this title or from other sources to establish and develop relationships and networks with large and small employers and their intermediaries; and

''(vi) in order to improve service delivery to avoid duplication of services and enhance coordination of services, to require the colocation of employment services provided under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) at the one-stop centers.''.

(B) CORE SERVICES.—Section 134(d)(2) (29 U.S.C. 2864(d)(2)) is amended—

(i) in the matter preceding subparagraph (A), by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)'';

(ii) in subparagraph (C), by inserting ''(including literacy, numeracy, and English language proficiency)'' after ''skill levels'';

(iii) by striking subparagraph (D) and inserting the following:

''(D) labor exchange services, including—

''(i) job search and placement assistance and, in appropriate cases, career counseling, including—

''(I) exposure to high wage, high skill jobs; and

''(II) nontraditional employment; and

''(ii) appropriate recruitment and other business services for all employers, including small

employers, in the local area, which may include services described in this subsection, including information and referral to specialized business services not traditionally offered through the one-stop delivery system;'';

(iv) in subparagraph (E)(iii)—

(I) by inserting '', career ladders,'' after ''earnings''; and

(II) by striking ''and'' at the end;

(v) in subparagraph (F)—

(I) by striking ''and program cost information''; and

(II) by striking ''described in section 123'';

(vi) by striking subparagraph (H) and inserting the following:

''(H) provision of accurate information, in formats that are usable and understandable to all one-stop center customers, relating to the availability of supportive services or assistance, including child care, child support, medical or child health assistance under title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq. and 1397aa et seq.), benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the earned income tax credit under section 32 of the Internal Revenue Code of 1986, and assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other supportive services and transportation provided through funds made available under such part, available in the local area, and referral to such services or assistance as appropriate;''; and

(vii) in subparagraph (J), by striking ''for—'' and all that follows through ''(ii) programs'' and inserting ''for programs''.

(C) INTENSIVE SERVICES.—Section 134(d)(3) (29 U.S.C. 2864(d)(3)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide intensive services to adults and dislocated workers, respectively—

''(I) who are unemployed and who, after an interview, evaluation, or assessment, have been determined by a one-stop operator or one-stop partner to be—

''(aa) unlikely or unable to obtain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through core services described in paragraph (2); and

''(bb) in need of intensive services to obtain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; or

''(II) who are employed, but who, after an interview, evaluation, or assessment are determined by a one-stop operator or one-stop partner to be in need of intensive services to obtain or retain employment that leads to self-sufficiency.

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.''; and

(ii) in subparagraph (C)—

(I) in clause (v), by striking ''for participants seeking training services under paragraph (4)''; and

(II) by adding at the end the following:

''(vii) Internships and work experience.

''(viii) Literacy activities relating to basic work readiness.

''(ix) Financial literacy services, such as activities described in section 129(b)(1)(I).

''(x) Out-of-area job search assistance and relocation assistance.

''(xi) English language acquisition and integrated training programs.''.

(D) TRAINING SERVICES.—Section 134(d)(4) (29 U.S.C. 2864(d)(4)) is amended—

(i) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—

''(i) ELIGIBILITY.—Except as provided in clause (ii), funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), shall be used to provide training services to adults and dislocated workers, respectively—

''(I) who, after an interview, evaluation, or assessment, and case management, have been determined by a one-stop operator or one-stop partner, as appropriate, to—

''(aa) be unlikely or unable to obtain or retain employment, that leads to self-sufficiency or wages comparable to or higher than previous employment, through the intensive services described in paragraph (3);

''(bb) be in need of training services to obtain or retain employment that leads to self-sufficiency or wages comparable to or higher than previous employment; and

''(cc) have the skills and qualifications to successfully participate in the selected program of training services;

''(II) who select programs of training services that are directly linked to the employment opportunities in the local area or region involved or in another area to which the adults or dislocated workers are willing to commute or relocate;

''(III) who meet the requirements of subparagraph (B); and

''(IV) who are determined to be eligible in accordance with the priority system in effect under subparagraph (E).

''(ii) SPECIAL RULE.—A new interview, evaluation, or assessment of a participant is not required under clause (i) if the one-stop operator or one-stop partner determines that it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.'';

(ii) in subparagraph (B)(i), by striking ''Except'' and inserting ''Notwithstanding section 479B of the Higher Education Act of 1965 (20 U.S.C. 1087uu) and except'';

(iii) in subparagraph (D)—

(I) in clause (viii), by striking ''and'' after the semicolon;

(II) in clause (ix), by striking the period and inserting ''; and''; and

(III) by adding at the end the following:

''(x) English language acquisition and integrated training programs.'';

(iv) in subparagraph (F)—

(I) in clause (ii), by striking ''referred to in subsection (c), shall make available—'' and all that follows and inserting ''shall make available a list of eligible providers of training services, and accompanying information, in accordance with section 122(d).'';

(II) in the heading of clause (iii), by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(III) in clause (iii)—

(aa) by striking ''identifying information'' and inserting ''accompanying information'';

(bb) by striking ''clause (ii)(I)'' and inserting ''clause (ii)''; and

(cc) by striking ''an individual training account'' and inserting ''a career scholarship account''; and

(IV) by adding at the end the following:

''(iv) COORDINATION.—Each local board may, through one-stop centers, coordinate career scholarship accounts with other Federal, State, local, or private job training programs or sources to assist the individual in obtaining training services.''; and

(v) in subparagraph (G)—

(I) in the subparagraph heading, by striking ''INDIVIDUAL TRAINING ACCOUNTS'' and inserting ''CAREER SCHOLARSHIP ACCOUNTS'';

(II) in clause (i), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(III) in clause (ii)—

(aa) by striking ''an individual training account'' and inserting ''a career scholarship account'';

(bb) in subclause (II), by striking ''individual training accounts'' and inserting ''career scholarship accounts'';

(cc) in subclause (II) by striking ''or'' after the semicolon;

(dd) in subclause (III), by striking ''special participant populations that face multiple barriers to employment'' and inserting ''hard-to-serve populations'';

(ee) in subclause (III), by striking the period and inserting ''; or''; and

(ff) by adding at the end the following:

''(IV) the local board determines that it would be most appropriate to award a contract to an institution of higher education in order to facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice.''; and

(IV) by striking clause (iv).

(3) PERMISSIBLE ACTIVITIES.—Section 134(e) (29 U.S.C. 2864(e)) is amended—

(A) by striking the matter preceding paragraph (2) and inserting the following:

''(e) PERMISSIBLE LOCAL EMPLOYMENT AND TRAINING ACTIVITIES.—

''(1) IN GENERAL.—

''(A) ACTIVITIES.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved—

''(i) customized screening and referral of qualified participants in training services described in subsection (d)(4) to employers;

''(ii) customized employment-related services to employers on a fee-for-service basis;

''(iii) customer support to enable members of hard-to-serve populations, including individuals with disabilities, to navigate among multiple services and activities for such populations;

''(iv) technical assistance and capacity building for serving individuals with disabilities in local areas, for one-stop operators, one-stop partners, and eligible providers, including the development and training of staff, the provision of outreach, intake, assessments, and service delivery, and the development of performance measures;

''(v) employment and training assistance provided in coordination with child support enforcement activities of the State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vi) activities to improve coordination among employment and training assistance, child support services, and assistance provided by State and local agencies carrying out part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.);

''(vii) activities to improve coordination between employment and training assistance and cooperative extension programs carried out by the Department of Agriculture;

''(viii) activities to facilitate remote access to services provided through a one-stop delivery system, including facilitating access through the use of technology;

''(ix) activities—

''(I) to improve coordination between workforce investment activities carried out within the local area involved and economic development activities, and to promote entrepreneurial skills training and microenterprise services; and

''(II) to improve services and linkages between the local workforce investment system including the local one-stop delivery system, and all employers, including small employers in the local area, through services described in this section, including subparagraph (B);

''(x) training programs for displaced homemakers and for individuals training for nontraditional occupations, in conjunction with programs operated in the local area;

''(xi) using a portion of the funds allocated under section 133(b), activities to carry out business services and strategies that meet the workforce investment needs of local area employers, as determined by the local board, consistent with the local plan under section 118, which services—

''(I) may be provided through effective business intermediaries working in conjunction with the local board, and may also be provided on a fee-for-service basis or through the leveraging of economic development and other resources as determined appropriate by the local board; and

''(II) may include—

''(aa) identifying and disseminating to business, educators, and job seekers, information related to the workforce, economic and community development needs, and opportunities of the local economy;

''(bb) development and delivery of innovative workforce investment services and strategies for area businesses, which may include sectoral, industry cluster, regional skills alliances, career ladder, skills upgrading, skill standard development and certification, apprenticeship, and other effective initiatives for meeting the workforce investment needs of area employers and workers;

''(cc) participation in seminars and classes offered in partnership with relevant organizations focusing on the workforce-related needs of area employers and job seekers;

''(dd) training consulting, needs analysis, and brokering services for area businesses, including the organization and aggregation of training (which may be paid for with funds other than those provided under this title), for individual employers and coalitions of employers with similar interests, products, or workforce needs;

''(ee) assistance to area employers in the aversion of layoffs and in managing reductions in force in coordination with rapid response activities;

''(ff) the marketing of business services offered under this title, to appropriate area employers, including small and mid-sized employers;

''(gg) information referral on concerns affecting local employers; and

''(hh) other business services and strategies designed to better engage employers in workforce investment activities and to make the workforce investment system more relevant to the workforce investment needs of area businesses, as determined by the local board to be consistent with the objectives of this title;

''(xii) activities to adjust the self-sufficiency standards for local factors, or activities to adopt, calculate, or commission a self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-State geographical considerations; and

''(xiii) improved coordination between employment and training assistance and programs carried out in the local area for individuals with disabilities, including programs carried out by State agencies relating to mental retardation and developmental disabilities, Statewide Independent Living Councils established under section 705 of the Rehabilitation Act of 1973 (29 U.S.C. 796d), and centers for independent living defined in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796a).

''(B) WORK SUPPORT ACTIVITIES FOR LOW-WAGE WORKERS.—

''(i) IN GENERAL.—Funds allocated to a local area for adults under paragraph (2)(A) or (3), as appropriate, of section 133(b), and funds allocated to the local area for dislocated workers under section 133(b)(2)(B), may be used to provide, through the one-stop delivery system involved, work support activities designed to assist low-wage workers in retaining and enhancing employment. The one-stop partners shall coordinate the appropriate programs and resources of the partners with the activities and resources provided under this subparagraph.

''(ii) ACTIVITIES.—The activities described in clause (i) may include the provision of activities described in this section through the one-stop delivery system in a manner that enhances the opportunities of such workers to participate in the activities, such as the provision of activities described in this section during nontraditional hours and the provision of onsite child care while such activities are being provided.''; and

(B) by adding at the end the following:

''(4) INCUMBENT WORKER TRAINING PROGRAMS.—

''(A) IN GENERAL.—The local board may use up to 10 percent of the funds allocated to the local area involved under section 133(b) to pay for the Federal share of the cost of providing training through an incumbent worker training program carried out in accordance with this paragraph. The Governor or State board may make recommendations to the local board regarding incumbent worker training with statewide impact.

''(B) TRAINING ACTIVITIES.—The training program for incumbent workers carried out under this paragraph shall be carried out by the local board in conjunction with the employers or groups of employers of such workers for the purpose of assisting such workers in obtaining the skills necessary to retain employment or avert layoffs.

''(C) EMPLOYER SHARE REQUIRED.—

''(i) IN GENERAL.—Employers participating in the program carried out under this paragraph shall be required to pay the non-Federal share of the costs of providing the training to incumbent workers of the employers. The local board shall establish the non-Federal share of such costs, which may include in-kind contributions. The non-Federal share shall not be less than—

''(I) 10 percent of the costs, for employers with 50 or fewer employees;

''(II) 25 percent of the costs, for employers with more than 50 employees but fewer than 100 employees; and

''(III) 50 percent of the costs, for employers with 100 or more employees.

''(ii) CALCULATION OF EMPLOYER SHARE.—The non-Federal share paid by such an employer may include the amount of the wages paid by the employer to a worker while the worker is attending a training program under this paragraph.''.

SEC. 122. PERFORMANCE ACCOUNTABILITY SYSTEM.

(a) STATE PERFORMANCE MEASURES.—

(1) INDICATORS OF PERFORMANCE.—Section 136(b)(2)(A) (29 U.S.C. 2871(b)(2)(A)) is amended—

(A) in clause (i)—

(i) in the matter preceding subclause (I), by striking ''and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129'';

(ii) by striking subclause (III) and inserting the following:

''(III) increases in earnings from unsubsidized employment; and''; and

(iii) in subclause (IV), by striking '', or by participants'' and all that follows through ''unsubsidized employment''; and

(B) by striking clause (ii) and inserting the following:

''(ii) CORE INDICATORS FOR ELIGIBLE YOUTH.—The core indicators of performance for youth activities authorized under section 129 shall consist of—

''(I) entry into employment, education or advanced training, or military service;

''(II) school retention, and attainment of secondary school diplomas or their recognized equivalents and of postsecondary certificates; and

''(III) literacy or numeracy gains.''.

(2) ADDITIONAL INDICATORS.—Section 136(b)(2)(C) (29 U.S.C. 2871(b)(2)(C)) is amended to read as follows:

''(C) ADDITIONAL INDICATORS.—A State may identify in the State plan additional indicators for workforce investment activities under this subtitle, including indicators identified in collaboration with State business and industry associations, with employee representatives where applicable, and with local boards, to measure the performance of the workforce investment system in serving the workforce needs of business and industry in the State.''.

(3) LEVELS OF PERFORMANCE.—Section 136(b)(3)(A) (29 U.S.C. 2871(b)(3)(A)) is amended—

(A) in clause (iii)—

(i) in the heading, by striking ''FOR FIRST 3 YEARS'';

(ii) by striking ''and the customer satisfaction indicator of performance, for the first 3'' and inserting ''described in clauses (i) and (ii) of paragraph (2)(A) and the customer satisfaction indicator of performance, for the first 2''; and

(iii) by inserting at the end the following: ''Agreements on levels of performance for each of the core indicators of performance for the third and fourth program years covered by the State plan shall be reached prior to the beginning of the third program year covered by the State plan, and incorporated as a modification to the State plan.'';

(B) in clause (iv)—

(i) in the matter preceding subclause (I), by striking ''or (v)'';

(ii) in subclause (II)—

(I) by striking ''taking into account'' and inserting ''and shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(II) by inserting ''(such as differences in unemployment rates and job losses or gains in particular industries)'' after ''economic conditions'';

(III) by inserting ''(such as indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''program''; and

(IV) by striking ''and'' at the end;

(iii) in subclause (III), by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(IV) the extent to which the levels involved will assist the State in meeting the national goals described in clause (v).'';

(C) by striking clause (v) and inserting the following:

''(v) ESTABLISHMENT OF NATIONAL GOALS.—In order to promote enhanced performance outcomes on the performance measures and to facilitate the process of reaching agreements with the States under clause (iii) and to measure systemwide performance for the one-stop delivery systems of the States, the Secretary shall establish long-term national goals for the adjusted levels of performance for that systemwide performance to be achieved by the programs assisted under chapters 4 and 5 on the core indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2). Such goals shall be established in accordance with the Government Performance and Results Act of 1993 in consultation with the States and other appropriate parties.''; and

(D) in clause (vi)—

(i) by striking ''or (v)''; and

(ii) by striking ''with the representatives described in subsection (i)'' and inserting ''with the States and other interested parties''.

(b) LOCAL PERFORMANCE MEASURES.—Section 136(c)(3) (29 U.S.C. 2871(c)(3)) is amended—

(1) by striking ''shall take into account'' and inserting ''shall ensure that the levels involved are adjusted, using objective statistical methods, based on'';

(2) by inserting ''characteristics (such as unemployment rates and job losses or gains in particular industries)'' after ''economic''; and

(3) by inserting ''characteristics (such as indicators of poor work history, lack of work experience, lack of educational and occupational skills attainment, dislocation from high-wage and benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency)'' after ''demographic''.

(c) REPORT.—Section 136(d) (29 U.S.C. 2871(d)) is amended—

(1) in paragraph (1), by adding at the end the following: ''In the case of a State or local area that chooses to expend funds for activities under subsection (a)(3)(A)(i) or (e)(1)(A)(xi), respectively, of section 134, the report also shall include the amount of such funds so expended and the percentage that such funds are of the funds available for activities under section 134.'';

(2) in paragraph (2)—

(A) in subparagraph (E)—

(i) by striking ''(excluding participants who received only self-service and informational activities)''; and

(ii) by striking ''and'' after the semicolon;

(B) in subparagraph (F)—

(i) by inserting ''noncustodial parents with child support obligations, homeless individuals,'' after ''displaced homemakers,''; and

(ii) by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(G) the number of participants who have received services, other than followup services, authorized under this title;

''(H) the number of participants who have received services, other than followup services, authorized under this title, in the form of core services described in section 134(d)(2), intensive services described in section 134(d)(3), and training services described in section 134(d)(4), respectively;

''(I) the number of participants who have received followup services authorized under this title;

''(J) the cost per participant for services authorized under this title; and

''(K) the amount of adult and dislocated worker funds spent on—

''(i) core, intensive, and training services, respectively; and

''(ii) services provided under subsection (a)(3)(A)(i) or (e)(1)(A)(xi) of section 134, if applicable.''; and

(3) by adding at the end the following:

''(4) DATA VALIDATION.—In preparing the reports described in this subsection, the States shall establish procedures, consistent with guidelines issued by the Secretary, to ensure that the information contained in the reports is valid and reliable.''.

(d) EVALUATION OF STATE PROGRAMS.—Section 136(e)(3) (29 U.S.C. 2871(e)(3)) is amended by inserting '', including information on promoting self-sufficiency and comparable pay between men and women'' after ''employers''.

(e) SANCTIONS FOR STATE.—Section 136(g)(1)(B) (29 U.S.C. 2871(g)(1)(B)) is amended by striking ''If such failure continues for a second consecutive year'' and inserting ''If a State performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years''.

(f) SANCTIONS FOR LOCAL AREA.—Section 136(h)(2)(A) (29 U.S.C. 2871(h)(2)(A)) is amended—

(1) in the matter preceding clause (i), by striking ''If such failure continues for a second consecutive year'' and inserting ''If a local area performs at less than 80 percent of the adjusted level of performance for core indicators of performance described in subsection (b)(2)(A) for 2 consecutive years'';

(2) in clause (ii), by striking ''or'' after the semicolon;

(3) by redesignating clause (iii) as clause (iv); and

(4) by inserting after clause (ii) the following:

''(iii) redesignate the local area in accordance with section 116(b)(2); or''.

(g) INCENTIVE GRANTS.—Section 136(i) (29 U.S.C. 2871(i)) is amended to read as follows:

''(i) INCENTIVE GRANTS FOR LOCAL AREAS.—

''(1) IN GENERAL.—From funds reserved under sections 128(a) and 133(a)(1), the Governor involved shall award incentive grants to local areas for performance described in paragraph (2).

''(2) BASIS.—The Governor shall award the grants on the basis that the local areas—

''(A) have exceeded the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); or

''(B) have—

''(i) met the performance measures established under subsection (c)(2) relating to indicators described in subsection (b)(3)(A)(iii); and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment services under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under this title;

''(cc) implementation of coordination activities relating to the one-stop partner programs, through agreements with relevant regional or local agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) regional coordination relating to the one-stop partner programs, with other local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a local area under this subsection may be used to carry out activities authorized for local areas in programs carried out under this title, the Adult Education and Family Literacy Act, and the Rehabilitation Act of 1973 (referred to in this subsection as 'workforce and education programs'), and such innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, as may be approved by the Governor, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support regional economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of an integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs;

''(G) activities that support activities to improve performance in workforce and education programs and program coordination of workforce and education programs; or

''(H) activities that leverage additional training resources, other than those provided through workforce and education programs, for adults and youth.

''(4) TECHNICAL ASSISTANCE.—The Governor shall reserve 4 percent of the funds available for grants under this subsection to provide technical assistance to local areas—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs, and other education programs; or

''(D) to strengthen regional economic development.''.

(h) USE OF CORE MEASURES IN OTHER DEPARTMENT OF LABOR PROGRAMS.—Section 136 (29 U.S.C. 2871) is amended by adding at the end the following:

''(j) USE OF CORE INDICATORS FOR OTHER PROGRAMS.—In addition to the programs carried out under chapters 4 and 5, and consistent with the requirements of the applicable authorizing laws, the Secretary shall use the indicators of performance described in subparagraphs (A) and (B) of subsection (b)(2) to assess the effectiveness of the programs described in clauses (i), (ii), and (vi) of section 121(b)(1)(B) that are carried out by the Secretary.''.

(i) PREVIOUS DEFINITIONS OF CORE INDICATORS.—Section 502 (29 U.S.C. 9272) is repealed.

SEC. 123. AUTHORIZATION OF APPROPRIATIONS.

(a) YOUTH ACTIVITIES.—Section 137(a) (29 U.S.C. 2872(a)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(b) ADULT EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(b) (29 U.S.C. 2872(b)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

(c) DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.—Section 137(c) (29 U.S.C. 2872(c)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2003'' and inserting ''such sums as may be necessary for each of fiscal years 2006 through 2011''.

Subtitle C—Job Corps

SEC. 131. JOB CORPS.

(a) ELIGIBILITY.—Section 144(3) (29 U.S.C. 2884(3)) is amended by adding at the end the following:

''(F) A child eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(b) IMPLEMENTATION OF STANDARDS AND PROCEDURES.—Section 145(a)(3) (29 U.S.C. 2885(a)(3)) is amended—

(1) in subparagraph (B), by striking ''and'' after the semicolon;

(2) in subparagraph (C), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(D) child welfare agencies that are responsible for children in foster care and children eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677).''.

(c) INDUSTRY COUNCILS.—Section 154(b) (29 U.S.C. 2894(b)) is amended—

(1) in paragraph (1)(A), by striking ''local and distant''; and

(2) by adding at the end the following:

''(3) EMPLOYERS OUTSIDE OF LOCAL AREA.—The industry council may include, or otherwise provide for consultation with, employers from outside the local area who are likely to hire a significant number of enrollees from the Job Corps center.

''(4) SPECIAL RULE FOR SINGLE LOCAL AREA STATES.—In the case of a single local area State designated under section 116(b), the industry council shall include a representative of the State Board.''.

(d) INDICATORS OF PERFORMANCE.—Section 159 (29 U.S.C. 2899) is amended—

(1) in subsection (c)—

(A) by striking paragraph (1) and inserting the following:

''(1) PERFORMANCE INDICATORS.—The Secretary shall annually establish expected levels of performance for Job Corps centers and the Job Corps program relating to each of the core indicators of performance for youth activities identified in section 136(b)(2)(A)(ii).'';

(B) in paragraph (2), by striking ''measures'' each place it appears and inserting ''indicators''; and

(C) in paragraph (3)—

(i) in the first sentence, by striking ''core performance measures, as compared to the expected performance level for each performance measure'' and inserting ''performance indicators described in paragraph (1), as compared to the expected level of performance established under paragraph (1) for each performance measure''; and

(ii) in the second sentence, by striking ''measures'' each place it appears and inserting ''indicators''; and

(2) in subsection (f)(2), in the first sentence, by striking ''core performance measures'' and inserting ''indicators of performance''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 161 (29 U.S.C. 2901) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

Subtitle D—National Programs

SEC. 141. NATIVE AMERICAN PROGRAMS.

(a) ADVISORY COUNCIL.—Section 166(h)(4)(C) (29 U.S.C. 2911(h)(4)(C)) is amended to read as follows:

''(C) DUTIES.—The Council shall advise the Secretary on the operation and administration of the programs assisted under this section, including the selection of the individual appointed as head of the unit established under paragraph (1).''.

(b) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—Section 166(j) (29 U.S.C. 2911(j)) is amended to read as follows:

''(j) ASSISTANCE TO UNIQUE POPULATIONS IN ALASKA AND HAWAII.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary is authorized to provide assistance to the Cook Inlet Tribal Council, Incorporated, and the University of Hawaii at Maui, for the unique populations who reside in Alaska or Hawaii, to improve job training and workforce investment activities.

''(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal years 2006 through 2011.''.

(c) PERFORMANCE INDICATORS.—Section 166 (29 U.S.C. 2911) is amended by adding at the end the following:

''(k) PERFORMANCE INDICATORS.—

''(1) DEVELOPMENT OF INDICATORS.—The Secretary, in consultation with the Native American Employment and Training Council, shall develop a set of performance indicators and standards which shall be applicable to programs under this section.

''(2) SPECIAL CONSIDERATIONS.—Such performance indicators and standards shall take into account—

''(A) the purpose of this section as described in subsection (a)(1);

''(B) the needs of the groups served by this section, including the differences in needs among such groups in various geographic service areas; and

''(C) the economic circumstances of the communities served, including differences in circumstances among various geographic service areas.''.

SEC. 142. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

Section 167 (29 U.S.C. 2912) is amended—

(1) in subsection (a), by striking ''2'' and inserting ''2 to 4'';

(2) in subsection (b), by inserting ''and deliver'' after ''administer'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''2-year'' and inserting ''4-year'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) by inserting ''describe the population to be served and'' before ''identify''; and

(II) by inserting '', including upgraded employment in agriculture'' before the semicolon;

(ii) in subparagraph (B), by striking ''and'' at the end;

(iii) in subparagraph (C), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(D) describe the availability and accessibility of local resources such as supportive services, services provided through one-stop delivery systems, and education and training services, and how the resources can be made available to the population to be served; and

''(E) describe the plan for providing services under this section, including strategies and systems for outreach, case management, assessment, and delivery through one-stop delivery systems.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) COMPETITION.—The competition for grants made and contracts entered into under this section shall be conducted every 2 to 4 years.'';

(4) in subsection (d), by striking ''include'' and all that follows and inserting ''include outreach, employment, training, educational assistance, literary assistance, English language and literacy instruction, pesticide and worker safety training, housing (including permanent housing), supportive services, school dropout prevention activities, followup services for those individuals placed in employment, self-employment and related business or micro-enterprise development or education as needed by eligible individuals and as identified pursuant to the plan required by subsection (c), customized career and technical education in occupations that will lead to higher wages, enhanced benefits, and long-term employment in agriculture or another area, and technical assistance to improve coordination of services and implement best practices relating to service delivery through one-stop delivery systems.'';

(5) in subsection (f), by striking ''take into account the economic circumstances and demographics of eligible migrant and seasonal farmworkers.'' and inserting ''are adjusted based on the economic and demographic barriers to employment of eligible migrant and seasonal farmworkers.'';

(6) in subsection (g), by striking ''(enacted by the Single Audit Act of 1984)'';

(7) in subsection (h)—

(A) by striking paragraph (1) and inserting the following:

''(1) DEPENDENT.—The term 'dependent', used with respect to an eligible migrant or seasonal farmworker, means an individual who—

''(A) was claimed as a dependent on the farmworker's Federal income tax return for the previous year;

''(B) is the spouse of the farmworker; or

''(C) is able to establish—

''(i) a relationship as the farmworker's—

''(I) biological or legally adopted child, grandchild, or great-grandchild;

''(II) foster child;

''(III) stepchild;

''(IV) brother, sister, half-brother, half-sister, stepbrother, or stepsister;

''(V) parent, grandparent, or other direct ancestor (but not foster parent);

''(VI) stepfather or stepmother;

''(VII) uncle or aunt;

''(VIII) niece or nephew; or

''(IX) father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; and

''(ii) the receipt of over half of the individual's total support from the farmworker's family during the eligibility determination period for the farmworker.''; and

(B) in paragraph (4)(A)—

(i) by striking ''disadvantaged person'' and inserting ''low-income individual''; and

(ii) by inserting ''and who faces multiple barriers to self-sufficiency'' before the semicolon;

(8) by redesignating subsection (h) as subsection (i); and

(9) by inserting before subsection (i) the following:

''(h) FUNDING ALLOCATION.—From the funds appropriated and made available to carry out this section, the Secretary shall reserve not more than 1 percent for discretionary purposes, such as providing technical assistance to eligible entities.''

SEC. 143. VETERANS' WORKFORCE INVESTMENT PROGRAMS.

Section 168(a)(3) (29 U.S.C. 2913(a)(3)) is amended—

(1) in subparagraph (A), by inserting '', including services provided by one-stop operators and one-stop partners'' before the semicolon; and

(2) in subparagraph (C), by striking ''section 134(c)'' and inserting ''section 121(e)''.

SEC. 144. YOUTH CHALLENGE GRANTS.

Section 169 (29 U.S.C. 2914) is amended to read as follows:

''SEC. 169. YOUTH CHALLENGE GRANTS.

''(a) IN GENERAL.—Of the amounts reserved by the Secretary under section 127(b)(1)(A) for a fiscal year—

''(1) the Secretary shall use not less than 80 percent to award competitive grants under subsection (b); and

''(2) the Secretary may use not more than 20 percent to award competitive grants under subsection (c).

''(b) COMPETITIVE GRANTS TO STATES AND LOCAL AREAS.—

''(1) ESTABLISHMENT.—From the funds described in subsection (a)(1), the Secretary shall award competitive grants to eligible entities to carry out activities authorized under this subsection to assist eligible youth in acquiring the skills, credentials, and employment experience necessary to achieve the performance outcomes for youth described in section 136.

''(2) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) a State or consortium of States;

''(B) a local board or consortium of local boards;

''(C) a recipient of a grant under section 166 (relating to Native American programs); or

''(D) a public or private entity (including a consortium of such entities) with expertise in the provision of youth activities, applying in partnership with a local board or consortium of local boards.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the activities the eligible entity will provide to eligible youth under this

subsection, and how the eligible entity will collaborate with State and local workforce investment systems established under this title in the provision of such activities;

''(B) a description of the programs of demonstrated effectiveness on which the provision of the activities under subparagraph (A) are based, and a description of how such activities will expand the base of knowledge relating to the provision of activities for youth;

''(C) a description of the State, local, and private resources that will be leveraged to provide the activities described under subparagraph (A) in addition to funds provided under this subsection, and a description of the extent of the involvement of employers in the activities;

''(D) the levels of performance the eligible entity expects to achieve with respect to the indicators of performance for youth specified in section 136(b)(2)(A)(ii); and

''(E) except in the case of an application submitted by an eligible entity described in paragraph (2)(C)—

''(i) an assurance that the State board of each State in which the proposed activities are to be carried out had the opportunity to review the application; and

''(ii) the comments, if any, of the affected State boards on the application.

''(4) FACTORS FOR AWARD.—

''(A) IN GENERAL.—In awarding grants under this subsection the Secretary shall consider—

''(i) the quality of the proposed activities;

''(ii) the goals to be achieved;

''(iii) the likelihood of successful implementation;

''(iv) the extent to which the proposed activities are based on proven strategies or the extent to which the proposed activities will expand the base of knowledge relating to the provision of activities for eligible youth;

''(v) the extent of collaboration with the State and local workforce investment systems in carrying out the proposed activities;

''(vi) the extent of employer involvement in the proposed activities;

''(vii) whether there are other Federal and non-Federal funds available for similar activities to the proposed activities, and the additional State, local, and private resources that will be provided to carry out the proposed activities;

''(viii) the quality of the proposed activities in meeting the needs of the eligible youth to be served; and

''(ix) the extent to which the proposed activities will expand on services provided under section 129.

''(B) EQUITABLE GEOGRAPHIC DISTRIBUTION.—In awarding grants under this subsection the Secretary shall ensure an equitable distribution of such grants across geographically diverse areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out activities that are designed to assist eligible youth in acquiring the skills, credentials, and employment experience that are necessary to succeed in the labor market, including the activities identified in section 129.

''(B) ACTIVITIES.—The activities carried out pursuant to subparagraph (A) may include the following:

''(i) Training and internships for out-of-school youth in sectors of the economy experiencing, or projected to experience, high growth.

''(ii) Dropout prevention activities for in-school youth.

''(iii) Activities designed to assist special youth populations, such as court-involved youth and youth with disabilities.

''(iv) Activities combining remediation of academic skills, work readiness training, and work experience, and including linkages to postsecondary education, apprenticeships, and career-ladder employment.

''(v) Activities, including work experience, paid internships, and entrepreneurial training, in areas where there is a migration of youth out of the areas.

''(C) PARTICIPANT ELIGIBILITY.—Youth who are 14 years of age through 21 years of age, as of the time the eligibility determination is made, may be eligible to participate in activities carried out under this subsection.

''(6) GRANT PERIOD.—The Secretary shall make a grant under this subsection for a period of 2 years and may renew the grant, if the eligible entity has performed successfully, for a period of not more than 3 succeeding years.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATION.—The Secretary shall reserve not more than 3 percent of the funds described in subsection (a)(1) to provide technical assistance to, and conduct evaluations of (using appropriate techniques as described in section 172(c)), the projects funded under this subsection.

''(c) COMPETITIVE FIRST JOBS FOR YOUTH.—

''(1) ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a consortium that—

''(A) shall include—

''(i)(I) a State board; or

''(II) a local board; and

''(ii) a consortium of businesses, including small businesses;

''(B) may include 1 or more—

''(i) local educational agencies;

''(ii) institutions of higher education;

''(iii) business intermediaries;

''(iv) community-based organizations; or

''(v) entities carrying out programs under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); and

''(C) submits an application under paragraph (3).

''(2) AUTHORIZATION.—From the funds described in subsection (a)(2), the Secretary may award grants to eligible entities to provide activities that will assist youth in preparing for, entering, and retaining employment.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the area to be served, including information demonstrating that the area has—

''(i) high unemployment among individuals ages 16 through 21;

''(ii) high unemployment among youth who are individuals with disabilities; or

''(iii) high job loss;

''(B) a description of the proposed program, including activities, compensation, and expected outcomes;

''(C) an assurance that the participating employers in the proposed program are located in the area to be served, and a demonstration of the commitment of the participating employers to hire individuals who—

''(i) have successfully completed the program; or

''(ii) continue to work in the program;

''(D) demographic information about the targeted populations to be served by the proposed program, including information on gender, age, and race;

''(E) a description of how the proposed program will address the barriers to employment of the targeted populations;

''(F) a description of the manner in which the eligible entity will evaluate the program; and

''(G) a description of the ability of the eligible entity to carry out and expand the program after the expiration of the grant period.

''(4) EQUITABLE DISTRIBUTION TO RURAL AREAS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants to rural areas.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the grant funds to carry out—

''(i) activities that will assist youth in preparing for, entering, and retaining employment, including the activities described in section 129 for out-of-school youth (as defined in section 129(a));

''(ii) activities designed to strengthen academic skills that would assist—

''(I) in-school youth (as so defined) to be successful in secondary school and continue such participants' education; and

''(II) out-of-school youth (as so defined) to earn a high school diploma or its recognized equivalent, or prepare for postsecondary programs;

''(iii) activities designed to assist youth in economically distressed areas;

''(iv) subsidized employment for not more than 9 months that provides direct experience in a sector that has opportunities for full-time employment;

''(v) career and academic advisement, activities to promote financial literacy and the attainment of entrepreneurial skills, and provision of labor market information on high-skill, high-wage, and nontraditional occupations; and

''(vi) such other activities as the Secretary determines are appropriate to ensure that youth entering the workforce have the skills needed by employers.

''(B) PARTICIPANT ELIGIBILITY.—An individual who is not younger than 16 years of age and not older than 21 years of age, as of the time the eligibility determination is made, who faces barriers to employment, including an individual who is an individual with a disability, may be eligible to participate in activities under this subsection.

''(6) SPECIAL RULE.—An eligible entity that receives a grant under this subsection shall coordinate activities with the designated State agency (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)) and other appropriate State agencies in the State to be served.

''(7) MATCHING FUNDS REQUIRED.—The Secretary shall require that an eligible entity that receives a grant under this subsection provide non-Federal matching funds in an amount to be determined by the Secretary that is not less than 10 percent of the cost of activities carried out with assistance provided under the grant. The Secretary may require that such non-Federal matching funds be provided in cash resources, noncash resources, or a combination of cash and noncash resources.

''(8) EVALUATIONS.—The Secretary may require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 145. TECHNICAL ASSISTANCE.

Section 170 (29 U.S.C. 2915) is amended—

(1) in subsection (a)(1), by—

(A) inserting ''the training of staff providing rapid response services, the training of other staff of recipients of funds under this title, the training of members of State boards and local boards, peer review activities under this title,'' after ''localities,''; and

(B) striking ''from carrying out activities'' and all that follows through the period and inserting ''to implement the amendments made by the Workforce Investment Act Amendments of 2005.'';

(2) in subsection (a)(2), by adding at the end the following: ''The Secretary shall also hire

staff qualified to provide the assistance described in paragraph (1).'';

(3) in subsection (b)(2), by striking the last sentence and inserting ''Such projects shall be administered by the Employment and Training Administration.''; and

(4) by adding at the end the following:

''(c) BEST PRACTICES COORDINATION.—The Secretary shall—

''(1) establish a system through which States may share information regarding best practices with regard to the operation of workforce investment activities under this Act;

''(2) evaluate and disseminate information regarding best practices and identify knowledge gaps; and

''(3) commission research under section 171(c) to address knowledge gaps identified under paragraph (2).''.

SEC. 146. DEMONSTRATION, PILOT, MULTISERVICE, RESEARCH, AND MULTISTATE PROJECTS.

(a) DEMONSTRATION AND PILOT PROJECTS.—Section 171(b) (29 U.S.C. 2916(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''Under a'' and inserting ''Consistent with the priorities specified in the'';

(B) by redesignating subparagraphs (F) through (H) as subparagraphs (H) through (J), respectively;

(C) by striking subparagraphs (A) through (E) and inserting the following:

''(A) projects that assist national employers in connecting with the workforce investment system established under this title in order to facilitate the recruitment and employment of needed workers for career ladder jobs and to provide information to such system on skills and occupations in demand;

''(B) projects that promote the development of systems that will improve the maximum effectiveness of programs carried out under this title;

''(C) projects that focus on opportunities for employment in industries and sectors of industries that are experiencing, or are likely to experience, high rates of growth and jobs with wages leading to self-sufficiency;

''(D) projects that focus on collaborations among local boards, institutions of higher education, medical facilities, and other community stakeholders, to promote opportunities for dislocated workers to receive training and related services for employment in the high-demand health care sector;

''(E) projects that focus on career ladder advancement for nursing care providers, including faculty education and distance learning programs;

''(F) computerized, individualized, self-paced training projects targeted to dislocated, disadvantaged, or incumbent workers utilizing equipment and curriculum designed in partnership with industries for employment in the operations, repair, and maintenance of high-tech equipment that is used in integrated systems technology;

''(G) projects carried out by States and local areas to test innovative approaches to delivering employment-related services;'';

(D) in subparagraph (I) (as redesignated by subparagraph (B)), by striking ''and'' after the semicolon; and

(E) by striking subparagraph (J) (as redesignated by subparagraph (B)), and inserting the following:

''(J) projects that provide retention grants, which shall—

''(i) be made to qualified job training programs offering instruction, assessment, or professional coaching, upon placement of a low-income individual trained by the program involved in employment with an employer and retention of the low-income individual in that employment with that employer for a period of 1 year, if that employment provides the low-income individual with an annual salary—

''(I) that is at least $10,000 more than the individual's federally adjusted income for the previous year; and

''(II) that is not less than twice the poverty line applicable to the individual; and

''(ii) be made taking into account the economic benefit received by the Federal Government from the employment and retention of the individual, including the economic benefit from tax revenue and decreased public subsidies;

''(K) targeted innovation projects that improve access to and delivery of employment and training services, with emphasis given to projects that incorporate advanced technologies to facilitate the connection of individuals to the information and tools the individuals need to upgrade skills;

''(L) projects that promote the use of distance learning, enabling students to take courses through the use of media technology such as videos, teleconferencing computers, and the Internet; and

''(M) projects that provide comprehensive education and training services, and support services, in coordination with local boards, for populations in targeted high poverty areas where the greatest barriers to employment exist, including ex-offenders, out-of-school youth, and public assistance recipient populations.''; and

(2) in paragraph (2)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B).

(b) MULTISERVICE PROJECTS.—Section 171(c)(2)(B) (29 U.S.C. 2916(c)(2)(B)) is amended to read as follows:

''(B) STUDIES AND REPORTS.—

''(i) NET IMPACT STUDIES AND REPORTS.—

''(I) IN GENERAL.—The Secretary, in coordination with the Secretary of Education, shall conduct studies to determine the net impacts of, including best practices of, programs, services, and activities carried out under this title.

''(II) REPORTS.—The Secretary shall prepare and disseminate to the public reports containing the results of the studies conducted under subclause (I).

''(ii) STUDY ON RESOURCES AVAILABLE TO ASSIST OUT-OF-SCHOOL YOUTH.—The Secretary, in coordination with the Secretary of Education, may conduct a study examining the resources available at the Federal, State, and local levels to assist out-of-school youth in obtaining the skills, credentials, and work experience necessary to become successfully employed, including the availability of funds provided through average daily attendance and other methodologies used by States and local areas to distribute funds.

''(iii) STUDY OF INDUSTRY-BASED CERTIFICATION AND CREDENTIALS.—

''(I) IN GENERAL.—The Secretary shall conduct a study concerning the role and benefits of credentialing and certification to businesses and workers in the economy and the implications of certification to the services provided through the workforce investment system. The study may examine issues such as—

''(aa) the characteristics of successful credentialing and certification systems that serve business and individual needs;

''(bb) the relative proportions of certificates and credentials attained with assistance from the public sector, with private-sector training of new hires or incumbent workers, and by individuals on their own initiative without other assistance, respectively;

''(cc) the return on human capital investments from occupational credentials and industry-based skill certifications, including the extent to which acquisition of such credentials or certificates enhances outcomes such as entry into employment, retention, earnings (including the number and amount of wage increases), career advancement, and layoff aversion;

''(dd) the implications of the effects of skill certifications and credentials to the types and delivery of services provided through the workforce investment system;

''(ee) the role that Federal and State governments play in fostering the development of and disseminating credentials and skill standards; and

''(ff) the use of credentials by businesses to achieve goals for workforce skill upgrading and greater operating efficiency.

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study conducted pursuant to subclause (I). Such report may include any recommendations that the Secretary determines are appropriate to include in such report relating to promoting the acquisition of industry-based certification and credentials, and the appropriate role of the Department of Labor and the workforce investment system in supporting the needs of business and individuals with respect to such certification and credentials.

''(iv) STUDY OF EFFECTIVENESS OF WORKFORCE INVESTMENT SYSTEM IN MEETING BUSINESS NEEDS.—

''(I) IN GENERAL.—Using funds available to carry out this section jointly with funds available to the Secretary of Commerce and Administrator of the Small Business Administration, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may conduct a study of the effectiveness of the workforce investment system in meeting the needs of business, with particular attention to the needs of small business, including in assisting workers to obtain the skills needed to utilize emerging technologies. In conducting the study, the Secretary, in coordination with the Secretary of Commerce and the Administrator of the Small Business Administration, may examine issues such as—

''(aa) methods for identifying the workforce needs of businesses and how the requirements of small businesses may differ from larger establishments;

''(bb) business satisfaction with the workforce investment system, with particular emphasis on the satisfaction of small businesses;

''(cc) the extent to which business is engaged as a collaborative partner in the workforce investment system, including the extent of business involvement as members of State boards and local boards, and the extent to which such boards and one-stop centers effectively collaborate with business and industry leaders in developing workforce investment strategies, including strategies to identify high growth opportunities;

''(dd) ways in which the workforce investment system addresses changing skill needs of business that result from changes in technology and work processes;

''(ee) promising practices for serving small businesses;

''(ff) the extent and manner in which the workforce investment system uses technology to serve business and individual needs, and how uses of technology could enhance efficiency and effectiveness in providing services; and

''(gg) the extent to which various segments of the labor force have access to and utilize technology to locate job openings and apply for jobs, and characteristics of individuals utilizing such technology (such as age, gender, race or ethnicity, industry sector, and occupational groups).

''(II) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress a report containing the results of the study described in subclause (I). Such report may include any recommendations the Secretary determines are appropriate to include in such report, including ways to enhance the effectiveness of the workforce investment system in meeting the needs of business for skilled workers.''.

(c) ADMINISTRATION.—Section 171(d) (29 U.S.C. 2916(d)) is amended by striking the last sentence and inserting the following: ''Such projects shall be administered by the Employment and Training Administration.''.

(d) NEXT GENERATION TECHNOLOGIES.—Section 171 (29 U.S.C. 2916) is amended by adding at the end the following:

''(e) SKILL CERTIFICATION PILOT PROJECTS.—

''(1) PILOT PROJECTS.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (10), the Secretary shall establish and carry out not more than 10 pilot projects to establish a system of industry-validated national certifications of skills, including—

''(A) not more than 8 national certifications of skills in high-technology and high-growth industries, including biotechnology, telecommunications, highly automated manufacturing (including semiconductors), nanotechnology, energy technology, and nursing; and

''(B) not more than 2 cross-disciplinary national certifications of skills in homeland security technology.

''(2) GRANTS TO ELIGIBLE ENTITIES.—In carrying out the pilot projects, the Secretary shall make grants to eligible entities, for periods of not less than 36 months and not more than 48 months, to carry out the authorized activities described in paragraph (7) with respect to the certifications described in paragraph (1). In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(3) ELIGIBLE ENTITIES.—

''(A) DEFINITION OF ELIGIBLE ENTITY.—In this subsection the term 'eligible entity' means an entity that shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(ii) An advanced technology education center.

''(iii) A local board.

''(iv) A representative of a business in a target industry for the certification involved.

''(v) A representative of an industry association, labor organization, or community development organization.

''(B) HISTORY OF DEMONSTRATED CAPABILITY REQUIRED.—To be eligible to receive a grant under this subsection, an eligible entity shall have a history of demonstrated capability for effective collaboration with industry on workforce investment activities that is consistent with the objectives of this title.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(5) CRITERIA.—The Secretary shall establish criteria, consistent with paragraph (6), for awarding grants under this subsection.

''(6) PRIORITY.—In selecting eligible entities to receive grants under this subsection, the Secretary shall give priority to eligible entities that demonstrate the availability of and ability to provide matching funds from industry or nonprofit sources. Such matching funds may be provided in cash or in kind.

''(7) AUTHORIZED ACTIVITIES.—

''(A) IN GENERAL.—An eligible entity that receives a grant under this subsection shall use the funds made available through the grant—

''(i) to facilitate the establishment of certification requirements for a certification described in paragraph (1) for an industry;

''(ii) to develop and initiate a certification program that includes preparatory courses, course materials, procedures, and examinations, for the certification; and

''(iii) to collect and analyze data related to the program at the program's completion, and to identify best practices (consistent with paragraph (8)) that may be used by State and local workforce investment boards in the future.

''(B) BASIS FOR REQUIREMENTS.—The certification requirements established under the grant shall be based on applicable skill standards for the industry involved that have been developed by or linked to national centers of excellence under the National Science Foundation's Advanced Technological Education Program. The requirements shall require an individual to demonstrate an identifiable set of competencies relevant to the industry in order to receive certification. The requirements shall be designed to provide evidence of a transferable skill set that allows flexibility and mobility of workers within a high technology industry.

''(C) RELATIONSHIP TO TRAINING AND EDUCATION PROGRAMS.—The eligible entity shall ensure that—

''(i) a training and education program related to competencies for the industry involved, that is flexible in mode and timeframe for delivery and that meets the needs of those seeking the certification, is offered; and

''(ii) the certification program is offered at the completion of the training and education program.

''(D) RELATIONSHIP TO THE ASSOCIATE DEGREE.—The eligible entity shall ensure that the certification program is consistent with the requirements for a 2-year associate degree.

''(E) AVAILABILITY.—The eligible entity shall ensure that the certification program is open to students pursuing associate degrees, employed workers, and displaced workers.

''(8) CONSULTATION.—The Secretary shall consult with the Director of the National Science Foundation to ensure that the pilot projects build on the expertise and information about best practices gained through the implementation of the National Science Foundation's Advanced Technological Education Program.

''(9) CORE COMPONENTS; GUIDELINES; REPORTS.—After collecting and analyzing the data obtained from the pilot programs, the Secretary shall—

''(A) establish the core components of a model high-technology certification program;

''(B) establish guidelines to assure development of a uniform set of standards and policies for such programs;

''(C) prepare and submit a report on the pilot projects to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives; and

''(D) make available to the public both the data and the report.

''(10) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $30,000,000 for fiscal year 2006 to carry out this subsection.''.

(e) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—Section 171 (29 U.S.C. 2916), as amended by subsection (d), is further amended by adding at the end the following:

''(f) INTEGRATED WORKFORCE TRAINING PROGRAMS FOR ADULTS WITH LIMITED ENGLISH PROFICIENCY.—

''(1) DEFINITIONS.—In this subsection:

''(A) INTEGRATED WORKFORCE TRAINING.—The term 'integrated workforce training' means training that integrates occupational skills training with language acquisition.

''(B) SECRETARY.—The term 'Secretary' means the Secretary of Labor in consultation with the Secretary of Education.

''(2) DEMONSTRATION PROJECT.—In accordance with subsection (b) and from funds appropriated pursuant to paragraph (11), the Secretary shall establish and implement a national demonstration project designed to both analyze and provide data on workforce training programs that integrate English language acquisition and occupational training.

''(3) GRANTS.—

''(A) IN GENERAL.—In carrying out the demonstration project, the Secretary shall make not less than 10 grants, on a competitive basis, to eligible entities to provide the integrated workforce training programs. In awarding grants under this subsection the Secretary shall take into consideration awarding grants to eligible entities from diverse geographic areas, including rural areas.

''(B) PERIODS.—The Secretary shall make the grants for periods of not less than 24 months and not more than 48 months.

''(4) ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall work in conjunction with a local board and shall include as a principal participant 1 or more of the following:

''(i) An employer or employer association.

''(ii) A nonprofit provider of English language instruction.

''(iii) A provider of occupational or skills training.

''(iv) A community-based organization.

''(v) An educational institution, including a 2- or 4-year college, or a technical or vocational school.

''(vi) A labor organization.

''(vii) A local board.

''(B) EXPERTISE.—To be eligible to receive a grant under this subsection, an eligible entity shall have proven expertise in—

''(i) serving individuals with limited English proficiency, including individuals with lower levels of oral and written English; and

''(ii) providing workforce programs with training and English language instruction.

''(5) APPLICATIONS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

''(i) contain information, including capability statements, that demonstrates that the eligible entity has the expertise described in paragraph (4)(B); and

''(ii) include an assurance that the program to be assisted shall—

''(I) establish a generalized adult bilingual workforce training and education model that integrates English language acquisition and occupational training, and incorporates the unique linguistic and cultural factors of the participants;

''(II) establish a framework by which the employer, employee, and other relevant members of the eligible entity can create a career development and training plan that assists both the employer and the employee to meet their long-term needs;

''(III) ensure that the framework established under subclause (II) takes into consideration the knowledge, skills, and abilities of the employee with respect to both the current and economic conditions of the employer and future labor market conditions relevant to the local area; and

''(IV) establish identifiable measures so that the progress of the employee and employer and the relative efficacy of the program can be evaluated and best practices identified.

''(6) CRITERIA.—The Secretary shall establish criteria for awarding grants under this subsection.

''(7) INTEGRATED WORKFORCE TRAINING PROGRAMS.—

''(A) PROGRAM COMPONENTS.—

''(i) REQUIRED COMPONENTS.—Each program that receives funding under this subsection shall—

''(I) test an individual's English language proficiency levels to assess oral and literacy gains from the beginning and throughout program enrollment;

''(II) combine training specific to a particular occupation or occupational cluster, with—

''(aa) English language instruction, such as instruction through an English as a Second Language program, or an English for Speakers of Other Languages program;

''(bb) basic skills instruction; and

''(cc) supportive services;

''(III) effectively integrate public and private sector entities, including the local workforce investment system and its functions, to achieve the goals of the program; and

''(IV) require matching or in-kind resources from private and nonprofit entities.

''(ii) PERMISSIBLE COMPONENTS.—The program may offer other services, as necessary to promote successful participation and completion, including work-based learning, substance abuse treatment, and mental health services.

''(B) GOAL.—Each program that receives funding under this subsection shall be designed to prepare limited English proficient adults for, and place such adults in employment in, growing industries with identifiable career ladder paths.

''(C) PROGRAM TYPES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs that meet 1 or more of the following criteria:

''(i) A program—

''(I) that serves unemployed, limited English proficient individuals with significant work experience or substantial education but persistently low wages;

''(II) that aims to prepare such individuals for, and place such individuals in, higher paying employment, defined for purposes of this subparagraph as employment that provides at least 75 percent of the median wage in the local area; and

''(III) with funding that includes funds from private and nonprofit entities.

''(ii) A program—

''(I) that serves limited English proficient individuals with lower levels of oral and written fluency, who are working but at persistently low wages;

''(II) that aims to prepare such individuals for, and place such individuals in, higher paying employment, through services provided at the worksite, or at a location central to several work sites, during work hours; and

''(III) with funding that includes funds from private and nonprofit entities.

''(iii) A program—

''(I) that serves unemployed, limited English proficient individuals with lower levels of oral and written fluency, who have little or no work experience;

''(II) that aims to prepare such individuals for, and place such individuals in, employment through services that include subsidized employment, in addition to the components required in subparagraph (A)(i); and

''(III) with funding that includes funds from private and nonprofit entities.

''(D) PROGRAM APPROACHES.—In selecting programs to receive funding under this subsection, the Secretary shall select programs with different approaches to integrated workforce training, in different contexts, in order to obtain comparative data on multiple approaches to integrated workforce training and English language instruction, to ensure programs are tailored to characteristics of individuals with varying skill levels, and to assess how different curricula work for limited English proficient populations. Such approaches may include—

''(i) bilingual programs in which the workplace language component and the training are conducted in a combination of an individual's native language and English;

''(ii) integrated workforce training programs that combine basic skills, language instruction, and job specific skills training; or

''(iii) sequential programs that provide a progression of skills, language, and training to ensure success upon an individual's completion of the program.

''(8) EVALUATION BY ELIGIBLE ENTITY.—Each eligible entity that receives a grant under this subsection for a program shall carry out a continuous program evaluation and an evaluation specific to the last phase of the program operations.

''(9) EVALUATION BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall conduct an evaluation of program impacts of the programs funded under the demonstration project, using an impact study with a random assignment experimental design at each worksite at which such a program is carried out.

''(B) DATA COLLECTION AND ANALYSIS.—The Secretary shall collect and analyze the data from the demonstration project to determine program effectiveness, including gains in language proficiency, acquisition of skills, and job advancement for program participants.

''(C) REPORT.—The Secretary shall prepare and submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives, and make available to the public, a report on the demonstration project, including the results of the evaluation.

''(10) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to recipients of grants under this subsection throughout the grant periods.

''(11) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated under section 174(b), there is authorized to be appropriated $10,000,000 for fiscal year 2006 to carry out this subsection.''.

(f) COMMUNITY-BASED JOB TRAINING.—Section 171 (29 U.S.C. 2916), as amended by subsection (e), is further amended by adding at the end the following:

''(g) COMMUNITY-BASED JOB TRAINING.—

''(1) DEFINITIONS.—In this subsection:

''(A) COMMUNITY COLLEGE.—The term 'community college' means—

''(i) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001), that provides a 2-year degree that is acceptable for full credit toward a bachelor's degree; or

''(ii) a tribally controlled college or university, as defined in section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801).

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means a community college, a consortium of community colleges, or a consortium composed of a community college and 1 or more institutions of higher education, that shall work with—

''(i) a local board;

''(ii) a business in the qualified industry or an industry association in the qualified industry, as identified in the application of the entity; and

''(iii) an economic development entity.

''(C) INSTITUTION OF HIGHER EDUCATION.—Except as otherwise provided in subparagraph (A)(i), the term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) and the meaning given the term 'postsecondary vocational institution' in section 102(a)(1)(B) of such Act (20 U.S.C. 1002(a)(1)(B)).

''(D) QUALIFIED INDUSTRY.—The term 'qualified industry' means an industry or economic sector that is projected to experience significant growth, such as an industry or economic sector that—

''(i) is projected to add substantial numbers of new jobs to the regional economy;

''(ii) has or is projected to have significant impact on the regional economy;

''(iii) impacts or is projected to impact the growth of other industries or economic sectors in the regional economy;

''(iv) is being transformed by technology and innovation requiring new knowledge or skill sets for workers;

''(v) is a new or emerging industry or economic sector that is projected to grow; or

''(vi) requires high skills and has significant labor shortages in the regional economy.

''(2) DEMONSTRATION PROJECT.—In addition to the demonstration projects authorized under subsection (b), the Secretary may establish and implement a national demonstration project designed—

''(A) to develop local innovative solutions to the workforce challenges facing high-growth, high-skill industries with labor shortages; and

''(B) to increase employment opportunities for workers in high-growth, high-demand occupations by establishing partnerships among education entities, the State workforce investment systems, and businesses in high-growth, high-skill industries or sectors.

''(3) GRANTS.—In carrying out the national demonstration project authorized under this subsection, the Secretary shall award grants, on a competitive basis, for 2, 3, or 4 years, in accordance with generally applicable Federal requirements, to eligible entities to enable the eligible entities to carry out activities authorized under this subsection.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the eligible entity that will offer training under the grant;

''(B) a justification of the need for discretionary funding under the grant, including the need for external funds to create a program to carry out the activities described in paragraph (6);

''(C) an economic analysis of the local labor market to identify—

''(i) high-growth, high-demand industries;

''(ii) the workforce issues faced by such industries; and

''(iii) potential participants in programs funded under this subsection;

''(D) a description of the qualified industry for which the training will occur, the availability of competencies on which the training will be based, and how the grant will help workers acquire the competencies and skills necessary for employment;

''(E) a description of the involvement of the local board and businesses, including small businesses, in the geographic area where the proposed grant will be implemented;

''(F) performance measures for the grant, including performance measures for the expected number of individuals to be trained in a qualified industry, the employment and retention rates for such individuals in a qualified industry, and initial earnings and earnings increases for such individuals;

''(G) a description of how the activities funded by the grant will be coordinated with activities provided through the one-stop center in the local area; and

''(H) a description of the local or private resources that will—

''(i) support the activities carried out under this subsection; and

''(ii) enable the entity to carry out and expand such activities after the expiration of the grant.

''(5) FACTORS FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding grants under this subsection, the Secretary shall consider—

''(i) the extent of public and private collaboration, including existing partnerships among qualified industries, the eligible entity, and the public workforce investment system;

''(ii) the extent to which the grant will provide job seekers with high-quality training for employment in high-growth, high-demand occupations;

''(iii) the extent to which the grant will expand the eligible entity and local one-stop center's capacity to be demand-driven and responsive to local economic needs;

''(iv) the extent to which local businesses commit to hire, retain, or advance individuals who receive training through the grant; and

''(v) the extent to which the eligible entity commits to make any newly developed products,

such as skill standards, assessments, or industry-recognized training curricula, available for dissemination nationally.

''(B) LEVERAGING OF RESOURCES.—In awarding grants under this subsection, the Secretary shall also consider—

''(i) the extent to which local or private resources will be made available to support the activities carried out under this subsection, taking into account the resources of the eligible entity and the entity's partners; and

''(ii) the ability of an eligible entity to continue to carry out and expand such activities after the expiration of the grant.

''(C) DISTRIBUTION OF GRANTS.—In awarding grants under this subsection, the Secretary shall ensure an equitable distribution of such grants across diverse industries and geographic areas.

''(6) USE OF FUNDS.—An eligible entity that receives a grant under this subsection—

''(A) shall use the grant funds for—

''(i) the development by the community college that is a part of the eligible entity in collaboration with other partners identified in the application, and, if applicable, other representatives of qualified industries, of rigorous training and education programs leading to an industry-recognized credential or degree and employment in the qualified industry; and

''(ii) training of adults, incumbent workers, dislocated workers, or out-of-school youth in the skills and competencies needed to obtain or upgrade employment in a qualified industry identified in the eligible entity's application; and

''(B) may use the grant funds for—

''(i) disseminating information on training available for high-growth, high-demand occupations in qualified industries through the one-stop delivery system to prospective participants, businesses, business intermediaries, and community-based organizations in the region, including training available through the grant;

''(ii) referring individuals trained under the grant for employment in qualified industries;

''(iii) enhancing integration of community colleges, training and education with businesses, and the one-stop system to meet the training needs of qualified industries for new and incumbent workers;

''(iv) providing training and relevant job skills to small business owners or operators to facilitate small business development in high-growth, high-skill industries; or

''(v) expanding or creating programs for distance, evening, weekend, modular, or compressed learning opportunities that provide training and relevant job skills for high-growth, high-demand occupations.

''(7) AUTHORITY TO REQUIRE NON-FEDERAL SHARE.—The Secretary may require that recipients of grants under this subsection provide a non-Federal share, from either cash or noncash resources, of the costs of activities carried out under a grant awarded under this subsection.

''(8) PERFORMANCE ACCOUNTABILITY AND EVALUATION.—

''(A) PERFORMANCE ACCOUNTABILITY.—The Secretary shall require an eligible entity that receives a grant under this subsection to submit an interim and final report to the Secretary on the impact on business partners and employment outcomes obtained by individuals receiving training under this subsection using the performance measures identified in the eligible entity's grant application.

''(B) EVALUATION.—The Secretary shall require that an eligible entity that receives a grant under this subsection participate in an evaluation of activities carried out under this subsection, including an evaluation using the techniques described in section 172(c).''.

SEC. 147. NATIONAL DISLOCATED WORKER GRANTS.

(a) IN GENERAL.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking the heading and inserting the following:

''SEC. 173. NATIONAL DISLOCATED WORKER GRANTS.'';

and

(2) in subsection (a)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and aligning the margins of the subparagraphs with the margins of subparagraph (A) of paragraph (4);

(B) by striking paragraph (4);

(C) by striking the matter preceding paragraph (1) and inserting the following:

''(a) IN GENERAL.—

''(1) GRANTS.—The Secretary is authorized to award national dislocated worker grants—'';

(D) in paragraph (1)(A), by striking ''subsection (c)'' and inserting ''subsection (b)'';

(E) in paragraph (1)(C), by striking ''and'' after the semicolon; and

(F) by adding at the end the following:

''(D) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (e), including providing assistance to eligible individuals;

''(E) to a State or entity (as defined in subsection (b)(1)(B)) to carry out subsection (f), including providing assistance to eligible individuals;

''(F) to provide additional assistance to a State board or local board where a higher than average demand for employment and training activities for dislocated members of the Armed Forces, or spouses, as described in section 101(11)(E), of members of the Armed Forces, described in subsection (b)(2)(A)(iv), exceeds State and local resources for providing such services, and where such programs are to be carried out in partnership with the Department of Defense and Department of Veterans Affairs transition assistance programs; and

''(G) to provide assistance to a State for statewide or local use in order to—

''(i) address cases in which there have been worker dislocations across multiple sectors, across multiple businesses within a sector, or across multiple local areas, and such workers remain dislocated;

''(ii) meet emerging economic development needs; and

''(iii) train eligible individuals who are dislocated workers described in clause (i).

''(2) DECISIONS AND OBLIGATIONS.—The Secretary shall issue a final decision on an application for a national dislocated worker grant under this subsection not later than 45 calendar days after receipt of the application. The Secretary shall issue a notice of obligation for such a grant not later than 10 days after the award of the grant.''.

(b) ADMINISTRATION AND ADDITIONAL ASSISTANCE.—Section 173 (29 U.S.C. 2918) is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively;

(3) in subsection (b) (as redesignated by paragraph (2))—

(A) in paragraph (1)(A), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''; and

(B) in paragraph (2)—

(i) in subparagraph (A), in the matter preceding clause (i), by striking ''national emergency grant awarded pursuant to subsection (a)(1)'' and inserting ''national dislocated worker grant awarded pursuant to subsection (a)(1)(A)''; and

(ii) in subparagraph (C), by striking ''national emergency grants'' and inserting ''national dislocated worker grants'';

(4) in paragraphs (1), (2), and (3) of subsection (c) (as redesignated by paragraph (3)), by striking ''subsection (a)(2)'' and inserting ''subsection (a)(1)(B)'';

(5) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

''(d) ADDITIONAL ASSISTANCE.—

''(1) IN GENERAL.—From the amount appropriated and made available to carry out this section for any program year, the Secretary shall use not more than $20,000,000 to make grants to States to provide employment and training activities under section 134, in accordance with subtitle B.

''(2) ELIGIBLE STATES.—The Secretary shall make a grant under paragraph (1) to a State for a program year if—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003, is greater than—

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).

''(3) AMOUNT OF GRANTS.—Subject to paragraph (1), the amount of the grant made under paragraph (1) to a State for a program year shall be based on the difference between—

''(A) the amount of the allotment that was made to the State for the program year 2003 under the formula specified in section 132(b)(1)(B) as such section was in effect on July 1, 2003; and

''(B) the amount of the allotment that would be made to the State for the program year under the formula specified in section 132(b)(1)(B).'';

(5) in subsection (e) (as redesignated by paragraph (2))—

(A) in paragraph (1), by striking ''paragraph (4)(A)'' and inserting ''paragraph (1)(D)'';

(B) in paragraph (2), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(C) in paragraph (3)(B), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(1)(D)'';

(D) in paragraph (4), by striking ''subsection (g)'' and inserting ''subsection (f)'';

(E) in paragraph (5), by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(F) in paragraph (6)—

(i) by striking ''subsection (g)'' and inserting ''subsection (f)''; and

(ii) by striking ''subsection (c)(1)(B)'' and inserting ''subsection (b)(1)(B)''; and

(6) in subsection (f) (as redesignated by paragraph (2))—

(A) in paragraph (1)—

(i) by striking ''paragraph (4)(B)'' and inserting ''paragraph (1)(E)''; and

(ii) by striking ''subsection (f)(1)(A)'' and inserting ''subsection (e)(1)(A)''; and

(B) in paragraph (4)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(1)(E)''.

SEC. 148. AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ACTIVITIES.

(a) IN GENERAL.—Section 174(a)(1) (29 U.S.C. 2919(a)(1)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) RESERVATIONS.—Section 174(b) (29 U.S.C. 2919(b)) is amended to read as follows:

''(b) TECHNICAL ASSISTANCE; DEMONSTRATION AND PILOT PROJECTS, EVALUATIONS, INCENTIVE GRANTS.—

''(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated to carry out sections 170 through 172 and section 503 such sums as may be necessary for each of fiscal years 2006 through 2011.

''(2) RESERVATION.—Of the amount appropriated pursuant to the authorization of appropriations under paragraph (1) for a fiscal year, the Secretary shall, for each of the fiscal years 2006 through 2011, reserve not less than 25 percent for carrying out section 503.''.

(c) ASSISTANCE FOR ELIGIBLE WORKERS.—Section 174(c) (29 U.S.C. 2919(c)) is amended—

(1) in paragraphs (1)(A) and (2)(A), by striking ''subsection (a)(4)(A)'' and inserting ''subsection (a)(1)(D)''; and

(2) in paragraphs (1)(B) and (2)(B), by striking ''subsection (a)(4)(B)'' and inserting ''subsection (a)(1)(E)''.

Subtitle E—Administration

SEC. 151. REQUIREMENTS AND RESTRICTIONS.

Section 181(e) (29 U.S.C. 2931(e)) is amended by striking ''economic development activities,''.

SEC. 152. REPORTS.

Section 185(c) (29 U.S.C. 2935(c)) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(4) shall have the option to submit or disseminate electronically any reports, records, plans, or any other data that are required to be collected or disseminated under this title.''.

SEC. 153. ADMINISTRATIVE PROVISIONS.

(a) ANNUAL REPORT.—Section 189(d) (29 U.S.C. 2939(d)) is amended—

(1) in paragraph (3), by striking ''and'' after the semicolon;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

''(4) the negotiated levels of performance of the States, the States' requests for adjustments of such levels, and the adjustments of such levels that are made; and''.

(b) AVAILABILITY.—Section 189(g)(2) (29 U.S.C. 2939(g)(2)) is amended, in the first sentence—

(1) by striking ''Funds'' and inserting ''Except as otherwise provided in this paragraph, funds''; and

(2) by striking ''each State receiving'' and inserting ''each recipient of''.

(c) GENERAL WAIVERS.—Section 189(i)(4) (29 U.S.C. 2939(i)(4)) is amended—

(1) in subparagraph (A)(i), by inserting ''the funding of infrastructure costs for one-stop centers,'' after ''local boards,'';

(2) in subparagraph (C), by striking ''90'' and inserting ''60''; and

(3) by adding at the end the following:

''(D) EXPEDITED REQUESTS.—The Secretary shall expedite requests for waivers of statutory or regulatory requirements that have been approved for a State pursuant to subparagraph (B), if the requirements of this paragraph have been satisfied.

''(E) SPECIAL RULE.—With respect to any State that has a waiver under this paragraph relating to the transfer authority under section 133(b)(4), and has the waiver in effect on the date of enactment of the Workforce Investment Act Amendments of 2005 or subsequently receives such a waiver, the waiver shall continue to apply for so long as the State meets or exceeds State performance measures relating to the indicators described in section 136(b)(2)(A)(i).''.

SEC. 154. USE OF CERTAIN REAL PROPERTY.

Section 193 (29 U.S.C. 2943) is amended to read as follows:

"SEC. 193. TRANSFER OF FEDERAL EQUITY IN STATE EMPLOYMENT SECURITY AGENCY REAL PROPERTY TO THE STATES.

''(a) TRANSFER OF FEDERAL EQUITY.—Notwithstanding any other provision of law, any Federal equity acquired in real property through grants to States awarded under title III of the Social Security Act (42 U.S.C. 501 et seq.) or under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) is transferred to the States that used the grants for the acquisition of such equity. The portion of any real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act. Any disposition of such real property shall be carried out in accordance with the procedures prescribed by the Secretary and the portion of the proceeds from the disposition of such real property that is attributable to the Federal equity transferred under this section shall be used to carry out activities authorized under title III of the Social Security Act or the Wagner-Peyser Act.

''(b) LIMITATION ON USE.—A State shall not use funds awarded under title III of the Social Security Act or the Wagner-Peyser Act to amortize the costs of real property that is purchased by any State on or after the effective date of this provision.''.

SEC. 155. GENERAL PROGRAM REQUIREMENTS.

Section 195 (29 U.S.C. 2945) is amended by adding at the end the following:

''(14) Funds provided under this title shall not be used to establish or operate stand-alone fee-for-service enterprises that compete with private sector employment agencies (as defined in section 701(c) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(c))). For purposes of this paragraph, such an enterprise does not include a one-stop service delivery system described in section 121(e).''.

Subtitle F—Incentive Grants

SEC. 161. INCENTIVE GRANTS.

Section 503 (20 U.S.C. 9273) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—

''(1) TIMELINE.—

''(A) PRIOR TO JULY 1, 2006.—Prior to July 1, 2006, the Secretary shall award a grant to each State in accordance with the provisions of this section as this section was in effect on July 1, 2003.

''(B) BEGINNING JULY 1, 2006.—Beginning on July 1, 2006, the Secretary shall award incentive grants to States for performance described in paragraph (2), to implement or enhance innovative and coordinated programs as described in paragraph (3), consistent with the statewide economic, workforce, and educational interests of the State.

''(2) BASIS.—The Secretary shall award the grants on the basis that the States—

''(A) have exceeded the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)), and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2323(b)); or

''(B) have—

''(i) met the State performance measures established under section 136(b), the performance measures established under section 212(b) of the Adult Education and Family Literacy Act, and the State performance measures established under section 113(b) of the Carl D. Perkins Vocational and Technical Education Act of 1998; and

''(ii) demonstrated—

''(I) exemplary coordination of one-stop partner programs described in section 121 with statewide economic development or business needs;

''(II) exemplary performance in the one-stop partner programs in the State in serving hard-to-serve populations; or

''(III) effective—

''(aa) coordination of multiple systems for the one-stop partner programs into a comprehensive workforce investment system, including coordination of employment activities under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) and core services under section 134(d)(2);

''(bb) expansion of access to training through the one-stop partner programs, including expansion of access through increased leveraging of resources other than those provided through programs under title I;

''(cc) implementation of statewide coordination activities relating to the one-stop partner programs, through agreements with relevant State agencies and offices, including those responsible for programs under the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.) and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(dd) statewide coordination relating to the one-stop partner programs, through arrangements with local boards or local areas;

''(ee) alignment of management information systems to integrate participant information across the one-stop partner programs; or

''(ff) integration of performance information systems and common measures for accountability across the one-stop partner programs.

''(3) USE OF FUNDS.—The funds awarded to a State under this section may be used to carry out activities authorized for States in programs carried out under title I, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.) (referred to in this subsection as 'workforce and education programs'), including demonstration projects, and innovative projects or programs that increase coordination and enhance service to participants in such programs, particularly hard-to-serve populations, including—

''(A) activities that support business needs, especially for incumbent workers and enhancing opportunities for retention and advancement;

''(B) activities that support linkages between the workforce and education programs, and secondary, postsecondary, or career and technical education programs, including activities under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.), the Adult Education and Family Literacy Act (20 U.S.C. 9201 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

''(C) activities that support statewide economic development plans that support high-wage, high-skill, or high-demand occupations leading to self-sufficiency;

''(D) activities that coordinate the workforce and education programs with other Federal and State programs related to the workforce and education programs;

''(E) activities that support the development of a statewide integrated performance information system that includes common measures for one-stop partner programs described in section 121;

''(F) activities that align management information systems with integrated performance information across the one-stop partner programs; or

''(G) activities that support local workforce investment boards or areas in improving performance in workforce and education programs and program coordination of workforce and education programs.

''(4) WAIVER.—For States that have developed and implemented a statewide integrated performance information system with common measures, as described in paragraph (3)(E), for the one-stop partner programs, the Secretary may waive for the State such reporting requirements for the one-stop partner programs as the Secretary has authority or agreement to waive.

''(5) TECHNICAL ASSISTANCE.—The Secretary shall reserve 4 percent of the funds available for grants under this section to provide technical assistance to States—

''(A) to replicate best practices for workforce and education programs;

''(B) to develop integrated performance information systems for the one-stop partner programs;

''(C) to strengthen coordination between workforce and education programs and other education programs; or

''(D) to strengthen economic development.

''(6) DEFINITION.—As used in this subsection, the term 'hard-to-serve populations' has the meaning given the term in section 101.'';

(2) in subsection (b)(2)—

(A) in the matter preceding subparagraph (A), by striking ''only'' and all that follows through ''assurances:'' and inserting ''to ensure that the application contains, and to determine the accuracy of, the following assurances:''; and

(B) by striking subparagraph (C) and inserting the following:

''(C) the State meets the requirements of subparagraph (A) or (B) of subsection (a)(2).''; and

(3) by striking subsection (d).

Subtitle G—Conforming Amendments

SEC. 171. TABLE OF CONTENTS.

Section 1(b) (29 U.S.C. 9201 note) is amended—

(1) by striking the item relating to section 106 and inserting the following:

''Sec. 106. Purposes.'';

(2) by striking the item relating to section 123 and inserting the following:

''Sec. 123. Eligible providers of youth activities.'';

(3) by striking the item relating to section 169 and inserting the following:

''Sec. 169. Youth challenge grants.'';

(4) by striking the item relating to section 173 and inserting the following:

''Sec. 173. National dislocated worker grants.'';

(5) by striking the item relating to section 193 and inserting the following:

''Sec. 193. Transfer of Federal equity in State employment security agency real property to the States.'';

(6) by inserting after the item relating to section 243 the following:

''Sec. 244. Integrated English literacy and civics education.'';

and

(7) by striking the item relating to section 502.

SEC. 172. CONFORMING AMENDMENTS.

(a) TRADE ACT OF 1974.—Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(b) ADULT EDUCATION AND FAMILY LITERACY ACT.—Section 212(b)(3)(A)(vi) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi)) is amended by striking ''the representatives described in section 136(i)(1)'' and inserting ''representatives of appropriate Federal agencies, and representatives of States and political subdivisions, business and industry, employees, eligible providers of employment and training activities (as defined in section 101), educators, and participants (as defined in section 101), with expertise regarding workforce investment policies and workforce investment activities (as defined in section 101)''.

(c) OLDER AMERICANS ACT OF 1965.—

(1) Subparagraphs (H) and (O) of section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) are amended by striking ''section 134(c) of the Workforce Investment Act of 1998 (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e))''.

(2) Section 505(c)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056c(c)(1)) is amended by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

(3) Section 512(a) of the Older Americans Act of 1965 (42 U.S.C. 3056j(a)) is amended—

(A) by striking ''(B)(vi)'' and inserting ''(B)(v)''; and

(B) by striking ''section 134(c) of such Act (29 U.S.C. 2864(c))'' and inserting ''section 121(e) of such Act (29 U.S.C. 2841(e))''.

TITLE II—AMENDMENTS TO THE ADULT EDUCATION AND FAMILY LITERACY ACT

SEC. 201. SHORT TITLE; PURPOSE.

(a) SHORT TITLE.—This title may be cited as the ''Adult Education and Family Literacy Act Amendments of 2005''.

(b) PURPOSE.—Section 202 of the Adult Education and Family Literacy Act (20 U.S.C. 9201) is amended—

(1) in paragraph (2), by striking ''and'' after the semicolon;

(2) in paragraph (3), by striking ''education.'' and inserting ''education and in the transition to postsecondary education; and''; and

(3) by adding at the end the following:

''(4) assist immigrants and other individuals with limited English proficiency in improving their reading, writing, speaking, and mathematics skills and acquiring an understanding of the American free enterprise system, individual freedom, and the responsibilities of citizenship.''.

SEC. 202. DEFINITIONS.

Section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''services or instruction below the postsecondary level'' and inserting ''academic instruction and education services below the postsecondary level that increase an individual's ability to read, write, and speak in English and perform mathematics''; and

(B) by striking subparagraph (C)(i) and inserting the following:

''(i) are basic skills deficient as defined in section 101;'';

(2) in paragraph (2), by striking ''activities described in section 231(b)'' and inserting ''programs and services which include reading, writing, speaking, or mathematics skills, workplace literacy activities, family literacy activities, English language acquisition activities, or other activities necessary for the attainment of a secondary school diploma or its State recognized equivalent'';

(3) in paragraph (5)—

(A) by inserting ''an organization that has demonstrated effectiveness in providing adult education, that may include'' after ''means'';

(B) in subparagraph (B), by striking ''of demonstrated effectiveness'';

(C) in subparagraph (C), by striking ''of demonstrated effectiveness''; and

(D) in subparagraph (I), by inserting ''or coalition'' after ''consortium'';

(4) in paragraph (6)—

(A) by striking ''LITERACY PROGRAM'' and inserting ''LANGUAGE ACQUISITION PROGRAM'';

(B) by striking ''literacy program'' and inserting ''language acquisition program''; and

(C) by inserting ''reading, writing, and speaking'' after ''competence in'';

(5) by striking paragraph (10);

(6) by redesignating paragraphs (7) through (9) and (12) through (18) as paragraphs (8) through (10) and (13) through (19), respectively;

(7) by inserting after paragraph (6) the following:

''(7) ESSENTIAL COMPONENTS OF READING INSTRUCTION.—The term 'essential components of reading instruction' has the meaning given the term in section 1208 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368).'';

(8) by inserting after paragraph (11) the following:

''(12) LIMITED ENGLISH PROFICIENCY.—The term 'limited English proficiency', when used with respect to an individual, means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language, and—

''(A) whose native language is a language other than English; or

''(B) who lives in a family or community environment where a language other than English is the dominant language.'';

(9) by striking paragraph (15), as redesignated by paragraph (6), and inserting the following:

''(15) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

(10) by striking paragraph (19), as redesignated by paragraph (6), and inserting the following:

''(19) WORKPLACE LITERACY PROGRAM.—The term 'workplace literacy program' means an educational program designed to improve the productivity of the workforce through the improvement of literacy skills that is offered by an eligible provider in collaboration with an employer or an employee organization at a workplace, at an off-site location, or in a simulated workplace environment.''.

SEC. 203. HOME SCHOOLS.

Section 204 of the Adult Education and Family Literacy Act (20 U.S.C. 9203) is amended to read as follows:

''SEC. 204. HOME SCHOOLS.

''Nothing in this title shall be construed to affect home schools, whether a home school is treated as a home school or a private school under State law, or to compel a parent engaged in home schooling to participate in an English language acquisition program, family literacy services, or adult education.''.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Adult Education and Family Literacy Act (20 U.S.C. 9204) is amended—

(1) by striking ''1999'' and inserting ''2006''; and

(2) by striking ''2003'' and inserting ''2011''.

SEC. 205. RESERVATION OF FUNDS; GRANTS TO ELIGIBLE AGENCIES; ALLOTMENTS.

Section 211 of the Adult Education and Family Literacy Act (20 U.S.C. 9211) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) RESERVATION OF FUNDS.—From the sum appropriated under section 205 for a fiscal year, the Secretary—

''(1) shall reserve 1.5 percent to carry out section 242, except that the amount so reserved shall not exceed $10,000,000;

''(2) shall reserve 1.5 percent to carry out section 243 and subsection (f)(4), except that the amount so reserved shall not exceed $8,000,000;

''(3) shall make available, to the Secretary of Labor, 1.72 percent for incentive grants under section 503; and

''(4) shall reserve 12 percent of the amount that remains after reserving funds under paragraphs (1), (2) and (3) to carry out section 244.'';

(2) in subsection (c)(2)—

(A) by inserting ''and the sole agency responsible for administering or supervising policy for adult education and literacy in the Republic of Palau'' after ''an initial allotment under paragraph (1)'';

(B) by inserting ''or served by the agency for the Republic of Palau'' after ''by the eligible agency''; and

(C) by striking ''States and outlying areas'' and inserting ''States, outlying areas, and the Republic of Palau'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, or'' and inserting ''or''; and

(B) in paragraph (3)—

(i) by striking ''the Republic of the Marshall Islands, the Federated States of Micronesia, and''; and

(ii) by striking ''2001'' and inserting ''2007'';

(4) by striking subsection (f) and inserting the following:

''(f) HOLD-HARMLESS PROVISIONS.—

''(1) IN GENERAL.—Notwithstanding subsection (c) and subject to paragraph (2), for fiscal year 2005 and each succeeding fiscal year, no eligible agency shall receive an allotment under this section that is less than 90 percent of the allotment the eligible agency received for the preceding fiscal year under this section.

''(2) 100 PERCENT ALLOTMENT.—Notwithstanding paragraphs (1) and (2) of subsection (e), an eligible agency that receives only an initial allotment under subsection (c)(1) (and no additional allotment under subsection (c)(2)) shall receive an allotment under this section that is equal to 100 percent of the initial allotment under subsection (c)(1).

''(3) RATABLE REDUCTION.—If for any fiscal year the amount available for allotment under this subtitle is insufficient to satisfy

the provisions of paragraphs (1) and (2), the Secretary shall ratably reduce the payments to all eligible agencies, as necessary.

''(4) ADDITIONAL ASSISTANCE.—

''(A) IN GENERAL.—From amounts reserved under subsection (a)(2), the Secretary shall make grants to eligible agencies described in subparagraph (B) to enable such agencies to provide activities authorized under chapter 2.

''(B) ELIGIBILITY.—An eligible agency is eligible to receive a grant under this paragraph for a fiscal year if the amount of the allotment such agency receives under this section for the fiscal year is less than the amount such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year.

''(C) AMOUNT OF GRANT.—The amount of a grant made to an eligible agency under this paragraph for a fiscal year shall be the difference between—

''(i) the amount of the allotment such agency would have received for the fiscal year if the allotment formula under this section as in effect on September 30, 2003, were in effect for such year; and

''(ii) the amount of the allotment such agency receives under this section for the fiscal year.''; and

(5) by adding at the end the following:

''(h) STUDY AND REPORT.—

''(1) STUDY.—The Comptroller General of the United States shall conduct a study concerning the formula described in this section and, in conducting the study, shall at a minimum—

''(A) examine whether the formula results in a distribution of funds that sufficiently serves the entire population of individuals eligible for adult education and literacy activities under this subtitle;

''(B) examine whether the data used to count qualified adults, for purposes of the formula, accurately measure the population of individuals eligible for the activities; and

''(C) develop recommendations for improving the formula so that the formula results in a distribution of funds that better serves that population and the data used to count qualified adults accurately measure that population.

''(2) REPORT.—Not later than 3 years after the date of enactment of the Workforce Investment Act Amendments of 2005, the Comptroller General shall submit to Congress a report containing the results of the study described in paragraph (1).''.

SEC. 206. PERFORMANCE ACCOUNTABILITY SYSTEM.

Section 212 of the Adult Education and Family Literacy Act (20 U.S.C. 9212) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)(ii), by striking ''additional indicators of performance (if any)'' and inserting ''the employment performance indicators'';

(B) by striking paragraph (2) and inserting the following:

''(2) INDICATORS OF PERFORMANCE.—

''(A) CORE INDICATORS OF PERFORMANCE.—An eligible agency shall identify in the State plan individual academic performance indicators that include, at a minimum, the following:

''(i) Measurable improvements in literacy skill levels in reading, writing, and speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills.

''(ii) Placement in, retention in, or completion of, postsecondary education or other training programs.

''(iii) Completion of a secondary school diploma, its recognized equivalent, or a recognized alternative standard for individuals with disabilities.

''(B) EMPLOYMENT PERFORMANCE INDICATORS.—

''(i) IN GENERAL.—An eligible agency shall identify in the State plan individual participant employment performance indicators that include, at a minimum, the following:

''(I) Entry into unsubsidized employment.

''(II) Retention in unsubsidized employment 6 months after entry into the employment.

''(III) Increases in earnings from unsubsidized employment.

''(ii) DATA COLLECTION.—The State workforce investment board shall assist the eligible agency in obtaining and using quarterly wage records to collect data for each of the indicators described in clause (i), consistent with applicable Federal and State privacy laws.

''(C) INDICATORS FOR WORKPLACE LITERACY PROGRAMS.—Special accountability measures may be negotiated for workplace literacy programs.''; and

(C) in paragraph (3)—

(i) in subparagraph (A)—

(I) in clause (i)(II), by striking ''in performance'' and inserting ''the agency's performance outcomes in an objective, quantifiable, and measurable form'';

(II) in clause (ii), by striking ''3 program years'' and inserting ''2 program years'';

(III) in clause (iii), by striking ''FIRST 3 YEARS'' and inserting ''FIRST 2 YEARS'';

(IV) in clause (iii), by striking ''first 3 program years'' and inserting ''first 2 program years'';

(V) in clause (v), by striking ''4TH AND 5TH'' and inserting ''3RD AND 4TH'';

(VI) in clause (v), by striking ''to the fourth'' and inserting ''to the third'';

(VII) in clause (v), by striking ''fourth and fifth'' and inserting ''third and fourth''; and

(VIII) in clause (vi), by striking ''(II)'' and inserting ''(I)'';

(ii) in subparagraph (B)—

(I) by striking the heading and inserting ''LEVELS OF EMPLOYMENT PERFORMANCE'';

(II) by striking ''may'' and inserting ''shall''; and

(III) by striking ''additional'' and inserting ''employment performance''; and

(iii) by adding at the end the following:

''(C) ALTERNATIVE ASSESSMENT SYSTEMS.—Eligible agencies may approve the use of assessment systems that are not commercially available standardized systems if such systems meet the Standards for Educational and Psychological Testing issued by the Joint Committee on Standards for Educational and Psychological Testing of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education.'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting '', the Governor, the State legislature, and the State workforce investment board'' after ''Secretary''; and

(ii) by striking ''including'' and all that follows through the period and inserting ''including the following:

''(A) Information on the levels of performance achieved by the eligible agency with respect to the core indicators of performance, and employment performance indicators.

''(B) Information on the number or percentage of qualifying adults (as defined in section 211(d)) who are participants in adult education programs under this subtitle and making satisfactory progress toward 1 or more of each of the following:

''(i) Core indicators of performance.

''(ii) Employment performance indicators.

''(iii) Other long-term objectives.

''(C) The number and type of each eligible provider that receives funding under such grant.

''(D) The number of enrollees 16 to 18 years of age who enrolled in adult education not later than 1 year after participating in secondary school education.'';

(B) in paragraph (2)(A), by inserting ''eligible providers and'' after ''available to''; and

(C) by adding at the end the following:

''(3) DATA ACCESS.—The report made available under paragraph (2) shall indicate which eligible agencies did not have access to State unemployment insurance wage data in measuring employment performance indicators.''; and

(3) by adding at the end the following:

''(d) PROGRAM IMPROVEMENT.—

''(1) IN GENERAL.—If the Secretary determines that an eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A) for any program year, the eligible agency shall—

''(A) work with the Secretary to develop and implement a program improvement plan for the 2 program years succeeding the program year in which the eligible agency did not meet its adjusted levels of performance; and

''(B) revise its State plan under section 224, if necessary, to reflect the changes agreed to in the program improvement plan.

''(2) FURTHER ASSISTANCE.—If, after the period described in paragraph (1)(A), the Secretary has provided technical assistance to the eligible agency but determines that the eligible agency did not meet its adjusted levels of performance for the core indicators of performance described in subsection (b)(2)(A), the Secretary may require the eligible agency to make further revisions to the program improvement plan described in paragraph (1). Such further revisions shall be accompanied by further technical assistance from the Secretary.''.

SEC. 207. STATE ADMINISTRATION.

Section 221(1) of the Adult Education and Family Literacy Act (20 U.S.C. 9221(1)) is amended by striking ''and implementation'' and inserting ''implementation, and monitoring''.

SEC. 208. STATE DISTRIBUTION OF FUNDS; MATCHING REQUIREMENT.

Section 222 of the Adult Education and Family Literacy Act (20 U.S.C. 9222) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''82.5'' the first place such term appears and inserting ''80''; and

(ii) by striking ''the 82.5 percent'' and inserting ''such amount'';

(B) in paragraph (2), by striking ''not more than 12.5 percent'' and inserting ''not more than 15 percent''; and

(C) in paragraph (3), by striking ''$65,000'' and inserting ''$75,000''; and

(2) in subsection (b)(1), by striking ''equal to'' and inserting ''that is not less than''.

SEC. 209. STATE LEADERSHIP ACTIVITIES.

Section 223 of the Adult Education and Family Literacy Act (20 U.S.C. 9223) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ''to develop or enhance the adult education system of the State or outlying area'' after ''activities'';

(B) in paragraph (1), by striking ''instruction incorporating'' and all that follows through the period and inserting ''instruction incorporating the essential components of reading instruction and instruction provided by volunteers or by personnel of a State or outlying area.'';

(C) in paragraph (2), by inserting '', including development and dissemination of instructional and programmatic practices based on the most rigorous research available and appropriate, including scientifically based research that is available and appropriate, in reading, writing, speaking, mathematics, English language acquisition programs, distance learning, and staff training'' after ''activities'';

(D) in paragraph (5), by striking ''monitoring and'';

(E) by striking paragraph (6) and inserting the following:

''(6) The development and implementation of technology applications, translation technology, or distance learning, including professional development to support the use of instructional technology.''; and

(F) by striking paragraph (7) through paragraph (11) and inserting the following:

''(7) Coordination with—

''(A) other partners carrying out activities authorized under this Act; and

''(B) existing support services, such as transportation, child care, mental health services, and other assistance designed to increase rates of enrollment in, and successful completion of, adult education and literacy activities, for adults enrolled in such activities.

''(8) Developing and disseminating curricula, including curricula incorporating the essential components of reading instruction as such components relate to adults.

''(9) The provision of assistance to eligible providers in developing, implementing, and reporting measurable progress in achieving the objectives of this subtitle.

''(10) The development and implementation of a system to assist in the transition from adult basic education to postsecondary education, including linkages with postsecondary educational institutions.

''(11) Integration of literacy and English language instruction with occupational skill training, and promoting linkages with employers.

''(12) Activities to promote workplace literacy programs.

''(13) Activities to promote and complement local outreach initiatives described in section 243(b)(3)(F).

''(14) In cooperation with efforts funded under sections 242 and 243, the development of curriculum frameworks and rigorous content standards that—

''(A) specify what adult learners should know and be able to do in the areas of reading and language arts, mathematics, and English language acquisition; and

''(B) take into consideration the following:

''(i) State academic standards established under section 1111(b) of the Elementary and Secondary Education Act of 1965.

''(ii) The current adult skills and literacy assessments used in the State or outlying area.

''(iii) The core indicators of performance established under section 212(b)(2)(A).

''(iv) Standards and academic requirements for enrollment in non-remedial, for-credit, courses in postsecondary education institutions supported by the State or outlying area.

''(v) Where appropriate, the basic and literacy skill content of occupational and industry skill standards widely used by business and industry in the State or outlying area.

''(15) In cooperation with efforts funded under sections 242 and 243, development and piloting of—

''(A) new assessment tools and strategies that—

''(i) are based on scientifically based research, where available and appropriate; and

''(ii) identify the needs and capture the gains of students at all levels, with particular emphasis on—

''(I) students at the lowest achievement level;

''(II) students who have limited English proficiency; and

''(III) adults with learning disabilities;

''(B) options for improving teacher quality and retention; and

''(C) assistance in converting research into practice.

''(16) The development and implementation of programs and services to meet the needs of adult learners with learning disabilities or limited English proficiency.

''(17) Other activities of statewide significance that promote the purpose of this title.''; and

(2) in subsection (c), by striking ''being State- or outlying area-imposed'' and inserting ''being imposed by the State or outlying area''.

SEC. 210. STATE PLAN.

Section 224 of the Adult Education and Family Literacy Act (20 U.S.C. 9224) is amended—

(1) in subsection (a)—

(A) by striking the heading and inserting ''4-YEAR PLANS''; and

(B) in paragraph (1), by striking ''5'' and inserting ''4'';

(2) in subsection (b)—

(A) in paragraph (1), by inserting ''and the role of provider and cooperating agencies in preparing the assessment'' after ''serve'';

(B) by striking paragraph (2) and inserting the following:

''(2) a description of how the eligible agency will address the adult education and literacy needs identified under paragraph (1) in each workforce development area of the State, using funds received under this subtitle, as well as other Federal, State, or local funds received in partnership with other agencies for the purpose of adult literacy as applicable;'';

(C) in paragraph (3)—

(i) by inserting ''and measure'' after ''evaluate'';

(ii) by inserting ''and improvement'' after ''effectiveness''; and

(iii) by striking ''212'' and inserting ''212, including—

''(A) how the eligible agency will evaluate and measure annually such effectiveness on a grant-by-grant basis; and

''(B) how the eligible agency—

''(i) will hold eligible providers accountable regarding the progress of such providers in improving the academic achievement of participants in adult education programs under this subtitle and regarding the core indicators of performance described in section 212(b)(2)(A); and

''(ii) will use technical assistance, sanctions, and rewards (including allocation of grant funds based on performance and termination of grant funds based on performance)'';

(D) by redesignating paragraphs (5) through (12) as paragraphs (6) through (13), respectively;

(E) by inserting after paragraph (4) the following:

''(5) a description of how the eligible agency will improve teacher quality, the professional development of eligible providers, and instruction;'';

(F) in paragraph (6) (as redesignated by subparagraph (D)), by striking ''who'' and all that follows through the semicolon and inserting ''that—

''(A) offers flexible schedules and coordinates with necessary Federal, State, and local support services (such as child care, transportation, mental health services, and case management) to enable individuals, including individuals with disabilities or individuals with other special needs, to participate in adult education and literacy activities; and

''(B) attempts to coordinate with support services that are not provided under this subtitle prior to using funds for adult education and literacy activities provided under this subtitle for support services;'';

(G) in paragraph (10) (as redesignated by subparagraph (D)), by striking ''plan;'' and inserting ''plan, which process—

''(A) shall include the State workforce investment board, the Governor, State officials representing public schools, community colleges, welfare agencies, agencies that provide services to individuals with disabilities, other State agencies that promote or operate adult education and literacy activities, and direct providers of such adult literacy services; and

''(B) may include consultation with the State agency for higher education, institutions responsible for professional development of adult education and literacy education program instructors, institutions of higher education, representatives of business and industry, refugee assistance programs, and community-based organizations (as such term is defined in section 101);'';

(H) in paragraph (11) (as redesignated by subparagraph (D))—

(i) by inserting ''assess potential population needs and'' after ''will'';

(ii) in subparagraph (A), by striking ''students'' and inserting ''individuals'';

(iii) in subparagraph (C), by striking ''and'' after the semicolon; and

(iv) by adding at the end the following:

''(E) the unemployed; and

''(F) those individuals who are employed, but at levels below self-sufficiency, as defined in section 101;'';

(I) in paragraph (12) (as redesignated by subparagraph (D))—

(i) by inserting ''and how the plan submitted under this subtitle is coordinated with the plan submitted by the State under title I'' after ''eligible agency''; and

(ii) by striking ''and'' after the semicolon;

(J) in paragraph (13) (as redesignated by subparagraph (D)), by striking ''231(c)(1).'' and inserting ''231(c)(1), including—

''(A) how the State will build the capacity of organizations that provide adult education and literacy activities; and

''(B) how the State will increase the participation of business and industry in adult education and literacy activities;''; and

(K) by adding at the end the following:

''(14) a description of how the eligible agency will consult with any State agency responsible for postsecondary education to develop adult education programs and services (including academic skill development and support services) that prepare students to enter postsecondary education upon the attainment of a secondary school diploma or its recognized equivalent;

''(15) a description of how the eligible agency will consult with the State agency responsible for workforce development to develop adult education programs and services that are designed to prepare students to enter the workforce; and

''(16) a description of how the eligible agency will improve the professional development of eligible providers of adult education and literacy activities.'';

(3) in subsection (c), by adding at the end the following: ''At the end of the first 2-year period of the 4-year State plan, the eligible agency shall review and, as needed, revise the 4-year State plan.''; and

(4) in subsection (d)—

(A) in paragraph (1), by inserting '', the chief State school officer, the State officer

responsible for administering community and technical colleges, and the State workforce investment board'' after ''Governor''; and

(B) in paragraph (2), by striking ''comments'' and all that follows through the period and inserting ''comments regarding the State plan by the Governor, the chief State school officer, the State officer responsible for administering community and technical colleges, and the State workforce investment board, and any revision to the State plan, are submitted to the Secretary.''.

SEC. 211. PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED INDIVIDUALS.

Section 225 of the Adult Education and Family Literacy Act (20 U.S.C. 9225) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''basic education'' and inserting ''adult education and literacy activities'';

(B) in paragraph (2), by inserting ''and'' after the semicolon;

(C) by striking paragraph (3); and

(D) by redesignating paragraph (4) as paragraph (3); and

(2) in subsection (d), by striking ''DEFINITION OF CRIMINAL OFFENDER.—'' and inserting ''DEFINITIONS.—In this section:''.

SEC. 212. GRANTS AND CONTRACTS FOR ELIGIBLE PROVIDERS.

Section 231 of the Adult Education and Family Literacy Act (20 U.S.C. 9241) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''workplace literacy services'' and inserting ''workplace literacy programs''; and

(B) in paragraph (3), by striking ''literacy'' and inserting ''language acquisition''; and

(2) in subsection (e)—

(A) in paragraph (1), by inserting ''to be achieved annually on the core indicators of performance and employment performance indicators described in section 212(b)(2)'' after ''outcomes'';

(B) by striking paragraph (3) and inserting the following:

''(3) the commitment of the eligible provider to be responsive to local needs and to serve individuals in the community who were identified by the assessment as most in need of adult literacy services, including individuals who are low-income, have minimal literacy skills, have learning disabilities, or have limited English proficiency;'';

(C) in paragraph (4)(B), by striking '', such as'' and all that follows through the semicolon and inserting ''that include the essential components of reading instruction;'';

(D) in paragraph (5), by striking ''research'' and inserting ''the most rigorous research available, including scientifically based research,'';

(E) in paragraph (9), by inserting ''education, job training, and social service'' after ''other available'';

(F) in paragraph (10)—

(i) by inserting ''coordination with Federal, State, and local'' after ''schedules and''; and

(ii) by striking ''and transportation'' and inserting '', transportation, mental health services, and case management'';

(G) in paragraph (11)—

(i) by inserting ''measurable'' after ''report'';

(ii) by striking ''eligible agency'';

(iii) by inserting ''established by the eligible agency'' after ''performance measures''; and

(iv) by striking ''and'' after the semicolon;

(H) in paragraph (12), by striking ''literacy programs.'' and inserting ''language acquisition programs and civics education programs;''; and

(I) by adding at the end the following:

''(13) the capacity of the eligible provider to produce information on performance results, including enrollments and measurable participant outcomes;

''(14) whether reading, writing, speaking, mathematics, and English language acquisition instruction provided by the eligible provider are based on the best practices derived from the most rigorous research available and appropriate, including scientifically based research that is available and appropriate;

''(15) whether the eligible provider's applications of technology and services to be provided are sufficient to increase the amount and quality of learning and lead to measurable learning gains within specified time periods; and

''(16) the capacity of the eligible provider to serve adult learners with learning disabilities.''.

SEC. 213. LOCAL APPLICATION.

Section 232 of the Adult Education and Family Literacy Act (20 U.S.C. 9242) is amended—

(1) in paragraph (1)—

(A) by inserting ''consistent with the requirements of this subtitle'' after ''spent''; and

(B) by striking ''and'' after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) information that addresses each of the considerations required under section 231(e).''.

SEC. 214. LOCAL ADMINISTRATIVE COST LIMITS.

Section 233 of the Adult Education and Family Literacy Act (20 U.S.C. 9243) is amended—

(1) in subsection (a)(2)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''; and

(2) in subsection (b)—

(A) by inserting ''and professional'' after ''personnel''; and

(B) by inserting ''development of measurable goals in reading, writing, and speaking the English language, and in mathematical computation,'' after ''development,''.

SEC. 215. ADMINISTRATIVE PROVISIONS.

Section 241(b) of the Adult Education and Family Literacy Act (20 U.S.C. 9251(b)) is amended—

(1) in paragraph (1)(A)—

(A) by striking ''adult education and literacy activities'' each place the term appears and inserting ''activities under this subtitle''; and

(B) by striking ''was'' and inserting ''were''; and

(2) in paragraph (4)—

(A) by inserting ''not more than'' after ''this subsection for''; and

(B) by striking ''only''.

SEC. 216. NATIONAL INSTITUTE FOR LITERACY.

Section 242 of the Adult Education and Family Literacy Act (20 U.S.C. 9252) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''literacy'' and inserting ''effective literacy programs for children, youth, adults, and families'';

(B) in paragraph (2), by inserting ''and disseminates information on'' after ''coordinates''; and

(C) by striking paragraph (3)(A) and inserting the following:

''(A) coordinating and participating in the Federal effort to identify and disseminate information on literacy that is derived from scientifically based research, or the most rigorous research available, and effective programs that serve children, youth, adults, and families; and'';

(2) by striking subsection (b)(3) and inserting the following:

''(3) RECOMMENDATIONS.—The Interagency Group, in consultation with the National Institute for Literacy Advisory Board (in this section referred to as the 'Board') established under subsection (e), shall plan the goals of the Institute and the implementation of any programs to achieve the goals. The Board may also request a meeting of the Interagency Group to discuss any recommendations the Board may make.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking ''to establish'' and inserting ''to maintain'';

(II) in clause (i), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension'' and inserting ''the essential components of reading instruction'';

(III) in clause (iii), by striking ''and'' after the semicolon;

(IV) in clause (iv), by inserting ''and'' after the semicolon; and

(V) by adding at the end the following:

''(v) a list of local adult education and literacy programs;'';

(ii) in subparagraph (C)—

(I) by striking ''reliable and replicable research'' and inserting ''reliable and replicable research as defined by the Institute of Education Sciences''; and

(II) by striking ''especially with the Office of Educational Research and Improvement in the Department of Education,'';

(iii) in subparagraph (D), by striking ''phonemic awareness, systematic phonics, fluency, and reading comprehension based on'' and inserting ''the essential components of reading instruction and'';

(iv) in subparagraph (H), by striking ''and'' after the semicolon;

(v) in subparagraph (I), by striking the period at the end and inserting a semicolon; and

(vi) by adding at the end the following:

''(J) to work cooperatively with the Department of Education to assist States that are pursuing the implementation of standards-based educational improvements for adults through the dissemination of training, technical assistance, and related support and through the development and dissemination of related standards-based assessment instruments; and

''(K) to identify scientifically based research where available and appropriate, or the most rigorous research available and appropriate, on the effectiveness of instructional practices and organizational strategies relating to literacy programs on the acquisition of skills in reading, writing, English acquisition, and mathematics.''; and

(B) by adding at the end the following:

''(3) COORDINATION.—In identifying the reliable and replicable research the Institute will support, the Institute shall use standards for research quality that are consistent with those of the Institute of Education Sciences.'';

(4) in subsection (e)—

(A) in paragraph (1)(B)—

(i) in clause (i), by striking ''literacy programs'' and inserting ''language acquisition programs'';

(ii) in clause (ii), by striking ''literacy programs'' and inserting ''or have participated in or partnered with workplace literacy programs'';

(iii) in clause (iv), by inserting '', including adult literacy research'' after ''research'';

(iv) in clause (vi), by striking ''and'' after the semicolon;

(v) in clause (vii), by striking the period at the end and inserting ''; and''; and

(vi) by adding at the end the following:

''(viii) institutions of higher education.'';

(B) in paragraph (2)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) review the biennial report submitted to Congress pursuant to subsection (k).''; and

(C) in paragraph (5), by striking the second sentence and inserting the following: ''A recommendation of the Board may be passed only by a majority of the Board's members present at a meeting for which there is a quorum.''; and

(5) in subsection (k)—

(A) by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(B) by striking ''The Institute shall submit a report biennially to'' and inserting ''Not later than 1 year after the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005, and biennially thereafter, the Institute shall submit a report to''.

SEC. 217. NATIONAL LEADERSHIP ACTIVITIES.

Section 243 of the Adult Education and Family Literacy Act (20 U.S.C. 9253) is amended to read as follows:

''SEC. 243. NATIONAL LEADERSHIP ACTIVITIES.

''(a) IN GENERAL.—The Secretary shall establish and carry out a program of national leadership activities to enhance the quality of adult education and literacy programs nationwide.

''(b) PERMISSIVE ACTIVITIES.—The national leadership activities described in subsection (a) may include the following:

''(1) Technical assistance, including—

''(A) assistance provided to eligible providers in developing and using performance measures for the improvement of adult education and literacy activities, including family literacy services;

''(B) assistance related to professional development activities, and assistance for the purposes of developing, improving, identifying, and disseminating the most successful methods and techniques for providing adult education and literacy activities, including family literacy services, based on scientific evidence where available;

''(C) assistance in distance learning and promoting and improving the use of technology in the classroom;

''(D) assistance in developing valid, measurable, and reliable performance data, including data about employment and employment outcome, and using performance information for the improvement of adult education and literacy programs; and

''(E) assistance to help States, particularly low-performing States, meet the requirements of section 212.

''(2) A program of grants, contracts, or cooperative agreements awarded on a competitive basis to national, regional, or local networks of private nonprofit organizations, public libraries, or institutions of higher education to build the capacity of such networks' members to meet the performance requirements of eligible providers under this title and involve adult learners in program improvement.

''(3) Funding national leadership activities that are not described in paragraph (1), either directly or through grants, contracts, or cooperative agreements awarded on a competitive basis to or with postsecondary educational institutions, public or private organizations or agencies, or consortia of such institutions, organizations, or agencies, such as—

''(A) developing, improving, and identifying the most successful methods and techniques for addressing the education needs of adults, including instructional practices using the essential components of reading instruction based on the work of the National Institute of Child Health and Human Development;

''(B) increasing the effectiveness of, and improving the quality of, adult education and literacy activities, including family literacy services;

''(C) carrying out rigorous research, including scientifically based research where appropriate, on national literacy basic skill acquisition for adult learning, including estimating the number of adults functioning at the lowest levels of literacy proficiency;

''(D)(i) carrying out demonstration programs;

''(ii) disseminating best practices information, including information regarding promising practices resulting from federally funded demonstration programs; and

''(iii) developing and replicating best practices and innovative programs, including—

''(I) the development of models for basic skill certificates;

''(II) the identification of effective strategies for working with adults with learning disabilities and with adults with limited English proficiency;

''(III) integrated basic and workplace skills education programs;

''(IV) coordinated literacy and employment services; and

''(V) postsecondary education transition programs;

''(E) providing for the conduct of an independent evaluation and assessment of adult education and literacy activities through studies and analyses conducted independently through grants and contracts awarded on a competitive basis, which evaluation and assessment shall include descriptions of—

''(i) the effect of performance measures and other measures of accountability on the delivery of adult education and literacy activities, including family literacy services;

''(ii) the extent to which the adult education and literacy activities, including family literacy services, increase the literacy skills of adults (and of children, in the case of family literacy services), lead the participants in such activities to involvement in further education and training, enhance the employment and earnings of such participants, and, if applicable, lead to other positive outcomes, such as reductions in recidivism in the case of prison-based adult education and literacy activities;

''(iii) the extent to which the provision of support services to adults enrolled in adult education and family literacy programs increase the rate of enrollment in, and successful completion of, such programs; and

''(iv) the extent to which different types of providers measurably improve the skills of participants in adult education and literacy programs;

''(F) supporting efforts aimed at capacity building of programs at the State and local levels such as technical assistance in program planning, assessment, evaluation, and monitoring of activities carried out under this subtitle;

''(G) collecting data, such as data regarding the improvement of both local and State data systems, through technical assistance and development of model performance data collection systems;

''(H) supporting the development of an entity that would produce and distribute technology-based programs and materials for adult education and literacy programs using an interconnection system (as defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397)) and expand the effective outreach and use of such programs and materials to adult education eligible providers;

''(I) determining how participation in adult education and literacy activities prepares individuals for entry into postsecondary education and employment and, in the case of prison-based services, has an effect on recidivism; and

''(J) other activities designed to enhance the quality of adult education and literacy activities nationwide.''.

SEC. 218. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

Chapter 4 of subtitle A of title II (29 U.S.C. 9251 et seq.) is amended by adding at the end the following:

''SEC. 244. INTEGRATED ENGLISH LITERACY AND CIVICS EDUCATION.

''(a) IN GENERAL.—From funds made available under section 211(a)(4) for each fiscal year, the Secretary shall award grants to States, from allotments under subsection (b), for integrated English literacy and civics education.

''(b) ALLOTMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), from amounts made available under section 211(a)(4) for a fiscal year, the Secretary shall allocate—

''(A) 65 percent to the States on the basis of a State's need for integrated English literacy and civics education, as determined by calculating each State's share of a 10-year average of the data of the Office of Immigration Statistics of the Department of Homeland Security for immigrants admitted for legal permanent residence for the 10 most recent years; and

''(B) 35 percent to the States on the basis of whether the State experienced growth, as measured by the average of the 3 most recent years for which the data of the Office of Immigration Statistics of the Department of Homeland Security for immigrants admitted for legal permanent residence are available.

''(2) MINIMUM.—No State shall receive an allotment under paragraph (1) in an amount that is less than $60,000.''.

SEC. 219. TRANSITION.

The Secretary shall take such steps as the Secretary determines to be appropriate to provide for the orderly transition to the authority of the Adult Education and Family Literacy Act (as amended by this title) from any authority under provisions of the Adult Education and Family Literacy Act (as such Act was in effect on the day before the date of enactment of the Adult Education and Family Literacy Act Amendments of 2005).

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF LAW

SEC. 301. WAGNER-PEYSER ACT.

(a) CONFORMING AMENDMENT.—Section 2(3) of the Wagner-Peyser Act (29 U.S.C. 49a(3)) is amended by striking ''section 134(c)'' and inserting ''section 121(e)''.

(b) COLOCATION.—Section 3 of the Wagner-Peyser Act (29 U.S.C. 49b) is amended by adding at the end the following:

''(d) In order to avoid duplication of services and enhance integration of services, employment services offices in each State shall be co-located with one-stop centers established under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

''(e) The Secretary, in consultation with States, is authorized to assist in the development of national electronic tools that may be used to improve access to workforce information for individuals through—

''(1) the one-stop delivery systems established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(2) such other delivery systems as the Secretary determines to be appropriate.''.

(c) WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.—Section 15 of the Wagner-Peyser Act (29 U.S.C. 49l–2) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 15. WORKFORCE AND LABOR MARKET INFORMATION SYSTEM.";

(2) by striking ''employment statistics system'' each place it appears and inserting ''workforce and labor market information system'';

(3) in subsection (a)(1), by striking ''of employment statistics'';

(4) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''The'' and inserting the following:

''(A) STRUCTURE.—The''; and

(ii) by adding at the end the following:

''(B) GRANTS OR COOPERATIVE AGREEMENTS.—

''(i) IN GENERAL.—The Secretary shall carry out the provisions of this section in a timely manner through grants or cooperative agreements with States.

''(ii) DISTRIBUTION OF FUNDS.—With regard to distributing funds appropriated under subsection (g) (relating to workforce and labor market information funding) for fiscal years 2006 through 2011, the Secretary shall continue to distribute the funds to States in the manner in which the Secretary distributed funds to the States under this section for fiscal years 1999 through 2003.''; and

(B) in paragraph (2)(E)—

(i) in clause (i), by adding ''and'' at the end;

(ii) in clause (ii), by striking ''; and'' and inserting a period; and

(iii) by striking clause (iii);

(5) by striking subsections (c) and (d) and inserting the following:

''(c) TWO-YEAR PLAN.—The Secretary, working through the Commissioner of Labor Statistics, and in cooperation with the States and with the assistance of the Assistant Secretary for Employment and Training and heads of other appropriate Federal agencies, shall prepare a 2-year plan which shall be the mechanism for achieving cooperative management of the nationwide workforce and labor market information system described in subsection (a) and the statewide workforce and labor market information systems that comprise the nationwide system. The plan shall—

''(1) describe the steps the to be taken in the following 2 years to carry out the duties described in subsection (b)(2);

''(2) evaluate the performance of the system and recommend needed improvements, with particular attention to the improvements needed at the State and local levels; and

''(3) describe the involvement of States in the development of the plan, through consultation between the Secretary and representatives from State agencies in accordance with subsection (d).

''(d) COORDINATION WITH THE STATES.—The Secretary, working though the Commissioner of Labor Statistics and in coordination with the Assistant Secretary for Employment and Training, shall formally consult at least twice annually with representatives of each of the Federal regions of the Department of Labor, elected (pursuant to a process established by the Secretary) by and from the State workforce and labor market information directors affiliated with the State agencies that perform the duties described in subsection (e)(2).'';

(6) in subsection (e)—

(A) in paragraph (1)(A), by striking ''annual plan'' and inserting ''plan described in subsection (c)''; and

(B) in paragraph (2)—

(i) in subparagraph (G), by adding ''and'' at the end;

(ii) by striking subparagraph (H); and

(iii) by redesignating subparagraph (I) as subparagraph (H); and

(7) in subsection (g), by striking ''1999 through 2004'' and inserting ''2006 through 2011''.

TITLE IV—REHABILITATION ACT AMENDMENTS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Rehabilitation Act Amendments of 2005''.

SEC. 402. TECHNICAL AMENDMENTS TO TABLE OF CONTENTS.

(a) EXPANDED TRANSITION SERVICES.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 110 the following:

''Sec. 110A. Reservation for expanded transition services.''.

(b) INCENTIVE GRANTS.—Section 1(b) of the Rehabilitation Act of 1973 is amended by inserting after the item relating to section 112 the following:

''Sec. 113. Incentive grants.''.

(c) INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.—Section 1(b) of the Rehabilitation Act of 1973 is amended by striking the items relating to sections 752 and 753 and inserting the following:

''Sec. 752. Training and technical assistance.

''Sec. 753. Program of grants.

''Sec. 754. Authorization of appropriations.''.

SEC. 403. PURPOSE.

Section 2 of the Rehabilitation Act of 1973 (29 U.S.C. 701) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking ''and'' after the semicolon;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7)(A) a high proportion of youth who are individuals with disabilities is leaving special education without being employed or being enrolled in continuing education; and

''(B) there is a substantial need to support those youth as the youth transition from school to postsecondary life.''; and

(2) in subsection (b)—

(A) in paragraph (1)(F), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to provide opportunities for employers and vocational rehabilitation service providers to provide meaningful input at all levels of government to ensure successful employment of individuals with disabilities.''.

SEC. 404. REHABILITATION SERVICES ADMINISTRATION.

Section 3 of the Rehabilitation Act of 1973 (29 U.S.C. 702) is amended—

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

(2) by inserting after subsection (a) the following:

''(b) The Secretary shall ensure that—

''(1) the Rehabilitation Services Administration has sufficient staff to provide oversight of, conduct auditing of, and provide technical assistance to, the designated State agencies funded under this Act; and

''(2) such staff include individuals who have training in and experience with the provision of vocational rehabilitation services.''.

SEC. 405. DEFINITIONS.

Section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705) is amended—

(1) in paragraph (2)(B)—

(A) in the matter preceding clause (i), by inserting ''and literacy services'' after ''supported employment''; and

(B) in clause (iii), by inserting ''and literacy skills'' after ''educational achievements'';

(2) by striking paragraphs (3) and (4) and inserting the following:

''(3) ASSISTIVE TECHNOLOGY DEFINITIONS.—

''(A) ASSISTIVE TECHNOLOGY.—The term 'assistive technology' has the meaning given such term in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).

''(B) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section to the term 'individuals with disabilities' shall be deemed to mean more than one individual with a disability as defined in paragraph (20)(A).

''(C) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' has the meaning given such term in section 3 of the Assistive Technology Act of 1998, except that the reference in such section—

''(i) to the term 'individual with a disability' shall be deemed to mean an individual with a disability, as defined in paragraph (20)(A); and

''(ii) to the term 'individuals with disabilities' shall be deemed to mean more than one such individual.'';

(3) by inserting after paragraph (6) the following:

''(7) CONSUMER ORGANIZATION.—The term 'consumer organization' means a membership organization, or disability advocacy group, for which a majority of the members of the board of directors of the organization or group are individuals with disabilities or family members of individuals with disabilities.'';

(4) in paragraph (17)—

(A) in subparagraph (C), by striking ''and'' after the semicolon;

(B) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(E)(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences; and

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community.'';

(5) by redesignating paragraphs (24) through (28), (29) through (34), (35) through (37), and (38) through (39), as paragraphs (25) through (29), (31) through (36), (38) through (40), and (42) through (43), respectively;

(6) by inserting after paragraph (23) the following:

''(24) LITERACY.—The term 'literacy' has the meaning given the term in section 203 of the Adult Education and Family Literacy Act (20 U.S.C. 9202).'';

(7) by inserting after paragraph (29), as redesignated by paragraph (5), the following:

''(30) POST-EMPLOYMENT SERVICE.—The term 'post-employment' service means a service identified in section 103(a) that is—

''(A) provided subsequent to the achievement of an employment outcome; and

''(B) necessary for an individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.'';

(8) by inserting after paragraph (36), as redesignated by paragraph (5), the following:

''(37) STUDENT WITH A DISABILITY.—

''(A) IN GENERAL.—The term 'student with a disability' means an individual with a disability who attends an elementary school or secondary school and who—

''(i) is not younger than 16 years of age;

''(ii) is not older than 22 years of age;

''(iii) has been determined to be eligible under section 102(a) for assistance under title I; and

''(iv)(I) is eligible for, and receiving, special education or related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); or

''(II) is an individual with a disability, for purposes of section 504.

''(B) STUDENTS WITH DISABILITIES.—The term 'students with disabilities' means more than 1 student with a disability.'';

(9) in paragraph (38)(A)(ii), as redesignated by paragraph (5), by striking ''paragraph (36)(C)'' and inserting ''paragraph (39)(C)''; and

(10) by inserting after paragraph (40), as redesignated by paragraph (5), the following:

''(41) TRANSITION SERVICES EXPANSION YEAR.—The term 'transition services expansion year' means—

''(A) the first fiscal year for which the amount appropriated under section 100(b) exceeds the amount appropriated under section 100(b) for fiscal year 2006 by not less than $100,000,000; and

''(B) each fiscal year subsequent to that first fiscal year.''.

SEC. 406. ADMINISTRATION OF THE ACT.

Section 12(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 709(a)(1)) is amended—

(1) by inserting ''(A)'' after ''(1)''; and

(2) by adding at the end the following:

''(B) provide technical assistance to the designated State units on developing successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities; and

''(C) provide technical assistance on developing self-employment opportunities and outcomes for individuals with disabilities;''.

SEC. 407. REPORTS.

Section 13 of the Rehabilitation Act of 1973 (29 U.S.C. 710) is amended by adding at the end the following:

''(d)(1)(A) The Commissioner shall ensure that the reports, information, and data described in subparagraph (B) will be posted in a timely manner on the website of the Department of Education, in order to inform the public about the administration and performance of programs in each State under this Act.

''(B) The reports, information, and data referred to in subparagraph (A) shall consist of—

''(i) reports submitted by a designated State unit under this Act;

''(ii) accountability information (including State performance information relating to evaluation standards and performance indicators under section 106 and State performance information relating to State performance measures under section 136 of the Workforce Investment Act of 1998 (29 U.S.C. 2871)) submitted by a designated State unit under this Act or submitted by a State to the Secretary of Labor under subsection (d) of such section 136;

''(iii) data collected from each designated State unit under this Act with the approval of the Office of Management and Budget; and

''(iv) monitoring reports conducted under this Act.

''(C) The Commissioner shall maintain, and post on the website, a listing of the reports, information, and data required to be submitted by designated State units under this Act.

''(D) The Commissioner shall post on the website, or establish links on the website to, evaluations, studies, and audits, including evaluations, studies, and audits conducted by agencies of the Federal Government, concerning programs carried out under this Act.

''(E) The Commissioner shall maintain on the website a list of the designated State units and shall establish links on the website to websites maintained by those units.

''(2) The Commissioner shall maintain public use read-only access to the State and aggregated reports and analyzed data filed and maintained on the Rehabilitation Services Administration management information system or a similar system maintained by the Department of Education.''.

SEC. 408. CARRYOVER.

Section 19 of the Rehabilitation Act of 1973 (29 U.S.C. 716) is amended—

(1) in subsection (a)(1)—

(A) by inserting ''(except for the client assistance program funded under section 112)'' after ''any grant program under part B of title I'';

(B) by striking '', section 509 (except as provided in section 509(b))'';

(C) by striking ''or C''; and

(D) by striking ''752(b)'' and inserting ''753(b)''; and

(2) by adding at the end the following:

''(c) CLIENT ASSISTANCE PROGRAM; PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—

''(1) APPROPRIATED AMOUNTS.—Notwithstanding any other provision of law, any funds appropriated for a fiscal year to carry out a grant program under section 112 or 509 (except as provided in section 509(b)), including any funds reallotted under such grant program, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during such succeeding fiscal year.

''(2) PROGRAM INCOME.—Notwithstanding any other provision of law, any amounts of program income received by recipients under a grant program under section 112 or 509 in a fiscal year that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year, shall remain available until expended.''.

Subtitle A—Vocational Rehabilitation Services

SEC. 411. DECLARATION OF POLICY; AUTHORIZATION OF APPROPRIATIONS.

Section 100(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 720(b)(1)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 412. STATE PLANS.

(a) IN GENERAL.—Section 101(a) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)) is amended—

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

''(D) STATE AGENCY FOR REIMBURSEMENT PURPOSES.—A governing body of an Indian tribe that receives a grant under section 121 shall be considered, for purposes of the cost reimbursement provisions—

''(i) in section 222(d)(1) of the Social Security Act (42 U.S.C. 422(d)(1)), to be a State; and

''(ii) in subsections (d) and (e) of section 1615 of the Social Security Act (42 U.S.C. 1382d), to be a State agency described in subsection (d) of that section.'';

(2) in paragraph (6)(B), by striking ''to employ and advance in employment'' and inserting ''to recruit, employ, and advance in employment'';

(3) in paragraph (7)(A)(v), by striking subclause (I) and inserting the following:

''(I) a system for the continuing education of rehabilitation professionals and paraprofessionals within the designated State unit, particularly with respect to rehabilitation technology, including training implemented in coordination with State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003); and'';

(4) in paragraph (10)—

(A) in subparagraph (B), by striking ''annual reporting on the eligible individuals receiving the services, on those specific data elements described in section 136(d)(2) of the Workforce Investment Act of 1998'' and inserting ''annual reporting of information on eligible individuals receiving the services that is needed to assess performance on the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i))'';

(B) in subparagraph (C), by striking clauses (iii) and (iv) and inserting the following:

''(iii) the number of applicants and eligible recipients, including the number of individuals with significant disabilities, who exited the program carried out under this title and the number of such individuals who achieved employment outcomes after receiving vocational rehabilitation services; and

''(iv) the number of individuals who received vocational rehabilitation services who entered and retained employment and the earnings of such individuals, as such entry, retention, and earnings are defined for purposes of the core indicators of performance described in section 136(b)(2)(A)(i) of the Workforce Investment Act of 1998 (29 U.S.C. 2871(b)(2)(A)(i)).''; and

(C) in subparagraph (E)(ii), by striking ''in meeting'' and all that follows through the period and inserting ''in meeting the standards and indicators established pursuant to section 106.'';

(5) in paragraph (11)—

(A) by striking subparagraph (C) and inserting the following:

''(C) INTERAGENCY COOPERATION WITH OTHER AGENCIES.—The State plan shall include descriptions of interagency cooperation with, and utilization of the services and facilities of, Federal, State, and local agencies and programs, including the State programs carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), programs carried out by the Under Secretary for Rural Development of the Department of Agriculture, and State use contracting programs, to the extent that such agencies and programs are not carrying out activities through the statewide workforce investment system.'';

(B) by striking subparagraph (D)(ii) and inserting the following:

''(ii) transition planning by personnel of the designated State agency and the State educational agency that will facilitate the development and completion of the individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) and, as appropriate, the development and completion of the individualized plan for employment, in order to achieve post-school employment outcomes of students with disabilities;''; and

(C) by adding at the end the following:

''(G) COORDINATION WITH ASSISTIVE TECHNOLOGY PROGRAMS.—The State plan shall include an assurance that the designated State unit, and the lead agency and implementing agency (if any) designated by the Governor of the State under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), have developed working relationships and will enter into agreements for the coordination of their activities, including the referral of individuals with disabilities to programs and activities described in that section.

''(H) COORDINATION WITH TICKET TO WORK AND SELF-SUFFICIENCY PROGRAM.—The State plan shall include an assurance that the designated State unit will coordinate activities with any other State agency that is functioning as an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19).'';

(6) in paragraph (15)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) in subclause (II), by striking ''and'' after the semicolon;

(II) in subclause (III), by inserting ''and'' after the semicolon; and

(III) by adding at the end the following:

''(IV) for purposes of addressing needs in a transition services expansion year, students with disabilities, including their need for transition services;'';

(ii) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(iii) by inserting after clause (i) the following:

''(ii) include an assessment of the needs of individuals with disabilities for transition services provided under this Act, and coordinated with transition services provided under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), and an assessment as to whether the transition services provided under those Acts meet the needs of individuals with disabilities;''; and

(B) in subparagraph (D)—

(i) by redesignating clauses (iii), (iv), and (v) as clauses (iv), (v), and (vi), respectively; and

(ii) by inserting after clause (ii) the following:

''(iii) for use in a transition services expansion year, the methods to be used to improve and expand vocational rehabilitation services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from the receipt of educational services in school to postsecondary life, including the receipt of vocational rehabilitation services under this title, postsecondary education, or employment;'';

(7) in paragraph (20)—

(A) by redesignating subparagraph (B) as subparagraph (C);

(B) by inserting after subparagraph (A) the following:

''(B) INFORMATION ON ASSISTANCE FOR BENEFICIARIES OF ASSISTANCE UNDER TITLE II OR XVI OF THE SOCIAL SECURITY ACT.—The State plan shall include an assurance that the designated State agency will make available to individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(i) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(ii) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(iii) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).''; and

(C) in subparagraph (C)(ii), as redesignated by subparagraph (A)—

(i) in subclause (II), by inserting '', to the maximum extent possible,'' after ''point of contact''; and

(ii) in subclause (III), by striking ''or regain'' and inserting ''regain, or advance in''; and

(8) by adding at the end the following:

''(25) SERVICES FOR STUDENTS WITH DISABILITIES.—The State plan for a transition services expansion year shall provide an assurance satisfactory to the Commissioner that the State—

''(A) has developed and shall implement, in each transition services expansion year, strategies to address the needs identified in the assessment described in paragraph (15), and achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis in accordance with paragraph (15); and

''(B) in each transition services expansion year—

''(i) shall not use more than 5 percent of the funds reserved under section 110A and available for this subparagraph, to pay for administrative costs; and

''(ii) shall use the remaining funds to carry out programs or activities designed to improve and expand vocational rehabilitation services for students with disabilities, through partnerships described in subparagraph (C), that—

''(I) facilitate the transition of the students with disabilities from the receipt of educational services in school, to the receipt of vocational rehabilitation services under this title, including, at a minimum, those services specified in the interagency agreement required in paragraph (11)(D);

''(II) improve the achievement of post-school goals of students with disabilities through the provision of transition services, including improving the achievement through participation (as appropriate when vocational goals are discussed) in meetings regarding individualized education programs developed under section 614 of the Individuals with Disabilities Education Act (20 U.S.C. 1414);

''(III) provide vocational guidance, career exploration services, and job search skills and strategies and technical assistance to students with disabilities;

''(IV) support the provision of training and technical assistance to local educational agency personnel responsible for the planning and provision of services to students with disabilities; and

''(V) support outreach activities to students with disabilities who are eligible for, and need, services under this title; and

''(C) in each transition services expansion year, shall ensure that the funds described in subparagraph (B)(ii) are awarded only to partnerships that—

''(i) shall include local vocational rehabilitation services providers and local educational agencies; and

''(ii) may include (or may have linkages with)—

''(I) other agencies such as employment, social service, and health organizations, that contribute funds for the provision of vocational rehabilitation services described in subparagraph (B)(ii) for eligible students with disabilities; and

''(II) businesses and business-led intermediaries.''.

(b) CONSTRUCTION.—Section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721) is amended by adding at the end the following:

''(c) CONSTRUCTION.—

''(1) DEFINITIONS.—In this subsection, the terms 'child with a disability', 'free appropriate public education', 'related services', and 'special education' have the meanings given the terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

''(2) OBLIGATION TO PROVIDE OR PAY FOR TRANSITION SERVICES.—Nothing in this part shall be construed to reduce the obligation of a local educational agency or any other agency to provide or pay for any transition services that are also considered special education or related services and that are necessary for ensuring a free appropriate public education to children with disabilities within the State involved.''.

SEC. 413. ELIGIBILITY AND INDIVIDUALIZED PLAN FOR EMPLOYMENT.

Section 102 of the Rehabilitation Act of 1973 (29 U.S.C. 722) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking the semicolon at the end and inserting '', including a listing of all the community resources (including resources from consumer organizations (including advocacy organizations)), to the maximum extent possible, to assist in the development of such individual's individualized plan for employment to enable the individual to make informed and effective choices in developing the individualized plan for employment;''; and

(ii) in subparagraph (D)—

(I) in clause (i), by striking ''and'' after the semicolon;

(II) in clause (ii), by striking the period at the end and inserting a semicolon; and

(III) by adding at the end the following:

''(iii) for individuals entitled to benefits under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq., 1381 et seq.) on the basis of a disability or blindness—

''(I) information on the availability of benefits and medical assistance authorized under the State medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), and medical assistance authorized under other federally funded programs;

''(II) information on the availability of assistance through benefits planning and assistance programs authorized under section 1149 of the Social Security Act (42 U.S.C. 1320b–20) and services provided by the State protection and advocacy system and authorized under section 1150 of the Social Security Act (42 U.S.C. 1320b–21); and

''(III) in the case of individuals who are also eligible for a ticket under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), general information regarding the options for using the ticket and information on how to contact a program manager of the Ticket to Work and Self-Sufficiency Program to obtain information on approved employment networks, on providers for the benefits planning and assistance programs described in subparagraph (B) in the State, and on the services provided by the State protection and advocacy system and described in subparagraph (B).'';

(B) in paragraph (2)(E)—

(i) in clause (i)(II), by striking ''and'' after the semicolon;

(ii) in clause (ii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(iii) amended, as necessary, to include the post-employment services and service providers that are necessary for the individual to maintain, regain, or advance in employment, consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.''; and

(C) in paragraph (3)—

(i) in subparagraph (B)(i)(I), by striking ''and personal assistance services'' and all that follows and inserting ''mentoring services, and personal assistance services, including training in the management of such services, and referrals described in section 103(a)(3) to the device reutilization programs and device demonstrations described in subparagraphs (B) and (D) of section 4(e)(2) of the Assistive Technology Act of 1998 (42 U.S.C. 3003(e)(2)) through agreements developed under section 101(a)(11)(G); and'';

(ii) in subparagraph (F)(ii), by striking ''and'' after the semicolon;

(iii) in subparagraph (G), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

''(H) for a student with a disability, the description specified—

''(i) in subparagraph (A), which may be a description of the student's projected post-school employment outcome; and

''(ii) in subparagraph (B)(i), which shall include the specific transition services (including, as appropriate, work experience and mentoring activities) needed to achieve the student's employment outcome or projected employment outcome; and

''(I) for an individual who is receiving assistance from an employment network under the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), a list of the services that are listed in the individual work plan that the individual developed with the employment network under subsection (g) of that section.''; and

(2) in subsection (c)(7), by inserting ''that take into consideration the informed choice of the individual'' after ''plan development''.

SEC. 414. VOCATIONAL REHABILITATION SERVICES.

Section 103 of the Rehabilitation Act of 1973 (29 U.S.C. 723) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by inserting ''literacy services,'' after ''vocational adjustment services,'';

(B) by striking paragraph (15) and inserting the following:

''(15) transition services for students with disabilities, that facilitate the transition from school to postsecondary life (including employment through the achievement of the employment outcome identified in the individualized plan for employment), including, in a transition services expansion year, services described in subclauses (I) through (III) of section 101(a)(25)(B)(ii);'';

(C) in paragraph (17), by striking ''and'' after the semicolon;

(D) in paragraph (18), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(19) mentoring services.''; and

(2) in subsection (b), by striking paragraph (6) and inserting the following:

''(6)(A)(i) Consultation and technical assistance services to assist State and local educational agencies in planning for the transition of students with disabilities from school to postsecondary life, including employment.

''(ii) In a transition services expansion year, training and technical assistance described in section 101(a)(25)(B)(ii)(IV).

''(B) In a transition services expansion year, services for groups of individuals with disabilities who meet the requirements of clauses (i), (ii), and (iv) of section 7(37)(A), including services described in subclauses (I), (II), (III), and (V) of section 101(a)(25)(B)(ii), to assist in the transition from school to postsecondary life, including employment.''.

SEC. 415. STATE REHABILITATION COUNCIL.

Section 105 of the Rehabilitation Act of 1973 (29 U.S.C. 725) is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A)—

(i) by striking clause (ix) and inserting the following:

''(ix) in a State in which one or more projects provide services under section 121, at least one representative of the directors of the projects;'';

(ii) in clause (x), by striking the ''and'' after the semicolon;

(iii) in clause (xi), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(xii) the director of the State's comprehensive statewide program of technology-related assistance funded under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003).''; and

(B) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''; and

(2) in subsection (c)(6), by inserting before the semicolon the following: ''and with the activities of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.)''.

SEC. 416. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106 of the Rehabilitation Act of 1973 (29 U.S.C. 726) is amended—

(1) in subsection (a), by striking paragraph (1)(C) and all that follows through paragraph (2) and inserting the following:

''(2) MEASURES.—The standards and indicators shall include outcome and related measures of program performance that include measures of the program's performance with respect to the transition from school to postsecondary life, including employment, and achievement of the postsecondary vocational goals, of students with disabilities served under the program.''; and

(2) in subsection (b)(2)(B)(i), by striking '', if necessary'' and all that follows through the semicolon and inserting '', if the State has not improved its performance to acceptable levels, as determined by the Commissioner, direct the State to make further revisions to the plan to improve performance, which may include revising the plan to allocate a higher proportion of the State's resources (from allotments made under section 110) for services to individuals with disabilities if the State agency's spending on such services is low in comparison to spending on such services by comparable agencies in other States;''.

SEC. 417. MONITORING AND REVIEW.

Section 107(b)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 727(b)(1)) is amended by inserting before the semicolon the following: '', including—

''(A) consulting with the Department of Labor, the Small Business Administration, other appropriate Federal agencies, and businesses or business-led intermediaries; and

''(B) based on information obtained through the consultations, providing technical assistance that improves that quality by enabling designated State units to develop successful partnerships with local and multi-State businesses in an effort to employ individuals with disabilities, and technical assistance on developing self-employment opportunities and improving employment outcomes for individuals with disabilities''.

SEC. 418. STATE ALLOTMENTS.

Section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) is amended—

(1) by striking subsection (b) and inserting the following:

''(b)(1) Not later than 45 days prior to the end of the fiscal year, the Commissioner shall determine, after reasonable opportunity for the submission to the Commissioner of comments by the State agency administering or supervising the program established under this title, that any amount from the payment of an allotment to a State under section 111(a) for any fiscal year will not be utilized by such State in carrying out the purposes of this title.

''(2)(A) As soon as practicable but not later than the end of the fiscal year, the Commissioner shall reallot the amount available under paragraph (1) to other States, consistent with subparagraphs (B) and (C), for carrying out the purposes of this title to the extent the Commissioner determines such other State will be able to use such additional amount during that fiscal year or the subsequent fiscal year for carrying out such purposes.

''(B)(i) The Commissioner shall reallot a portion of the amount available under paragraph (1) for a fiscal year to each State whose allotment under subsection (a) for such fiscal year is less than such State's allotment under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(ii)(I) A State that is eligible to receive a reallotment under clause (i) shall receive a portion for a fiscal year from the amount available for reallotment under paragraph (1) that is equal to the difference between—

''(aa) the amount such State was allotted under subsection (a) for such fiscal year; and

''(bb) the amount such State was allotted under subsection (a) for the immediately preceding fiscal year adjusted by the percentage change in the funds available for subsection (a) from the immediately preceding fiscal year.

''(II) If the amount available for reallotment under paragraph (1) is insufficient to provide each State eligible to receive a reallotment with the portion described in subclause (I), the amount reallotted to each eligible State shall be determined by the Commissioner.

''(C) If there are funds remaining after each State eligible to receive a reallotment under subparagraph (B)(i) receives the portion described in subparagraph (B)(ii), the Commissioner shall reallot the remaining funds among the States requesting a reallotment.

''(3) The Commissioner shall reallot an amount to a State under this subsection only if the State will be able to make sufficient payments from non-Federal sources to pay for the non-Federal share of the cost of vocational rehabilitation services under the State plan for the fiscal year for which the amount was appropriated.

''(4) For the purposes of this part, any amount made available to a State for any fiscal year pursuant to this subsection shall be regarded as an increase of such State's allotment (as determined under the preceding provisions of this section) for such year.''; and

(2) by striking subsection (c)(2) and inserting the following:

''(2)(A) In this paragraph:

''(i) The term 'appropriated amount' means the amount appropriated under section 100(b)(1) for allotment under this section.

''(ii) The term 'covered year' means a fiscal year—

''(I) that begins after September 30, 2005; and

''(II) for which the appropriated amount exceeds the total of—

''(aa) the appropriated amount for the preceding fiscal year; and

''(bb) 0.075 percent of the appropriated amount for the preceding fiscal year.

''(B) For each covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the covered year; and

''(ii) not less than the total of the sum reserved under this subsection for the preceding fiscal year and 0.1 percent of the appropriated amount for the covered year, subject to clause (i).

''(C) For each fiscal year that is not a covered year, the sum referred to in paragraph (1) shall be, as determined by the Secretary—

''(i) not more than 1.5 percent of the appropriated amount for the fiscal year; and

''(ii) not less than the sum reserved under this subsection for the preceding fiscal year, subject to clause (i).''.

SEC. 419. RESERVATION FOR EXPANDED TRANSITION SERVICES.

The Rehabilitation Act of 1973 is amended by inserting after section 110 (29 U.S.C. 730) the following:

''SEC. 110A. RESERVATION FOR EXPANDED TRANSITION SERVICES.

''(a) RESERVATION.—From the State allotment under section 110 in a transition services expansion year, each State shall reserve an amount calculated by the Commissioner under subsection (b) to carry out programs and activities under sections 101(a)(25)(B) and 103(b)(6).

''(b) CALCULATION.—The Commissioner shall calculate the amount to be reserved for such programs and activities for a fiscal year by each State by multiplying $50,000,000 by the percentage determined by dividing—

''(1) the amount allotted to that State under section 110 for the prior fiscal year; by

''(2) the total amount allotted to all States under section 110 for that prior fiscal year.''.

SEC. 420. CLIENT ASSISTANCE PROGRAM.

Section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''States'' and inserting ''agencies designated under subsection (c)''; and

(B) in the second sentence, by striking ''State'' and inserting ''State in which the program is located'';

(2) in subsection (b), by striking ''the State has in effect not later than October 1, 1984, a

client assistance program which'' and inserting ''the State has designated under subsection (c) an agency that'';

(3) in subsection (e)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''The Secretary'' and all that follows through the period and inserting the following: ''After reserving funds under subparagraphs (E) and (F), the Secretary shall allot the remainder of the sums appropriated for each fiscal year under this section among the agencies designated under subsection (c) within the States (referred to individually in this subsection as a 'designated agency') on the basis of relative population of each State, except that no such agency shall receive less than $50,000.'';

(ii) in subparagraph (B), by inserting ''the designated agencies located in'' after ''each to'';

(iii) in subparagraph (D)(i)—

(I) by inserting ''the designated agencies located in'' after ''$100,000 for''; and

(II) by inserting ''the designated agencies located in'' after ''$45,000 for''; and

(iv) by adding at the end the following:

''(E)(i) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $13,000,000, the Secretary shall reserve funds appropriated under this section to make a grant to the protection and advocacy system serving the American Indian Consortium to provide client assistance services in accordance with this section. The amount of such a grant shall be the same amount as is provided to a territory under subparagraph (B), as increased under clauses (i) and (ii) of subparagraph (D).

''(ii) In this subparagraph:

''(I) The term 'American Indian Consortium' has the meaning given the term in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002).

''(II) The term 'protection and advocacy system' means a protection and advocacy system established under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15041 et seq.).

''(F) For any fiscal year for which the amount appropriated to carry out this section equals or exceeds $14,000,000, the Secretary shall reserve not less than 1.8 percent and not more than 2.2 percent of such amount to provide a grant for training and technical assistance for the programs established under this section. Such training and technical assistance shall be coordinated with activities provided under section 509(c)(1)(A).''; and

(B) in paragraph (2)—

(i) by striking ''State'' each place such term appears and inserting ''designated agency''; and

(ii) by striking ''States'' each place such term appears and inserting ''designated agencies'';

(4) in subsection (f), by striking ''State'' and inserting ''agency designated under subsection (c)'';

(5) in subsection (g)(1), by striking ''State'' and inserting ''State in which the program is located''; and

(6) in subsection (h), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 421. INCENTIVE GRANTS.

Part B of title I of the Rehabilitation Act of 1973 (29 U.S.C. 730 et seq.) is amended by adding at the end the following:

''SEC. 113. INCENTIVE GRANTS.

''(a) AUTHORITY.—The Commissioner is authorized to make incentive grants to States that, based on the criteria established under subsection (b)(1), demonstrate—

''(1) a high level of performance; or

''(2) a significantly improved level of performance in a reporting period as compared to the previous reporting period or periods.

''(b) CRITERIA.—

''(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this section, the Commissioner shall establish, and publish in the Federal Register, criteria for making grant awards under subsection (a).

''(2) DEVELOPMENT AND EVALUATION STANDARDS.—The criteria established under paragraph (1) shall—

''(A) be developed with input from designated State agencies and other vocational rehabilitation stakeholders, including vocational rehabilitation consumers and consumer organizations (including advocacy organizations); and

''(B) be based upon the evaluation standards and performance indicators established under section 106 and other performance-related measures that the Commissioner determines to be appropriate.

''(c) USE OF FUNDS.—A State that receives a grant under subsection (a) shall use the grant funds for any approved activities in the State's State plan submitted under section 101.

''(d) NO NON-FEDERAL SHARE REQUIREMENT.—The provisions of sections 101(a)(3) and 111(a)(2) shall not apply to this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2006 through 2011.''.

SEC. 422. VOCATIONAL REHABILITATION SERVICES GRANTS.

Section 121 of the Rehabilitation Act of 1973 (29 U.S.C. 741) is amended—

(1) in subsection (a), in the first sentence, by inserting '', consistent with such individuals' strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice, so that such individuals may prepare for, and engage in, gainful employment'' before the period at the end; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) contains assurances that—

''(i) all decisions affecting eligibility for vocational rehabilitation services, the nature and scope of available services, and the provision of such services, will be made by a representative of the tribal vocational rehabilitation program; and

''(ii) such decisions will not be delegated to another agency or individual.'';

(B) in paragraph (3), by striking the first sentence and inserting the following: ''An application approved under this part that complies with the program requirements set forth in the regulations promulgated to carry out this part shall be effective for 5 years and shall be renewed for additional 5-year periods if the Commissioner determines that the grant recipient demonstrated acceptable past performance and the grant recipient submits a plan, including a proposed budget, to the Commissioner that the Commissioner approves that identifies future performance criteria, goals, and objectives.''; and

(C) by striking paragraph (4) and inserting the following:

''(4) In allocating funds under this part, the Commissioner shall give priority to paying the continuation costs of projects in existence on the date of the allocation and may provide for increases in funding for such projects that the Commissioner determines to be necessary.''.

SEC. 423. GAO STUDIES.

(a) STUDY ON TITLE I AND TICKET TO WORK.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the interaction of programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) with the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19), including the impact of the interaction on beneficiaries, community rehabilitation programs (as defined in section 7 of the Rehabilitation Act of 1973 (29 U.S.C. 705)), and State vocational rehabilitation agencies.

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with all types of participants in the Ticket to Work and Self-Sufficiency Program, including the Social Security Administration, the Rehabilitation Services Administration, ticketholders, designated State agencies, entities carrying out such community rehabilitation programs (including employment networks and nonemployment networks), protection and advocacy agencies, MAXIMUS, and organizations representing the interests of ticketholders.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

(b) STUDY ON THE ALLOTMENT FORMULA.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the relationship between the State allotment formula under section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) and the ability of States to provide vocational rehabilitation services in accordance with the States' State plans under section 101 of such Act (29 U.S.C. 721).

(2) CONDUCT OF STUDY.—In conducting the study under paragraph (1), the Comptroller General of the United States shall consult with appropriate entities.

(3) REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States shall submit the study conducted pursuant to this subsection to the appropriate committees of Congress.

Subtitle B—Research and Training

SEC. 431. DECLARATION OF PURPOSE.

Section 200(3) of the Rehabilitation Act of 1973 (29 U.S.C. 760(3)) is amended by inserting '', in a timely and efficient manner,'' before ''through''.

SEC. 432. AUTHORIZATION OF APPROPRIATIONS.

Section 201 of the Rehabilitation Act of 1973 (29 U.S.C. 761) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(B) in paragraph (2), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(2) by adding at the end the following:

''(c) Of the sums appropriated under subsection (a)(1) for a fiscal year, the Secretary may reserve not more than $200,000 for activities related to convening a national assistive technology summit under section 202(b)(6).''.

SEC. 433. NATIONAL INSTITUTE ON DISABILITY AND REHABILITATION RESEARCH.

Section 202 of the Rehabilitation Act of 1973 (29 U.S.C. 762) is amended—

(1) in subsection (b)—

(A) in paragraph (6), by inserting before the semicolon the following: '', including convening a national assistive technology summit, to be held at or in conjunction with a national conference relating to assistive technology with respect to all categories of disabilities''; and

(B) in paragraph (10), by striking ''and telecommuting'' and inserting '', supported employment, and telecommuting'';

(2) in subsection (f)(1)—

(A) by striking ''Federal employees'' and inserting ''Department of Education employees''; and

(B) by adding at the end the following: ''The peer review panel shall include a director of a designated State unit. Such panel shall include a member of the covered school community (for an activity resulting in educational materials or a product to be used in a covered school), a

member of the business community (for an activity resulting in a product to be used in an employment activity), an assistive technology developer or manufacturer (for an activity relating to assistive technology), or an accessible electronic and information technology vendor or manufacturer (for an activity relating to accessible electronic and information technology).'';

(3) by redesignating subsections (i), (j), and (k) as subsections (j), (k), and (l), respectively;

(4) by inserting after subsection (h) the following:

''(i)(1) The Director, with the assistance of the Rehabilitation Research Advisory Council established under section 205, shall determine if entities that receive financial assistance under this title are complying with the applicable requirements of this Act and achieving measurable goals, described in section 204(d)(2), that are consistent with the requirements of the programs under which the entities received the financial assistance.

''(2) To assist the Director in carrying out the responsibilities described in paragraph (1), the Director shall require recipients of financial assistance under this title to submit relevant information to evaluate program outcomes with respect to the measurable goals described in section 204(d)(2).''; and

(5) by adding at the end the following:

''(m)(1) Not later than December 31 of each year, the Director shall prepare, and submit to the Secretary, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report on the activities funded under this title.

''(2) Such report shall include—

''(A) a compilation and summary of the information provided by recipients of financial assistance for such activities under this title; and

''(B) a summary of the applications for financial assistance received under this title and the progress of the recipients of financial assistance in achieving the measurable goals described in section 204(d)(2).

''(n)(1) If the Director determines that an entity that receives financial assistance under this title fails to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals described in section 204(d)(2), with respect to the covered activities involved, the Director shall assist the entity through technical assistance or other means, within 90 days after such determination, to develop a corrective action plan.

''(2) If the entity fails to develop and comply with a corrective action plan described in paragraph (1) during a fiscal year, the entity shall be subject to 1 of the following corrective actions selected by the Director:

''(A) Partial or complete termination of financial assistance for the covered activities, until the entity develops and complies with such a plan.

''(B) Ineligibility to receive financial assistance for such covered activities for the following year.

''(3) The Secretary shall establish appeals procedures for entities described in paragraph (1) that the Secretary determines fail to comply with the applicable requirements of this Act, or to make progress toward achieving the measurable goals.

''(4) As part of the annual report required under subsection (m), the Director shall describe each action taken by the Director under paragraph (1) or (2) and the outcomes of such action.''.

SEC. 434. INTERAGENCY COMMITTEE.

Section 203 of the Rehabilitation Act of 1973 (29 U.S.C. 763) is amended—

(1) in subsection (a)(1), by striking ''and the Director of the National Science Foundation'' and inserting ''the Director of the National Science Foundation, the Secretary of Commerce, and the Administrator of the Small Business Administration''; and

(2) in subsection (b)(2)—

(A) in subparagraph (D), by striking ''and'' after the semicolon;

(B) in subparagraph (E), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(F) conduct a study, on the assistive technology industry, for which the Committee shall—

''(i) determine the number of individuals who use assistive technology and the scope of the technologies they use;

''(ii) separately identify categories of assistive technology companies by the disability group served, and the type of product or service provided, categorized by—

''(I) size (small, medium, and large) of the companies;

''(II) capitalization of the companies;

''(III) region in which the companies are located; and

''(IV) products or services produced by the companies;

''(iii) compile aggregate data on revenues and unit sales of such companies, including information on international sales, for a recent reporting period, categorized by institution or user type acquiring the products or services, disability for which the products or services are used, and industry segment for the companies;

''(iv) identify platform availability and usage, for those products and services that are electronic and information technology-related;

''(v) identify the types of clients of the companies, such as Government, school, business, private payor, and charitable clients, and funding sources for the clients; and

''(vi) specify geographic segments for the companies, to determine whether there are significant distinctions in industry opportunities on the basis of geography, other than distinctions related to population.''.

SEC. 435. RESEARCH AND OTHER COVERED ACTIVITIES.

Section 204 of the Rehabilitation Act of 1973 (29 U.S.C. 764) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(B)—

(i) in clause (vi), by striking ''and'' after the semicolon;

(ii) in clause (vii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(viii) studies, analyses, and other activities affecting employment outcomes, including self-employment and telecommuting, of individuals with disabilities.''; and

(B) by adding at the end the following:

''(3) In carrying out this section, the Director shall emphasize covered activities that are collaborations between—

''(A) for-profit companies working in the assistive technology, rehabilitative engineering, or information technology fields; and

''(B) States or public or private agencies and organizations.

''(4) In carrying out this section, the Director shall emphasize covered activities that include plans for—

''(A) dissemination of educational materials, research results, or findings, conclusions, and recommendations resulting from covered activities; or

''(B) the commercialization of marketable products resulting from the covered activities.'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''(18)'' each place it appears and inserting ''(19)'';

(B) in paragraph (2)—

(i) in subparagraph (A)(i), by striking ''rehabilitation services or'' and inserting ''rehabilitation services, developers or providers of assistive technology devices, assistive technology services, or information technology devices or services, or providers of'';

(ii) in subparagraph (B)—

(I) in clause (i), by inserting ''improve the evaluation process for determining the assistive technology needs of individuals with disabilities,''after ''conditions,'';

(II) in clause (ii), by inserting ''and assistive technology services'' before the semicolon; and

(III) in clause (iii), by inserting '', assistive technology services personnel,'' before ''and other'';

(iii) in subparagraph (C)—

(I) in clause (i), by inserting '', including research on assistive technology devices, assistive technology services, and accessible electronic and information technology devices'' before the semicolon; and

(II) in clause (iii), by inserting '', including the use of assistive technology devices and accessible electronic and information technology devices in employment'' before the semicolon;

(iv) in subparagraph (D), by inserting '', including training to provide knowledge about assistive technology devices, assistive technology services, and accessible electronic and information technology devices and services,'' after ''personnel''; and

(v) in subparagraph (G)(i), by inserting '', assistive technology-related, and accessible electronic and information technology-related'' before ''courses'';

(C) in paragraph (3)—

(i) in subparagraph (D)(ii), by adding at the end the following: ''Each such Center conducting an activity relating to assistive technology or relating to accessible electronic and information technology shall include in the committee an assistive technology developer or manufacturer, or an accessible electronic and information technology vendor or manufacturer, respectively. Each such Center conducting an activity resulting in educational materials or a product to be used in a covered school, or resulting in a product to be used in an employment activity, shall include in the committee a member of the covered school community, or a member of the business community, respectively.''; and

(ii) in subparagraph (G)(ii) by inserting ''the success of any commercialized product researched or developed through the Center,'' after ''disabilities,'';

(D) in paragraph (8), by inserting ''the Department of Commerce, the Small Business Administration, the Department of Labor,'' before ''other Federal agencies,'';

(E) in paragraph (13), in the matter preceding subparagraph (A), by striking ''employment needs of individuals with disabilities'' and inserting ''employment needs, opportunities, and outcomes, including needs, opportunities, and outcomes relating to self-employment, supported employment, and telecommuting, of individuals with disabilities, including older individuals with disabilities, and students with disabilities who are transitioning from school to postsecondary life, including employment''; and

(F) by adding at the end the following:

''(19) Research grants may be used to provide for research and demonstration projects that—

''(A) explore methods and practices for promoting access to electronic commerce activities for individuals with disabilities; and

''(B) will—

''(i) ensure dissemination of research findings;

''(ii) provide encouragement and support for initiatives and new approaches by companies engaged in electronic commerce activities; and

''(iii) result in the establishment and maintenance of close working relationships between the disability, research, and business communities.'';

(3) in subsection (c)(2), by striking ''$500,000'' and inserting ''$750,000''; and

(4) by adding at the end the following:

''(d)(1) In awarding grants, contracts, or other financial assistance under this title, the Director shall award the financial assistance on a competitive basis.

''(2)(A) To be eligible to receive financial assistance described in paragraph (1) for a covered activity, an entity shall submit an application

to the Director at such time, in such manner, and containing such information as the Director may require.

''(B) The application shall include information describing—

''(i) measurable goals, and a timeline and specific plan for meeting the goals, that the applicant has set for addressing priorities related to—

''(I) commercialization of a marketable product (including a marketable curriculum or research) resulting from the covered activity;

''(II) in the case of a covered activity relating to technology, technology transfer;

''(III) in the case of research, dissemination of research results to, as applicable, Government entities, individuals with disabilities, covered schools, the business community, the assistive technology community, and the accessible electronic and information technology community; and

''(IV) other matters as required by the Director; and

''(ii) information describing how the applicant will quantifiably measure the goals to determine whether the goals have been accomplished.

''(3)(A) In the case of an application for financial assistance under this title to carry out a covered activity that results in the development of a marketable product, the application shall also include a commercialization and dissemination plan, containing commercialization and marketing strategies for the product involved, and strategies for disseminating information about the product. The financial assistance shall not be used to carry out the commercialization and marketing strategies.

''(B) In the case of any other application for financial assistance to carry out a covered activity under this title, the application shall also include a dissemination plan, containing strategies for disseminating educational materials, research results, or findings, conclusions, and recommendations, resulting from the covered activity.''.

SEC. 436. REHABILITATION RESEARCH ADVISORY COUNCIL.

Section 205 of the Rehabilitation Act of 1973 (29 U.S.C. 765) is amended—

(1) in subsection (a), by inserting ''at least'' before ''12''; and

(2) in subsection (c), by inserting after ''rehabilitation researchers,'' the following: ''the directors of community rehabilitation programs, the business community (and shall include a representative of the small business community) that has experience with the system of vocational rehabilitation services carried out under this Act and with hiring individuals with disabilities, the community of assistive technology developers and manufacturers, the community of information technology vendors and manufacturers, the community of entities carrying out programs under the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.), the community of covered school professionals,''.

SEC. 437. DEFINITION.

Title II of the Rehabilitation Act of 1973 (29 U.S.C. 760 et seq.) is amended by adding at the end the following:

''SEC. 206. DEFINITION.

''In this title, the term 'covered school' means an elementary school or secondary school (as such terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)) or an institution of higher education.''.

Subtitle C—Professional Development and Special Projects and Demonstrations

SEC. 441. TRAINING.

Section 302 of the Rehabilitation Act of 1973 (29 U.S.C. 772) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (F), by striking the ''and'' after the semicolon;

(ii) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(H) personnel trained in providing assistive technology services.''; and

(B) in paragraph (4)(B), by striking ''section 134(c)'' and inserting ''section 121(e)'';

(2) in subsection (b)(1)(B)(i), by striking ''or prosthetics and orthotics'' and inserting ''prosthetics and orthotics, rehabilitation teaching for the blind, or orientation and mobility instruction''; and

(3) in subsection (i), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 442. DEMONSTRATION AND TRAINING PROGRAMS.

Section 303 of the Rehabilitation Act of 1973 (29 U.S.C. 773) is amended—

(1) in subsection (b)(5)(A)(i), by striking ''special projects'' and inserting ''not less than 2 special projects'';

(2) by redesignating subsections (c), (d), and (e) as subsections (h), (i), and (j), respectively;

(3) by inserting after subsection (b) the following:

''(c) DEMONSTRATION PROJECTS FOR EMPLOYMENT OF STUDENTS WITH INTELLECTUAL DISABILITIES OR MENTAL ILLNESS.—

''(1) PURPOSE.—The purpose of this subsection is to support model demonstration projects to provide supported and competitive employment experiences for students with intellectual disabilities or students with mental illness, and training for personnel that work with students described in this paragraph, to enable the students to gain employment skills and experience that will promote effective transitions from school to postsecondary life, including employment.

''(2) AWARDS AUTHORIZED.—

''(A) COMPETITIVE AWARDS AUTHORIZED.—The Commissioner may award grants, contracts, and cooperative agreements, on a competitive basis, to eligible organizations described in paragraph (3), to enable the organizations to carry out demonstration projects described in paragraph (1).

''(B) DURATION.—The Commissioner shall award grants, contracts, and cooperative agreements under this subsection for periods of 3 to 5 years.

''(3) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an organization shall—

''(A) have expertise in providing employment and support services for individuals with intellectual disabilities or individuals with mental illness;

''(B) have a proven track record in successfully running supported employment programs;

''(C) provide employment services that are exclusively integrated community-based supported employment services;

''(D) have expertise in creating natural supports for employment;

''(E) have expertise in providing computer training for the targeted population for the project involved; and

''(F) have experience operating mentoring programs for the target population in middle and high schools for at least a decade in diverse communities throughout the Nation.

''(4) APPLICATIONS.—Each organization desiring to receive a grant, contract, or cooperative agreement under this subsection shall submit an application to the Commissioner at such time, in such manner, and including such information as the Commissioner may require. Each application shall include—

''(A) a description of how the organization plans to carry out the activities authorized in this subsection through a demonstration project;

''(B) a description of how the organization will evaluate the project;

''(C) a description of how the organization will disseminate information about the activities and the impact of the activities on the lives of students served by the project; and

''(D) a description of how the organization will coordinate activities with any other relevant service providers in the locality where the organization is based, including federally supported independent living centers.

''(5) AUTHORIZED ACTIVITIES.—An organization that receives a grant, contract, or cooperative agreement under this subsection shall use the funds made available through the grant, contract, or cooperative agreement to carry out 1 or more of the following activities for individuals, ages 14 through 21, who are students with intellectual disabilities or students with mental illness:

''(A) PROVIDING SUPPORTED AND COMPETITIVE EMPLOYMENT EXPERIENCES.—The development of innovative and effective supported and competitive employment experiences after school, on weekends, and in the summer, utilizing natural supports that lead to competitive high-paying jobs.

''(B) PROVIDING TRAINING TO SCHOOL AND TRANSITION PERSONNEL.—The development and deployment of experts to work with transition programs (including personnel working with students on transition) so that personnel from the programs develop skills needed to train students with intellectual disabilities or students with mental illness to be successful in competitive employment in a range of settings, including office settings. The training shall include training for the personnel in providing instruction to students in computer skills, office skills, interview etiquette, and appropriate social behavior required for successful long-term employment in professional environments.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $5,000,000 for fiscal year 2006 and such sums as may be necessary for fiscal years 2007 through 2011.

''(d) DEMONSTRATION PROJECT FOR EMPLOYMENT OF INDIVIDUALS WHO ARE DEAF AND LOW FUNCTIONING.—

''(1) PURPOSE.—The purpose of this subsection is to support a model demonstration project to provide training and employment and support services for individuals who are deaf and low functioning to enable them to gain employment skills that will allow them to become employed and economically self-sufficient.

''(2) DEFINITION.—

''(A) IN GENERAL.—In this subsection, the term 'individual who is deaf and low functioning' means an individual who has been deaf from birth or very early childhood, reads at or below the second grade level, has little or no intelligible speech, and lacks a secondary school diploma or its recognized equivalent.

''(B) SECONDARY DISABILITIES.—Such term may include an individual with a secondary disability.

''(3) GRANTS AUTHORIZED.—

''(A) COMPETITIVE GRANTS AUTHORIZED.—The Commissioner may award grants to State agencies, other public agencies or organizations, or not-for-profit organizations with expertise in providing training and employment and support services for individuals who are deaf and low functioning to support model demonstration projects.

''(B) DURATION.—Grants under this subsection shall be awarded for a period not to exceed 5 years.

''(4) AUTHORIZED ACTIVITIES.—

''(A) DEVELOPING A COMPREHENSIVE TRAINING PROGRAM.—Each grant recipient under this subsection shall develop an innovative, comprehensive training program for individuals who are deaf and low functioning that can be implemented at multiple training locations through such means as distance learning and use of advanced technology, as appropriate. Such training program shall be developed to maximize the potential for replication of the program by other training providers.

''(B) IMPLEMENTATION.—Each grant recipient under this subsection shall implement the comprehensive training program developed under

subparagraph (A) as soon as feasible. Such training shall provide instruction on the job and the social skills necessary for successful long-term employment of individuals who are deaf and low functioning.

''(C) ESTABLISHING A POST-TRAINING PROGRAM OF EMPLOYMENT AND SUPPORT SERVICES.—Each grant recipient under this subsection shall implement employment and support services to assist individuals who complete the training program under subparagraph (A) in securing employment and transitioning to the workplace, for a period of not less than 90 days subsequent to placement in the employment.

''(5) APPLICATIONS.—Each entity desiring to receive a grant under this subsection for a model demonstration project shall submit an application to the Commissioner at such time, in such manner, and accompanied by such information as the Commissioner may require including—4

''(A) a description of how the applicant plans to address the activities authorized under this subsection;

''(B) a description of the evaluation plan to be used in the model demonstration project;

''(C) a description of how the applicant will disseminate information about the training program developed and the results of the project; and

''(D) a description of how the entity will coordinate activities with any other relevant service providers or entities providing training and employment and support services for individuals who are deaf and low functioning.

''(6) MANDATED EVALUATION AND DISSEMINATION ACTIVITIES.—

''(A) ANNUAL REPORT.—Not later than 2 years after the date on which a grant under this subsection is awarded and annually thereafter, the grant recipient shall submit to the Commissioner a report containing information on—

''(i) the number of individuals who are participating in the demonstration project funded under this subsection;

''(ii) the employment and other skills being taught in the project;

''(iii) the number of individuals participating in the project that are placed in employment;

''(iv) the job sites in which those individuals are placed and the type of jobs the individuals are placed in; and

''(v) the number of individuals who have dropped out of the project and the reasons for their terminating participation in the project.

''(B) EVALUATION OF THE PROJECT.—Each grant recipient under this subsection shall implement the evaluation plan approved in its application for determining the results of the project within the timeframe specified in, and following the provisions of, the approved application.

''(C) PARTICIPANT EVALUATION PROCESS; FINAL EVALUATION.—In the final year of the project, the grant recipient will prepare and submit to the Commissioner a final evaluation report of the results of the model demonstration project containing—

''(i) information on—

''(I) the number of individuals who participated in the demonstration project;

''(II) the number of those individuals that are placed in employment;

''(III) the job sites in which those individuals were placed and the type of jobs the individuals were placed in;

''(IV) the number of those individuals who have dropped out of the project and the reasons for their terminating participation in the project; and

''(V) the number of those individuals who participated in the project and who remain employed as of 2 months prior to the date on which the final report is submitted to the Commissioner;

''(ii) a written analysis of the project, including both the strengths and weaknesses of the project, to assist other entities in replicating the training program developed through the project; and

''(iii) such other information as the Commissioner determines appropriate.

''(D) DISSEMINATION.—Not later than 5 years after the date on which a grant is awarded under this subsection, the evaluation report containing results of activities funded by such grant shall be disseminated to designated State agencies, school systems providing instruction to students who are individuals who are deaf and low functioning, supported employment providers, postsecondary vocational training programs, employers, the Social Security Administration, and other interested parties.

''(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $5,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2011.

''(e) TRAINING AND TECHNICAL ASSISTANCE CENTER TO PROMOTE HIGH-QUALITY EMPLOYMENT OUTCOMES FOR INDIVIDUALS RECEIVING SERVICES FROM DESIGNATED STATE AGENCIES.—

''(1) IN GENERAL.—The Commissioner shall award a grant, contract, or cooperative agreement to an entity to support a training and technical assistance program that—

''(A) responds to State-specific information requests concerning high-quality employment outcomes, from designated State agencies funded under title I, including—

''(i) requests for information on the expansion of self-employment, business ownership, and business development opportunities, and other types of entrepreneurial employment opportunities for individuals with disabilities;

''(ii) requests for information on the expansion and improvement of transition services to facilitate the transition of students with disabilities from school to postsecondary life, including employment;

''(iii) requests for examples of policies, practices, procedures, or regulations, that have enhanced or may enhance access to funding for assistive technology devices and assistive technology services for individuals with disabilities;

''(iv) requests for information on effective approaches to enhance informed choice and a consumer-directed State vocational rehabilitation system;

''(v) requests for assistance developing corrective action plans;

''(vi) requests for assistance in developing and implementing effective data collection and reporting systems that measure the outcomes of the vocational rehabilitation services, and preparing reports for the Commissioner as described in section 106(b)(1); and

''(vii) requests for information on effective approaches that enhance employment outcomes for individuals with disabilities, including conducting outreach and forming partnerships with business and industry; and

''(B) provides State-specific, regional, and national training and technical assistance concerning vocational rehabilitation services and related information to designated State agencies, including—

''(i) facilitating onsite and electronic information sharing using state-of-the-art Internet technologies such as real-time online discussions, multipoint video conferencing, and web-based audio/video broadcasts, on emerging topics that affect vocational rehabilitation programs authorized under title I;

''(ii) enabling the designated State agencies to coordinate training and data collection efforts with one-stop centers established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e));

''(iii) enabling the designated State agencies to provide information on how the vocational rehabilitation programs authorized under title I can provide technical assistance to the one-stop centers on making programs offered through the centers physically and programmatically accessible to individuals with disabilities;

''(iv) sharing evidence-based and promising practices among the vocational rehabilitation programs;

''(v) maintaining an accessible website that includes links to—

''(I) the vocational rehabilitation programs;

''(II) appropriate Federal departments and agencies, and private associations;

''(III) State assistive technology device and assistive technology service demonstration programs, device loan programs, device reutilization programs, alternative financing systems, or State financing activities, operated through, or independently of, comprehensive statewide programs of technology-related assistance carried out under section 4 of the Assistive Technology Act of 1998 (29 U.S.C. 3003), telework programs, and other programs that provide sources of funding for assistive technology devices; and

''(IV) various programs, including programs with tax credits, available to employers for hiring or accommodating employees who are individuals with disabilities;

''(vi) enhancing employment outcomes for individuals with mental illness and individuals with cognitive disabilities;

''(vii) convening experts from the vocational rehabilitation programs to discuss and make recommendations with regard to the employment of individuals with disabilities and national emerging issues of importance to individuals with vocational rehabilitation needs;

''(viii) enabling the designated State agencies to provide practical information on effective approaches for business and industry to use in employing individuals with disabilities, including provision of reasonable accommodations;

''(ix) providing information on other emerging issues concerning the delivery of publicly funded employment and training services and supports to assist individuals with disabilities to enter the workforce, achieve improved employment outcomes, and become economically self-sufficient; and

''(x) carrying out such other activities as the Commissioner may require.

''(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant, contract, or cooperative agreement under this subsection, an entity shall have (or agree to award a grant or contract to an entity that has)—

''(A) experience and expertise in administering vocational rehabilitation services;

''(B) documented experience with and knowledge about self-employment, business ownership, business development, and other types of entrepreneurial employment opportunities and outcomes for individuals with disabilities, providing transition services for students with disabilities, and assistive technology; and

''(C) the expertise necessary to identify the additional data elements needed to provide comprehensive reporting of activities and outcomes of the vocational rehabilitation programs authorized under title I, and experience in utilizing data to provide annual reports.

''(3) COLLABORATION.—In developing and providing training and technical assistance under this subsection, a recipient of a grant, contract, or cooperative agreement under this subsection shall collaborate with other organizations, in particular—

''(A) agencies carrying out vocational rehabilitation programs under title I and national organizations representing such programs;

''(B) organizations representing individuals with disabilities;

''(C) organizations representing State officials and agencies engaged in the delivery of assistive technology;

''(D) relevant employees from Federal departments and agencies, other than the Department of Education;

''(E) representatives of businesses;

''(F) individuals with disabilities who use assistive technology and understand the barriers to the acquisition of such technology and assistive technology services; and

''(G) family members, guardians, advocates, and authorized representatives of such individuals.

''(f) ACCESS TO TELEWORK.—

''(1) DEFINITION OF TELEWORK.—In this subsection, the term 'telework' means work from home and other telework sites with the assistance of a computer and with reasonable accommodations, including the necessary equipment to facilitate successful work from home and other telework sites.

''(2) AUTHORIZATION OF PROGRAM.—The Commissioner is authorized to make grants to States and governing bodies of Indian tribes located on Federal and State reservations (and consortia of such governing bodies) to pay for the Federal share of the cost of establishing or expanding a telework program.

''(3) APPLICATION.—A State or Indian tribe that desires to receive a grant under this subsection shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require.

''(4) USE OF FUNDS.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall establish or expand a telework program that shall provide assistance through loans or other alternative financing mechanisms to individuals with disabilities. The State or Indian tribe shall provide the assistance through the program to enable such individuals to purchase computers or other equipment, including adaptive equipment, to facilitate access to employment and enhance employment outcomes by providing the individual with the opportunity—

''(i) to work from home or other telework sites so that such individuals are able to telework; or

''(ii) to become self-employed on a full-time or part-time basis from home or other telework sites.

''(B) DEVELOPMENT OF TELEWORK OPPORTUNITIES AND BUSINESS PLANS.—A State or Indian tribe that receives a grant under this subsection may use not more than 10 percent of the grant award to develop telework opportunities with employers and assist in the development of business plans for individuals with disabilities interested in self-employment, before such individuals apply for assistance through the telework program.

''(C) SELF EMPLOYMENT.—A State or Indian tribe that receives a grant under this subsection shall enter into cooperative agreements with small business development centers for the development of business plans as described in section 103(a)(13) for individuals described in subparagraph (B), and provide assurances that the State or Indian tribe will, through plans to achieve self-support, vocational rehabilitation services, or other means, identify ways for the individuals described in subparagraph (B) to pay for the development of business plans, before such individuals apply for assistance through the telework program.

''(D) DEFINITIONS.—In this paragraph:

''(i) PLAN TO ACHIEVE SELF-SUPPORT.—The term 'plan to achieve self-support' means a plan described in sections 416.1180 through 416.1182 of title 20, Code of Federal Regulations (or any corresponding similar regulation or ruling).

''(ii) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'small business development center' means a center established under section 21 of the Small Business Act (15 U.S.C. 648).

''(5) FEDERAL SHARE.—The Federal share of the cost of establishing or expanding a telework program under this section shall be 90 percent of the cost.

''(6) EXISTING GRANT RECIPIENTS.—An entity that receives a grant under the Access to Telework Fund Program under subsection (b) for a fiscal year may use the funds made available through that grant for that fiscal year in accordance with this subsection rather than subsection (b).

''(7) ANNUAL REPORT.—

''(A) IN GENERAL.—A State or Indian tribe that receives a grant under this subsection shall prepare and submit an annual report to the Commissioner.

''(B) CONTENTS.—The report under subparagraph (A) shall include the following:

''(i) Information on the characteristics of each individual with a disability that receives assistance through a loan or other alternative financing mechanism under the program, including information about the individual such as the following:

''(I) Age.

''(II) Employment status at the time of application for assistance through a loan or other alternative financing mechanism under this subsection.

''(III) Whether the individual attempted to secure financial support from other sources to enable the individual to telework and, if so, a description of such sources.

''(IV) Whether the individual is working and, if so, whether the individual teleworks, the occupation in which the individual is working, the hourly salary the individual receives, and the hourly salary of the individual prior to receiving assistance through a loan or other alternative financing mechanism under the program.

''(V) Whether the individual has repaid assistance from the loan or other alternative financing mechanism received under the program, is in repayment status, is delinquent on repayments, or has defaulted on the assistance from the loan or other alternative financing mechanism.

''(ii) An analysis of the individuals with disabilities that have benefited from the program.

''(iii) Any other information that the Commissioner may require.

''(g) GRANTS FOR DISABILITY CAREER PATHWAYS PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) CENTER FOR INDEPENDENT LIVING.—The term 'center for independent living' means a center for independent living funded under subtitle C of title VII.

''(B) COVERED INSTITUTION.—The term 'covered institution' means—

''(i) a secondary school; and

''(ii) in the discretion of the eligible consortium involved, an institution of higher education.

''(C) ELIGIBLE CONSORTIUM.—The term 'eligible consortium' means a consortium described in paragraph (3)(A).

''(D) SECONDARY SCHOOL.—The term 'secondary school' has the meaning given the term in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(2) PURPOSE OF PROGRAM.—The Commissioner may establish a Disability Career Pathways program, through which the Commissioner may make grants, for periods of not more than 5 years, to institutions of higher education that establish eligible consortia, to enable the consortia to develop and carry out training and education related to disability studies and leadership development. The consortia shall provide the training and education for the purpose of providing career pathways for students at a covered institution, in fields pertinent to individuals with disabilities, and particularly pertinent to the employment of individuals with disabilities.

''(3) APPLICATION.—To be eligible to receive a grant under this subsection on behalf of a consortium, an institution of higher education shall submit an application to the Commissioner at such time, in such manner, and containing such information as the Commissioner may require, including information demonstrating—

''(A) that the institution of higher education has established a consortium of members that represent—

''(i) the institution of higher education;

''(ii) a community college;

''(iii) a secondary school;

''(iv) a center for independent living;

''(v) a designated State agency;

''(vi) a one-stop center established under section 121(e) of the Workforce Investment Act of 1998 (29 U.S.C. 2841(e)); and

''(vii) the local business community;

''(B) the collaborative working relationships between the institution of higher education and the other members of the consortium, and describing the activities that each member shall undertake; and

''(C) the capacity and expertise of the institution of higher education—

''(i) to coordinate training and education related to disability studies and leadership development with educational institutions and disability-related organizations; and

''(ii) to conduct such training and education effectively.

''(4) DISTRIBUTION OF GRANTS.—In making grants under this subsection, the Commissioner shall ensure that the grants shall be distributed for a geographically diverse set of eligible consortia throughout all regions.

''(5) MANDATORY USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium shall ensure that the consortium shall use the grant funds to—

''(A) encourage interest in, enhance awareness and understanding of, and provide educational opportunities in, disability-related fields, and encourage leadership development among students served by a covered institution, including such students who are individuals with disabilities;

''(B) enable the students at a covered institution to gain practical skills and identify work experience opportunities, including opportunities developed by the consortium in conjunction with the private sector, that benefit individuals with disabilities;

''(C) develop postsecondary school career pathways leading to gainful employment, the attainment of an associate or baccalaureate degree, or the completion of further coursework or a further degree, in a disability-related field;

''(D) offer credit-bearing, college-level coursework in a disability-related field to qualified students served by a covered institution; and

''(E) ensure faculty and staff employed by the members of the consortium are available to—

''(i) students at a covered institution for educational and career advising; and

''(ii) teachers and staff of a covered institution for disability-related training.

''(6) PERMISSIBLE USES OF FUNDS.—An institution of higher education that receives a grant under this subsection on behalf of a consortium may permit the consortium to use the grant funds to develop or adapt disabilities studies curricula, including curricula with distance learning opportunities, for use at covered institutions, to encourage students served by such covered institutions to enter careers in disability-related fields.

''(7) CONSULTATION.—The consortium shall consult with appropriate agencies that serve or assist individuals with disabilities, and the parents, family members, guardians, advocates, or authorized representatives of the individuals, located in the jurisdiction served by the consortium, concerning the program of education and training carried out by the consortium.

''(8) REVIEWS.—

''(A) ADVISORY COMMITTEE.—For an institution of higher education to be eligible to receive a grant under this subsection on behalf of a consortium, the consortium shall have an advisory committee that consists of members that represent the interests of individuals with disabilities, including—

''(i) a professional in the field of vocational rehabilitation;

''(ii) an individual with a disability or a family member of such an individual; and

''(iii) a representative of each type of entity or community represented on the consortium.

''(B) QUARTERLY REVIEWS.—The advisory committee shall meet at least once during each calendar quarter to conduct a review of the program of education and training carried out by the consortium. The committee shall directly advise the governing board of the institution of

higher education in the consortium about the views and recommendations of the advisory committee resulting from the review.

''(9) ACCOUNTABILITY.—Every 2 years, the Commissioner shall—

''(A) using information collected from the reviews required in paragraph (8), assess the effectiveness of the Disability Career Pathways program carried out under this subsection, including assessing how many individuals were served by each eligible consortium and how many of those individuals received postsecondary education, or entered into employment, in a disability-related field; and

''(B) prepare and submit to Congress a report containing the results of the assessments described in subparagraph (A).''; and

(4) in subsection (j), as redesignated by paragraph (2)—

(A) by striking ''There'' and inserting the following:

''(1) IN GENERAL.—There'';

(B) in paragraph (1), as designated by subparagraph (A)—

(i) by striking ''this section'' and inserting ''this section (other than subsections (c) and (d))''; and

(ii) by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(C) by adding at the end the following:

''(2) RESERVATIONS.—Of the sums appropriated under paragraph (1) for a fiscal year, the Secretary may reserve—

''(A) not more than $500,000 to carry out subsection (e);

''(B) not more than $5,000,000 to carry out subsection (f); and

''(C) not more than $5,000,000 to carry out subsection (g).''.

SEC. 443. MIGRANT AND SEASONAL FARMWORKERS.

Section 304(b) of the Rehabilitation Act of 1973 (29 U.S.C. 774(b)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 444. RECREATIONAL PROGRAMS.

Section 305 of the Rehabilitation Act of 1973 (29 U.S.C. 775) is amended—

(1) in subsection (a)(1)(B), by striking ''construction of facilities for aquatic rehabilitation therapy,''; and

(2) in subsection (b), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle D—National Council on Disability

SEC. 451. AUTHORIZATION OF APPROPRIATIONS.

Section 405 of the Rehabilitation Act of 1973 (29 U.S.C. 785) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle E—Rights and Advocacy

SEC. 461. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

Section 502(j) of the Rehabilitation Act of 1973 (29 U.S.C. 792(j)) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 462. PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.

Section 509 of the Rehabilitation Act of 1973 (29 U.S.C. 794e) is amended—

(1) in subsection (c)(1)(A), by inserting ''a grant for'' after ''to provide'';

(2) in subsection (g)(2), by striking ''was paid'' and inserting ''was paid, except that program income generated from the amount paid to an eligible system shall remain available to such system until expended'';

(3) in subsection (l), by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011'';

(4) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively; and

(5) by inserting after subsection (k) the following:

''(l) SYSTEM AUTHORITY.—For purposes of serving persons eligible for services under this section, an eligible system shall have the same general authorities, including access to records, as the system is afforded under subtitle C of title I of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (29 U.S.C. 796c et seq.), as determined by the Commissioner.''.

Subtitle F—Employment Opportunities for Individuals With Disabilities

SEC. 471. PROJECTS WITH INDUSTRY.

Section 611(a) of the Rehabilitation Act of 1973 (29 U.S.C. 795(a)) is amended—

(1) in paragraph (1), by inserting '', locally and nationally'' before the period at the end; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by inserting ''local and national'' before ''Projects With Industry''; and

(B) in subparagraph (A)—

(i) in clause (iii), by striking ''and'' after the semicolon;

(ii) in clause (iv), by inserting ''and'' after the semicolon; and

(iii) by adding at the end the following:

''(v) coordinate activities with the Job Corps center industry councils established under section 154 of the Workforce Investment Act of 1998 (29 U.S.C. 2894);''.

SEC. 472. PROJECTS WITH INDUSTRY AUTHORIZATION OF APPROPRIATIONS.

Section 612 of the Rehabilitation Act of 1973 (29 U.S.C. 795a) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 473. SERVICES FOR INDIVIDUALS WITH SIGNIFICANT DISABILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 628 of the Rehabilitation Act of 1973 (29 U.S.C. 795n) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle G—Independent Living Services and Centers for Independent Living

SEC. 481. STATE PLAN.

Section 704 of the Rehabilitation Act of 1973 (29 U.S.C. 796c) is amended by adding at the end the following:

''(o) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(1) IN GENERAL.—The plan shall describe how the State will provide independent living services that promote full access to community life for individuals with significant disabilities.

''(2) SERVICES.—The services shall include, as appropriate—

''(A) facilitating transitions of—

''(i) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(ii) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(B) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(C) promoting home ownership among individuals with significant disabilities.''.

SEC. 482. STATEWIDE INDEPENDENT LIVING COUNCIL.

(a) ESTABLISHMENT.—Section 705(a) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(a)) is amended by striking the second sentence and inserting the following: ''The Council shall not be established as an entity within a State agency, and shall not provide independent living services directly to individuals with significant disabilities or manage such services.''.

(b) COMPOSITION.—Section 705(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(b)) is amended—

(1) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) in a State in which 1 or more projects provide services under section 121, not less than 1 representative of the directors of the projects.''; and

(2) by striking paragraph (5) and inserting the following:

''(5) CHAIRPERSON.—The Council shall select a chairperson from among the voting membership of the Council.''.

(c) DUTIES.—Section 705(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796d(c)) is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and aligning the margins of those subparagraphs with the margins of subparagraph (E) of subsection (b)(3);

(2) by striking ''(c)'' and all that follows through ''shall—'' and inserting the following:

''(c) FUNCTIONS.—

''(1) DUTIES.—The Council shall—''; and

(3) by adding at the end the following:

''(2) AUTHORITIES.—The Council may, consistent with the State plan described in section 704, unless prohibited by State law—

''(A) provide advice and assistance to the designated State unit regarding the performance of its responsibilities under this title;

''(B) facilitate the improvement and coordination of services provided to individuals with disabilities by centers for independent living, the designated State unit, other Government agencies, and community organizations;

''(C) conduct resource development activities to obtain funding from public and private resources to support the activities described in this subsection or to support the provision of independent living services by centers for independent living; and

''(D) perform such other functions, consistent with the purpose of this chapter and comparable to other functions described in this subsection, as the Council determines to be appropriate.''.

SEC. 483. INDEPENDENT LIVING SERVICES AUTHORIZATION OF APPROPRIATIONS.

Section 714 of the Rehabilitation Act of 1973 (29 U.S.C. 796e–3) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 484. PROGRAM AUTHORIZATION.

Section 721 of the Rehabilitation Act of 1973 (29 U.S.C. 796f) is amended—

(1) by striking subsection (c) and inserting the following:

''(c) ALLOTMENTS TO STATES.—

''(1) DEFINITIONS.—In this subsection:

''(A) ADDITIONAL APPROPRIATION.—The term 'additional appropriation' means the amount (if any) by which the appropriation for a fiscal year exceeds the total of—

''(i) the amount reserved under subsection (b) for that fiscal year; and

''(ii) the appropriation for fiscal year 2005.

''(B) APPROPRIATION.—The term 'appropriation' means the amount appropriated to carry out this part.

''(C) BASE APPROPRIATION.—The term 'base appropriation' means the portion of the appropriation for a fiscal year that is equal to the lesser of—

''(i) an amount equal to 100 percent of the appropriation, minus the amount reserved under subsection (b) for that fiscal year; or

''(ii) the appropriation for fiscal year 2005.

''(2) ALLOTMENTS TO STATES FROM BASE APPROPRIATION.—After the reservation required by subsection (b) has been made, the Commissioner shall allot to each State whose State plan has been approved under section 706 an amount that bears the same ratio to the base appropriation as the amount the State received under this subsection for fiscal year 2005 bears to the total amount that all States received under this subsection for fiscal year 2005.

''(3) ALLOTMENTS TO STATES OF ADDITIONAL APPROPRIATION.—From any additional appropriation for each fiscal year, the Commissioner

shall allot to each State whose State plan has been approved under section 706 an amount equal to the sum of—

''(A) an amount that bears the same ratio to 50 percent of the additional appropriation as the population of the State bears to the population of all States; and

''(B) 1/56 of 50 percent of the additional appropriation.''; and

(2) by adding at the end the following:

''(e) CARRYOVER AUTHORITY.—Notwithstanding any other provision of law—

''(1) any funds appropriated for a fiscal year to carry out a grant program under section 722 or 723, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year; and

''(2) any amounts of program income received by recipients under a grant program under section 722 or 723 in a fiscal year, that are not obligated and expended by recipients prior to the beginning of the succeeding fiscal year, shall remain available for obligation and expenditure by such recipients during that succeeding fiscal year and the subsequent fiscal year.''.

SEC. 485. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH FEDERAL FUNDING EXCEEDS STATE FUNDING.

Section 722(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–1(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 486. GRANTS TO CENTERS FOR INDEPENDENT LIVING IN STATES IN WHICH STATE FUNDING EQUALS OR EXCEEDS FEDERAL FUNDING.

Section 723(c) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–2(c)) is amended—

(1) by striking ''grants'' and inserting ''grants for a fiscal year''; and

(2) by striking ''by September 30, 1997'' and inserting ''for the preceding fiscal year''.

SEC. 487. STANDARDS AND ASSURANCES FOR CENTERS FOR INDEPENDENT LIVING.

Section 725(b) of the Rehabilitation Act of 1973 (29 U.S.C. 796f–4(b)) is amended by adding at the end the following:

''(8) PROMOTING FULL ACCESS TO COMMUNITY LIFE.—

''(A) IN GENERAL.—The center shall provide independent living services that promote full access to community life for individuals with significant disabilities.

''(B) SERVICES.—The services shall include, as appropriate—

''(i) facilitating transitions of—

''(I) youth who are individuals with significant disabilities and have completed individualized education programs under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)) to postsecondary life, including employment; and

''(II) individuals with significant disabilities from nursing homes and other institutions, including institutions serving individuals with cognitive disabilities, to community-based residences;

''(ii) assisting individuals with significant disabilities at risk of entering institutions to remain in the community; and

''(iii) promoting home ownership among individuals with significant disabilities.''.

SEC. 488. CENTERS FOR INDEPENDENT LIVING AUTHORIZATION OF APPROPRIATIONS.

Section 727 of the Rehabilitation Act of 1973 (29 U.S.C. 796f–6) is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

SEC. 489. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND.

Chapter 2 of title VII of the Rehabilitation Act of 1973 (29 U.S.C. 796j et seq.) is amended—

(1) by redesignating sections 752 and 753 as sections 753 and 754, respectively; and

(2) by inserting after section 751 the following:

''SEC. 752. TRAINING AND TECHNICAL ASSISTANCE.

''(a) GRANTS; CONTRACTS; OTHER ARRANGEMENTS.—For any fiscal year for which the funds appropriated to carry out this chapter exceed the funds appropriated to carry out this chapter for fiscal year 2005, the Commissioner shall first reserve from such excess, to provide training and technical assistance to designated State agencies for such fiscal year, not less than 1.8 percent, and not more than 2 percent, of the funds appropriated to carry out this chapter for the fiscal year involved.

''(b) ALLOCATION.—From the funds reserved under subsection (a), the Commissioner shall make grants to, and enter into contracts and other arrangements with, entities that demonstrate expertise in the provision of services to older individuals who are blind to provide training and technical assistance with respect to planning, developing, conducting, administering, and evaluating independent living programs for older individuals who are blind.

''(c) FUNDING PRIORITIES.—The Commissioner shall conduct a survey of designated State agencies that receive grants under section 753 regarding training and technical assistance needs in order to determine funding priorities for grants, contracts, and other arrangements under this section.

''(d) REVIEW.—To be eligible to receive a grant or enter into a contract or other arrangement under this section, an entity shall submit an application to the Commissioner at such time, in such manner, containing a proposal to provide such training and technical assistance, and containing such additional information as the Commissioner may require.

''(e) PROHIBITION ON COMBINED FUNDS.—No funds reserved by the Commissioner under this section may be combined with funds appropriated under any other Act or part of this Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such reserved funds are separately identified in the agreement for such grant or payment and are used for the purposes of this chapter.''.

SEC. 490. PROGRAM OF GRANTS.

Section 753 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended—

(1) by striking subsection (h);

(2) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively;

(3) in subsection (b), by striking ''section 753'' and inserting ''section 754'';

(4) in subsection (c)—

(A) in paragraph (1), by striking ''section 753'' and inserting ''section 754''; and

(B) in paragraph (2)—

(i) by striking ''subsection (j)'' and inserting ''subsection (i)''; and

(ii) by striking ''subsection (i)'' and inserting ''subsection (h)'';

(5) in subsection (g), by inserting '', or contracts with,'' after ''grants to'';

(6) in subsection (h), as redesignated by paragraph (2)—

(A) in paragraph (1), by striking ''subsection (j)(4)'' and inserting ''subsection (i)(4)''; and

(B) in paragraph (2)—

(i) in subparagraph (A)(vi), by adding ''and'' after the semicolon;

(ii) in subparagraph (B)(ii)(III), by striking ''; and'' and inserting a period; and

(iii) by striking subparagraph (C); and

(7) in subsection (i), as redesignated by paragraph (2)—

(A) by striking paragraph (2) and inserting the following:

''(2) MINIMUM ALLOTMENT.—

''(A) STATES.—In the case of any of the several States, the District of Columbia, or the Commonwealth of Puerto Rico, the amount referred to in paragraph (1)(A) for a fiscal year is the greater of—

''(i) $350,000;

''(ii) an amount equal to the amount the State, the District of Columbia, or the Commonwealth of Puerto Rico received to carry out this chapter for fiscal year 2005; or

''(iii) an amount equal to 1/3 of 1 percent of the amount appropriated under section 754, and not reserved under section 752, for the fiscal year and available for allotments under subsection (a).

''(B) CERTAIN TERRITORIES.—In the case of Guam, American Samoa, the United States Virgin Islands, or the Commonwealth of the Northern Mariana Islands, the amount referred to in paragraph (1)(A) for a fiscal year is $60,000.'';

(B) in paragraph (3)(A), by striking ''section 753'' and inserting ''section 754, and not reserved under section 752,''; and

(C) in paragraph (4)(B)(i), by striking ''subsection (i)'' and inserting ''subsection (h)''.

SEC. 491. INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND AUTHORIZATION OF APPROPRIATIONS.

Section 754 of the Rehabilitation Act of 1973, as redesignated by section 489, is amended by striking ''fiscal years 1999 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subtitle H—Miscellaneous

SEC. 495. HELEN KELLER NATIONAL CENTER ACT.

(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 205(a) of the Helen Keller National Center Act (29 U.S.C. 1904(a)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

(b) HELEN KELLER NATIONAL CENTER FEDERAL ENDOWMENT FUND.—The first sentence of section 208(h) of the Helen Keller National Center Act (29 U.S.C. 1907(h)) is amended by striking ''1999 through 2003'' and inserting ''2006 through 2011''.

TITLE V—TRANSITION AND EFFECTIVE DATE

SEC. 501. TRANSITION PROVISIONS.

The Secretary of Labor shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles I and III of this Act. The Secretary of Education shall, at the discretion of the Secretary, take such actions as the Secretary determines to be appropriate to provide for the orderly implementation of titles II and IV of this Act.

SEC. 502. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

ORDERS FOR MONDAY, JULY 10, 2006

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment under the provisions of H. Con. Res. 440 until 2 p.m. on Monday, July 10. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved, and the Senate then proceed to a period for the transaction of morning business until 3 p.m., with the time equally divided between the leaders or their designees. I further ask that at 3 p.m., the Senate proceed to the immediate consideration of Calendar No. 503, H.R. 5441, the Homeland Security appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. McCONNELL. Mr. President, after the Fourth of July recess, as I just indicated, the Senate will begin consideration of the Homeland Security appropriations bill. I encourage Senators to work with the bill managers to expedite the consideration of this extremely important funding bill. Senators should expect the first vote of the week to occur at around 5:30 p.m. on Monday, July 10, and should make their travel plans accordingly. We will alert Members later as to the exact timing and substance of that vote.

ADJOURNMENT UNTIL MONDAY, JULY 10, 2006, AT 2 P.M.

Mr. McCONNELL. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the provisions of H. Con. Res. 440.

There being no objection, the Senate, at 7 p.m., adjourned until Monday, July 10, 2006, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate June 29, 2006:

DEPARTMENT OF AGRICULTURE

BRUCE I. KNIGHT, OF SOUTH DAKOTA, TO BE UNDER SECRETARY OF AGRICULTURE FOR MARKETING AND REGULATORY PROGRAMS, VICE WILLIAM T. HAWKS, RESIGNED.

BRUCE I. KNIGHT, OF SOUTH DAKOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION, VICE WILLIAM T. HAWKS, RESIGNED.

DEPARTMENT OF DEFENSE

FRANK R. JIMENEZ, OF FLORIDA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE NAVY, VICE ALBERTO JOSE MORA, RESIGNED.

CHARLES E. MCQUEARY, OF NORTH CAROLINA, TO BE DIRECTOR OF OPERATIONAL TEST AND EVALUATION, DEPARTMENT OF DEFENSE, VICE THOMAS P. CHRISTIE, RESIGNED.

FEDERAL RESERVE SYSTEM

FREDERIC S. MISHKIN, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM FOR THE UNEXPIRED TERM OF 14 YEARS FROM FEBRUARY 1, 2000, VICE ROGER WALTON FERGUSON, JR., RESIGNED.

DEPARTMENT OF THE TREASURY

EDMUND C. MOY, OF WISCONSIN, TO BE DIRECTOR OF THE MINT FOR A TERM OF 5 YEARS, VICE HENRIETTA HOLSMAN FORE, RESIGNED.

DEPARTMENT OF COMMERCE

NATHANIEL F. WIENECKE, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE BRETT T. PALMER, RESIGNED.

DEPARTMENT OF STATE

DONALD C. JOHNSON, OF TEXAS, TO BE A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF EQUATORIAL GUINEA.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. STEVEN R. ABT, 0000
BRIG. GEN. JAMES A. HASBARGEN, 0000
BRIG. GEN. JOHN P. MCLAREN, JR., 0000
BRIG. GEN. WILLIAM MONK III, 0000
BRIG. GEN. JAMES W. RAFFERTY, 0000

To be brigadier general

COL. CRAIG A. BUGNO, 0000
COL. HAROLD G. BUNCH, 0000
COL. WALTER B. CHAHANOVICH, 0000
COL. CHRISTOPHER T. CLINE, 0000
COL. DAVID S. ELMO, 0000
COL. ROBERT N. HIPWELL, 0000
COL. ALEXANDER I. KOZLOV, 0000
COL. JON J. MILLER, 0000
COL. DAVID L. SMALLEY, 0000
COL. ROBERT P. STALL, 0000
COL. JONATHAN WOODSON, 0000

THE FOLLOWING ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. RODNEY J. BARHAM, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. DAVID J. VENLET, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. JONATHAN W. GREENERT, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED INDIVIDUAL IN THE GRADE INDICATED IN THE REGULAR AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531(A):

To be major

JULIO OCAMPO, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND AS PERMANENT PROFESSOR AT THE UNITED STATES AIR FORCE ACADEMY, UNDER TITLE 10, U.S.C., SECTIONS 9333(B) AND 9336(A):

To be colonel

JOHN L. PUTNAM, 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS A PERMANENT PROFESSOR OF THE UNITED STATES MILITARY ACADEMY IN THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 4333(B):

To be colonel

MARITZA S. RYAN, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY DENTAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

ARMANDO AGUILERA, JR., 0000
JOHN ALKIRE, 0000
ERIC T. ASHLEY, 0000
TODD B. BARSKY, 0000
BRIAN BARTLETT, 0000
CURTIS B. BEDONT, 0000
JUSTIN W. BORDLEMAY, 0000
TIMOTHY CARTER, 0000
BRENT CLARK, 0000
JAMES CORCORAN, 0000
YONGSOK DO, 0000
DARREN J. FORCIER, 0000
MATTHEW A. GHIZ, 0000
JOSEPH GIASI, 0000
KEN JO, 0000
ROBERT KEELER, 0000
NAM K. KIM, 0000
SLOAN G. LANCTOT, 0000
YOSUK J. LEE, 0000
BERNIE S. MANASAN, 0000
ROBERT NAY, 0000
DALE A. NICHOLS, 0000
MARK R. OBLAD, 0000
DAVID OLSON, 0000
CORBIN PARTRIDGE, 0000
JULIA PLEVNIA, 0000
KARL RICHARDS, 0000
MICHAEL J. RYHN, 0000
JENNIFER V. SABOL, 0000
TATE VIEHWEG, 0000
AARON WACHLAROWICZ, 0000
MICHAEL S. WALL, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

BRIAN E. ABELL, 0000
ERIC M. ACHESON, 0000
GILBERT AIDINIAN, 0000
PAUL T. ALBAN, 0000
JOSEPH F. ALDERETE, JR., 0000
ABEL ALFONSO, 0000
AARON G. AMACHER III, 0000
DONALD ANDERSON, 0000
SARA K. ANDERSON, 0000
CHRISTINE N. AUNE, 0000
LENA S. AVEDISSIAN, 0000
THOMAS J. BACKENSON, 0000
ERIC Y. BADEN, 0000
TODD F. BAKER, 0000
VINCENT L. BALL, 0000
RUSSELL L. BARFIELD, 0000
EDWARD V. BARNES, 0000
KIMBERLY R. BARRETT, 0000
MATTHEW J. BARRY, 0000
DANIEL R. BAUER, 0000
ANDREW M. BAYLES, 0000
NANCY A. BEAMAN, 0000
ALISON K. BEAUCHAMP, 0000
ERINE E. BECK, 0000
TYSON E. BECKER, 0000
RONALD D. BEESLEY, 0000
ROBERT L. BEHRMANN, 0000
AMANDA M. BELL, 0000
BRIAN D. BELNAP, 0000
WILLIAM F. BIMSON, 0000
PATRICK T. BIRCHFIELD, 0000
SCOTT D. BLACKWELL, 0000
JOHN A. BOGER, 0000
JONATHAN A. BOLLES, 0000
CHRISTINE D. BOOTH, 0000
ADAM M. BORAH, 0000
JASON D. BOTHWELL, 0000
WENDY J. BOUCHER, 0000
MICHAEL BOWERS, 0000
BASCOM K. BRADSHAW, 0000
ANTONIO L. BRANDT, 0000
ANTHONY W. BRASWELL, 0000
DAVID W. BRAY, 0000
KARL W. BREWER, 0000
GWENDOLYN M. BROPHY, 0000
ERICA M. BROUSSARD, 0000
RAYMOND A. BROVONT, 0000
FRANCIS X. BUCKMAN, 0000
KEVIN L. BUFORD, 0000
TIEN D. BUI, 0000
MATTHEW P. BURKE, 0000
BENJAMIN D. BYERS, 0000
JOHN J. BYERS, 0000
JASON B. CABOOT, 0000
MICHAEL CAMPBELL, 0000
ANDREW P. CAP, 0000
MYRNA I. CARDIEL, 0000
AARON S. CARLISLE, 0000
MATTHEW J. CARTER, 0000
DAVID L. CHANDLER, 0000
MEEDLEN CHARLES, 0000
JASON E. CHRISTENSEN, 0000
PAUL CIMINERA, 0000
CHAD J. CLARK, 0000
KEITH R. COMPTON, 0000
LISA C. COVIELLO, 0000
DANIEL R. CRONK, 0000
PHILLIP B. CUENCA, 0000
CORD W. CUNNINGHAM, 0000
KAREN C. DAILY, 0000
NEALANJON P. DAS, 0000
RICHARD DAVIS, 0000
LA G. DE, 0000
ZIA A. DEHQANZADA, 0000
ARTHUR J. DELUIGI, 0000
MARK E. DEMUTH, 0000
DAVID L. DOBSON, 0000
JOSEPH G. DOUGHERTY, 0000
ROBERT H. DURGIN, 0000
JAMES P. EATON, 0000
GARY L. EBERLY, 0000
COLIN C. EDGERTON, 0000
JEREMY V. EDWARDS, 0000
JOSEF K. EICHINGER, 0000
DAVID J. EIGNER, 0000
SHANNON B. ELLIS, 0000
RICHARD D. ERFF, 0000
AIXA D. ESPINOSAMORALES, 0000
MATTHEW N. FANDRE, 0000
MATTHEW V. FARGO, 0000
JOHN P. FERNALD, 0000
GARY FILLMORE, 0000
JOSEPH L. FLINT, 0000
RAJAT R. FOFARIA, 0000
TODD FONTAINE, 0000
RANDALL FREEMAN, 0000
CHRISTOPHER D. FUCITO, 0000
RICHARD E. GALGON, 0000
BRADLEY C. GARDINER, 0000
DALE W. GEORGE, 0000
BRENT R. GIBSON, 0000
DUNCAN A. GILLIES II, 0000
DAVID GLOYSTEIN, 0000
KATHLEEN GOINGS, 0000
DANIEL GREEN, 0000
DARYL L. GRIFFIN, 0000
MATTHEW E. GRIFFITH, 0000
ELIZABETH A. GROSSART, 0000
AIKA S. GUMBOC, 0000
THOMAS J. HAIR, 0000
BRIAN T. HALL, 0000
MICHAEL HAMMER, 0000
RONALD D. HARDIN, JR., 0000
DAVID P. HARPER, 0000
WAYNE J. HARSHA, 0000
JASON S. HAWLEY, 0000
BRYAN S. HELSEL, 0000
GARTH S. HERBERT, 0000
JOSHUA P. HERZOG, 0000
JIMMY HEWITT II, 0000
MATTHEW S. HING, 0000
HEIDI R. HODDER, 0000
AARON B. HOLLEY, 0000
CHAD K. HOLMES, 0000
STEVE S. HONG, 0000
NELSON HOWARD, 0000
MATTHEW G. HUDKINS, 0000
JAY A. HUDSON, 0000
JONATHAN S. HUITINK, 0000
FARAH A. HUSAIN, 0000
TARIK M. HUSAIN, 0000

RONALD A. HYDE, 0000
NADIM ISLAM, 0000
CHRISTOPHER G. IVANY, 0000
PAULA J. JACKSON, 0000
MARK L. JACQUES, 0000
AUDREY E. JAIN, 0000
ELIZABETH N. JAVERNICK, 0000
MATTHEW A. JAVERNICK, 0000
JEFFERSON W. JEX, 0000
LISA A. JOHNSON, 0000
KEATING D. JONES, 0000
KEVIN R. JOSEPH, 0000
TIMOTHY W. JUDGE, 0000
ELLINA KALANDAROVA, 0000
PIL S. KANG, 0000
LAURA N. KASTER, 0000
CHARMAINE F. KAULA, 0000
NAKIZITO N. KAZIGO, 0000
SEAN C. KEENAN, 0000
PATRICK R. KENNY, 0000
JEFFREY KIKI, 0000
DANIEL E. KIM, 0000
EUGENE H. KIM, 0000
WON I. KIM, 0000
LORI A. KINGSLEY, 0000
JESS KIRBY, 0000
JONATHAN KITCHIN, 0000
WILLIAM KIZER, 0000
JUDY KOVELL, 0000
MICHAEL J. KOZNARSKY, 0000
LOGAN KRATT, 0000
CHRISTOPHER M. KREBS, 0000
WILLIAM R. KRUEGER, 0000
SANDRA E. KUEHLER, 0000
HERBERT P. KWON, 0000
SMITH H. LAIDLAW, 0000
CHRISTINE A. LAKY, 0000
LOUIS J. LAND, 0000
ROBERT V. LANE, 0000
TIMOTHY E. LASETER, 0000
DAVID G. LAWTON, 0000
VASILIOS LAZOS, 0000
LLEWELLYN V. LEE, 0000
GUS J. LEOTTA III, 0000
BRIAN LEWIS, 0000
DIANE LEYBA, 0000
ARCHIBALD L. LORD, 0000
MICHAEL LORICH, 0000
KARLA R. LOWE, 0000
DOWNING LU, 0000
BRIAN S. LUETKE, 0000
TORREY LYNCH, 0000
GARRETT S. LYNCHARD, 0000
NORMA L. MACIAS, 0000
BILLY W. MAHANEY, 0000
CYNTHIA MAJERSKE, 0000
SABRI E. MALEK, 0000
KEVIN L. MARSH, 0000
SUZAN E. MARSHALL, 0000
GREGORY T. MCCAIN, 0000
THANE MCCANN, 0000
MICHAEL Y. MCCOWN, 0000
BRIAN R. MCMILLAN, 0000
SCOTT T. MCNEAR, 0000
LOUIS P. MENG, 0000
CHRISTOPHER MEYERING, 0000
AMY M. MILLIKAN, 0000
STEVE B. MIN, 0000
KEITH P. MINIHANE, 0000
JOSEPH N. MIRKOVICH, 0000
KRISTIE MITCHELL, 0000
ANGELITA MOORE, 0000
TRAVIS C. MOORE, 0000
FRANK C. MORGAN, 0000
GERARD MORGAN, 0000
MATTHEW L. MORGAN, 0000
JESSIKA T. MORIN, 0000
MICHELLE L. MOYER, 0000
SCOTT J. MURCIN, 0000
DARIUSZ G. MYDLARZ, 0000
JONATHAN J. MYERS, 0000
SUDHIR C. NAGARAJA, 0000
JACQUELINE NAYLOR, 0000
LAUREL A. NEFF, 0000
BRETT A. NELSON, 0000
CHUCK T. NGUYEN, 0000
CUONG D. NGUYEN, 0000
CHRISTOPHER M. NIEMAN, 0000
CHARLES D. NOBLE, 0000
WILLIAM OCONNELL, 0000
PETER D. OCONNOR, 0000
MICHAEL A. ODLE, 0000
STEPHEN W. OLSON, 0000
ADRIAN ORTIZ, 0000
DAVID J. OSBORN, 0000
MATTHEW PACKHAM, 0000
JEREMY C. PAMPLIN, 0000
IOANNIS B. PAPADOPOULOS, 0000
DINA S. PAREKH, 0000
PARESH R. PATEL, 0000
SEJAL B. PATEL, 0000
FRANK W. PAVLOVCIC III, 0000
RENEE M. PAZDAN, 0000
BRADLEY PEARSON, 0000
NICHOLAS PEFKAROS, 0000
LAURIE B. PEMBERTON, 0000
CHRISTOPHER L. PERDUE, 0000
DARRELL PETERS, 0000
KIMBERLY A. PETTIT, 0000
JORDAN E. PINSKER, 0000
ERIKA C. POMMETT, 0000
BENJAMIN K. POTTER, 0000
DUNFORD N. POWELL, 0000
ERIC PRYOR, 0000
ERIC B. PURDOM, 0000
KALPESH K. PUROHIT, 0000
PETER R. PURRINGTON, 0000
FLORIANO PUTIGNA, 0000
JIN C. PYUN, 0000
GORDON K. RAINEY, 0000
PATRICK A. RANEY, 0000
DAVID A. RANKIN, 0000
DANIEL A. REIDMAN, 0000
ROSEANNE A. RESSNER, 0000
VILLANUEVA A. REYES, 0000
WILLIAM V. RICE, JR., 0000
PEACHES A. RICHARDS, 0000
BRIAN F. RICHARDSON, 0000
LATONIA E. ROACH, 0000
MICHAEL J. ROACH, 0000
ERIC A. ROBERGE, 0000
JACOB A. ROBERTS, 0000
JEFFERSON R. ROBERTS, 0000
MARK J. ROSCHEWSKI, 0000
CAROLINE RYAN, 0000
NABIL SALAMA, 0000
DAVID SALOUM, 0000
TAYLOR L. SAWYER, 0000
KEVIN E. SCHLEGEL, 0000
JEFFREY N. SCHMIDT, 0000
KEITH A. SCORZA, 0000
JASON M. SEERY, 0000
DANIEL H. SELASSIE, 0000
JAKE SETTLES, 0000
TRINA M. SETTLES, 0000
JOHN B. SHEHAN, 0000
TINA W. SILVER, 0000
RYAN C. SLAUGHTER, 0000
ERIC H. SLAYTON, 0000
CHRISTOPHER D. SMELSER, 0000
JEFFREY A. SMITH, 0000
JOHN W. SONG, 0000
WON S. SONG, 0000
MARK E. STACKLE, 0000
CHRISTOPHER F. STANDLEY, 0000
BRETT R. STEINBERG, 0000
DAVID R. STEINBRUNER, 0000
JACOB STEPHEN, 0000
FREDERICK L. STEPHENS, 0000
JAMES C. STEPHENS, 0000
NATHAN R. STEVENS, 0000
NEIL R. STOCKMASTER, 0000
ERIK STORM, 0000
ABRAHAM W. SUHR, 0000
ERIN F. SWITZER, 0000
NATHAN TAGG, 0000
SUZANNE T. TEMPLE, 0000
HEATH TENNYSON, 0000
DAMIAN TERNULLO, 0000
TODD A. THEOBALD, 0000
BRENT A. TINNEL, 0000
MICHAEL TODD, 0000
DAWN M. TORRES, 0000
DANIEL T. TORZALA, 0000
DAVID A. TREBB, 0000
ADAM W. TROTTA, 0000
PAUL S. URIBE, 0000
ANGELA M. UY, 0000
DAVID A. VAN DE CAR, 0000
BILLY P. VANASUPA, 0000
PETER H. VANGEERTRUYDEN, 0000
TIMOTHY G. VEDDER, 0000
AMBER L. VEGH, 0000
VANESSA A. VENEZIA, 0000
TIMOTHY P. VILLEGAS, 0000
KRISTINA S. WALICK, 0000
KYLE WALKER, 0000
DANIEL WALLIHAN, 0000
BENJAMIN WALLISCH, 0000
CHARLES WEBER, 0000
CLINTON WELLS, 0000
GREGORY L. WHITAKER, 0000
LUTHER WIEST, 0000
JOHN W. WILLIAMS, 0000
MICHAEL B. WILLIAMS, 0000
BRANDON K. WILLS, 0000
JOHN R. WINNINGHAM, 0000
DAVID S. WOLF, 0000
KEVIN M. WOODS, 0000
CHRISTOPHER J. YAMAMOTO, 0000
BELINDA J. YAUGER, 0000
NICOLE T. YEDLINSKY, 0000
JIUN YOON, 0000
CUTTER M. ZAMBONI, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

DAVID E. BAUER, 0000

THE JUDICIARY

PETER D. KEISLER, OF MARYLAND, TO BE UNITED STATES CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT, VICE JOHN G. ROBERTS, JR., ELEVATED.

DISCHARGED NOMINATION

The Senate Committee on Commerce, Science, and Transportation was discharged of the following nomination and the nomination was referred to the Committee on Energy and Natural Resources by unanimous consent agreement of 06/29/06:

DRUE PEARCE, OF ALASKA, TO BE FEDERAL COORDINATOR FOR ALASKA NATURAL GAS TRANSPORTATION PROJECTS FOR THE TERM PRESCRIBED BY LAW.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 29, 2006:

ENVIRONMENTAL PROTECTION AGENCY

JAMES B. GULLIFORD, OF MISSOURI, TO BE ASSISTANT ADMINISTRATOR FOR TOXIC SUBSTANCES OF THE ENVIRONMENTAL PROTECTION AGENCY.

DEPARTMENT OF VETERANS AFFAIRS

DANIEL L. COOPER, OF PENNSYLVANIA, TO BE UNDER SECRETARY FOR BENEFITS OF THE DEPARTMENT OF VETERANS AFFAIRS FOR A TERM OF FOUR YEARS.

DEPARTMENT OF DEFENSE

MICHAEL L. DOMINGUEZ, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

LEGAL SERVICES CORPORATION

JONANN E. CHILES, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 2008.

DEPARTMENT OF STATE

JOHN CLINT WILLIAMSON, OF LOUISIANA, TO BE AMBASSADOR AT LARGE FOR WAR CRIMES ISSUES.

GADDI H. VASQUEZ, OF CALIFORNIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS U.S. REPRESENTATIVE TO THE UNITED NATIONS AGENCIES FOR FOOD AND AGRICULTURE.

MICHAEL E. RANNEBERGER, OF VIRGINIA, TO BE AMBASSADOR TO THE REPUBLIC OF KENYA.

ROBERT D. MCCALLUM, JR., OF GEORGIA, TO BE AMBASSADOR TO AUSTRALIA.

ERIC M. BOST, OF TEXAS, TO BE AMBASSADOR TO THE REPUBLIC OF SOUTH AFRICA.

LESLIE V. ROWE, OF WASHINGTON, TO BE AMBASSADOR TO PAPUA NEW GUINEA, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR TO THE SOLOMON ISLANDS AND AMBASSADOR TO THE REPUBLIC OF VANUATU.

W. STUART SYMINGTON IV, OF MISSOURI, TO BE AMBASSADOR TO THE REPUBLIC OF DJIBOUTI.

GAYLEATHA BEATRICE BROWN, OF NEW JERSEY, TO BE AMBASSADOR TO THE REPUBLIC OF BENIN.

PETER R. CONEWAY, OF TEXAS, TO BE AMBASSADOR TO SWITZERLAND, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR TO THE PRINCIPALITY OF LIECHTENSTEIN.

CLIFFORD M. SOBEL, OF NEW JERSEY, TO BE AMBASSADOR TO THE FEDERATIVE REPUBLIC OF BRAZIL.

ROBERT O. BLAKE, JR., OF MARYLAND, TO BE AMBASSADOR TO THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR TO THE REPUBLIC OF MALDIVES.

THOMAS C. FOLEY, OF CONNECTICUT, TO BE AMBASSADOR TO IRELAND.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MAURICE L. MCFANN, JR.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. FRANK A. CIPOLLA

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be Brigadier General

COL. MICHAEL J. SILVA

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be Vice Admiral

REAR ADM. ROBERT B MURRETT

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be Vice Admiral

REAR ADM. MARK J. EDWARDS

SMALL BUSINESS ADMINISTRATION

STEVEN C. PRESTON, OF ILLINOIS, TO BE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION.

IN THE ARMY

ARMY NOMINATION OF CON G. PHAM TO BE COLONEL.

ARMY NOMINATIONS BEGINNING WITH DARYL W. FRANCIS AND ENDING WITH DWAINE M. TORGERSEN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH BRIAN E. BISHOP AND ENDING WITH ALAN C. SAUNDERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH JOSE R. ATENCIO III AND ENDING WITH CHRISTOPHER J. MORGAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH BRENT E. BRACEWELL AND ENDING WITH ALLEN L. MEYER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH BRUCE R. DESCHERE AND ENDING WITH MICHAEL B. ROUNTREE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH MICHAEL L. ELLIS AND ENDING WITH KRISTINE KNUTSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATION OF DEBRA R. HERNANDEZ TO BE MAJOR.

ARMY NOMINATION OF ANNE M. EMSHOFF TO BE MAJOR.

ARMY NOMINATION OF ANDREW P. CAP TO BE MAJOR.

ARMY NOMINATIONS BEGINNING WITH MARK E. GANTS AND ENDING WITH SAMUEL L. YINGST, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH CATHLEEN A. BURGESS AND ENDING WITH JEFFREY L. WELLS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH HAZEL P. HAYNES AND ENDING WITH GIA K. YI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH BEN L. CLARK AND ENDING WITH JENNIFER L. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

ARMY NOMINATIONS BEGINNING WITH LYNN F. ABRAMS AND ENDING WITH ROBERT T. ZABENKO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING WITH CHRISTOPHER J. GALFANO AND ENDING WITH RUSSELL W. PARKER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 14, 2006.

IN THE NAVY

NAVY NOMINATION OF ZINA L. RAWLINS TO BE LIEUTENANT COMMANDER.

N O T I C E

House proceedings of June 29, 2006, will be printed in Issue No. 87—Book II.