

107TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } 107-772

BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR
FISCAL YEAR 2003

NOVEMBER 12, 2002.—ORDERED TO BE PRINTED

Mr. STUMP, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 4546]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 4546), to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

1 **SECTION 1. SHORT TITLE; FINDINGS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the “Bob
3 Stump National Defense Authorization Act for Fiscal Year
4 2003”.

5 (b) **FINDINGS.**—Congress makes the following findings:

6 (1) Representative Bob Stump of Arizona was elected
7 to the House of Representatives in 1976 for service in the
8 95th Congress, after serving in the Arizona legislature for
9 18 years and serving as President of the Arizona State
10 Senate from 1975 to 1976, and he has been reelected to
11 each subsequent Congress.

12 (2) A World War II combat veteran, Representative
13 Stump entered service in the United States Navy in 1943,
14 just after his 16th birthday, and served aboard the USS
15 LUNGA POINT and the USS TULAGI, which partici-
16 pated in the invasions of Luzon, Iwo Jima, and Okinawa.

17 (3) Representative Stump was elected to the Com-
18 mittee on Armed Services in 1978 and has served on nearly
19 all of its subcommittees and panels during 25 years of dis-
20 tinguished service on the committee. He has served as
21 chairman of the committee during the 107th Congress and
22 has championed United States national security as the
23 paramount function of the Federal Government.

24 (4) Also serving on the Committee on Veterans’ Af-
25 fairs of the House of Representatives, chairing that com-
26 mittee from 1995 to 2000, and serving on the Permanent
27 Select Committee on Intelligence of the House of Rep-
28 resentatives, including service as the ranking minority
29 member in 1985 and 1986, Representative Stump has dedi-
30 cated his entire congressional career to steadfastly sup-
31 porting America’s courageous men and women in uniform
32 both on and off the battlefield.

33 (5) Representative Stump’s tireless efforts on behalf of
34 those in the military and veterans have been recognized
35 with numerous awards for outstanding service from active
36 duty and reserve military, veterans’ service, military retiree,
37 and industry organizations.

1 (6) During his tenure as chairman of the Committee
2 on Armed Services of the House of Representatives, Rep-
3 resentative Stump has—

4 (A) overseen the largest sustained increase to de-
5 fense spending since the Reagan administration;

6 (B) led efforts to improve the quality of military
7 life, including passage of the largest military pay raise
8 since 1982;

9 (C) supported military retirees, including efforts to
10 reverse concurrent receipt law and to save the Armed
11 Forces Retirement Homes;

12 (D) championed military readiness by defending
13 military access to critical training facilities such
14 Vieques, Puerto Rico, expanding the National Training
15 Center at Ft. Irwin, California, and working to restore
16 balance between environmental concerns and military
17 readiness requirements;

18 (E) reinvigorated efforts to defend America
19 against ballistic missiles by supporting an increase in
20 fiscal year 2002 of nearly 50 percent above the fiscal
21 year 2001 level for missile defense programs; and

22 (F) honored America's war heroes by expanding
23 Arlington National Cemetery, establishing a site for the
24 Air Force Memorial, and assuring construction of the
25 World War II Memorial.

26 (7) In recognition of his long record of accomplish-
27 ments in enhancing the national security of the United
28 States and his legislative victories on behalf of active duty
29 service members, reservists, guardsmen, and veterans, it is
30 altogether fitting and proper that this Act be named in
31 honor of Representative Bob Stump of Arizona, as provided
32 in subsection (a).

33 **SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE**
34 **OF CONTENTS.**

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

- 1 (1) Division A—Department of Defense Authoriza-
2 tions.
3 (2) Division B—Military Construction Authorizations.
4 (3) Division C—Department of Energy National Secu-
5 rity Authorizations and Other Authorizations.
6 (b) TABLE OF CONTENTS.—The table of contents for this
7 Act is as follows:

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

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.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical Agents and Munitions Destruction, Defense.
Sec. 107. Defense health programs.

Subtitle B—Army Programs

- Sec. 111. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
Sec. 112. Report on impact of Army aviation modernization plan on the Army National Guard.
Sec. 113. Family of Medium Tactical Vehicles.

Subtitle C—Navy Programs

- Sec. 121. Extension of multiyear procurement authority for DDG-51 class destroyers.
Sec. 122. Sense of Congress on scope of conversion program for Ticonderoga-class cruisers.
Sec. 123. Continuation of contract for operation of Champion-class T-5 fuel tanker vessels.

Subtitle D—Air Force Programs

- Sec. 131. Multiyear procurement authority for C-130J aircraft program.
Sec. 132. Pathfinder programs.
Sec. 133. Leases for tanker aircraft under multiyear aircraft-lease pilot program.

Subtitle E—Other Programs

- Sec. 141. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 142. Report on unmanned aerial vehicle systems.

Sec. 143. Global Information Grid system.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.

Sec. 202. Amount for defense science and technology.

Sec. 203. Defense health programs.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. RAH-66 Comanche aircraft program.

Sec. 212. Extension of requirements relating to management responsibility for naval mine countermeasures programs.

Sec. 213. Revised requirements for plan for Manufacturing Technology Program.

Sec. 214. Advanced SEAL Delivery System.

Sec. 215. Army experimentation program regarding design of the objective force.

Sec. 216. Program to provide Army with self-propelled Future Combat Systems non-line-of-sight cannon indirect fire capability for the objective force.

Sec. 217. Prohibition on transfer of Medical Free Electron Laser program.

Sec. 218. Littoral combat ship program.

Subtitle C—Ballistic Missile Defense

Sec. 221. Report requirements relating to ballistic missile defense programs.

Sec. 222. Responsibility of Missile Defense Agency for research, development, test, and evaluation related to system improvements of programs transferred to military departments.

Sec. 223. Limitation on obligation of funds for Theater High Altitude Area Defense Program pending submission of required life-cycle cost information.

Sec. 224. Provision of information on flight testing of Ground-based Mid-course National Missile Defense system.

Sec. 225. References to new name for Ballistic Missile Defense Organization.

Sec. 226. One-year limitation on use of funds for nuclear armed interceptors.

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

Sec. 231. Department of Defense Test Resource Management Center.

Sec. 232. Objective for institutional funding of test and evaluation facilities.

Sec. 233. Uniform financial management system for Department of Defense test and evaluation facilities.

Sec. 234. Test and evaluation workforce improvements.

Sec. 235. Compliance with testing requirements.

Subtitle E—Other Matters

Sec. 241. Pilot programs for revitalizing Department of Defense laboratories.

Sec. 242. Technology Transition Initiative.

Sec. 243. Defense Acquisition Challenge Program.

- Sec. 244. Encouragement of small businesses and nontraditional defense contractors to submit proposals potentially beneficial for combating terrorism.
- Sec. 245. Vehicle fuel cell program.
- Sec. 246. Defense nanotechnology research and development program.
- Sec. 247. Activities of the Defense Experimental Program to Stimulate Competitive Research.
- Sec. 248. Four-year extension of authority of DARPA to award prizes for advanced technology achievements and additional authority of military departments and Defense Agencies to award prizes for achievements in promoting education.
- Sec. 249. Plan for five-year program for enhancement of measurement and signatures intelligence capabilities of the United States through incorporation of results of basic research on sensors.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Armed Forces Retirement Home.
- Sec. 304. Grant to National Guard Youth Foundation.

Subtitle B—Environmental Provisions

- Sec. 311. Enhancement of authority on cooperative agreements for environmental purposes.
- Sec. 312. Single point of contact for policy and budgeting issues regarding unexploded ordnance, discarded military munitions, and munitions constituents.
- Sec. 313. Authority to carry out construction projects for environmental responses.
- Sec. 314. Procurement of environmentally preferable procurement items.
- Sec. 315. Incidental taking of migratory birds during military readiness activities.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

- Sec. 321. Authority for each military department to provide base operating support to Fisher Houses.
- Sec. 322. Use of commissary stores and MWR retail facilities by members of National Guard serving in national emergency.
- Sec. 323. Uniform funding and management of morale, welfare, and recreation programs.
- Sec. 324. Rebate agreements under the special supplemental food program.

Subtitle D—Workplace and Depot Issues

- Sec. 331. Notification requirements in connection with required studies for conversion of commercial or industrial type functions to contractor performance.
- Sec. 332. Temporary authority for contractor performance of security-guard functions to meet increased requirements since September 11, 2001.
- Sec. 333. Repeal of obsolete provision regarding depot-level maintenance and repair workloads that were performed at closed or realigned military installations.
- Sec. 334. Exclusion of certain expenditures from limitation on private sector performance of depot-level maintenance.

Subtitle E—Defense Dependents Education

- Sec. 341. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
- Sec. 342. Housing benefits for unaccompanied teachers required to live at Guantanamo Bay Naval Station, Cuba.
- Sec. 343. Options for funding dependent summer school programs.
- Sec. 344. Impact aid eligibility for local educational agencies affected by privatization of military housing.
- Sec. 345. Comptroller General study of adequacy of compensation provided for teachers in the Department of Defense Overseas Dependents' Schools.

Subtitle F—Information Technology

- Sec. 351. Annual submission of information regarding information technology capital assets.
- Sec. 352. Policy regarding acquisition of information assurance and information assurance-enabled information technology products.
- Sec. 353. Installation and connection policy and procedures regarding Defense Switch Network.

Subtitle G—Other Matters

- Sec. 361. Distribution of monthly reports on allocation of funds within operation and maintenance budget subactivities.
- Sec. 362. Continuation of arsenal support program initiative.
- Sec. 363. Extension of work safety demonstration program.
- Sec. 364. Condition on authority of Defense Security Service to impose fees on fee-for-service basis.
- Sec. 365. Logistics support and services for weapon systems contractors.
- Sec. 366. Training range sustainment plan, Global Status of Resources and Training System, and training range inventory.
- Sec. 367. Engineering study and environmental analysis of road modifications in vicinity of Fort Belvoir, Virginia.
- Sec. 368. Reauthorization of warranty claims recovery pilot program.
- Sec. 369. Expanded eligibility for loan, gift, or exchange of documents, historical artifacts, and condemned or obsolete combat materiel.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS**Subtitle A—Active Forces**

- Sec. 401. End strengths for active forces.
- Sec. 402. Revision in permanent end strength minimum levels.
- Sec. 403. Expanded authority for administrative increases in statutory active-duty end strengths.
- Sec. 404. General and flag officer management.
- Sec. 405. Extension of certain authorities relating to management of numbers of general and flag officers in certain grades.
- Sec. 406. Increase in authorized strengths for Marine Corps officers on active duty in the grade of colonel.

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 2003 limitation on non-dual status technicians.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY**Subtitle A—Officer Personnel Policy**

Sec. 501. Extension of good-of-the-service waiver authority for officers appointed to a Reserve Chief or Guard Director position.

Sec. 502. Exclusion of certain officers from limitation on authority to grant a waiver of required completion or sequencing for joint professional military education.

Sec. 503. Extension and codification of authority for recall of retired aviators to active duty.

Sec. 504. Grades for certain positions.

Sec. 505. Reinstatement of authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.

Sec. 506. Authority to require that an officer take leave pending review of a recommendation for removal by a board of inquiry.

Subtitle B—Reserve Component Management

Sec. 511. Reviews of National Guard strength accounting and management and other issues.

Sec. 512. Courts-martial for the National Guard when not in Federal service.

Sec. 513. Fiscal year 2003 funding for military personnel costs of reserve component Special Operations Forces personnel engaged in humanitarian assistance activities relating to clearing of landmines.

Sec. 514. Use of Reserves to perform duties relating to defense against terrorism.

Sec. 515. Repeal of prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.

Subtitle C—Reserve Component Officer Personnel Policy

Sec. 521. Eligibility for consideration for promotion to grade of major general for certain reserve component brigadier generals who do not otherwise qualify for consideration for promotion under the one-year rule.

Sec. 522. Authority for limited extension of medical deferment of mandatory retirement or separation of reserve component officers.

Subtitle D—Enlistment, Education, and Training Programs

Sec. 531. Enlistment incentives for pursuit of skills to facilitate national service.

Sec. 532. Authority for phased increase to 4,400 in authorized strengths for the service academies.

Sec. 533. Enhancement of reserve component delayed training program.

Sec. 534. Review of Armed Forces programs for preparation for, participation in, and conduct of athletic competitions.

Sec. 535. Repeal of bar to eligibility of Army College First program participants for benefits under student loan repayment program.

Subtitle E—Decorations, Awards, and Commendations

Sec. 541. Waiver of time limitations for award of Army Distinguished-Service Cross to certain persons.

Sec. 542. Option to convert award of Armed Forces Expeditionary Medal awarded for Operation Frequent Wind to Vietnam Service Medal.

Sec. 543. Korea Defense Service Medal.

Sec. 544. Commendation of military chaplains.

Subtitle F—Administrative Matters

Sec. 551. Staffing and funding for Defense Prisoner of War/Missing Personnel Office.

Sec. 552. Three-year freeze on reductions of personnel of agencies responsible for review and correction of military records.

Sec. 553. Authority for acceptance of voluntary services of individuals as proctors for administration of Armed Services Vocational Aptitude Battery test.

Sec. 554. Extension of temporary early retirement authority.

Subtitle G—Matters Relating to Minorities and Women in the Armed Forces

Sec. 561. Surveys of racial and ethnic issues and of gender issues in the Armed Forces.

Sec. 562. Annual report on status of female members of the Armed Forces.

Sec. 563. Wear of abayas by female members of the Armed Forces in Saudi Arabia.

Subtitle H—Benefits

Sec. 571. Department of Defense support for persons participating in military funeral honors details.

Sec. 572. Emergency leave of absence program.

Sec. 573. Enhanced flexibility in medical loan repayment program.

Sec. 574. Destinations authorized for Government paid transportation of enlisted personnel for rest and recuperation absence upon extending duty at designated locations overseas.

Sec. 575. Vehicle storage in lieu of transportation when member is ordered to a nonforeign duty station outside continental United States.

Subtitle I—Reports

Sec. 581. Quadrennial quality of life review.

Sec. 582. Report on desirability and feasibility of consolidating separate courses of basic instruction for judge advocates.

Sec. 583. Reports on efforts to resolve status of Captain Michael Scott Speicher, United States Navy.

Sec. 584. Report on volunteer services of members of the reserve components in emergency response to the terrorist attacks of September 11, 2001.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2003.

Sec. 602. Basic allowance for housing in cases of low-cost or no-cost moves.

Sec. 603. Rate of basic allowance for subsistence for enlisted personnel occupying single Government quarters without adequate availability of meals.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.

Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.

Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.

Sec. 614. One-year extension of other bonus and special pay authorities.

- Sec. 615. Increase in maximum rates for certain special pays, bonuses, and financial assistance for health care professionals.
- Sec. 616. Assignment incentive pay.
- Sec. 617. Increase in maximum rates for prior service enlistment bonus.
- Sec. 618. Retention incentives for health care professionals qualified in a critical military skill.

Subtitle C—Travel and Transportation Allowances

- Sec. 621. Extension of leave travel deferral period for members performing consecutive overseas tours of duty.
- Sec. 622. Transportation of motor vehicles for members reported missing.

Subtitle D—Retired Pay and Survivor Benefits

- Sec. 631. Permanent reduction from eight to six in number of years of reserve service required for eligibility for retired pay for non-regular service.
- Sec. 632. Increased retired pay for enlisted Reserves credited with extraordinary heroism.
- Sec. 633. Elimination of possible inversion in retired pay cost-of-living adjustment for initial COLA computation.
- Sec. 634. Technical revisions to so-called “forgotten widows” annuity program.
- Sec. 635. Expansion of authority of Secretary of Defense to waive time limitations on claims against the Government for military personnel benefits.
- Sec. 636. Special compensation for certain combat-related disabled uniformed services retirees.

Subtitle E—Montgomery GI Bill

- Sec. 641. Time limitation for use of Montgomery GI Bill entitlement by members of the Selected Reserve.
- Sec. 642. Repayment requirements under Reserve Component Montgomery GI Bill arising from failure to participate satisfactorily in military service to be considered debts owed to the United States.
- Sec. 643. Technical adjustments to authority for certain members to transfer educational assistance under Montgomery GI Bill to dependents.

Subtitle F—Other Matters

- Sec. 651. Payment of interest on student loans.
- Sec. 652. Additional authority to provide assistance for families of members of the Armed Forces.
- Sec. 653. Repeal of authority for acceptance of honoraria by personnel at certain Department of Defense schools.
- Sec. 654. Addition of definition of continental United States in title 37.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Program Improvements

- Sec. 701. Elimination of requirement for TRICARE preauthorization of in-patient mental health care for medicare-eligible beneficiaries.
- Sec. 702. Continued TRICARE eligibility of dependents residing at remote locations after departure of sponsors for unaccompanied assignments and eligibility of dependents of reserve component members ordered to active duty.
- Sec. 703. Eligibility of surviving dependents for TRICARE dental program benefits after discontinuance of former enrollment.

- Sec. 704. Department of Defense Medicare-Eligible Retiree Health Care Fund.
- Sec. 705. Approval of medicare providers as TRICARE providers.
- Sec. 706. Technical corrections relating to transitional health care for members separated from active duty.
- Sec. 707. Extension of temporary authority to enter into personal services contracts for the performance of health care responsibilities at locations other than military medical treatment facilities.
- Sec. 708. Access to health care services for beneficiaries eligible for TRICARE and Department of Veterans Affairs health care.
- Sec. 709. Disclosure of information on Project 112 to Department of Veterans Affairs.

Subtitle B—Reports

- Sec. 711. Claims information.
- Sec. 712. Comptroller General report on provision of care under the TRICARE program.
- Sec. 713. Repeal of report requirement.

Subtitle C—Department of Defense-Department of Veterans Affairs Health Resources Sharing

- Sec. 721. Revised coordination and sharing guidelines.
- Sec. 722. Health care resources sharing and coordination project.
- Sec. 723. Report on improved coordination and sharing of health care and health care resources following domestic acts of terrorism or domestic use of weapons of mass destruction.
- Sec. 724. Interoperability of Department of Veterans Affairs and Department of Defense pharmacy data systems.
- Sec. 725. Joint pilot program for providing graduate medical education and training for physicians.
- Sec. 726. Repeal of certain limits on Department of Veterans Affairs resources.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Acquisition Policy and Management

- Sec. 801. Buy-to-budget acquisition of end items.
- Sec. 802. Report to Congress on evolutionary acquisition of major defense acquisition programs.
- Sec. 803. Spiral development under major defense acquisition programs.
- Sec. 804. Improvement of software acquisition processes.
- Sec. 805. Performance goals for procuring services pursuant to multiple award contracts.
- Sec. 806. Rapid acquisition and deployment procedures.
- Sec. 807. Quick-reaction special projects acquisition team.

Subtitle B—Amendments to General Contracting Authorities, Procedures, and Limitations

- Sec. 811. Limitation period for task and delivery order contracts.
- Sec. 812. One-year extension of program applying simplified procedures to certain commercial items; report.
- Sec. 813. Extension and improvement of personnel demonstration policies and procedures applicable to the civilian acquisition workforce.
- Sec. 814. Past performance given significant weight in renewal of procurement technical assistance cooperative agreements.

- Sec. 815. Increased maximum amount of assistance for tribal organizations or economic enterprises carrying out procurement technical assistance programs in two or more service areas.
- Sec. 816. Extension of contract goal for small disadvantaged businesses and certain institutions of higher education.
- Sec. 817. Grants of exceptions to cost or pricing data certification requirements and waivers of cost accounting standards.
- Sec. 818. Timing of certification in connection with waiver of survivability and lethality testing requirements.
- Sec. 819. Contracting with Federal Prison Industries.
- Sec. 820. Revisions to multiyear contracting authority.

Subtitle C—Acquisition-Related Reports and Other Matters

- Sec. 821. Evaluation of training, knowledge, and resources regarding negotiation of intellectual property arrangements.
- Sec. 822. Independent technology readiness assessments.
- Sec. 823. Extension and amendment of requirement for annual report on defense commercial pricing management improvement.
- Sec. 824. Assessment of purchases of products and services through contracts with other Federal departments and agencies.
- Sec. 825. Repeal of certain requirements and Comptroller General reviews of the requirements.
- Sec. 826. Multiyear procurement authority for purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.
- Sec. 827. Multiyear procurement authority for environmental services for military installations.
- Sec. 828. Report on effects of Army Contracting Agency.
- Sec. 829. Authorization to take actions to correct the industrial resource shortfall for radiation-hardened electronics.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers

- Sec. 901. Under Secretary of Defense for Intelligence.
- Sec. 902. Reorganization of Office of Secretary of Defense for administration of duties relating to homeland defense and combating terrorism.

Subtitle B—Space Activities

- Sec. 911. Oversight of acquisition for defense space programs.
- Sec. 912. Report regarding assured access to space for the United States.

Subtitle C—Reports

- Sec. 921. Report on establishment of United States Northern Command.
- Sec. 922. Time for submittal of report on Quadrennial Defense Review.
- Sec. 923. National defense mission of Coast Guard to be included in future Quadrennial Defense Reviews.
- Sec. 924. Report on establishment of a Joint National Training Complex and joint opposing forces.

Subtitle D—Other Matters

- Sec. 931. Authority to accept gifts for National Defense University.
- Sec. 932. Western Hemisphere Institute for Security Cooperation.
- Sec. 933. Conforming amendment to reflect disestablishment of Department of Defense Consequence Management Program Integration Office.

Sec. 934. Increase in number of Deputy Commandants of the Marine Corps.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

- Sec. 1001. Transfer authority.
- Sec. 1002. Authorization of supplemental appropriations for fiscal year 2002.
- Sec. 1003. United States contribution to NATO common-funded budgets in fiscal year 2003.
- Sec. 1004. Development and implementation of financial management enterprise architecture.
- Sec. 1005. Accountable officials in the Department of Defense.
- Sec. 1006. Uniform standards throughout Department of Defense for exposure of personnel to pecuniary liability for loss of Government property.
- Sec. 1007. Improvements in purchase card management.
- Sec. 1008. Improvements in travel card management.
- Sec. 1009. Clearance of certain transactions recorded in Treasury suspense accounts and resolution of certain check issuance discrepancies.
- Sec. 1010. Authorization of funds for ballistic missile defense programs or combating terrorism programs of the Department of Defense.
- Sec. 1011. Reduction in overall authorization due to inflation savings.

Subtitle B—Naval Vessels and Shipyards

- Sec. 1021. Number of Navy combatant surface vessels in active and reserve service.
- Sec. 1022. Annual long-range plan for the construction of naval vessels.
- Sec. 1023. Assessment of the feasibility of the expedited equipping of a Navy ship with a version of the 155-millimeter Advanced Gun System.
- Sec. 1024. Report on initiatives to increase operational days of Navy ships.
- Sec. 1025. Ship combat system industrial base.
- Sec. 1026. Sense of Congress concerning aircraft carrier force structure.
- Sec. 1027. Conveyance, Navy drydock, Portland, Oregon.

Subtitle C—Strategic Matters

- Sec. 1031. Strategic force structure plan for nuclear weapons and delivery systems.
- Sec. 1032. Annual report on weapons to defeat hardened and deeply buried targets.
- Sec. 1033. Report on effects of nuclear earth-penetrator weapon and other weapons.

Subtitle D—Reports

- Sec. 1041. Repeal and modification of various reporting requirements applicable to the Department of Defense.
- Sec. 1042. Requirement that Department of Defense reports to Congress be accompanied by electronic version.
- Sec. 1043. Annual report on the conduct of military operations conducted as part of Operation Enduring Freedom.
- Sec. 1044. Report on efforts to ensure adequacy of fire fighting staffs at military installations.
- Sec. 1045. Report on designation of certain Louisiana highway as Defense Access Road.

Subtitle E—Extension of Expiring Authorities

- Sec. 1051. Extension of authority for Secretary of Defense to sell aircraft and aircraft parts for use in responding to oil spills.
- Sec. 1052. Six-month extension of expiring Governmentwide information security requirements; continued applicability of expiring Governmentwide information security requirements to the Department of Defense.
- Sec. 1053. Two-year extension of authority of the Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

Subtitle F—Other Matters

- Sec. 1061. Time for transmittal of annual defense authorization legislative proposal.
- Sec. 1062. Technical and clerical amendments.
- Sec. 1063. Use for law enforcement purposes of DNA samples maintained by Department of Defense for identification of human remains.
- Sec. 1064. Enhanced authority to obtain foreign language services during periods of emergency.
- Sec. 1065. Rewards for assistance in combating terrorism.
- Sec. 1066. Provision of space and services to military welfare societies.
- Sec. 1067. Prevention and mitigation of corrosion of military equipment and infrastructure.
- Sec. 1068. Transfer of historic DF-9E Panther aircraft to Women Airforce Service Pilots Museum.
- Sec. 1069. Increase in amount authorized to be expended for Department of Defense program to commemorate 50th anniversary of the Korean War.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

- Sec. 1101. Eligibility of Department of Defense nonappropriated fund employees for long-term care insurance.
- Sec. 1102. Extension of Department of Defense authority to make lump-sum severance payments.
- Sec. 1103. Continuation of Federal Employee Health Benefits Program eligibility.
- Sec. 1104. Certification for Department of Defense professional accounting positions.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

- Sec. 1201. Authority to provide administrative services and support for coalition liaison officers.
- Sec. 1202. Authority to pay for certain travel of defense personnel of countries participating in NATO Partnership for Peace program.
- Sec. 1203. Limitation on funding for Joint Data Exchange Center in Moscow.
- Sec. 1204. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
- Sec. 1205. Comprehensive annual report to Congress on coordination and integration of all United States nonproliferation activities.
- Sec. 1206. Report requirement regarding Russian proliferation to Iran and other countries of proliferation concern.
- Sec. 1207. Monitoring of implementation of 1979 agreement between the United States and China on cooperation in science and technology.

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- Sec. 1208. Extension of certain counterproliferation activities and programs.
- Sec. 1209. Semiannual report by Director of Central Intelligence on contributions by foreign persons to efforts by countries of proliferation concern to obtain weapons of mass destruction and their delivery systems.
- Sec. 1210. Report on feasibility and advisability of senior officer exchanges between the Armed Forces of the United States and the military forces of Taiwan.
- Sec. 1211. Report on United States force structure in the Pacific.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

- Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
- Sec. 1302. Funding allocations.
- Sec. 1303. Prohibition against use of funds until submission of reports.
- Sec. 1304. Report on use of revenue generated by activities carried out under Cooperative Threat Reduction programs.
- Sec. 1305. Prohibition against use of funds for second wing of fissile material storage facility.
- Sec. 1306. Limited waiver of restrictions on use of funds for threat reduction in states of the former Soviet Union.

TITLE XIV—HOMELAND SECURITY

- Sec. 1401. Transfer of technology items and equipment in support of homeland security.
- Sec. 1402. Comprehensive plan for improving the preparedness of military installations for terrorist incidents.
- Sec. 1403. Additional Weapons of Mass Destruction Civil Support Teams.
- Sec. 1404. Report on the role of the Department of Defense in supporting homeland security.
- Sec. 1405. Sense of Congress on Department of Defense assistance to local first responders.

TITLE XV—AUTHORIZATION OF APPROPRIATIONS FOR THE WAR ON TERRORISM

- Sec. 1501. Authorization of appropriations for continued operations for the war on terrorism.
- Sec. 1502. Mobilization and personnel.
- Sec. 1503. Operations.
- Sec. 1504. Equipment replacement and enhancement.
- Sec. 1505. Classified activities.
- Sec. 1506. Procurement of munitions.
- Sec. 1507. Discretionary restoration of authorizations of appropriations reduced for management efficiencies.
- Sec. 1508. General provisions applicable to transfers.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

- Sec. 2001. Short title.

TITLE XXI—ARMY

- Sec. 2101. Authorized Army construction and land acquisition projects.

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- Sec. 2102. Family housing.
- Sec. 2103. Improvements to military family housing units.
- Sec. 2104. Authorization of appropriations, Army.
- Sec. 2105. Modification of authority to carry out certain fiscal year 2002 projects.
- Sec. 2106. Modification of authority to carry out certain fiscal year 2001 project.

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 2002 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.
- Sec. 2304. Authorization of appropriations, Air Force.
- Sec. 2305. Authority for use of military construction funds for construction of public road near Aviano Air Base, Italy, to replace road closed for force protection purposes.

TITLE XXIV—DEFENSE AGENCIES

- Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
- Sec. 2402. Improvements to military family housing units.
- Sec. 2403. Energy conservation projects.
- Sec. 2404. Authorization of appropriations, Defense Agencies.
- Sec. 2405. Modification of authority to carry out certain fiscal year 2000 project.
- Sec. 2406. Modification of authority to carry out certain fiscal year 1999 project.
- Sec. 2407. Modification of authority to carry out certain fiscal year 1997 project.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

- Sec. 2501. Authorized NATO construction and land acquisition projects.
- Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

- Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

- Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
- Sec. 2702. Extension of authorizations of certain fiscal year 2000 projects.
- Sec. 2703. Extension of authorizations of certain fiscal year 1999 projects.

TITLE XXVIII—GENERAL PROVISIONS**Subtitle A—Military Construction Program and Military Family Housing Changes**

- Sec. 2801. Lease of military family housing in Korea.

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- Sec. 2802. Modification of alternative authority for acquisition and improvement of military housing.
- Sec. 2803. Pilot housing privatization authority for acquisition or construction of military unaccompanied housing.
- Sec. 2804. Repeal of source requirements for family housing construction overseas.
- Sec. 2805. Availability of energy cost savings realized at military installations.

Subtitle B—Real Property and Facilities Administration

- Sec. 2811. Agreements to limit encroachments and other constraints on military training, testing, and operations.
- Sec. 2812. Conveyance of surplus real property for natural resource conservation purposes.
- Sec. 2813. Modification of demonstration program on reduction in long-term facility maintenance costs.
- Sec. 2814. Expanded authority to transfer property at military installations to be closed to persons who construct or provide military family housing.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

- Sec. 2821. Transfer of jurisdiction, Fort McClellan, Alabama, to establish Mountain Longleaf National Wildlife Refuge.
- Sec. 2822. Land conveyances, lands in Alaska no longer required for National Guard purposes.
- Sec. 2823. Land conveyance, Sunflower Army Ammunition Plant, Kansas.
- Sec. 2824. Land conveyances, Bluegrass Army Depot, Richmond, Kentucky.
- Sec. 2825. Land conveyance, Fort Campbell, Kentucky.
- Sec. 2826. Land conveyance, Army Reserve Training Center, Buffalo, Minnesota.
- Sec. 2827. Land conveyance, Fort Monmouth, New Jersey.
- Sec. 2828. Land conveyance, Fort Bliss, Texas.
- Sec. 2829. Land conveyance, Fort Hood, Texas.
- Sec. 2830. Land conveyances, Engineer Proving Ground, Fort Belvoir, Virginia.

PART II—NAVY CONVEYANCES

- Sec. 2831. Land conveyance, Marine Corps Air Station, Miramar, San Diego, California.
- Sec. 2832. Modification of authority for land transfer and conveyance, Naval Security Group Activity, Winter Harbor, Maine.
- Sec. 2833. Land conveyance, Westover Air Reserve Base, Massachusetts.
- Sec. 2834. Land conveyance, Naval Station, Newport, Rhode Island.
- Sec. 2835. Land exchange and boundary adjustments, Marine Corps Base, Quantico, and Prince William Forest Park, Virginia.

PART III—AIR FORCE CONVEYANCES

- Sec. 2841. Modification of land conveyance, Los Angeles Air Force Base, California.
- Sec. 2842. Land exchange, Buckley Air Force Base, Colorado.
- Sec. 2843. Land conveyances, Wendover Air Force Base Auxiliary Field, Nevada.

Subtitle D—Other Matters

- Sec. 2851. Master plan for use of Navy Annex, Arlington, Virginia.

- Sec. 2852. Sale of excess treated water and wastewater treatment capacity, Marine Corps Base, Camp Lejeune, North Carolina.
- Sec. 2853. Conveyance of real property, Adak Naval Complex, Alaska, and related land conveyances.
- Sec. 2854. Special requirement for adding military installation to closure list.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZA- TIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

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

Subtitle B—Program Authorizations, Restrictions, and Limitations

- Sec. 3141. Annual assessments and reports to the President and Congress regarding the condition of the United States nuclear weapons stockpile.
- Sec. 3142. Plans for achieving enhanced readiness posture for resumption by the United States of underground nuclear weapons tests.
- Sec. 3143. Requirements for specific request for new or modified nuclear weapons.
- Sec. 3144. Database to track notification and resolution phases of Significant Finding Investigations.
- Sec. 3145. Defense environmental management cleanup reform program.
- Sec. 3146. Limitation on obligation of funds for Robust Nuclear Earth Penetrator program pending submission of report.

Subtitle C—Proliferation Matters

- Sec. 3151. Transfer to National Nuclear Security Administration of Department of Defense's Cooperative Threat Reduction program relating to elimination of weapons grade plutonium production in Russia.
- Sec. 3152. Repeal of requirement for reports on obligation of funds for programs on fissile materials in Russia.
- Sec. 3153. Expansion of annual reports on status of nuclear materials protection, control, and accounting programs.
- Sec. 3154. Testing of preparedness for emergencies involving nuclear, radiological, chemical, or biological weapons.
- Sec. 3155. Cooperative program on research, development, and demonstration of technology regarding nuclear or radiological terrorism.
- Sec. 3156. Matters relating to the International Materials Protection, Control, and Accounting program of the Department of Energy.
- Sec. 3157. Accelerated disposition of highly enriched uranium.
- Sec. 3158. Strengthened international security for nuclear materials and security of nuclear operations.
- Sec. 3159. Export control programs.

- Sec. 3160. Plan for accelerated return of weapons-usable nuclear materials.
- Sec. 3161. Sense of Congress on amendment of Convention on Physical Protection of Nuclear Materials.
- Sec. 3162. Sense of Congress on program to secure stockpiles of highly enriched uranium and plutonium.

Subtitle D—Other Matters

- Sec. 3171. Indemnification of Department of Energy contractors.
- Sec. 3172. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
- Sec. 3173. Worker health and safety rules for Department of Energy nuclear facilities.
- Sec. 3174. Extension of authority to appoint certain scientific, engineering, and technical personnel.
- Sec. 3175. One-year extension of panel to assess the reliability, safety, and security of the United States nuclear stockpile.
- Sec. 3176. Report on status of environmental management initiatives to accelerate the reduction of environmental risks and challenges posed by the legacy of the Cold War.

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

- Sec. 3181. Findings.
- Sec. 3182. Disposition of weapons-usable plutonium at Savannah River Site.
- Sec. 3183. Study of facilities for storage of plutonium and plutonium materials at Savannah River Site.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

- Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

- Sec. 3301. Authorized uses of National Defense Stockpile funds.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

- Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

- Sec. 3501. Authorization of appropriations for fiscal year 2003.
- Sec. 3502. Authority to convey vessel USS SPHINX (ARL-24).
- Sec. 3503. Independent analysis of title XI insurance guarantee applications.
- Sec. 3504. Preparation as artificial reefs and scrapping of obsolete vessels.

TITLE XXXVI—ATOMIC ENERGY DEFENSE PROVISIONS

- Sec. 3601. Short title.

Subtitle A—[Reserved]

Subtitle B—Department of Energy National Security Authorizations General Provisions

- Sec. 3620. Definitions.
- Sec. 3621. Reprogramming.
- Sec. 3622. Minor construction projects.
- Sec. 3623. Limits on construction projects.
- Sec. 3624. Fund transfer authority.
- Sec. 3625. Conceptual and construction design.
- Sec. 3626. Authority for emergency planning, design, and construction activities.

Sec. 3627. Scope of authority to carry out plant projects.

Sec. 3628. Availability of funds.

Sec. 3629. Transfer of defense environmental management funds.

Sec. 3630. Transfer of weapons activities funds.

Sec. 3631. Funds available for all national security programs of the Department of Energy.

1 **SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DE-**
2 **FINED.**

3 For purposes of this Act, the term “congressional defense
4 committees” means—

5 (1) the Committee on Armed Services and the Com-
6 mittee on Appropriations of the Senate; and

7 (2) the Committee on Armed Services and the Com-
8 mittee on Appropriations of the House of Representatives.

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

Subtitle A—Authorization of Appropriations

- Sec. 101. Army.
 Sec. 102. Navy and Marine Corps.
 Sec. 103. Air Force.
 Sec. 104. Defense-wide activities.
 Sec. 105. Defense Inspector General.
 Sec. 106. Chemical Agents and Munitions Destruction, Defense.
 Sec. 107. Defense health programs.

Subtitle B—Army Programs

- Sec. 111. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.
 Sec. 112. Report on impact of Army aviation modernization plan on the Army National Guard.
 Sec. 113. Family of Medium Tactical Vehicles.

Subtitle C—Navy Programs

- Sec. 121. Extension of multiyear procurement authority for DDG–51 class destroyers.
 Sec. 122. Sense of Congress on scope of conversion program for Ticonderoga-class cruisers.
 Sec. 123. Continuation of contract for operation of Champion-class T–5 fuel tanker vessels.

Subtitle D—Air Force Programs

- Sec. 131. Multiyear procurement authority for C–130J aircraft program.
 Sec. 132. Pathfinder programs.
 Sec. 133. Leases for tanker aircraft under multiyear aircraft-lease pilot program.

Subtitle E—Other Programs

- Sec. 141. Destruction of existing stockpile of lethal chemical agents and munitions.
 Sec. 142. Report on unmanned aerial vehicle systems.
 Sec. 143. Global Information Grid system.

4 **Subtitle A—Authorization of**
 5 **Appropriations**

6 **SEC. 101. ARMY.**

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

- 9 (1) For aircraft, \$2,186,296,000.
 10 (2) For missiles, \$1,152,299,000.
 11 (3) For weapons and tracked combat vehicles,
 12 \$2,276,751,000.
 13 (4) For ammunition, \$1,229,533,000.

1 (5) For other procurement, \$5,857,814,000.

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

3 (a) NAVY.—Funds are hereby authorized to be appro-
4 priated for fiscal year 2003 for procurement for the Navy as
5 follows:

6 (1) For aircraft, \$8,979,275,000.

7 (2) For weapons, including missiles and torpedoes,
8 \$2,375,349,000.

9 (3) For shipbuilding and conversion, \$9,111,023,000.

10 (4) For other procurement, \$4,494,754,000.

11 (b) MARINE CORPS.—Funds are hereby authorized to be
12 appropriated for fiscal year 2003 for procurement for the Ma-
13 rine Corps in the amount of \$1,355,491,000.

14 (c) NAVY AND MARINE CORPS AMMUNITION.—Funds are
15 hereby authorized to be appropriated for fiscal year 2003 for
16 procurement of ammunition for the Navy and the Marine Corps
17 in the amount of \$1,170,750,000.

18 **SEC. 103. AIR FORCE.**

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

21 (1) For aircraft, \$12,676,505,000.

22 (2) For missiles, \$3,504,139,000.

23 (3) For ammunition, \$1,290,764,000.

24 (4) For other procurement, \$10,846,048,000.

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

26 Funds are hereby authorized to be appropriated for fiscal
27 year 2003 for Defense-wide procurement in the amount of
28 \$3,691,604,000.

29 **SEC. 105. DEFENSE INSPECTOR GENERAL.**

30 Funds are hereby authorized to be appropriated for fiscal
31 year 2003 for procurement for the Inspector General of the De-
32 partment of Defense in the amount of \$2,000,000.

33 **SEC. 106. CHEMICAL AGENTS AND MUNITIONS DE-**
34 **STRUCTION, DEFENSE.**

35 There is hereby authorized to be appropriated for fiscal
36 year 2003 the amount of \$1,490,199,000 for—

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

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

7 **SEC. 107. DEFENSE HEALTH PROGRAMS.**

8 Funds are hereby authorized to be appropriated for fiscal
9 year 2003 for the Department of Defense for procurement for
10 carrying out health care programs, projects, and activities of
11 the Department of Defense in the total amount of
12 \$278,742,000.

13 **Subtitle B—Army Programs**

14 **SEC. 111. [S111]. PILOT PROGRAM ON SALES OF MANU-
15 FACTURED ARTICLES AND SERVICES OF
16 CERTAIN ARMY INDUSTRIAL FACILITIES
17 WITHOUT REGARD TO AVAILABILITY FROM
18 DOMESTIC SOURCES.**

19 (a) EXTENSION OF PROGRAM.—Subsection (a) of section
20 141 of the National Defense Authorization Act for Fiscal Year
21 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended
22 by striking “through 2002” in the first sentence and inserting
23 “through 2004”.

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

26 (1) by striking subsection (d);

27 (2) by redesignating subsection (c) as subsection (d);

28 and

29 (3) by inserting after subsection (b) the following new
30 subsection (c):

31 “(c) TRANSFER OF CERTAIN SUMS.—For each Army in-
32 dustrial facility participating in the pilot program that sells
33 manufactured articles and services in a total amount in excess
34 of \$20,000,000 in any fiscal year, the amount equal to one-half
35 of one percent of such total amount shall be transferred from
36 the sums in the Army Working Capital Fund for unutilized
37 plant capacity to appropriations available for the following fis-

1 cal year for the demilitarization of conventional ammunition by
2 the Army.”.

3 (c) UPDATE OF INSPECTOR GENERAL’S REVIEW.—The In-
4 spector General of the Department of Defense shall review the
5 experience under the pilot program carried out under such sec-
6 tion 141 and, not later than July 1, 2003, submit to Congress
7 a report on the results of the review. The report shall contain
8 the views, information, and recommendations called for under
9 subsection (d) of such section (as redesignated by subsection
10 (b)(2)). In carrying out the review and preparing the report,
11 the Inspector General shall take into consideration the report
12 submitted to Congress under such subsection (as so redesign-
13 nated).

14 **SEC. 112. REPORT ON IMPACT OF ARMY AVIATION MOD-**
15 **ERNIZATION PLAN ON THE ARMY NATIONAL**
16 **GUARD.**

17 (a) REPORT BY CHIEF OF THE NATIONAL GUARD BU-
18 REAU.—The Chief of the National Guard Bureau shall submit
19 to the Chief of Staff of the Army a report on the requirements
20 for Army National Guard aviation. The report shall include the
21 following:

22 (1) An analysis of the impact of the Army Aviation
23 Modernization Plan on the ability of the Army National
24 Guard to conduct its aviation missions.

25 (2) The plan under that aviation modernization plan
26 for the transfer of aircraft from the active component of
27 the Army to the Army reserve components, including a
28 timeline for those transfers.

29 (3) The progress, as of January 1, 2003, in carrying
30 out the transfers under the plan referred to in paragraph
31 (2).

32 (4) An evaluation of the suitability and cost effective-
33 ness of existing Commercial Off The Shelf light utility heli-
34 copters for performance of Army National Guard utility
35 aviation missions.

36 (b) COMMENTS AND RECOMMENDATIONS BY CHIEF OF
37 STAFF OF THE ARMY.—Not later than February 1, 2003, the

1 Chief of Staff of the Army shall submit to the Committee on
2 Armed Services of the Senate and the Committee on Armed
3 Services of the House of Representatives the report received
4 under subsection (a), together with any comments and rec-
5 ommendations that the Chief of Staff considers appropriate on
6 the matters covered in the report.

7 **SEC. 113. FAMILY OF MEDIUM TACTICAL VEHICLES.**

8 (a) MULTIYEAR PROCUREMENT AUTHORITY.—Beginning
9 with the fiscal year 2003 program year, the Secretary of the
10 Army may, in accordance with section 2306b of title 10, United
11 States Code, enter into a multiyear contract for the procure-
12 ment of vehicles under the Family of Medium Tactical Vehicles
13 program, subject to subsection (b).

14 (b) LIMITATION.—The Secretary of the Army may not
15 enter into a multiyear contract for the procurement of vehicles
16 in the Family of Medium Tactical Vehicles authorized by sub-
17 section (a) until the Secretary submits to the congressional de-
18 fense committees a written certification that—

19 (1) all key performance parameters required in the ini-
20 tial operational test and evaluation for that program have
21 been met; and

22 (2) the total cost through the use of such multiyear
23 contract of the procurement of the number of vehicles to
24 be procured under such contract is at least 10 percent less
25 than the total cost of the procurement of the same number
26 of such vehicles through the use of successive one-year con-
27 tracts.

28 (c) WAIVER AUTHORITY.—The Secretary of Defense may
29 waive subsection (b)(2) if the Secretary—

30 (1) determines that using a multiyear contract for the
31 procurement of vehicles under the Family of Medium Tac-
32 tical Vehicles program is in the national security interests
33 of the United States;

34 (2) certifies that the Army cannot achieve the savings
35 specified in subsection (b)(2); and

36 (3) submits to the congressional defense committees,
37 in writing, a notification of the waiver together with a re-

1 port describing the reasons why the use of a multiyear con-
2 tract for such procurement is in the national security inter-
3 ests of the United States and why the Army cannot achieve
4 a 10 percent savings of the total anticipated costs of car-
5 rying out the program through a multiyear contract.

6 **Subtitle C—Navy Programs**

7 **SEC. 121. EXTENSION OF MULTIYEAR PROCUREMENT** 8 **AUTHORITY FOR DDG-51 CLASS DESTROY-** 9 **ERS.**

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

18 **SEC. 122. SENSE OF CONGRESS ON SCOPE OF CONVER-** 19 **SION PROGRAM FOR TICONDEROGA-CLASS** 20 **CRUISERS.**

21 It is the sense of Congress that the Secretary of the Navy
22 should maintain the scope of the conversion program for the
23 Ticonderoga class of cruisers so that the program—

- 24 (1) covers all 27 ships in that class of cruisers; and
- 25 (2) provides for modernizing each of those ships to in-
26 clude an appropriate mix of upgrades to ships’ capabilities
27 for theater missile defense, naval fire support, and air
28 dominance.

29 **SEC. 123. CONTINUATION OF CONTRACT FOR OPER-** 30 **ATION OF CHAMPION-CLASS T-5 FUEL TANK-** 31 **ER VESSELS.**

32 The Department of the Navy contract in effect on the date
33 of the enactment of this Act for the operation of five Cham-
34 pion-class T–5 fuel tanker vessels shall continue in effect with
35 respect to the operation of each such vessel until the completion
36 of the term of the contract or, if sooner for any such vessel,
37 until the vessel is no longer used for purposes of the Military
38 Sealift Command or any other Navy purpose.

Subtitle D—Air Force Programs**SEC. 131. MULTIYEAR PROCUREMENT AUTHORITY FOR C-130J AIRCRAFT PROGRAM.**

(a) MULTIYEAR AUTHORITY.—Beginning with the fiscal year 2003 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for procurement of up to 40 C-130J aircraft in the CC-130J configuration and up to 24 C-130J aircraft in the KC-130J configuration. Notwithstanding subsection (k) of such section, such a contract may be for a period of six program years.

(b) LIMITATION.—The Secretary of the Air Force may not enter into a contract authorized by subsection (a) until—

(1) testing of the CC-130J aircraft for qualification for use in assault operations has been completed by the Air Force Flight Test Center; and

(2) Block 5.3 software upgrades have been installed on all C-130J and CC-130J aircraft in the inventory of the Air Force.

SEC. 132. PATHFINDER PROGRAMS.

(a) PATHFINDER PROGRAMS.—Not later than February 1, 2003, the Secretary of the Air Force shall submit to the congressional defense committees a list of Air Force programs that the Secretary has designated as acquisition reform pathfinder programs (hereinafter in this section referred to as “pathfinder programs”).

(b) OVERSIGHT OF PATHFINDER PROGRAMS.—The Secretary of Defense shall ensure that the Under Secretary of Defense for Acquisition, Technology and Logistics, the Director of Operational Test and Evaluation, and the Joint Requirements Oversight Council maintain oversight over each pathfinder program that qualifies as a major defense acquisition program under section 2430 of title 10, United States Code.

(c) REPORT ON PATHFINDER PROGRAMS.—(1) Not later than March 15, 2003, the Secretary of the Air Force shall submit to the congressional defense committees a report on path-

1 finder programs. For each such program, the report shall in-
2 clude a description of the following:

3 (A) The management approach for that program and
4 how that approach will result in a disciplined, affordable
5 and well-managed acquisition program.

6 (B) The acquisition strategy for that program and
7 how that acquisition strategy responds to approved oper-
8 ational requirements.

9 (C) The test and evaluation plan for that program and
10 how that plan will provide adequate assessment of each
11 pathfinder program.

12 (D) The manner in which the acquisition plan for that
13 program considers cost, schedule, and technical risk.

14 (E) The manner in which any innovative business
15 practices developed as a result of participation in the pro-
16 gram could be applied to other acquisition programs, and
17 any impediments to application of such practices to other
18 programs.

19 (2) For each such program, the report shall also set forth
20 the following:

21 (A) The manner in which the Under Secretary of De-
22 fense for Acquisition, Technology, and Logistics will be in-
23 volved in the development, oversight, and approval of the
24 program's management approach, acquisition strategy, and
25 acquisition approach.

26 (B) The manner in which the Director of Operational
27 Test and Evaluation will be involved in the development,
28 oversight, and approval of the program's test and evalua-
29 tion plan.

30 (C) The manner in which an independent cost esti-
31 mate for the program will be developed by the Office of the
32 Secretary of Defense.

33 (d) **APPLICABILITY OF SPIRAL DEVELOPMENT SEC-**
34 **TION.**—Nothing in this section shall be construed to exempt
35 any pathfinder program from the application of any provision
36 of section 803(c).

1 **SEC. 133. LEASES FOR TANKER AIRCRAFT UNDER**
2 **MULTIYEAR AIRCRAFT-LEASE PILOT PRO-**
3 **GRAM.**

4 The Secretary of the Air Force may not enter into a lease
5 for the acquisition of tanker aircraft for the Air Force under
6 section 8159 of the Department of Defense Appropriations Act,
7 2002 (division A of Public Law 107–117; 115 Stat. 2284; 10
8 U.S.C. 2401a note) until—

9 (1) the Secretary submits the report specified in sub-
10 section (c)(6) of such section; and

11 (2) either—

12 (A) authorization and appropriation of funds nec-
13 essary to enter into such lease are provided by law; or

14 (B) a new start reprogramming notification for
15 the funds necessary to enter into such lease has been
16 submitted in accordance with established procedures.

17 **Subtitle E—Other Programs**

18 **SEC. 141. DESTRUCTION OF EXISTING STOCKPILE OF**
19 **LETHAL CHEMICAL AGENTS AND MUNI-**
20 **TIONS.**

21 (a) PROGRAM MANAGEMENT.—The Secretary of Defense
22 shall ensure that the program for destruction of the United
23 States stockpile of lethal chemical agents and munitions is
24 managed as a major defense acquisition program (as defined in
25 section 2430 of title 10, United States Code) in accordance
26 with the essential elements of such programs as may be deter-
27 mined by the Secretary.

28 (b) REQUIREMENT FOR UNDER SECRETARY OF DEFENSE
29 (COMPTROLLER) ANNUAL CERTIFICATION.—Beginning with
30 respect to the budget request for fiscal year 2004, the Under
31 Secretary of Defense (Comptroller) shall submit to the congress-
32 sional defense committees on an annual basis a certification
33 that the budget request for the chemical agents and munitions
34 destruction program has been submitted in accordance with the
35 requirements of section 1412 of the Department of Defense
36 Authorization Act, 1986 (50 U.S.C. 1521).

1 **SEC. 142. REPORT ON UNMANNED AERIAL VEHICLE SYS-**
2 **TEMS.**

3 (a) REPORT.—Not later than January 1, 2003, the Sec-
4 retary of Defense shall submit to Congress a report on un-
5 manned aerial vehicle systems of the Department of Defense.

6 (b) MATTERS TO BE INCLUDED CONCERNING UNMANNED
7 AERIAL VEHICLE SYSTEMS.—The Secretary shall include in
8 the report under subsection (a) the following, shown for each
9 system referred to in that subsection:

10 (1) A description of the infrastructure that the De-
11 partment of Defense has (or is planning) for the system.

12 (2) A description of the operational requirements doc-
13 ument (ORD) for the system.

14 (3) A description of the physical infrastructure of the
15 Department for training and basing.

16 (4) A description of the manner in which the Depart-
17 ment is interfacing with the industrial base.

18 (5) A description of the acquisition plan for the sys-
19 tem.

20 (6) A description of the process by which the Depart-
21 ment will ensure that any unmanned aerial vehicle program
22 proceeding past the science and technology stage does so
23 only as part of an integrated, overall Office of the Sec-
24 retary of Defense strategy for acquisition of unmanned aer-
25 ial vehicles, such as that provided in the approved Office
26 of the Secretary of Defense unmanned aerial vehicle road-
27 map.

28 (c) SUGGESTIONS FOR CHANGES IN LAW.—The Secretary
29 shall also include in the report under subsection (a) such sug-
30 gestions as the Secretary considers appropriate for changes in
31 law that would facilitate the way the Department acquires un-
32 manned aerial vehicle systems.

33 **SEC. 143. GLOBAL INFORMATION GRID SYSTEM.**

34 None of the funds authorized to be appropriated by this
35 Act for the Department of Defense system known as the Global
36 Information Grid may be obligated until the Secretary of De-
37 fense submits to the congressional defense committees a plan

1 to provide that, as part of the bandwidth expansion efforts for
2 the system, the system will be designed and configured so as
3 to ensure that information transmitted within the system is se-
4 cure and protected from unauthorized access.

1 **TITLE II—RESEARCH, DEVELOP-**
2 **MENT, TEST, AND EVALUATION**

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

- Sec. 211. RAH-66 Comanche aircraft program.
- Sec. 212. Extension of requirements relating to management responsibility for naval mine countermeasures programs.
- Sec. 213. Revised requirements for plan for Manufacturing Technology Program.
- Sec. 214. Advanced SEAL Delivery System.
- Sec. 215. Army experimentation program regarding design of the objective force.
- Sec. 216. Program to provide Army with self-propelled Future Combat Systems non-line-of-sight cannon indirect fire capability for the objective force.
- Sec. 217. Prohibition on transfer of Medical Free Electron Laser program.
- Sec. 218. Littoral combat ship program.

Subtitle C—Ballistic Missile Defense

- Sec. 221. Report requirements relating to ballistic missile defense programs.
- Sec. 222. Responsibility of Missile Defense Agency for research, development, test, and evaluation related to system improvements of programs transferred to military departments.
- Sec. 223. Limitation on obligation of funds for Theater High Altitude Area Defense Program pending submission of required life-cycle cost information.
- Sec. 224. Provision of information on flight testing of Ground-based Mid-course National Missile Defense system.
- Sec. 225. References to new name for Ballistic Missile Defense Organization.
- Sec. 226. One-year limitation on use of funds for nuclear armed interceptors.

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

- Sec. 231. Department of Defense Test Resource Management Center.
- Sec. 232. Objective for institutional funding of test and evaluation facilities.
- Sec. 233. Uniform financial management system for Department of Defense test and evaluation facilities.
- Sec. 234. Test and evaluation workforce improvements.
- Sec. 235. Compliance with testing requirements.

Subtitle E—Other Matters

- Sec. 241. Pilot programs for revitalizing Department of Defense laboratories.
- Sec. 242. Technology Transition Initiative.
- Sec. 243. Defense Acquisition Challenge Program.

- Sec. 244. Encouragement of small businesses and nontraditional defense contractors to submit proposals potentially beneficial for combating terrorism.
- Sec. 245. Vehicle fuel cell program.
- Sec. 246. Defense nanotechnology research and development program.
- Sec. 247. Activities of the Defense Experimental Program to Stimulate Competitive Research.
- Sec. 248. Four-year extension of authority of DARPA to award prizes for advanced technology achievements and additional authority of military departments and Defense Agencies to award prizes for achievements in promoting education.
- Sec. 249. Plan for five-year program for enhancement of measurement and signatures intelligence capabilities of the United States through incorporation of results of basic research on sensors.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, \$7,158,256,000.

(2) For the Navy, \$13,244,164,000.

(3) For the Air Force, \$18,337,078,000.

(4) For Defense-wide activities, \$17,970,653,000, of which \$311,554,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2003.—Of the amounts authorized to be appropriated by section 201, \$10,384,658,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term “basic research, applied research, and advanced technology development” means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

1 **SEC. 203. DEFENSE HEALTH PROGRAMS.**

2 Funds are hereby authorized to be appropriated for fiscal
3 year 2003 for the Department of Defense for research, develop-
4 ment, test, and evaluation for carrying out health care pro-
5 grams, projects, and activities of the Department of Defense in
6 the total amount of \$67,214,000.

7 **Subtitle B—Program Requirements,**
8 **Restrictions, and Limitations**

9 **SEC. 211. RAH-66 COMANCHE AIRCRAFT PROGRAM.**

10 (a) REPORTS REQUIRED.—Not later than the end of each
11 fiscal quarter of fiscal year 2003, the Secretary of the Army
12 shall submit to the Committee on Armed Services of the Senate
13 and the Committee on Armed Services of the House of Rep-
14 resentatives a report on the progress of the restructured engi-
15 neering and manufacturing development phase of the RAH-66
16 Comanche aircraft program.

17 (b) CONTENT.—The report shall include, at a minimum,
18 the information relating to the program that the program man-
19 ager provides to the Assistant Secretary of the Army for Acqui-
20 sition, Logistics, and Technology with respect to—

- 21 (1) cost, including funding and contracts;
22 (2) schedule;
23 (3) performance;
24 (4) which goals are being met and which are not being
25 met;
26 (5) milestones events accomplished; and
27 (6) significant events accomplished.

28 **SEC. 212. EXTENSION OF REQUIREMENTS RELATING TO**
29 **MANAGEMENT RESPONSIBILITY FOR NAVAL**
30 **MINE COUNTERMEASURES PROGRAMS.**

31 (a) IN GENERAL.—Section 216 of the National Defense
32 Authorization Act for Fiscal Years 1992 and 1993 (Public Law
33 102-190; 105 Stat. 1317), as most recently amended by sec-
34 tion 211 of the Strom Thurmond National Defense Authoriza-
35 tion Act for Fiscal Year 1999 (Public Law 105-261; 112 Stat.
36 1946), is amended—

1 (1) in subsection (a), by striking “through 2003” and
2 inserting “through 2008”;

3 (2) in subsection (b)—

4 (A) by striking “and” at the end of paragraph (2);

5 (B) by redesignating paragraph (3) as paragraph
6 (4); and

7 (C) by inserting after paragraph (2) the following new
8 paragraph:

9 “(3) the responsibilities of the Joint Requirements
10 Oversight Council under subsections (b) and (d) of section
11 181 of title 10, United States Code, have been carried out
12 with respect to the updated mine countermeasures master
13 plan, the budget resources for mine countermeasures for
14 that fiscal year, and the future years defense program for
15 mine countermeasures; and”;

16 (3) by adding at the end the following new subsection:

17 “(c) NOTIFICATION OF PROPOSED CHANGES.—Upon certi-
18 fying under subsection (b) with respect to a fiscal year, the
19 Secretary may not carry out any change to the naval mine
20 countermeasures master plan or the budget resources for mine
21 countermeasures with respect to that fiscal year until after the
22 Under Secretary of Defense for Acquisition, Technology, and
23 Logistics submits to the congressional defense committees a no-
24 tification of the proposed change. Such notification shall de-
25 scribe the nature of the proposed change, the effect of the pro-
26 posed change on the naval mine countermeasures program or
27 related programs with respect to that fiscal year, and the effect
28 of the proposed change on the validity of the decision to certify
29 under subsection (b) with respect to that fiscal year.”.

30 (b) TECHNICAL AMENDMENTS.—Such section is further
31 amended—

32 (1) in subsection (a), by striking “Under Secretary of
33 Defense for Acquisition and Technology” and inserting
34 “Under Secretary of Defense for Acquisition, Technology,
35 and Logistics”; and

36 (2) in subsection (b)(2)—

1 (A) by striking “multiyear” and inserting “future
2 years”; and

3 (B) by striking “section 114a” and inserting “sec-
4 tion 221”.

5 **SEC. 213. REVISED REQUIREMENTS FOR PLAN FOR MAN-
6 UFACTURING TECHNOLOGY PROGRAM.**

7 (a) STREAMLINED CONTENTS OF PLAN.—Subsection (e)
8 of section 2521 of title 10, United States Code, is amended by
9 striking “prepare a five-year plan” in paragraph (1) and all
10 that follows through the end of subparagraph (B) of paragraph
11 (2) and inserting the following: “prepare and maintain a five-
12 year plan for the program.

13 “(2) The plan shall establish the following:

14 “(A) The overall manufacturing technology objectives,
15 milestones, priorities, and investment strategy for the pro-
16 gram.

17 “(B) The specific objectives of, and funding for the
18 program by, each military department and each Defense
19 Agency participating in the program.”.

20 (b) BIENNIAL REPORT.—Such subsection is further
21 amended in paragraph (3)—

22 (1) by striking “annually” and inserting “biennially”;
23 and

24 (2) by striking “for a fiscal year” and inserting “for
25 each even-numbered fiscal year”.

26 **SEC. 214. ADVANCED SEAL DELIVERY SYSTEM.**

27 (a) TRANSFER OF FUNDS.—To the extent provided in ap-
28 propriations Acts, the amount described in subsection (b) shall
29 be transferred to amounts available for fiscal year 2003 for re-
30 search, development, test, and evaluation, Defense-Wide, and
31 shall be available only for research, development, test, and eval-
32 uation relating to the Advanced SEAL Delivery System.

33 (b) AMOUNT TO BE TRANSFERRED.—The amount re-
34 ferred to in subsection (a) is the amount of \$13,700,000 that
35 was authorized and appropriated for fiscal year 2002 for pro-
36 curement of the Advanced SEAL Delivery System within
37 amounts for Procurement, Defense-Wide.

1 (c) TRANSFER AUTHORITY IN ADDITION TO OTHER AU-
2 THORITY.—The transfer authority provided by this section is in
3 addition to any other transfer authority provided by law.

4 **SEC. 215. ARMY EXPERIMENTATION PROGRAM REGARD-**
5 **ING DESIGN OF THE OBJECTIVE FORCE.**

6 (a) REQUIREMENT FOR REPORT.—Not later than March
7 31, 2003, the Secretary of the Army shall submit to Congress
8 a report on the experimentation program regarding design of
9 the objective force that is required by subsection (g) of section
10 113 of the Floyd D. Spence National Defense Authorization
11 Act for Fiscal Year 2001, as added by section 113 of the Na-
12 tional Defense Authorization Act for Fiscal Year 2002 (Public
13 Law 107-107; 115 Stat. 1029).

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

20 **SEC. 216. PROGRAM TO PROVIDE ARMY WITH SELF-PRO-**
21 **PELLED FUTURE COMBAT SYSTEMS NON-**
22 **LINE-OF-SIGHT CANNON INDIRECT FIRE CA-**
23 **PABILITY FOR THE OBJECTIVE FORCE.**

24 (a) PROGRAM REQUIRED.—The Secretary of Defense shall
25 carry out a program to provide the Army, not later than fiscal
26 year 2008, with a self-propelled Future Combat Systems non-
27 line-of-sight cannon indirect fire capability to equip the objec-
28 tive force.

29 (b) REPORT.—(1) The Secretary shall submit to the con-
30 gressional defense committees, at the same time that the Presi-
31 dent submits the budget for a fiscal year referred to in para-
32 graph (2) to Congress under section 1105(a) of title 31, United
33 States Code, a report on the investments proposed to be made
34 with respect to non-line-of-sight indirect fire programs for the
35 Army. The report shall—

36 (A) identify the amount proposed for expenditures for
37 the Crusader artillery system program for that fiscal year
38 in the future-years defense program that was submitted to

1 Congress in 2002 under section 221 of title 10, United
2 States Code; and

3 (B) specify—

4 (i) the manner in which the amount provided in
5 that budget would be expended for improved non-line-
6 of-sight indirect fire capabilities for the Army; and

7 (ii) the extent to which expending such amount in
8 such manner would improve such capabilities for the
9 Army.

10 (2) The requirement to submit a report under paragraph
11 (1) shall apply with respect to budgets for fiscal years 2004,
12 2005, 2006, 2007, and 2008.

13 (c) OBJECTIVE FORCE DEFINED.—In this section, the
14 term “objective force” has the meaning given such term in sec-
15 tion 113(f)(2) of the Floyd D. Spence National Defense Au-
16 thorization Act for Fiscal Year 2001 (as enacted into law by
17 Public Law 106-398; 114 Stat. 1654A-24).

18 (d) FUNDING.—Of the amount authorized to be appro-
19 priated by section 201(1) for the Army for research, develop-
20 ment, test, and evaluation, \$368,500,000 shall be used only to
21 develop and field a self-propelled Future Combat Systems non-
22 line-of-sight cannon indirect fire artillery system and a resupply
23 vehicle with respect to such system.

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

26 The Medical Free Electron Laser Program (PE
27 0602227D8Z) may not be transferred from the Department of
28 Defense to the National Institutes of Health, or to any other
29 department or agency of the Federal Government.

30 **SEC. 218. LITTORAL COMBAT SHIP PROGRAM.**

31 (a) AMOUNT FOR PROGRAM.—Of the amount authorized
32 to be appropriated by section 201(2) for research, development,
33 test, and evaluation, Navy, \$4,000,000 may be available in pro-
34 gram element 0603563N, relating to Ship Concept Advanced
35 Design, for requirements development for the littoral combat
36 ship.

1 (b) LIMITATION ON OBLIGATION OF FUNDS.—The Sec-
2 retary of the Navy may not obligate any funds for the construc-
3 tion of a littoral combat ship until after the Secretary submits
4 the report required by subsection (c).

5 (c) REPORT ON MILESTONE A PLAN AND SCHEDULE.—

6 (1) The Secretary of the Navy shall submit to the congressional
7 defense committees, at the same time that the President sub-
8 mits the budget for fiscal year 2004 to Congress under section
9 1105(a) of title 31, United States Code, a report on develop-
10 ment of the littoral combat ship.

11 (2) The report shall address the plan and schedule for ful-
12 filling the requirements of Department of Defense Instruction
13 5000-series for a major defense acquisition Milestone A deci-
14 sion for initiation of concept and technology development for
15 the littoral combat ship, including the following such require-
16 ments:

17 (A) Consideration of technology issues.

18 (B) Market research.

19 (C) Validated mission need statement.

20 (D) Analysis of multiple concepts.

21 (E) Test and evaluation master plan (evaluation strat-
22 egy only).

23 (F) Exit criteria.

24 (G) Acquisition decision memorandum.

25 (3) The report shall include a discussion of the Secretary's
26 acquisition strategy for development of the littoral combat ship.

27 (d) REQUIREMENTS FOR ACQUISITION STRATEGY.—The
28 Secretary shall ensure that the acquisition strategy for develop-
29 ment of the littoral combat ship includes the following:

30 (1) A concept and technology demonstration phase
31 that is robust and, in a manner and on a schedule that will
32 inform the Navy's decisions on the concepts, technologies,
33 and capabilities to be incorporated into the initial design of
34 the littoral combat ship and into follow-on designs, capital-
35 izes upon ongoing and planned experiments, demonstra-
36 tions, and evaluations of—

1 (A) existing, prototype, and experimental hull
2 forms and platforms, including the hull forms and plat-
3 forms relating to—

- 4 (i) the Coastal Waters Interdiction Platform;
5 (ii) the Hybrid Deep Vee Demonstrator;
6 (iii) the Littoral Support Craft (Experi-
7 mental);
8 (iv) the High Speed Vessel;
9 (v) surface effects ships;
10 (vi) Research Vessel Triton;
11 (vii) the SLICE ship;
12 (viii) other existing, prototype, and experi-
13 mental craft that the Secretary considers to be ap-
14 propriate; and

15 (ix) other existing ships capable of carrying
16 the desired payload packages;

17 (B) ship and combat systems components;

18 (C) command, control, and communications sys-
19 tems;

20 (D) intelligence, surveillance, and reconnaissance
21 systems;

22 (E) weapons systems; and

23 (F) support systems.

24 (2) A description of the experiments, demonstrations,
25 and evaluations that are needed for support of design and
26 development decisionmaking for mission modules to be em-
27 ployed on the littoral combat ship, including the mission
28 modules for—

29 (A) anti-submarine warfare;

30 (B) mine countermeasures;

31 (C) anti-ship defense; and

32 (D) any other missions that may be envisioned for
33 the ship.

34 (3) An identification of the experiments, demonstra-
35 tions, and evaluations that would need to be accomplished
36 during the concept and technology demonstration phase
37 and those that would need to be accomplished during the

1 system development and demonstration phase (after a
2 major defense acquisition Milestone B decision to enter
3 that phase).

4 (4) A description of the potential trade-offs between
5 program requirements and capabilities, and the method-
6 ology (including life cycle cost as an independent variable,
7 speed as an independent variable, and other applicable pro-
8 gram attributes), needed to arrive at a design for a littoral
9 combat ship that can be approved (pursuant to a major de-
10 fense acquisition Milestone B decision) for entry into the
11 system development and demonstration phase.

12 (5) An analysis of the adequacy of existing and
13 planned platforms to test the littoral ship concept prior to
14 construction of a littoral combat ship.

15 **Subtitle C—Ballistic Missile Defense**

16 **SEC. 221. REPORT REQUIREMENTS RELATING TO BAL-** 17 **LISTIC MISSILE DEFENSE PROGRAMS.**

18 (a) ANNUAL SUBMISSION OF CURRENT PERFORMANCE
19 GOALS AND DEVELOPMENT BASELINES.—(1) The Secretary of
20 Defense shall submit to the congressional defense committees
21 each year the performance goals and development baselines—

22 (A) for those ballistic missile defense systems under
23 development by the Missile Defense Agency that could be
24 fielded; and

25 (B) for any other ballistic missile defense program or
26 project that has been designated by Congress as a special
27 interest item.

28 (2) Such performance goals and development baselines
29 shall be provided for each block of each such system.

30 (3) The performance goals and development baselines
31 under paragraph (1) shall be included annually with the de-
32 fense budget justification materials submitted in support of the
33 President's budget submitted to Congress under section 1105
34 of title 31, United States Code.

35 (b) RDT&E BUDGET JUSTIFICATION MATERIALS.—The
36 budget justification materials submitted to Congress for any
37 fiscal year in support of a request for the authorization and ap-

1 appropriation of funds for research, development, test, and eval-
2 uation for ballistic missile defense systems shall include a fund-
3 ing profile for each block of each such system that could be
4 fielded that reflects the development baseline submitted pursu-
5 ant to subsection (a) for that fiscal year.

6 (c) REVIEW OF MDA CRITERIA IN RELATION TO MILI-
7 TARY REQUIREMENTS.—(1) The Joint Requirements Oversight
8 Council established under section 181 of title 10, United States
9 Code, shall review cost, schedule, and performance criteria for
10 missile defense programs of the Missile Defense Agency in
11 order to assess the validity of those criteria in relation to mili-
12 tary requirements.

13 (2) The Secretary shall include the results of such review
14 with the first annual statement of program goals submitted to
15 the congressional defense committees under section 232(c) of
16 the National Defense Authorization Act for Fiscal Year 2002
17 (Public Law 107-107; 10 U.S.C. 2431 note) after the date of
18 the enactment of this Act.

19 **SEC. 222. RESPONSIBILITY OF MISSILE DEFENSE AGEN-**
20 **CY FOR RESEARCH, DEVELOPMENT, TEST,**
21 **AND EVALUATION RELATED TO SYSTEM IM-**
22 **PROVEMENTS OF PROGRAMS TRANSFERRED**
23 **TO MILITARY DEPARTMENTS.**

24 Section 224(e) of title 10, United States Code, is
25 amended—

26 (1) by striking “before a” and inserting “for each”;

27 (2) by striking “is”; and

28 (3) by striking “roles and responsibilities” and all that
29 follows through the period at the end and inserting “re-
30 sponsibility for research, development, test, and evaluation
31 related to system improvements for that program remains
32 with the Director.”.

33 **SEC. 223. LIMITATION ON OBLIGATION OF FUNDS FOR**
34 **THEATER HIGH ALTITUDE AREA DEFENSE**
35 **PROGRAM PENDING SUBMISSION OF RE-**
36 **QUIRED LIFE-CYCLE COST INFORMATION.**

37 (a) LIMITATION PENDING SUBMISSION OF CERTIFI-
38 CATION.—Not more than 85 percent of the amount specified in

1 subsection (b) may be obligated until the Secretary of Defense
2 submits to the congressional defense committees the estimated
3 total life-cycle cost of the Theater High Altitude Area Defense
4 (THAAD) program as required for programs in engineering
5 and manufacturing development by section 232(d) of the Na-
6 tional Defense Authorization Act for Fiscal Year 2002 (Public
7 Law 107-107; 10 U.S.C. 2431 note).

8 (b) FUNDS SUBJECT TO LIMITATION.—Subsection (a) ap-
9 plies to the amount authorized to be appropriated for fiscal
10 year 2003 for the Missile Defense Agency for the Theater High
11 Altitude Area Defense (THAAD) program.

12 **SEC. 224. PROVISION OF INFORMATION ON FLIGHT**
13 **TESTING OF GROUND-BASED MIDCOURSE**
14 **NATIONAL MISSILE DEFENSE SYSTEM.**

15 (a) INFORMATION TO BE FURNISHED TO CONGRESSIONAL
16 COMMITTEES.—The Director of the Missile Defense Agency
17 shall provide to the congressional defense committees informa-
18 tion on the results of each flight test of the Ground-based Mid-
19 course national missile defense system.

20 (b) CONTENT.—Information provided under subsection (a)
21 on the results of a flight test shall include the following mat-
22 ters:

23 (1) A thorough discussion of the content and objec-
24 tives of the test.

25 (2) For each such test objective, a statement regard-
26 ing whether or not the objective was achieved.

27 (3) For any such test objective not achieved—

28 (A) a thorough discussion describing the reasons
29 that the objective was not achieved; and

30 (B) a discussion of any plans for future tests to
31 achieve that objective.

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

34 (a) IN GENERAL.—Any reference to the Ballistic Missile
35 Defense Organization in any provision of law, regulation, map,
36 document, record, or other paper of the United States shall be
37 considered to be a reference to the Missile Defense Agency.

1 (b) CONFORMING AMENDMENTS.—(1) Title 10, United
2 States Code, is amended as follows:

3 (A) Sections 203, 223, and 224 are each amended by
4 striking “Ballistic Missile Defense Organization” each
5 place it appears and inserting “Missile Defense Agency”.

6 (B)(i) The heading for section 203 is amended to read
7 as follows:

8 **“§ 203. Director of Missile Defense Agency”.**

9 (ii) The item relating to section 203 in the table of
10 sections at the beginning of subchapter II of chapter 8 is
11 amended to read as follows:

“203. Director of Missile Defense Agency.”.

12 (2) The National Defense Authorization Act for Fiscal
13 Year 2002 (Public Law 107–107) is amended as follows:

14 (A) Sections 232 (115 Stat. 1037; 10 U.S.C. 2431
15 note), 233 (115 Stat. 1039), and 235 (115 Stat. 1041) are
16 each amended by striking “Ballistic Missile Defense Orga-
17 nization” each place it appears and inserting “Missile De-
18 fense Agency”.

19 (B) The heading for section 232 is amended to read
20 as follows:

21 **“SEC. 232. PROGRAM ELEMENTS FOR MISSILE DEFENSE**
22 **AGENCY.”.**

23 (3) Section 3132 of the Floyd D. Spence National Defense
24 Authorization Act for Fiscal Year 2001 (as enacted into law by
25 Public Law 106–398; 114 Stat. 1654A–455; 10 U.S.C. 2431
26 note) is amended—

27 (A) by striking “Ballistic Missile Defense Organi-
28 zation” each place it appears and inserting “Missile Defense
29 Agency”;

30 (B) in subsection (c), by striking “BMDO” and insert-
31 ing “MDA”; and

32 (C) by amending the heading to read as follows:

1 **“SEC. 3132. ENHANCED COOPERATION BETWEEN NA-**
 2 **TIONAL NUCLEAR SECURITY ADMINISTRA-**
 3 **TION AND MISSILE DEFENSE AGENCY.”**

4 (4) The following provisions are each amended by striking
 5 “Ballistic Missile Defense Organization” each place it appears
 6 and inserting “Missile Defense Agency”:

7 (A) Section 233 of the National Defense Authorization
 8 Act for Fiscal Year 1998 (Public Law 105-85; 10 U.S.C.
 9 223 note).

10 (B) Section 243 of the National Defense Authorization
 11 Act for Fiscal Year 1994 (Public Law 103-160; 10 U.S.C.
 12 2431 note).

13 **SEC. 226. ONE-YEAR LIMITATION ON USE OF FUNDS FOR**
 14 **NUCLEAR ARMED INTERCEPTORS.**

15 (a) LIMITATION.—None of the funds described in sub-
 16 section (b) may be obligated for research, development, test, or
 17 evaluation, or for procurement, of a nuclear armed intercepter
 18 as a component of a missile defense system.

19 (b) COVERED FUNDS.—Subsection (a) applies to funds
 20 made available to the Department of Defense pursuant to an
 21 authorization of appropriations in this title or title I or to the
 22 Department of Energy pursuant to an authorization of appro-
 23 priations in title XXXI.

24 **Subtitle D—Improved Management of**
 25 **Department of Defense Test and**
 26 **Evaluation Facilities**

27 **SEC. 231. DEPARTMENT OF DEFENSE TEST RESOURCE**
 28 **MANAGEMENT CENTER.**

29 (a) ESTABLISHMENT.—(1) Subchapter I of chapter 8 of
 30 title 10, United States Code, is amended by adding at the end
 31 the following new section:

32 **“§ 196. Department of Defense Test Resource Man-**
 33 **agement Center**

34 “(a) ESTABLISHMENT AS DEPARTMENT OF DEFENSE
 35 FIELD ACTIVITY.—The Secretary of Defense shall establish
 36 within the Department of Defense under section 191 of this
 37 title a Department of Defense Test Resource Management Cen-

1 ter (hereinafter in this section referred to as the ‘Center’). The
2 Secretary shall designate the Center as a Department of De-
3 fense Field Activity.

4 “(b) DIRECTOR AND DEPUTY DIRECTOR.—(1) At the
5 head of the Center shall be a Director, selected by the Sec-
6 retary from among commissioned officers of the armed forces
7 on active duty. The Director, while so serving, holds the grade
8 of lieutenant general or, in the case of an officer of the Navy,
9 vice admiral.

10 “(2) There shall be a Deputy Director of the Center, se-
11 lected by the Secretary from among senior civilian officers and
12 employees of the Department of Defense who have substantial
13 experience in the field of test and evaluation. The Deputy Di-
14 rector shall act for, and exercise the powers of, the Director
15 when the Director is disabled or the position of Director is va-
16 cant.

17 “(c) DUTIES OF DIRECTOR.—The Director shall have the
18 following duties:

19 “(1) To review and provide oversight of proposed De-
20 partment of Defense budgets and expenditures for—

21 “(A) the test and evaluation facilities and re-
22 sources of the Major Range and Test Facility Base of
23 the Department of Defense; and

24 “(B) all other test and evaluation facilities and re-
25 sources within and outside of the Department of De-
26 fense.

27 “(2) To complete and maintain the strategic plan re-
28 quired by subsection (d).

29 “(3) To review proposed budgets under subsection (e)
30 and submit reports and certifications required by such sub-
31 section.

32 “(4) To administer the Central Test and Evaluation
33 Investment Program and the program of the Department
34 of Defense for test and evaluation science and technology.

35 “(d) STRATEGIC PLAN FOR DEPARTMENT OF DEFENSE
36 TEST AND EVALUATION RESOURCES.—(1) Not less often than
37 once every two fiscal years, the Director, in coordination with

1 the Director of Operational Test and Evaluation, the Secre-
2 taries of the military departments, and the heads of Defense
3 Agencies with test and evaluation responsibilities, shall com-
4 plete a strategic plan reflecting the needs of the Department
5 of Defense with respect to test and evaluation facilities and re-
6 sources. Each such strategic plan shall cover the period of ten
7 fiscal years beginning with the fiscal year in which the plan is
8 submitted under paragraph (3). The strategic plan shall be
9 based on a comprehensive review of the test and evaluation re-
10 quirements of the Department and the adequacy of the test and
11 evaluation facilities and resources of the Department to meet
12 those requirements.

13 “(2) The strategic plan shall include the following:

14 “(A) An assessment of the test and evaluation require-
15 ments of the Department for the period covered by the
16 plan.

17 “(B) An identification of performance measures asso-
18 ciated with the successful achievement of test and evalua-
19 tion objectives for the period covered by the plan.

20 “(C) An assessment of the test and evaluation facili-
21 ties and resources that will be needed to meet such require-
22 ments and satisfy such performance measures.

23 “(D) An assessment of the current state of the test
24 and evaluation facilities and resources of the Department.

25 “(E) An itemization of acquisitions, upgrades, and im-
26 provements necessary to ensure that the test and evalua-
27 tion facilities and resources of the Department are ade-
28 quate to meet such requirements and satisfy such perform-
29 ance measures.

30 “(F) An assessment of the budgetary resources nec-
31 essary to implement such acquisitions, upgrades, and im-
32 provements.

33 “(3) Upon completing a strategic plan under paragraph
34 (1), the Director shall submit to the Secretary of Defense a re-
35 port on that plan. The report shall include the plan and a de-
36 scription of the review on which the plan is based.

1 “(4) Not later than 60 days after the date on which the
2 report is submitted under paragraph (3), the Secretary of De-
3 fense shall transmit to the Committee on Armed Services and
4 Committee on Appropriations of the Senate and the Committee
5 on Armed Services and Committee on Appropriations of the
6 House of Representatives the report, together with any com-
7 ments with respect to the report that the Secretary considers
8 appropriate.

9 “(e) CERTIFICATION OF BUDGETS.—(1) The Secretary of
10 Defense, acting through the Under Secretary of Defense
11 (Comptroller), shall require that the Secretary of each military
12 department, the Director of Operational Test and Evaluation,
13 and the head of each Defense Agency with test and evaluation
14 responsibilities transmit such Secretary’s, Director’s, or head’s
15 proposed budget for test and evaluation activities for a fiscal
16 year to the Director of the Center for review under paragraph
17 (2) before submitting such proposed budget to the Under Sec-
18 retary of Defense (Comptroller).

19 “(2)(A) The Director of the Center shall review each pro-
20 posed budget transmitted under paragraph (1) and shall, not
21 later than January 31 of the year preceding the fiscal year for
22 which such budgets are proposed, submit to the Secretary of
23 Defense a report containing the comments of the Director with
24 respect to all such proposed budgets, together with the certifi-
25 cation of the Director as to whether such proposed budgets are
26 adequate.

27 “(B) The Director shall also submit, together with such
28 report and such certification, an additional certification as to
29 whether such proposed budgets provide balanced support for
30 such strategic plan.

31 “(3) The Secretary of Defense shall, not later than March
32 31 of the year preceding the fiscal year for which such budgets
33 are proposed, submit to Congress a report on those proposed
34 budgets which the Director has not certified under paragraph
35 (2)(A) to be adequate. The report shall include the following
36 matters:

1 “(A) A discussion of the actions that the Secretary
2 proposes to take, together with any recommended legisla-
3 tion that the Secretary considers appropriate, to address
4 the inadequacy of the proposed budgets.

5 “(B) Any additional comments that the Secretary con-
6 siders appropriate regarding the inadequacy of the pro-
7 posed budgets.

8 “(f) SUPERVISION OF DIRECTOR BY UNDER SEC-
9 RETARY.—The Director of the Center shall be subject to the
10 supervision of the Under Secretary of Defense for Acquisition,
11 Technology, and Logistics. The Director shall report directly to
12 the Under Secretary, without the interposition of any other su-
13 pervising official.

14 “(g) ADMINISTRATIVE SUPPORT OF CENTER.—The Sec-
15 retary of Defense shall provide the Director with administrative
16 support adequate for carrying out the Director’s responsibilities
17 under this section. The Secretary shall provide the support out
18 of the headquarters activities of the Department or any other
19 activities that the Secretary considers appropriate.

20 “(h) DEFINITION.—In this section, the term ‘Major Range
21 and Test Facility Base’ means the test and evaluation facilities
22 and resources that are designated by the Director of Oper-
23 ational Test and Evaluation as facilities and resources com-
24 prising the Major Range and Test Facility Base.”.

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

 “196. Department of Defense Test Resource Management Center.”.

28 (b) FIRST STRATEGIC PLAN.—The first strategic plan re-
29 quired to be completed under subsection (d)(1) of section 196
30 of title 10, United States Code (as added by subsection (a)),
31 shall be completed not later than six months after the date of
32 the enactment of this Act.

33 (c) ADMINISTRATION OF CTEIP AND DOD T&E S&T
34 PROGRAMS.—The duty of the Director of the Department of
35 Defense Test Resource Management Center to administer the

1 programs specified in subsection (c)(4) of section 196 of title
2 10, United States Code (as added by subsection (a)), shall take
3 effect, and such programs shall be placed under control of such
4 Director, upon the beginning of the first fiscal year that begins
5 after the report on the first strategic plan referred to sub-
6 section (b) is transmitted to the congressional committees re-
7 quired by subsection (d)(4) of such section 196.

8 **SEC. 232. OBJECTIVE FOR INSTITUTIONAL FUNDING OF**
9 **TEST AND EVALUATION FACILITIES.**

10 (a) FUNDING OBJECTIVE.—The Secretary of Defense shall
11 establish the objective of ensuring that, by fiscal year 2006—

12 (1) the institutional and overhead costs of a facility or
13 resource of a military department or Defense Agency that
14 is within the Major Range and Test Facility Base are fully
15 funded through the major test and evaluation investment
16 accounts of the military department or Defense Agency, the
17 account of the Central Test and Evaluation Investment
18 Program of the Department of Defense, and other appro-
19 priate accounts of the military department or Defense
20 Agency; and

21 (2) the charge to an element of the Department of De-
22 fense for a use by that element of such a facility or re-
23 source for testing under a particular program is not more
24 than the amount equal to the direct costs of such use by
25 that element.

26 (b) DEFINITIONS.—In this section:

27 (1) The term “Major Range and Test Facility Base”
28 means the test and evaluation facilities and resources that
29 are designated by the Director of Operational Test and
30 Evaluation as facilities and resources comprising the Major
31 Range and Test Facility Base.

32 (2) The term “institutional and overhead costs”, with
33 respect to a facility or resource within the Major Range
34 Test and Facility Base—

35 (A) means the costs of maintaining, operating, up-
36 grading, and modernizing the facility or resource; and

1 (B) does not include any incremental cost of oper-
2 ating the facility or resource that is attributable to the
3 use of the facility or resource for testing under a par-
4 ticular program.

5 (3) The term “direct costs”, with respect to a facility
6 or resource within the Major Range and Test Facility
7 Base, means those costs that are directly attributable to
8 the use of the facility or resource for testing under a par-
9 ticular program, over and above the institutional and over-
10 head costs with respect to the facility or resource.

11 **SEC. 233. UNIFORM FINANCIAL MANAGEMENT SYSTEM**
12 **FOR DEPARTMENT OF DEFENSE TEST AND**
13 **EVALUATION FACILITIES.**

14 (a) REQUIREMENT FOR SYSTEM.—The Secretary of De-
15 fense shall implement a single financial management and ac-
16 counting system for all test and evaluation facilities of the De-
17 partment of Defense. The Secretary shall implement such sys-
18 tem as soon as practicable, and shall establish the objective
19 that such system be implemented not later than September 30,
20 2006.

21 (b) SYSTEM FEATURES.—The system required by sub-
22 section (a) shall be designed to achieve, at a minimum, the fol-
23 lowing functional objectives:

24 (1) Enable managers within the Department of De-
25 fense to compare the costs of carrying out test and evalua-
26 tion activities in the various facilities of the military de-
27 partments.

28 (2) Enable the Secretary of Defense—

29 (A) to make prudent investment decisions; and

30 (B) to reduce the extent to which unnecessary
31 costs of owning and operating test and evaluation fa-
32 cilities of the Department of Defense are incurred.

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

35 (4) Comply with the financial management architec-
36 ture established by the Secretary.

1 **SEC. 234. TEST AND EVALUATION WORKFORCE IM-**
2 **PROVEMENTS.**

3 (a) REPORT ON CAPABILITIES.—Not later than March 15,
4 2003, the Under Secretary of Defense for Acquisition, Tech-
5 nology, and Logistics shall submit to Congress a report on the
6 capabilities of the test and evaluation workforce of the Depart-
7 ment of Defense. The Under Secretary shall consult with the
8 Under Secretary of Defense for Personnel and Readiness and
9 the Director of Operational Test and Evaluation in preparing
10 the report.

11 (b) REQUIREMENT FOR PLAN.—(1) The report shall con-
12 tain a plan for taking the actions necessary to ensure that the
13 test and evaluation workforce of the Department of Defense is
14 of sufficient size and has the expertise necessary to timely and
15 accurately identify issues of military suitability and effective-
16 ness of Department of Defense systems through testing of the
17 systems.

18 (2) The plan shall set forth objectives for the size, com-
19 position, and qualifications of the workforce, and shall specify
20 the actions (including recruitment, retention, and training) and
21 milestones for achieving the objectives.

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

24 (1) An assessment of the changing size and demo-
25 graphics of the test and evaluation workforce, including the
26 impact of anticipated retirements among the most experi-
27 enced personnel over the period of five fiscal years begin-
28 ning with fiscal year 2003, together with a discussion of
29 the management actions necessary to address the changes.

30 (2) An assessment of the anticipated workloads and
31 responsibilities of the test and evaluation workforce over
32 the period of ten fiscal years beginning with fiscal year
33 2003, together with the number and qualifications of mili-
34 tary and civilian personnel necessary to carry out such
35 workloads and responsibilities.

36 (3) The Under Secretary's specific plans for using the
37 demonstration authority provided in section 4308 of the

1 National Defense Authorization Act for Fiscal Year 1996
2 (Public Law 104–106; 10 U.S.C. 1701 note) and other spe-
3 cial personnel management authorities of the Under Sec-
4 retary to attract and retain qualified personnel in the test
5 and evaluation workforce.

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

10 (5) Any other matters that are relevant to the capa-
11 bilities of the test and evaluation workforce.

12 **SEC. 235. COMPLIANCE WITH TESTING REQUIREMENTS.**

13 (a) ANNUAL OT&E REPORT.—Subsection (g) of section
14 139 of title 10, United States Code, is amended by inserting
15 after the fourth sentence the following: “The report for a fiscal
16 year shall also include an assessment of the waivers of and de-
17 viations from requirements in test and evaluation master plans
18 and other testing requirements that occurred during the fiscal
19 year, any concerns raised by the waivers or deviations, and the
20 actions that have been taken or are planned to be taken to ad-
21 dress the concerns.”.

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

25 (1) by inserting “(1)” after “(g)”;

26 (2) by designating the second sentence as paragraph
27 (2);

28 (3) by designating the third sentence as paragraph
29 (3);

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

32 (5) by designating the sixth sentence as paragraph
33 (5).

Subtitle E—Other Matters**SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPARTMENT OF DEFENSE LABORATORIES.**

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

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

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

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

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

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

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

(D) To waive any restrictions not required by law that apply to the demonstration and implementation of methods

1 for achieving the objectives set forth in subparagraphs (A),
2 (B), and (C).

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

6 (b) RELATIONSHIP TO FISCAL YEARS 1999 AND 2000 REVI-
7 TALIZATION PILOT PROGRAMS.—The pilot program under this
8 section is in addition to, but may be carried out in conjunction
9 with, the fiscal years 1999 and 2000 revitalization pilot pro-
10 grams.

11 (c) REPORTS.—(1) Not later than January 1, 2003, the
12 Secretary shall submit to Congress a report on the experience
13 under the fiscal years 1999 and 2000 revitalization pilot pro-
14 grams in exercising the authorities provided for the administra-
15 tion of those programs. The report shall include a description
16 of—

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

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

21 (C) the progress made in overcoming the barriers.

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

27 (A) Each laboratory selected for the pilot program.

28 (B) To the extent practicable, a description of the in-
29 novative methods that are to be tested at each laboratory.

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

32 (3) Not later than 90 days after the expiration of the pe-
33 riod for the participation of a laboratory in a pilot program re-
34 ferred to in paragraph (2), the Secretary of Defense shall sub-
35 mit to Congress a final report on the participation of that lab-
36 oratory in the pilot program. The report shall include the fol-
37 lowing:

1 (A) A description of the methods tested.

2 (B) The results of the testing.

3 (C) The lessons learned.

4 (D) Any proposal for legislation that the Secretary
5 recommends on the basis of the experience at that labora-
6 tory under the pilot program.

7 (d) EXTENSION OF AUTHORITY FOR OTHER REVITALIZA-
8 TION PILOT PROGRAMS.—(1) Section 246(a)(4) of the Strom
9 Thurmond National Defense Authorization Act for Fiscal Year
10 1999 (Public Law 105–261; 112 Stat. 1956; 10 U.S.C. 2358
11 note) is amended by striking “a period of three years” and in-
12 serting “up to six years”.

13 (2) Section 245(a)(4) of the National Defense Authoriza-
14 tion Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat.
15 553; 10 U.S.C. 2358 note) is amended by striking “a period
16 of three years” and inserting “up to five years”.

17 (e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1) The
18 Secretary of Defense may authorize one or more laboratories
19 and test centers participating in the pilot program under sub-
20 section (a) or in one of the fiscal years 1999 and 2000 revital-
21 ization pilot programs to enter into a cooperative arrangement
22 (in this subsection referred to as a “public-private partner-
23 ship”) with entities in the private sector and institutions of
24 higher education for the performance of work.

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

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

30 (B) An entity participating in a limited liability company
31 as a party to a public-private partnership under the pilot pro-
32 gram may contribute funds to the company, accept contribu-
33 tions of funds for the company, and provide materials, services,
34 and use of facilities for research, technology, and infrastructure
35 of the company, if it is determined under regulations prescribed
36 by the Secretary of Defense that doing so will improve the effi-

1 ciency of the performance of research, test, and evaluation
2 functions of the Department of Defense.

3 (f) FISCAL YEARS 1999 AND 2000 REVITALIZATION
4 PILOT PROGRAMS DEFINED.—In this section, the term “fiscal
5 years 1999 and 2000 revitalization pilot programs” means—

6 (1) the pilot programs authorized by section 246 of
7 the Strom Thurmond National Defense Authorization Act
8 for Fiscal Year 1999 (Public Law 105-261; 112 Stat.
9 1955; 10 U.S.C. 2358 note); and

10 (2) the pilot programs authorized by section 245 of
11 the National Defense Authorization Act for Fiscal Year
12 2000 (Public Law 106-65; 113 Stat. 552; 10 U.S.C. 2358
13 note).

14 **SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.**

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

18 **“§ 2359a. Technology Transition Initiative**

19 “(a) INITIATIVE REQUIRED.—The Secretary of Defense,
20 acting through the Under Secretary of Defense for Acquisition,
21 Technology, and Logistics, shall carry out an initiative, to be
22 known as the Technology Transition Initiative (hereinafter in
23 this section referred to as the ‘Initiative’), to facilitate the
24 rapid transition of new technologies from science and tech-
25 nology programs of the Department of Defense into acquisition
26 programs of the Department for the production of such tech-
27 nologies.

28 “(b) OBJECTIVES.—The objectives of the Initiative are as
29 follows:

30 “(1) To accelerate the introduction of new technologies
31 into operational capabilities for the armed forces.

32 “(2) To successfully demonstrate new technologies in
33 relevant environments.

34 “(c) MANAGEMENT OF INITIATIVE.—(1) The Under Sec-
35 retary shall designate a senior official of the Department of De-
36 fense (hereinafter in this section referred to as the ‘Manager’)
37 to manage the Initiative.

1 “(2) In managing the Initiative, the Manager shall—
2 “(A) report directly to the Under Secretary; and
3 “(B) obtain advice and other assistance from the
4 Technology Transition Council established under subsection
5 (g).
6 “(3) The Manager shall—
7 “(A) in consultation with the Technology Transition
8 Council established under subsection (g), identify promising
9 technology transition projects that can contribute to meet-
10 ing Department of Defense technology goals and require-
11 ments;
12 “(B) identify potential sponsors in the Department of
13 Defense to manage such projects; and
14 “(C) provide funds under subsection (f) for those
15 projects that are selected under subsection (d)(2).
16 “(d) SELECTION OF PROJECTS.—(1) The science and
17 technology and acquisition executives of each military depart-
18 ment and each appropriate Defense Agency and the com-
19 manders of the unified and specified combatant commands may
20 nominate technology transition projects for implementation
21 under subsection (e) and shall submit a list of the projects so
22 nominated to the Manager.
23 “(2) The Manager, in consultation with the Technology
24 Transition Council established under subsection (g), shall select
25 projects for implementation under subsection (e) from among
26 the projects on the lists submitted under paragraph (1).
27 “(e) IMPLEMENTATION OF PROJECTS.—For each project
28 selected under subsection (d)(2), the Manager shall designate
29 a military department or Defense Agency to implement the
30 project.
31 “(f) FUNDING OF PROJECTS.—(1) From funds made
32 available to the Manager for the Initiative, the Manager shall,
33 subject to paragraphs (2) and (3), provide funds for each
34 project selected under subsection (d)(2) in an amount deter-
35 mined by mutual agreement between the Manager and the ac-
36 quisition executive of the military department or Defense Agen-
37 cy concerned.

1 “(2) The amount of funds provided to a project under
2 paragraph (1) shall be not less than the amount equal to 50
3 percent of the total cost of the project.

4 “(3) A project shall not be provided funds under this sub-
5 section for more than four fiscal years.

6 “(g) TECHNOLOGY TRANSITION COUNCIL.—(1) There is a
7 Technology Transition Council in the Department of Defense.
8 The Council is composed of the following members:

9 “(A) The science and technology executive of each
10 military department and each Defense Agency.

11 “(B) The acquisition executive of each military depart-
12 ment.

13 “(C) The members of the Joint Requirements Over-
14 sight Council.

15 “(2) The duty of the Council shall be to provide advice
16 and assistance to the Manager under this section.

17 “(3) The Council shall meet not less often than semiannu-
18 ally to carry out its duty under paragraph (2).

19 “(h) REPORT.—Not later than March 31 of each year, the
20 Under Secretary shall submit to the Committee on Armed
21 Services and the Committee on Appropriations of the Senate
22 and the Committee on Armed Services and the Committee on
23 Appropriations of the House of Representatives a report on the
24 activities carried out by the Initiative during the preceding fis-
25 cal year.

26 “(i) DEFINITION.—In this section, the term ‘acquisition
27 executive’, with respect to a military department or Defense
28 Agency, means the official designated as the senior procure-
29 ment executive for that military department or Defense Agency
30 for the purposes of section 16(3) of the Office of Federal Pro-
31 curement Policy Act (41 U.S.C. 414(3)).”.

32 (2) The table of sections at the beginning of such chapter
33 is amended by inserting after the item relating to section 2359
34 the following new item:

“2359a. Technology Transition Initiative.”.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—Of the
2 amount authorized to be appropriated under section 201(4),
3 \$25,430,000 may be available in program element
4 0603826D8Z for technology transition activities of the Depart-
5 ment of Defense, including the Technology Transition Initiative
6 required by section 2359a of title 10, United States Code (as
7 added by subsection (a)), the Defense Acquisition Challenge
8 Program required by section 2359b of title 10, United States
9 Code (as added by section 243), and Quick Reaction Special
10 Projects.

11 **SEC. 243. DEFENSE ACQUISITION CHALLENGE PRO-**
12 **GRAM.**

13 (a) IN GENERAL.—Chapter 139 of title 10, United States
14 Code, is amended by inserting after section 2359a (as added
15 by section 242) the following new section:

16 **“§ 2359b. Defense Acquisition Challenge Program**

17 “(a) PROGRAM REQUIRED.—(1) The Secretary of Defense,
18 acting through the Under Secretary of Defense for Acquisition,
19 Technology, and Logistics, shall carry out a program to provide
20 opportunities for the increased introduction of innovative and
21 cost-saving technology in acquisition programs of the Depart-
22 ment of Defense.

23 “(2) The program, to be known as the Defense Acquisition
24 Challenge Program (hereinafter in this section referred to as
25 the ‘Challenge Program’), shall provide any person or activity
26 within or outside the Department of Defense with the oppor-
27 tunity to propose alternatives, to be known as challenge pro-
28 posals, at the component, subsystem, or system level of an ex-
29 isting Department of Defense acquisition program that would
30 result in improvements in performance, affordability,
31 manufacturability, or operational capability of that acquisition
32 program.

33 “(b) PANELS.—The Under Secretary shall establish one or
34 more panels of highly qualified scientists and engineers (herein-
35 after in this section referred to as ‘Panels’) to provide prelimi-
36 nary evaluations of challenge proposals under subsection (c).

1 “(c) PRELIMINARY EVALUATION BY PANELS.—(1) Under
2 procedures prescribed by the Under Secretary, a person or ac-
3 tivity within or outside the Department of Defense may submit
4 challenge proposals to a Panel, through the unsolicited proposal
5 process or in response to a broad agency announcement.

6 “(2) The Under Secretary shall establish procedures pur-
7 suant to which appropriate officials of the Department of De-
8 fense may identify proposals submitted through the unsolicited
9 proposal process as challenge proposals. The procedures shall
10 provide for the expeditious referral of such proposals to a Panel
11 for preliminary evaluation under this subsection.

12 “(3) The Under Secretary shall issue on an annual basis
13 not less than one such broad agency announcement inviting in-
14 terested parties to submit challenge proposals. Such announce-
15 ments may also identify particular technology areas and acqui-
16 sition programs that will be given priority in the evaluation of
17 challenge proposals.

18 “(4) Under procedures established by the Under Sec-
19 retary, a Panel shall carry out a preliminary evaluation of each
20 challenge proposal submitted in response to a broad agency an-
21 nouncement, or submitted through the unsolicited proposal
22 process and identified as a challenge proposal in accordance
23 with paragraph (2), to determine each of the following:

24 “(A) Whether the challenge proposal has merit.

25 “(B) Whether the challenge proposal is likely to result
26 in improvements in performance, affordability,
27 manufacturability, or operational capability at the compo-
28 nent, subsystem, or system level of an acquisition program.

29 “(C) Whether the challenge proposal could be imple-
30 mented in the acquisition program rapidly, at an acceptable
31 cost, and without unacceptable disruption to the acquisition
32 program.

33 “(5) The Under Secretary may establish procedures to en-
34 sure that the Challenge Program does not become an avenue
35 for the repetitive submission of proposals that have been pre-
36 viously reviewed and found not to have merit.

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1 “(6) If a Panel determines that a challenge proposal satisfies each of the criteria specified in paragraph (4), the person or activity submitting that challenge proposal shall be provided an opportunity to submit such challenge proposal for a full review and evaluation under subsection (d).

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6 “(d) FULL REVIEW AND EVALUATION.—(1) Under procedures prescribed by the Under Secretary, for each challenge proposal submitted for a full review and evaluation as provided in subsection (c)(6), the office carrying out the acquisition program to which the proposal relates shall, in consultation with the prime system contractor carrying out such program, conduct a full review and evaluation of the proposal.

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13 “(2) The full review and evaluation shall, independent of the determination of a Panel under subsection (c)(4), determine each of the matters specified in subparagraphs (A), (B), and (C) of such subsection. The full review and evaluation shall also include—

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18 “(A) an assessment of the cost of adopting the challenge proposal and implementing it in the acquisition program; and

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21 “(B) consideration of any intellectual property issues associated with the challenge proposal.

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23 “(e) ACTION UPON FAVORABLE FULL REVIEW AND EVALUATION.—(1) Under procedures prescribed by the Under Secretary, each challenge proposal determined under a full review and evaluation to satisfy each of the criteria specified in subsection (c)(4) with respect to an acquisition program shall be considered by the office carrying out the applicable acquisition program and the prime system contractor for incorporation into the acquisition program as a new technology insertion at the component, subsystem, or system level.

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32 “(2) The Under Secretary shall encourage the adoption of each challenge proposal referred to in paragraph (1) by providing suitable incentives to the office carrying out the acquisition program and the prime system contractor carrying out such program.

1 “(f) ACCESS TO TECHNICAL RESOURCES.—(1) Under pro-
2 cedures established by the Under Secretary, the technical re-
3 sources of the laboratories, research, development, and engi-
4 neering centers, test and evaluation activities, and other ele-
5 ments of the Department may be called upon to support the
6 activities of the Challenge Program.

7 “(2) Funds available to carry out this program may be
8 used to compensate such laboratories, centers, activities, and
9 elements for technical assistance provided to a Panel pursuant
10 to paragraph (1).

11 “(g) ELIMINATION OF CONFLICTS OF INTEREST.—In car-
12 rying out each preliminary evaluation under subsection (c) and
13 full review under subsection (d), the Under Secretary shall en-
14 sure the elimination of conflicts of interest.

15 “(h) LIMITATION ON USE OF FUNDS.—Funds made avail-
16 able for the Challenge Program may be used only for activities
17 authorized by this section, and not for implementation of chal-
18 lenge proposals.

19 “(i) ANNUAL REPORT.—The Under Secretary shall submit
20 an annual report on the Challenge Program to Congress. The
21 report shall be submitted at the same time as the President
22 submits the budget for a fiscal year to Congress under section
23 1105(a) of title 31, and shall cover the conduct of the Chal-
24 lenge Program for the preceding fiscal year. The report shall
25 include the number and scope of challenge proposals submitted,
26 preliminarily evaluated, subjected to full review and evaluation,
27 and adopted. No report is required for a fiscal year in which
28 the Challenge Program is not carried out.

29 “(j) TERMINATION OF AUTHORITY.—The Secretary may
30 not carry out the Challenge Program under this section after
31 September 30, 2007.”.

32 (b) CLERICAL AMENDMENT.—The table of sections at the
33 beginning of such chapter is amended by inserting after the
34 item relating to section 2359a (as added by section 242) the
35 following new item:

“2359b. Defense Acquisition Challenge Program.”.

1 **SEC. 244. ENCOURAGEMENT OF SMALL BUSINESSES**
2 **AND NONTRADITIONAL DEFENSE CONTRAC-**
3 **TORS TO SUBMIT PROPOSALS POTENTIALLY**
4 **BENEFICIAL FOR COMBATING TERRORISM.**

5 (a) ESTABLISHMENT OF OUTREACH PROGRAM.—During
6 fiscal years 2003, 2004, and 2005, the Secretary of Defense,
7 acting through the Under Secretary of Defense for Acquisition,
8 Technology, and Logistics, shall carry out a program of out-
9 reach to small businesses and nontraditional defense contrac-
10 tors for the purpose set forth in subsection (b).

11 (b) PURPOSE.—The purpose of the outreach program is to
12 provide a process for reviewing and evaluating research activi-
13 ties of, and new technologies being developed by, small busi-
14 nesses and nontraditional defense contractors that have the po-
15 tential for meeting a defense requirement or technology devel-
16 opment goal of the Department of Defense that relates to the
17 mission of the Department of Defense to combat terrorism.

18 (c) GOALS.—The goals of the outreach program are as fol-
19 lows:

20 (1) To increase efforts within the Department of De-
21 fense to survey and identify research activities and new
22 technologies described in subsection (b).

23 (2) To provide the Under Secretary of Defense for Ac-
24 quisition, Technology, and Logistics with a source of expert
25 advice on new technologies for combating terrorism.

26 (3) To increase efforts to educate nontraditional de-
27 fense contractors on Department of Defense acquisition
28 processes, including regulations, procedures, funding oppor-
29 tunities, military needs and requirements, and technology
30 transfer so as to encourage such contractors to submit pro-
31 posals regarding research activities and new technologies
32 described in subsection (b).

33 (4) To increase efforts to provide timely response by
34 the Department of Defense to acquisition proposals (includ-
35 ing unsolicited proposals) submitted to the Department by
36 small businesses and by nontraditional defense contractors
37 regarding research activities and new technologies described

1 in subsection (b), including through the use of electronic
2 transactions to facilitate the processing of such proposals.

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

6 (2) The panel shall be composed of qualified personnel
7 from the military departments, relevant Defense Agencies, in-
8 dustry, academia, and other private sector organizations.

9 (3) Under procedures prescribed by the Under Secretary
10 of Defense for Acquisition, Technology, and Logistics, a small
11 business or nontraditional defense contractor may submit ac-
12 quisition proposals for consideration under the program
13 through the unsolicited proposal process or in response to a
14 broad agency announcement. The Under Secretary shall issue
15 on an annual basis not less than one such broad agency an-
16 nouncement inviting parties to submit proposals.

17 (4) Under procedures prescribed by the Under Secretary,
18 the panel shall review and evaluate acquisition proposals se-
19 lected by the panel. An acquisition proposal shall be selected
20 for review and evaluation if the panel determines that the ac-
21 quisition proposal may present a unique and valuable approach
22 for meeting a defense requirement or technology development
23 goal of the Department of Defense that relates to the mission
24 of the Department of Defense to combat terrorism. In carrying
25 out its duties under this paragraph, the panel may act through
26 representatives designated by the panel.

27 (5) The panel shall—

28 (A) not later than 60 days after the date on which the
29 panel receives an acquisition proposal described in sub-
30 section (c)(4), transmit to the small business or nontradi-
31 tional defense contractor that submitted the proposal a no-
32 tification regarding whether the acquisition proposal has
33 been selected under paragraph (4) for review and evalua-
34 tion;

35 (B) to the maximum extent practicable, complete the
36 review and evaluation of each selected acquisition proposal

1 not later than 120 days after the date on which such pro-
2 posal is selected under paragraph (4); and

3 (C) after completing the review and evaluation of an
4 acquisition proposal, transmit the results of that review and
5 evaluation to the small business or nontraditional defense
6 contractor that submitted the proposal.

7 (6) The Secretary shall ensure that the panel, in reviewing
8 and evaluating acquisition proposals under this subsection, has
9 the authority to obtain assistance, to a reasonable extent, from
10 the appropriate technical resources of the laboratories, re-
11 search, development, and engineering centers, test and evalua-
12 tion activities, and other elements of the Department of De-
13 fense.

14 (7) If, after completing review and evaluation of an acqui-
15 sition proposal, the panel determines that such proposal rep-
16 resents a unique and valuable approach for meeting a defense
17 requirement or technology development goal of the Department
18 of Defense that relates to the mission of the Department of De-
19 fense to combat terrorism, the panel shall submit that deter-
20 mination to the Under Secretary of Defense for Acquisition,
21 Technology, and Logistics, together with any recommendations
22 that the panel considers appropriate regarding such proposal.

23 (8) The Under Secretary of Defense for Acquisition, Tech-
24 nology, and Logistics may provide funding for acquisition pro-
25 posals with respect to which the panel has submitted a deter-
26 mination under paragraph (7) through appropriate accounts of
27 the military departments, Defense Agencies, the Small Busi-
28 ness Innovative Research program, or any other acquisition
29 program.

30 (9) The Secretary of Defense shall ensure that a member
31 of the panel has no conflict of interest with respect to the re-
32 view and evaluation of an acquisition proposal by the panel.

33 (e) NONTRADITIONAL DEFENSE CONTRACTOR DE-
34 FINED.—In this section, the term “nontraditional defense con-
35 tractor” means an entity that has not, for at least one year
36 prior to the date of the enactment of this Act, entered into, or
37 performed with respect to, any contract described in paragraph

1 (1) or (2) of section 845(e) of the National Defense Authoriza-
2 tion Act for Fiscal Year 1994 (10 U.S.C. 2371 note).

3 **SEC. 245. VEHICLE FUEL CELL PROGRAM.**

4 (a) PROGRAM REQUIRED.—The Secretary of Defense shall
5 carry out a program for the development of vehicle fuel cell
6 technology.

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

9 (1) To identify and support technological advances
10 that are necessary for the development of fuel cell tech-
11 nology for use in vehicles of types to be used by the De-
12 partment of Defense.

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

16 (3) To maximize the leverage of Federal funds that
17 are used for the development of fuel cell technology.

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

19 (1) development of vehicle propulsion technologies and
20 fuel cell auxiliary power units, together with pilot projects
21 for the demonstration of such technologies, as appropriate;
22 and

23 (2) development of technologies necessary to address
24 critical issues with respect to vehicle fuel cells, such as
25 issues relating to hydrogen storage and hydrogen fuel infra-
26 structure.

27 (d) COOPERATION WITH INDUSTRY.—(1) The Secretary
28 shall carry out the program in cooperation with companies se-
29 lected by the Secretary. The Secretary shall select such compa-
30 nies from among—

31 (A) companies in the automobile and truck manufac-
32 turing industry;

33 (B) companies in the business of supplying systems
34 and components to that industry; and

35 (C) companies in any other industries that the Sec-
36 retary considers appropriate.

1 (2) The Secretary may enter into a cooperative agreement
2 with one or more companies selected under paragraph (1) to
3 establish an entity for carrying out activities required by sub-
4 section (c).

5 (3) The Secretary shall ensure that companies referred to
6 in paragraph (1) collectively contribute, in cash or in kind, not
7 less than one-half of the total cost of carrying out the program
8 under this section.

9 (e) COORDINATION WITH OTHER FEDERAL AGENCIES.—
10 The Secretary shall carry out the program using a coordinating
11 mechanism for sharing information and resources with the De-
12 partment of Energy and other Federal agencies.

13 (f) INTIAL FUNDING.—Of the funds authorized to be ap-
14 propriated by section 201(4), \$10,000,000 shall be available for
15 the program required by this section.

16 **SEC. 246. DEFENSE NANOTECHNOLOGY RESEARCH AND**
17 **DEVELOPMENT PROGRAM.**

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

21 (b) PURPOSES.—The purposes of the program are as fol-
22 lows:

23 (1) To ensure United States global superiority in
24 nanotechnology necessary for meeting national security re-
25 quirements.

26 (2) To coordinate all nanoscale research and develop-
27 ment within the Department of Defense, and to provide for
28 interagency cooperation and collaboration on nanoscale re-
29 search and development between the Department of De-
30 fense and other departments and agencies of the United
31 States that are involved in nanoscale research and develop-
32 ment.

33 (3) To develop and manage a portfolio of fundamental
34 and applied nanoscience and engineering research initia-
35 tives that is stable, consistent, and balanced across sci-
36 entific disciplines.

1 (4) To accelerate the transition and deployment of
2 technologies and concepts derived from nanoscale research
3 and development into the Armed Forces, and to establish
4 policies, procedures, and standards for measuring the suc-
5 cess of such efforts.

6 (5) To collect, synthesize, and disseminate critical in-
7 formation on nanoscale research and development.

8 (c) ADMINISTRATION.—In carrying out the program, the
9 Secretary shall act through the Director of Defense Research
10 and Engineering, who shall supervise the planning, manage-
11 ment, and coordination of the program. The Director, in con-
12 sultation with the Secretaries of the military departments and
13 the heads of participating Defense Agencies and other depart-
14 ments and agencies of the United States, shall—

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

17 (2) develop a coordinated and integrated research and
18 investment plan for meeting the long-term challenges and
19 achieving the specific technical goals that builds upon the
20 Department's increased investment in nanotechnology re-
21 search and development and the National Nanotechnology
22 Initiative; and

23 (3) develop memoranda of agreement, joint funding
24 agreements, and other cooperative arrangements necessary
25 for meeting the long-term challenges and achieving the spe-
26 cific technical goals.

27 (d) ANNUAL REPORT.—Not later than March 1 of each of
28 2004, 2005, 2006, and 2007, the Director of Defense Research
29 and Engineering shall submit to the congressional defense com-
30 mittees a report on the program. The report shall contain the
31 following matters:

32 (1) A review of—

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

35 (B) the progress made toward meeting those chal-
36 lenges and achieving those goals.

1 (2) An assessment of current and proposed funding
2 levels, including the adequacy of such funding levels to sup-
3 port program activities.

4 (3) A review of the coordination of activities within the
5 Department of Defense, with other departments and agen-
6 cies, and with the National Nanotechnology Initiative.

7 (4) An assessment of the extent to which effective
8 technology transition paths have been established as a re-
9 sult of activities under the program.

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

12 **SEC. 247. ACTIVITIES OF THE DEFENSE EXPERIMENTAL**
13 **PROGRAM TO STIMULATE COMPETITIVE RE-**
14 **SEARCH.**

15 Subsection (c) of section 257 of the National Defense Au-
16 thorization Act for Fiscal Year 1995 (Public Law 103–337; 10
17 U.S.C. 2358 note) is amended—

18 (1) in paragraph (1), by striking “research grants”
19 and inserting “grants for research and instrumentation to
20 support such research”; and

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

22 “(3) Any other activities that are determined nec-
23 essary to further the achievement of the objectives of the
24 program.”.

25 **SEC. 248. FOUR-YEAR EXTENSION OF AUTHORITY OF**
26 **DARPA TO AWARD PRIZES FOR ADVANCED**
27 **TECHNOLOGY ACHIEVEMENTS AND ADDI-**
28 **TIONAL AUTHORITY OF MILITARY DEPART-**
29 **MENTS AND DEFENSE AGENCIES TO AWARD**
30 **PRIZES FOR ACHIEVEMENTS IN PROMOTING**
31 **EDUCATION.**

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

35 (b) REPORT ON ADMINISTRATION OF PROGRAM.—(1) Not
36 later than December 31, 2002, the Director of the Defense Ad-
37 vanced Research Projects Agency shall submit to the congress-
38 sional defense committees a report on the proposal of the Di-

1 rector for the administration of the program to award prizes
2 for advanced technology achievements under section 2374a of
3 title 10, United States Code.

4 (2) The report shall include the following:

5 (A) The results of consultations by the Director with
6 officials of the military departments regarding the tech-
7 nology areas for which competitive prizes would be estab-
8 lished.

9 (B) A description of the proposed goals of the com-
10 petitions that would be established under the program, in-
11 cluding the technology areas to be promoted by the com-
12 petitions and the relationship of such areas to military mis-
13 sions of the Department of Defense.

14 (C) The proposed rules for the competitions that
15 would be established under the program and a description
16 of the proposed management of the competitions.

17 (D) A description of the manner in which the amounts
18 of the cash prizes awarded and claimed under the program
19 would be allocated among the accounts of the Defense Ad-
20 vanced Research Projects Agency for recording as obliga-
21 tions and expenditures.

22 (E) For each competition that would be established
23 under the program, a statement of the reasons why the
24 competition is a preferable means of promoting basic, ad-
25 vanced, and applied research, advanced technology develop-
26 ment, or prototype projects, rather than other means of
27 promoting such activities, including contracts, grants, coop-
28 erative agreements, and other transactions.

29 (c) ADDITIONAL AUTHORITY TO AWARD CASH PRIZES
30 FOR PROMOTING EDUCATION IN SUPPORT OF DoD MIS-
31 SIONS.—(1) Chapter 139 of title 10, United States Code, is
32 amended by adding at the end the following new section:

33 **“§ 2374b. Prizes for achievements in promoting**
34 **science, mathematics, engineering, or**
35 **technology education**

36 “(a) AUTHORITY.—The Secretaries of the military depart-
37 ments and the heads of defense agencies may each carry out

1 a program to award cash prizes in recognition of outstanding
2 achievements that are designed to promote science, mathe-
3 matics, engineering, or technology education in support of the
4 missions of the Department of Defense.

5 “(b) COMPETITION REQUIREMENTS.—Each program
6 under subsection (a) shall use a competitive process for the se-
7 lection of recipients of cash prizes.

8 “(c) LIMITATION.—For any single program under sub-
9 section (a), the total amount made available for award of cash
10 prizes in a fiscal year may not exceed \$1,000,000.

11 “(d) RELATIONSHIP TO OTHER AUTHORITY.—The pro-
12 gram under subsection (a) may be carried out in conjunction
13 with or in addition to the exercise of any other authority to ac-
14 quire, support, or stimulate basic and applied research, ad-
15 vanced technology development, or prototype development
16 projects.

17 “(e) ANNUAL REPORT.—Promptly after the end of each
18 fiscal year, each Secretary of a military department and each
19 head of a defense agency carrying out a program under sub-
20 section (a) shall submit to the Committees on Armed Services
21 of the Senate and the House of Representatives a report on the
22 administration of that program for that fiscal year.

23 “(f) PERIOD OF AUTHORITY.—The authority to award
24 prizes under subsection (a) shall terminate at the end of Sep-
25 tember 30, 2006.”.

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

“2374b. Prizes for achievements in promoting science, mathematics, engi-
neering, or technology education.”.

28 **SEC. 249. PLAN FOR FIVE-YEAR PROGRAM FOR EN-**
29 **HANCEMENT OF MEASUREMENT AND SIGNA-**
30 **TURES INTELLIGENCE CAPABILITIES OF**
31 **THE UNITED STATES THROUGH INCORPORA-**
32 **TION OF RESULTS OF BASIC RESEARCH ON**
33 **SENSORS.**

34 (a) CONGRESSIONAL FINDING.—Congress finds that the
35 national interest will be served by the rapid exploitation of
36 basic research on sensors for purposes of enhancing the meas-

1 urement and signatures intelligence (MASINT) capabilities of
2 the United States.

3 (b) PLAN FOR RESEARCH PROGRAM.—(1) Not later than
4 March 31, 2003, the Secretary of Defense shall submit to Con-
5 gress a plan for a five-year program of research intended to
6 provide for the incorporation of the results of basic research on
7 sensors into the measurement and signatures intelligence sys-
8 tems of the United States, to the extent the results of such re-
9 search is applicable to such systems. Such program shall in-
10 clude the review and assessment of basic research on sensors
11 for purpose of such incorporation, including both basic research
12 on sensors conducted by the Government and basic research on
13 sensors conducted by non-governmental entities.

14 (2) The plan submitted under paragraph (1) shall provide
15 that the activities to be carried out under the program provided
16 for in the plan shall be carried out by a consortium consisting
17 of such governmental and non-governmental entities as the Sec-
18 retary considers appropriate for purposes of incorporating the
19 broadest practicable range of sensor capabilities into the sys-
20 tems referred to in paragraph (1). The consortium may include
21 national laboratories, universities, and private sector entities.

22 (3) The plan shall include a proposal for the funding of
23 activities under the five-year program provided for in the plan,
24 including cost-sharing by non-governmental participants in the
25 consortium under paragraph (2).

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TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

- Sec. 301. Operation and maintenance funding.
- Sec. 302. Working capital funds.
- Sec. 303. Armed Forces Retirement Home.
- Sec. 304. Grant to National Guard Youth Foundation.

Subtitle B—Environmental Provisions

- Sec. 311. Enhancement of authority on cooperative agreements for environmental purposes.
- Sec. 312. Single point of contact for policy and budgeting issues regarding unexploded ordnance, discarded military munitions, and munitions constituents.
- Sec. 313. Authority to carry out construction projects for environmental responses.
- Sec. 314. Procurement of environmentally preferable procurement items.
- Sec. 315. Incidental taking of migratory birds during military readiness activities.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

- Sec. 321. Authority for each military department to provide base operating support to Fisher Houses.
- Sec. 322. Use of commissary stores and MWR retail facilities by members of National Guard serving in national emergency.
- Sec. 323. Uniform funding and management of morale, welfare, and recreation programs.
- Sec. 324. Rebate agreements under the special supplemental food program.

Subtitle D—Workplace and Depot Issues

- Sec. 331. Notification requirements in connection with required studies for conversion of commercial or industrial type functions to contractor performance.
- Sec. 332. Temporary authority for contractor performance of security-guard functions to meet increased requirements since September 11, 2001.
- Sec. 333. Repeal of obsolete provision regarding depot-level maintenance and repair workloads that were performed at closed or realigned military installations.
- Sec. 334. Exclusion of certain expenditures from limitation on private sector performance of depot-level maintenance.

Subtitle E—Defense Dependents Education

- Sec. 341. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
- Sec. 342. Housing benefits for unaccompanied teachers required to live at Guantanamo Bay Naval Station, Cuba.
- Sec. 343. Options for funding dependent summer school programs.
- Sec. 344. Impact aid eligibility for local educational agencies affected by privatization of military housing.

Sec. 345. Comptroller General study of adequacy of compensation provided for teachers in the Department of Defense Overseas Dependents' Schools.

Subtitle F—Information Technology

Sec. 351. Annual submission of information regarding information technology capital assets.

Sec. 352. Policy regarding acquisition of information assurance and information assurance-enabled information technology products.

Sec. 353. Installation and connection policy and procedures regarding Defense Switch Network.

Subtitle G—Other Matters

Sec. 361. Distribution of monthly reports on allocation of funds within operation and maintenance budget subactivities.

Sec. 362. Continuation of arsenal support program initiative.

Sec. 363. Extension of work safety demonstration program.

Sec. 364. Condition on authority of Defense Security Service to impose fees on fee-for-service basis.

Sec. 365. Logistics support and services for weapon systems contractors.

Sec. 366. Training range sustainment plan, Global Status of Resources and Training System, and training range inventory.

Sec. 367. Engineering study and environmental analysis of road modifications in vicinity of Fort Belvoir, Virginia.

Sec. 368. Reauthorization of warranty claims recovery pilot program.

Sec. 369. Expanded eligibility for loan, gift, or exchange of documents, historical artifacts, and condemned or obsolete combat materiel.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

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

- (1) For the Army, \$23,922,251,000.
- (2) For the Navy, \$29,264,939,000.
- (3) For the Marine Corps, \$3,559,636,000.
- (4) For the Air Force, \$27,419,488,000.
- (5) For Defense-wide activities, \$14,145,310,000.
- (6) For the Army Reserve, \$1,985,110,000.
- (7) For the Naval Reserve, \$1,233,759,000.
- (8) For the Marine Corps Reserve, \$189,532,000.
- (9) For the Air Force Reserve, \$2,160,604,000.
- (10) For the Army National Guard, \$4,155,067,000.
- (11) For the Air National Guard, \$4,104,810,000.

1 (12) For the Defense Inspector General,
2 \$155,165,000.

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

5 (14) For Environmental Restoration, Army,
6 \$395,900,000.

7 (15) For Environmental Restoration, Navy,
8 \$256,948,000.

9 (16) For Environmental Restoration, Air Force,
10 \$389,773,000.

11 (17) For Environmental Restoration, Defense-wide,
12 \$23,498,000.

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

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

17 (20) For Drug Interdiction and Counter-drug Activi-
18 ties, Defense-wide, \$859,907,000.

19 (21) For the Kaho'olawe Island Conveyance, Remedi-
20 ation, and Environmental Restoration Trust Fund,
21 \$25,000,000.

22 (22) For Defense Health Program, \$14,123,038,000.

23 (23) For Cooperative Threat Reduction programs,
24 \$416,700,000.

25 (24) For Support for International Sporting Competi-
26 tions, Defense, \$19,000,000.

27 (25) For overseas contingency operations transfer
28 fund, \$17,844,000.

29 **SEC. 302. WORKING CAPITAL FUNDS.**

30 Funds are hereby authorized to be appropriated for fiscal
31 year 2003 for the use of the Armed Forces and other activities
32 and agencies of the Department of Defense for providing cap-
33 ital for working capital and revolving funds in amounts as fol-
34 lows:

35 (1) For the Defense Working Capital Funds,
36 \$387,156,000

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

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

5 (4) For the Pentagon Reservation Maintenance Re-
6 volving Fund, \$328,000,000.

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

8 There is hereby authorized to be appropriated for fiscal
9 year 2003 from the Armed Forces Retirement Home Trust
10 Fund the sum of \$69,921,000 for the operation of the Armed
11 Forces Retirement Home.

12 **SEC. 304. GRANT TO NATIONAL GUARD YOUTH FOUNDA-**
13 **TION.**

14 Of the amount authorized to be appropriated by section
15 301(5) for administrative and service-wide activities for civil-
16 military programs, the Secretary of Defense may use up to
17 \$2,500,000 to make a grant to the National Guard Youth
18 Foundation to support the efforts of the Foundation to mobi-
19 lize individuals, groups, and organizations to build and
20 strengthen the character and competence of youth in the
21 United States.

22 **Subtitle B—Environmental**
23 **Provisions**

24 **SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERA-**
25 **TIVE AGREEMENTS FOR ENVIRONMENTAL**
26 **PURPOSES.**

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

29 (1) in paragraph (1), by striking “paragraph (2)” and
30 inserting “paragraph (3)”;

31 (2) by redesignating paragraphs (2) and (3) as para-
32 graphs (3) and (4), respectively; and

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

35 “(2) CROSS-FISCAL YEAR AGREEMENTS.—An agree-
36 ment with an agency under paragraph (1) may be for a pe-
37 riod that begins in one fiscal year and ends in another fis-

1 cal year so long as the period of the agreement does not
2 exceed two years.”.

3 **SEC. 312. SINGLE POINT OF CONTACT FOR POLICY AND**
4 **BUDGETING ISSUES REGARDING**
5 **UNEXPLODED ORDNANCE, DISCARDED MILI-**
6 **TARY MUNITIONS, AND MUNITIONS CON-**
7 **STITUENTS.**

8 Section 2701 of title 10, United States Code, is amended
9 by adding at the end the following new subsection:

10 “(k) UXO PROGRAM MANAGER.—(1) The Secretary of
11 Defense shall establish a program manager who shall serve as
12 the single point of contact in the Department of Defense for
13 policy and budgeting issues involving the characterization, re-
14 mediation, and management of explosive and related risks with
15 respect to unexploded ordnance, discarded military munitions,
16 and munitions constituents at defense sites (as such terms are
17 defined in section 2710 of this title) that pose a threat to
18 human health or safety.

19 “(2) The authority to establish the program manager may
20 be delegated to the Secretary of a military department, who
21 may delegate the authority to the Under Secretary of that mili-
22 tary department. The authority may not be further delegated.

23 “(3) The program manager may establish an independent
24 advisory and review panel that may include representatives of
25 the National Academy of Sciences, nongovernmental organiza-
26 tions with expertise regarding unexploded ordnance, discarded
27 military munitions, or munitions constituents, the Environ-
28 mental Protection Agency, States (as defined in section 2710
29 of this title), and tribal governments. If established, the panel
30 shall report annually to Congress on progress made by the De-
31 partment of Defense to address unexploded ordnance, discarded
32 military munitions, or munitions constituents at defense sites
33 and make such recommendations as the panel considers appro-
34 priate.”.

1 **SEC. 313. AUTHORITY TO CARRY OUT CONSTRUCTION**
2 **PROJECTS FOR ENVIRONMENTAL RE-**
3 **SPONSES.**

4 (a) RESTATEMENT AND MODIFICATION OF AUTHORITY.—
5 Chapter 160 of title 10, United States Code, is amended—

6 (1) by redesignating section 2707 as section 2700 and
7 transferring such section to appear immediately after the
8 table of sections at the beginning of such chapter; and

9 (2) by inserting after section 2706 the following new
10 section 2707:

11 **“§ 2707. Environmental restoration projects for en-**
12 **vironmental responses**

13 “(a) ENVIRONMENTAL RESTORATION PROJECTS AUTHOR-
14 IZED.—The Secretary of Defense or the Secretary of a military
15 department may carry out an environmental restoration project
16 if that Secretary determines that the project is necessary to
17 carry out a response under this chapter or CERCLA.

18 “(b) TREATMENT OF PROJECT.—Any construction, devel-
19 opment, conversion, or extension of a structure, and any instal-
20 lation of equipment, that is included in an environmental res-
21 toration project under this section may not be considered mili-
22 tary construction (as that term is defined in section 2801(a)
23 of this title).

24 “(c) SOURCE OF FUNDS.—Funds authorized for deposit in
25 an account established by section 2703(a) of this title shall be
26 the only source of funds to conduct an environmental restora-
27 tion project under this section.

28 “(d) ENVIRONMENTAL RESTORATION PROJECT DE-
29 FINED.—In this section, the term ‘environmental restoration
30 project’ includes any construction, development, conversion, or
31 extension of a structure, or installation of equipment, in direct
32 support of a response.”.

33 (b) REPEAL OF SUPERSEDED PROVISION.—Section 2810
34 of such title is repealed.

35 (c) CONFORMING AMENDMENTS.—Chapter 160 of such
36 title is further amended—

1 (1) in section 2700 (as redesignated by subsection
2 (a))—

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

5 (B) by inserting after “In this chapter:” the fol-
6 lowing new paragraph:

7 “(1) The term ‘CERCLA’ means the Comprehensive
8 Environmental Response, Compensation, and Liability Act
9 of 1980 (42 U.S.C. 9601 et seq.)”; and

10 (2) in section 2701(a)(2), by striking “the Comprehen-
11 sive Environmental Response, Compensation, and Liability
12 Act of 1980 (hereinafter in this chapter referred to as
13 ‘CERCLA’) (42 U.S.C. 9601 et seq.)” and inserting
14 “CERCLA”.

15 (d) CLERICAL AMENDMENTS.—(1) The table of sections at
16 the beginning of chapter 160 of such title is amended—

17 (A) by inserting before the item relating to section
18 2701 the following new item:

“2700. Definitions.”; and

19 (B) by striking the item relating to section 2707 and
20 inserting the following new item:

“2707. Environmental restoration projects for environmental responses.”.

21 (2) The table of sections at the beginning of chapter 169
22 of such title is amended by striking the item relating to section
23 2810.

24 **SEC. 314. PROCUREMENT OF ENVIRONMENTALLY PREF-**
25 **ERABLE PROCUREMENT ITEMS.**

26 (a) TRACKING SYSTEM.—The Secretary of Defense shall
27 develop and implement an effective and efficient tracking sys-
28 tem to identify the extent to which the Defense Logistics Agen-
29 cy procures environmentally preferable procurement items or
30 procurement items made with recovered material. The system
31 shall provide for the separate tracking, to the maximum extent
32 practicable, of the procurement of each category of procure-
33 ment items that, as of the date of the enactment of this Act,

1 has been determined to be environmentally preferable or made
2 with recovered material.

3 (b) ASSESSMENT OF TRAINING AND EDUCATION.—The
4 Secretary of Defense shall assess the need to establish a pro-
5 gram, or enhance existing programs, for training and educating
6 Department of Defense procurement officials to ensure that
7 they are aware of any Department requirements, preferences,
8 or goals for the procurement of environmentally preferable pro-
9 curement items or procurement items made with recovered ma-
10 terial.

11 (c) REPORTING REQUIREMENT.—Not later than March 1,
12 2004, and each March 1 thereafter through 2007, the Sec-
13 retary of Defense shall submit to the Committee on Armed
14 Services of the Senate and the Committee on Armed Services
15 of the House of Representatives a report detailing the results
16 obtained from the tracking system developed under subsection
17 (a).

18 (d) RELATION TO OTHER LAWS.—Nothing in this section
19 shall be construed to alter the requirements of the Solid Waste
20 Disposal Act (40 U.S.C. 6901 et seq.).

21 (e) DEFINITIONS.—In this section:

22 (1) The term “environmentally preferable”, in the case
23 of a procurement item, means that the item has a lesser
24 or reduced effect on human health and the environment
25 when compared with competing products that serve the
26 same purpose. The comparison may consider raw materials
27 acquisition, production, manufacturing, packaging, distribu-
28 tion, reuse, operation, maintenance, or disposal of the prod-
29 uct.

30 (2) The terms “procurement item” and “recovered
31 material” have the meanings given such terms in section
32 1004 of the Solid Waste Disposal Act (40 U.S.C. 6903).

33 **SEC. 315. INCIDENTAL TAKING OF MIGRATORY BIRDS**
34 **DURING MILITARY READINESS ACTIVITIES.**

35 (a) INTERIM AUTHORITY FOR INCIDENTAL TAKINGS.—
36 During the period described in subsection (c), section 2 of the
37 Migratory Bird Treaty Act (16 U.S.C. 703) shall not apply to

1 the incidental taking of a migratory bird by a member of the
2 Armed Forces during a military readiness activity authorized
3 by the Secretary of Defense or the Secretary of the military de-
4 partment concerned.

5 (b) IDENTIFICATION OF MEASURES TO MINIMIZE IMPACT
6 OF ACTIVITIES.—During the periods described in subsections
7 (c) and (d), the Secretary of Defense shall, in consultation with
8 the Secretary of the Interior, identify measures—

9 (1) to minimize and mitigate, to the extent practicable,
10 any adverse impacts of authorized military readiness activi-
11 ties on affected species of migratory birds; and

12 (2) to monitor the impacts of such military readiness
13 activities on affected species of migratory birds.

14 (c) PERIOD OF APPLICATION FOR INTERIM AUTHORITY.—
15 The period described in this subsection is the period beginning
16 on the date of the enactment of this Act and ending on the
17 date on which the Secretary of the Interior publishes in the
18 Federal Register a notice that—

19 (1) regulations authorizing the incidental taking of mi-
20 gratory birds by members of the Armed Forces have been
21 prescribed in accordance with the requirements of sub-
22 section (d);

23 (2) all legal challenges to the regulations and to the
24 manner of their promulgation (if any) have been exhausted
25 as provided in subsection (e); and

26 (3) the regulations have taken effect.

27 (d) INCIDENTAL TAKINGS AFTER INTERIM PERIOD.—(1)
28 Not later than the expiration of the one-year period beginning
29 on the date of the enactment of this Act, the Secretary of the
30 Interior shall exercise the authority of that Secretary under
31 section 3(a) of the Migratory Bird Treaty Act (16 U.S.C.
32 704(a)) to prescribe regulations to exempt the Armed Forces
33 for the incidental taking of migratory birds during military
34 readiness activities authorized by the Secretary of Defense or
35 the Secretary of the military department concerned.

1 (2) The Secretary of the Interior shall exercise authority
2 under paragraph (1) with the concurrence of the Secretary of
3 Defense.

4 (e) LIMITATION ON JUDICIAL REVIEW.—An action seeking
5 judicial review of regulations prescribed pursuant to this sec-
6 tion or of the manner of their promulgation must be filed in
7 the appropriate Federal court by not later than the expiration
8 of the 120-day period beginning on the date on which such reg-
9 ulations are published in the Federal Register. Upon the expi-
10 ration of such period and the exhaustion of any legal challenges
11 to the regulations pursuant to any action filed in such period,
12 there shall be no further judicial review of such regulations or
13 of the manner of their promulgation.

14 (f) MILITARY READINESS ACTIVITY.—(1) In this section
15 the term “military readiness activity” includes—

16 (A) all training and operations of the Armed Forces
17 that relate to combat; and

18 (B) the adequate and realistic testing of military
19 equipment, vehicles, weapons, and sensors for proper oper-
20 ation and suitability for combat use.

21 (2) The term does not include—

22 (A) the routine operation of installation operating sup-
23 port functions, such as administrative offices, military ex-
24 changes, commissaries, water treatment facilities, storage
25 facilities, schools, housing, motor pools, laundries, morale,
26 welfare, and recreation activities, shops, and mess halls;

27 (B) the operation of industrial activities; or

28 (C) the construction or demolition of facilities used for
29 a purpose described in subparagraph (A) or (B).

30 **Subtitle C—Commissaries and Non-**
31 **appropriated Fund Instrumental-**
32 **ities**

33 **SEC. 321. AUTHORITY FOR EACH MILITARY DEPART-**
34 **MENT TO PROVIDE BASE OPERATING SUP-**
35 **SUPPORT TO FISHER HOUSES.**

36 Section 2493(f) of title 10, United States Code, is amend-
37 ed to read as follows:

1 “(f) BASE OPERATING SUPPORT.—The Secretary of a
2 military department may provide base operating support for
3 Fisher Houses associated with health care facilities of that
4 military department.”.

5 **SEC. 322. USE OF COMMISSARY STORES AND MWR RE-**
6 **TAIL FACILITIES BY MEMBERS OF NATIONAL**
7 **GUARD SERVING IN NATIONAL EMERGENCY.**

8 (a) ADDITIONAL BASIS FOR AUTHORIZED USE.—Section
9 1063a of title 10, United States Code, is amended—

10 (1) in subsection (a), by inserting “or national emer-
11 gency” after “federally declared disaster”; and

12 (2) in subsection (c), by adding at the end the fol-
13 lowing new paragraph:

14 “(3) NATIONAL EMERGENCY.—The term ‘national
15 emergency’ means a national emergency declared by the
16 President or Congress.”.

17 (b) CLERICAL AMENDMENTS.—(1) The heading of such
18 section is amended to read as follows:

19 **“§ 1063a. Use of commissary stores and MWR retail**
20 **facilities: members of National Guard**
21 **servicing in federally declared disaster or**
22 **national emergency”.**

23 (2) The table of sections at the beginning of chapter 54
24 of such title is amended by striking the item relating to section
25 1063a and inserting the following new item:

“1063a. Use of commissary stores and MWR retail facilities: members of
National Guard servicing in federally declared disaster or national
emergency.”.

26 **SEC. 323. UNIFORM FUNDING AND MANAGEMENT OF**
27 **MORALE, WELFARE, AND RECREATION PRO-**
28 **GRAMS.**

29 (a) IN GENERAL.—Chapter 147 of title 10, United States
30 Code, is amended by adding at the end the following new sec-
31 tion:

32 **“§ 2494. Uniform funding and management of mo-**
33 **rale, welfare, and recreation programs**

34 “(a) AUTHORITY FOR UNIFORM FUNDING AND MANAGE-
35 MENT.—Under regulations prescribed by the Secretary of De-

1 fense, funds appropriated to the Department of Defense and
2 available for morale, welfare, and recreation programs may be
3 treated as nonappropriated funds and expended in accordance
4 with laws applicable to the expenditures of nonappropriated
5 funds. When made available for morale, welfare, and recreation
6 programs under such regulations, appropriated funds shall be
7 considered to be nonappropriated funds for all purposes and
8 shall remain available until expended.

9 “(b) CONDITIONS ON AVAILABILITY.—Funds appropriated
10 to the Department of Defense may be made available to sup-
11 port a morale, welfare, or recreation program only if the pro-
12 gram is authorized to receive appropriated fund support and
13 only in the amounts the program is authorized to receive.

14 “(c) CONVERSION OF EMPLOYMENT POSITIONS.—(1) The
15 Secretary of Defense may identify positions of employees in
16 morale, welfare, and recreation programs within the Depart-
17 ment of Defense who are paid with appropriated funds whose
18 status may be converted from the status of an employee paid
19 with appropriated funds to the status of an employee of a non-
20 appropriated fund instrumentality.

21 “(2) The status of an employee in a position identified by
22 the Secretary under paragraph (1) may, with the consent of the
23 employee, be converted to the status of an employee of a non-
24 appropriated fund instrumentality. An employee who does not
25 consent to the conversion may not be removed from the posi-
26 tion because of the failure to provide such consent.

27 “(3) The conversion of an employee from the status of an
28 employee paid by appropriated funds to the status of an em-
29 ployee of a nonappropriated fund instrumentality shall be with-
30 out a break in service for the concerned employee. The conver-
31 sion shall not entitle an employee to severance pay, back pay
32 or separation pay under subchapter IX of chapter 55 of title
33 5, or be considered an involuntary separation or other adverse
34 personnel action entitling an employee to any right or benefit
35 under such title or any other provision of law or regulation.

1 “(4) In this subsection, the term ‘an employee of a non-
2 appropriated fund instrumentality’ means an employee de-
3 scribed in section 2105(c) of title 5.”.

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

“2494. Uniform funding and management of morale, welfare, and recreation
programs.”.

7 **SEC. 324. REBATE AGREEMENTS UNDER THE SPECIAL**
8 **SUPPLEMENTAL FOOD PROGRAM.**

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

13 (b) INCREASED MAXIMUM PERIOD OF AGREEMENT.—
14 Paragraph (3) of such section is amended by striking “sub-
15 section may not exceed one year” in the first sentence and in-
16 serting “subsection, including any period of extension of the
17 contract by modification of the contract, exercise of an option,
18 or other cause, may not exceed three years”.

19 **Subtitle D—Workplace and Depot**
20 **Issues**

21 **SEC. 331. NOTIFICATION REQUIREMENTS IN CONNEC-**
22 **TION WITH REQUIRED STUDIES FOR CON-**
23 **VERSION OF COMMERCIAL OR INDUSTRIAL**
24 **TYPE FUNCTIONS TO CONTRACTOR PER-**
25 **FORMANCE.**

26 Subsection (c) of section 2461 of title 10, United States
27 Code, is amended to read as follows:

28 “(c) SUBMISSION OF ANALYSIS RESULTS.—(1) Upon the
29 completion of an analysis of a commercial or industrial type
30 function described in subsection (a) for possible change to per-
31 formance by the private sector, the Secretary of Defense shall
32 submit to Congress a report containing the results of the anal-
33 ysis, including the results of the examinations required by sub-
34 section (b)(3).

35 “(2) The report shall also contain the following:

1 “(A) The date when the analysis of the function was
2 commenced.

3 “(B) The Secretary’s certification that the Govern-
4 ment calculation of the cost of performance of the function
5 by Department of Defense civilian employees is based on an
6 estimate of the most cost effective manner for performance
7 of the function by Department of Defense civilian employ-
8 ees.

9 “(C) The number of Department of Defense civilian
10 employees who were performing the function when the
11 analysis was commenced and the number of such employees
12 whose employment was or will be terminated or otherwise
13 affected by changing to performance of the function by the
14 private sector or by implementation of the most efficient
15 organization of the function.

16 “(D) The Secretary’s certification that the factors con-
17 sidered in the examinations performed under subsection
18 (b)(3), and in the making of the decision regarding chang-
19 ing to performance of the function by the private sector or
20 retaining performance in the most efficient organization of
21 the function, did not include any predetermined personnel
22 constraint or limitation in terms of man years, end
23 strength, full-time equivalent positions, or maximum num-
24 ber of employees.

25 “(E) A statement of the potential economic effect of
26 implementing the decision regarding changing to perform-
27 ance of the function by the private sector or retaining per-
28 formance in the most efficient organization of the function
29 on each affected local community, as determined in the ex-
30 amination under subsection (b)(3)(B)(ii).

31 “(F) A schedule for completing the change to perform-
32 ance of the function by the private sector or implementing
33 the most efficient organization of the function.

34 “(G) In the case of a commercial or industrial type
35 function performed at a Center of Industrial and Technical
36 Excellence designated under section 2474(a) of this title or
37 an Army ammunition plant, a description of the effect that

1 the manner of performance of the function, and adminis-
2 tration of the resulting contract if any, will have on the
3 overhead costs of the center or ammunition plant, as the
4 case may be.

5 “(H) The Secretary’s certification that the entire anal-
6 ysis is available for examination.

7 “(3)(A) If a decision is made to change the commercial or
8 industrial type function that was the subject of the analysis to
9 performance by the private sector, the change of the function
10 to contractor performance may not begin until after the sub-
11 mission of the report required by paragraph (1).

12 “(B) Notwithstanding subparagraph (A), in the case of a
13 commercial or industrial type function performed at a Center
14 of Industrial and Technical Excellence designated under section
15 2474(a) of this title or an Army ammunition plant, the change
16 of the function to contractor performance may not begin until
17 at least 60 days after the submission of the report.”.

18 **SEC. 332. TEMPORARY AUTHORITY FOR CONTRACTOR**
19 **PERFORMANCE OF SECURITY-GUARD FUNC-**
20 **TIONS TO MEET INCREASED REQUIREMENTS**
21 **SINCE SEPTEMBER 11, 2001.**

22 (a) CONTRACT AUTHORITY.—The Secretary of Defense or
23 the Secretary of a military department may enter into a con-
24 tract for any increased performance of security-guard functions
25 at a military installation or facility under the jurisdiction of the
26 Secretary undertaken in response to the terrorist attacks on
27 the United States on September 11, 2001, and may waive the
28 prohibition under section 2465(a) of title 10, United States
29 Code, with respect to such contract, if—

30 (1) without the contract, members of the Armed
31 Forces are or would be used to perform the increased secu-
32 rity-guard functions; and

33 (2) the Secretary concerned determines that—

34 (A) the recruiting and training standards for the
35 personnel who are to perform the security-guard func-
36 tions at the installation or facility under the contract
37 are comparable to the recruiting and training stand-

1 ards for the personnel of the Department of Defense
2 who perform security-guard functions at military instal-
3 lations and facilities under the jurisdiction of the Sec-
4 retary;

5 (B) the contractor personnel performing such
6 functions under the contract will be effectively super-
7 vised, reviewed, and evaluated; and

8 (C) the performance of such functions by the con-
9 tractor personnel will not result in a reduction in the
10 security of the installation or facility.

11 (b) INCREASED PERFORMANCE DEFINED.—In this sec-
12 tion, the term “increased performance”, with respect to secu-
13 rity-guard functions at a military installation or facility,
14 means—

15 (1) in the case of an installation or facility where no
16 security-guard functions were performed as of September
17 10, 2001, the entire scope or extent of the performance of
18 security-guard functions at the installation or facility after
19 such date; and

20 (2) in the case of an installation or facility where secu-
21 rity-guard functions were performed within a lesser scope
22 of requirements or to a lesser extent as of September 10,
23 2001, than after such date, the increment of the perform-
24 ance of security-guard functions at the installation or facil-
25 ity that exceeds such lesser scope of requirements or extent
26 of performance.

27 (c) EXPIRATION OF AUTHORITY.—The authority for con-
28 tractor performance of security-guard functions under this sec-
29 tion shall terminate at the end of the three-year period begin-
30 ning on the date of the enactment of this Act. The term of any
31 contract entered into using the authority provided by this sec-
32 tion may not extend beyond the end of such period.

33 (d) NEEDS ASSESSMENT AND PLAN.—Not later than 180
34 days after the date of the enactment of this Act, the Secretary
35 of Defense shall—

36 (1) identify any requirements for the performance of
37 security-guard functions at military installations and facili-

1 ties under the jurisdiction of the Secretary or the Secretary
2 of a military department that are expected to continue for
3 more than three years after the date of the enactment of
4 this Act and, in the absence of further action by the Sec-
5 retary or Congress, would otherwise be performed by mem-
6 bers of the Armed Forces; and

7 (2) submit to the congressional defense committees a
8 plan for meeting those requirements on a long-term basis.

9 **SEC. 333. REPEAL OF OBSOLETE PROVISION REGARD-**
10 **ING DEPOT-LEVEL MAINTENANCE AND RE-**
11 **PAIR WORKLOADS THAT WERE PERFORMED**
12 **AT CLOSED OR REALIGNED MILITARY IN-**
13 **STALLATIONS.**

14 (a) REPEAL.—Section 2469a of title 10, United States
15 Code, is repealed.

16 (b) CLERICAL AMENDMENT.—The table of sections at the
17 beginning of chapter 146 of such title is amended by striking
18 the item relating to section 2469a.

19 **SEC. 334. EXCLUSION OF CERTAIN EXPENDITURES**
20 **FROM LIMITATION ON PRIVATE SECTOR**
21 **PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.**
22

23 Section 2474(f) of title 10, United States Code, is
24 amended—

25 (1) in paragraph (1), by striking “Amounts expended
26 out of funds described in paragraph (2) for the perform-
27 ance of a depot-level maintenance and repair workload by
28 non-Federal Government personnel at a Center of Indus-
29 trial and Technical Excellence” and inserting “Amounts ex-
30 pended for the performance of a depot-level maintenance
31 and repair workload by non-Federal Government personnel
32 at a Center of Industrial and Technical Excellence under
33 any contract entered into during fiscal years 2003 through
34 2006”;

35 (2) by striking paragraph (2); and

36 (3) by redesignating paragraph (3) as paragraph (2).

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

3 **SEC. 341. ASSISTANCE TO LOCAL EDUCATIONAL AGEN-**
4 **CIES THAT BENEFIT DEPENDENTS OF MEM-**
5 **BERS OF THE ARMED FORCES AND DEPART-**
6 **MENT OF DEFENSE CIVILIAN EMPLOYEES.**

7 (a) CONTINUATION OF DEPARTMENT OF DEFENSE PRO-
8 GRAM FOR FISCAL YEAR 2003.—Of the amount authorized to
9 be appropriated pursuant to section 301(5) for operation and
10 maintenance for Defense-wide activities, \$30,000,000 shall be
11 available only for the purpose of providing educational agencies
12 assistance to local educational agencies.

13 (b) NOTIFICATION.—Not later than June 30, 2003, the
14 Secretary of Defense shall notify each local educational agency
15 that is eligible for educational agencies assistance for fiscal
16 year 2003 of—

17 (1) that agency’s eligibility for the assistance; and

18 (2) the amount of the assistance for which that agency
19 is eligible.

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

25 (d) DEFINITIONS.—In this section:

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

30 (2) The term “local educational agency” has the
31 meaning given that term in section 8013(9) of the Element-
32 ary and Secondary Education Act of 1965 (20 U.S.C.
33 7713(9)).

1 **SEC. 342. HOUSING BENEFITS FOR UNACCOMPANIED**
2 **TEACHERS REQUIRED TO LIVE AT GUANTA-**
3 **NAMO BAY NAVAL STATION, CUBA.**

4 Section 7 of the Defense Department Overseas Teachers
5 Pay and Personnel Practices Act (20 U.S.C. 905) is amended
6 by adding at the end the following new subsection:

7 “(f)(1) A teacher assigned to teach at Guantanamo Bay
8 Naval Station, Cuba, who is not accompanied at such station
9 by any dependent shall be offered for lease any available mili-
10 tary family housing at such station that is suitable for occu-
11 pancy by the teacher and is not needed to house members of
12 the armed forces and dependents accompanying them or other
13 civilian personnel and any dependents accompanying them.

14 “(2) For any period for which military family housing is
15 leased under paragraph (1) to a teacher described in such para-
16 graph, the teacher shall receive a quarters allowance in the
17 amount determined under subsection (b). The teacher is enti-
18 tled to such quarters allowance without regard to whether other
19 Government furnished quarters are available for occupancy by
20 the teacher without charge to the teacher.”.

21 **SEC. 343. OPTIONS FOR FUNDING DEPENDENT SUMMER**
22 **SCHOOL PROGRAMS.**

23 Section 1402(d)(2) of the Defense Dependents’ Education
24 Act of 1978 (20 U.S.C. 921(d)(2)) is amended to read as fol-
25 lows:

26 “(2) The Secretary shall provide any summer school pro-
27 gram under this subsection on the same financial basis as pro-
28 grams offered during the regular school year, except that the
29 Secretary may charge reasonable fees for all or portions of such
30 summer school programs to the extent that the Secretary deter-
31 mines appropriate.”.

32 **SEC. 344. IMPACT AID ELIGIBILITY FOR LOCAL EDU-**
33 **CATIONAL AGENCIES AFFECTED BY PRIVAT-**
34 **IZATION OF MILITARY HOUSING.**

35 Section 8003(b)(2) of the Elementary and Secondary Edu-
36 cation Act of 1965 (20 U.S.C. 7703(b)(2)) is amended by add-
37 ing at the end the following:

1 “(H) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL
2 EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION
3 OF MILITARY HOUSING.—

4 “(i) ELIGIBILITY.—For any fiscal year begin-
5 ning with fiscal year 2003, a heavily impacted local
6 educational agency that received a basic support
7 payment under subparagraph (A) for the prior fis-
8 cal year, but is ineligible for such payment for the
9 current fiscal year under subparagraph (B) or (C),
10 as the case may be, by reason of the conversion of
11 military housing units to private housing described
12 in clause (iii), shall be deemed to meet the eligi-
13 bility requirements under subparagraph (B) or (C),
14 as the case may be, for the period during which the
15 housing units are undergoing such conversion.

16 “(ii) AMOUNT OF PAYMENT.—The amount of
17 a payment to a heavily impacted local educational
18 agency for a fiscal year by reason of the application
19 of clause (i), and calculated in accordance with sub-
20 paragraph (D) or (E) (as the case may be), shall
21 be based on the number of children in average daily
22 attendance in the schools of such agency for the
23 fiscal year.

24 “(iii) CONVERSION OF MILITARY HOUSING
25 UNITS TO PRIVATE HOUSING DESCRIBED.—For
26 purposes of clause (i), ‘conversion of military hous-
27 ing units to private housing’ means the conversion
28 of military housing units to private housing units
29 pursuant to subchapter IV of chapter 169 of title
30 10, United States Code, or pursuant to any other
31 related provision of law.”.

32 **SEC. 345. COMPTROLLER GENERAL STUDY OF ADE-**
33 **QUACY OF COMPENSATION PROVIDED FOR**
34 **TEACHERS IN THE DEPARTMENT OF DE-**
35 **FENSE OVERSEAS DEPENDENTS’ SCHOOLS.**

36 (a) ADDITIONAL CONSIDERATION FOR STUDY.—Sub-
37 section (b) of section 354 of the National Defense Authoriza-

1 tion Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat.
2 1064) is amended by inserting after paragraph (2) the fol-
3 lowing new paragraph:

4 “(3) Whether the process for setting teacher com-
5 pensation is efficient and cost effective.”.

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

9 **Subtitle F—Information Technology**

10 **SEC. 351. ANNUAL SUBMISSION OF INFORMATION RE-** 11 **GARDING INFORMATION TECHNOLOGY CAP-** 12 **ITAL ASSETS.**

13 (a) REQUIREMENT TO SUBMIT INFORMATION.—Not later
14 than 30 days after the date on which the President submits the
15 budget for a fiscal year to Congress pursuant to section 1105
16 of title 31, United States Code, the Secretary of Defense shall
17 submit to Congress information on the following information
18 technology capital assets, including information technology cap-
19 ital assets that are a national security system, of the Depart-
20 ment of Defense:

21 (1) Information technology capital assets not covered
22 by paragraph (2) that have an estimated total cost for the
23 fiscal year for which the budget is submitted in excess of
24 \$10,000,000.

25 (2) Information technology capital assets that have an
26 estimated total cost for the fiscal year for which the budget
27 is submitted in excess of \$30,000,000 and an estimated
28 total life cycle cost (as computed in fiscal year 2003 con-
29 stant dollars) in excess of \$120,000,000.

30 (b) REQUIRED INFORMATION FOR LOW-THRESHOLD AS-
31 SETS.—With respect to each information technology capital
32 asset described in subsection (a)(1), the Secretary of Defense
33 shall include the following information:

34 (1) The name of the information technology capital
35 asset.

36 (2) The function of the asset.

1 (3) The total cost of the asset for the fiscal year for
2 which the budget is submitted, the current fiscal year, and
3 the preceding fiscal year.

4 (c) **REQUIRED INFORMATION FOR HIGH-THRESHOLD AS-**
5 **SETS.**—With respect to each information technology capital
6 asset described in subsection (a)(2), the Secretary of Defense
7 shall include the following information:

8 (1) The name and identifying acronym of the informa-
9 tion technology capital asset.

10 (2) The date of initiation of the asset.

11 (3) A summary of performance measurements and
12 metrics.

13 (4) The total amount of funds, by appropriation ac-
14 count, appropriated and obligated for prior fiscal years,
15 with a specific breakout of such information for the two
16 preceding fiscal years.

17 (5) The funds, by appropriation account, requested for
18 the next fiscal year.

19 (6) The name of each prime contractor and the work
20 to be performed.

21 (7) Program management and management oversight
22 information.

23 (8) The original baseline cost and most current base-
24 line information.

25 (9) Information regarding compliance with the provi-
26 sions of law enacted or amended by the Government Per-
27 formance Results Act of 1993 (Public Law 103–62; 107
28 Stat. 285) and the Clinger–Cohen Act of 1996 (divisions
29 D and E of Public Law 104–106; 110 Stat. 642).

30 (d) **TOTAL COST DETERMINATIONS.**—In estimating the
31 total cost for a fiscal year or total life cycle cost of an informa-
32 tion technology capital asset, the Secretary of Defense shall
33 consider research and development costs, procurement costs,
34 and operation and maintenance costs related to the information
35 technology capital asset.

36 (e) **DEFINITIONS.**—In this section:

1 (1) The term “information technology” has the mean-
2 ing given that term in section 11101 of title 40, United
3 States Code.

4 (2) The term “capital asset” has the meaning given
5 that term in Office of Management and Budget Circular
6 A–11.

7 (3) The term “national security system” has the
8 meaning given that term in section 11103 of title 40,
9 United States Code.

10 **SEC. 352. POLICY REGARDING ACQUISITION OF INFOR-**
11 **MATION ASSURANCE AND INFORMATION AS-**
12 **SURANCE-ENABLED INFORMATION TECH-**
13 **NOLOGY PRODUCTS.**

14 (a) ESTABLISHMENT OF POLICY.—The Secretary of De-
15 fense shall establish a policy to limit the acquisition of informa-
16 tion assurance and information assurance-enabled information
17 technology products to those products that have been evaluated
18 and validated in accordance with appropriate criteria, schemes,
19 or programs.

20 (b) WAIVER.—As part of the policy, the Secretary of De-
21 fense shall authorize specified officials of the Department of
22 Defense to waive the limitations of the policy upon a deter-
23 mination in writing that application of the limitations to the ac-
24 quisition of a particular information assurance or information
25 assurance-enabled information technology product would not be
26 in the national security interest of the United States.

27 (c) IMPLEMENTATION.—The Secretary of Defense shall
28 ensure that the policy is uniformly implemented throughout the
29 Department of Defense.

30 **SEC. 353. INSTALLATION AND CONNECTION POLICY AND**
31 **PROCEDURES REGARDING DEFENSE SWITCH**
32 **NETWORK.**

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

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

3 (1) Clear interoperability and compatibility require-
4 ments for procuring, certifying, installing, and connecting
5 telecom switches to the Defense Switch Network.

6 (2) Current, complete, and enforceable testing, valida-
7 tion, and certification procedures needed to ensure the
8 interoperability and compatibility requirements are satis-
9 fied.

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

12 (A) the requirements for testing, validation, and cer-
13 tification of telecom switches may be waived; or

14 (B) interim authority for the installation and connec-
15 tion of telecom switches to the Defense Switch Network
16 may be granted.

17 (2) Only the Assistant Secretary of Defense for Command,
18 Control, Communications, and Intelligence may approve a waiv-
19 er or grant of interim authority under paragraph (1). The au-
20 thority to approve such a waiver or grant of interim authority
21 may not be delegated.

22 (3) The Assistant Secretary of Defense for Command,
23 Control, Communications, and Intelligence shall consult with
24 the Chairman of the Joint Chiefs of Staff before approving a
25 waiver or grant of interim authority under paragraph (1).

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

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

32 (2) have not been tested, validated, and certified by
33 the Defense Information Systems Agency (Joint Interoper-
34 ability Test Center).

35 (e) INTEROPERABILITY RISKS.—On an ongoing basis, the
36 Secretary of Defense shall—

1 (1) identify and assess the interoperability risks that
2 are associated with the installation or connection of
3 uncertified switches to the Defense Switch Network and the
4 maintenance of such switches on the Defense Switch Net-
5 work; and

6 (2) develop and implement a plan to eliminate or miti-
7 gate such risks as identified.

8 (f) TELECOM SWITCH DEFINED.—In this section, the
9 term “telecom switch” means hardware or software designed to
10 send and receive voice, data, or video signals across a network
11 that provides customer voice, data, or video equipment access
12 to the Defense Switch Network or public switched telecommuni-
13 cations networks.

14 **Subtitle G—Other Matters**

15 **SEC. 361. DISTRIBUTION OF MONTHLY REPORTS ON AL-** 16 **LOCATION OF FUNDS WITHIN OPERATION** 17 **AND MAINTENANCE BUDGET SUBACTIVI-** 18 **TIES.**

19 (a) DESIGNATION OF RECIPIENTS.—Subsection (a) of sec-
20 tion 228 of title 10, United States Code, is amended by strik-
21 ing “to Congress” and inserting “to the congressional defense
22 committees”.

23 (b) CONGRESSIONAL DEFENSE COMMITTEES DEFINED.—
24 Subsection (e) of such section is amended—

25 (1) by striking “(e) O&M BUDGET ACTIVITY DE-
26 FINED.—For purposes of this section, the” and inserting
27 the following:

28 “(e) DEFINITIONS.—In this section:

29 “(1) The”; and

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

31 “(2) The term ‘congressional defense committees’
32 means the Committee on Armed Services and the Com-
33 mittee on Appropriations of the Senate and the Committee
34 on Armed Services and the Committee on Appropriations
35 of the House of Representatives.”.

1 **SEC. 362. CONTINUATION OF ARSENAL SUPPORT PRO-**
2 **GRAM INITIATIVE.**

3 (a) EXTENSION THROUGH FISCAL YEAR 2004.—Sub-
4 section (a) of section 343 of the Floyd D. Spence National De-
5 fense Authorization Act for Fiscal Year 2001 (as enacted into
6 law by Public Law 106–398; 114 Stat. 1654A–65) is amended
7 by striking “and 2002” and inserting “through 2004”.

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

10 (1) in paragraph (1), by striking “2002” and inserting
11 “2004”; and

12 (2) in paragraph (2), by striking the first sentence and
13 inserting the following new sentence: “Not later than July
14 1, 2003, the Secretary of the Army shall submit to the con-
15 gressional defense committees a report on the results of the
16 demonstration program since its implementation, including
17 the Secretary’s views regarding the benefits of the program
18 for Army manufacturing arsenals and the Department of
19 the Army and the success of the program in achieving the
20 purposes specified in subsection (b).”.

21 **SEC. 363. EXTENSION OF WORK SAFETY DEMONSTRA-**
22 **TION PROGRAM.**

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

27 (1) in subsection (d), by striking “September 30,
28 2002” and inserting “September 30, 2003”; and

29 (2) in subsection (e)(2), by striking “December 1,
30 2002” and inserting “December 1, 2003”.

31 (b) REVISION OF REPORTING REQUIREMENTS.—Sub-
32 section (e)(2) of such section is further amended by striking
33 “fiscal year 2002” both places it appears and inserting “fiscal
34 years 2002 and 2003”.

1 **SEC. 364. CONDITION ON AUTHORITY OF DEFENSE SE-**
2 **CURITY SERVICE TO IMPOSE FEES ON FEE-**
3 **FOR-SERVICE BASIS.**

4 The Secretary of Defense may not authorize the Defense
5 Security Service to impose fees on a fee-for-service basis for the
6 investigative services provided by the Defense Security Service
7 unless the Secretary certifies in advance to the Committee on
8 Armed Services of the House of Representatives and the Com-
9 mittee on Armed Services of the Senate that the Defense Secu-
10 rity Service has the financial systems in place to determine ac-
11 curately the cost of such services.

12 **SEC. 365. LOGISTICS SUPPORT AND SERVICES FOR**
13 **WEAPON SYSTEMS CONTRACTORS.**

14 (a) **AUTHORITY.**—The Secretary of Defense may make
15 available logistics support and logistics services to a contractor
16 in support of the performance by the contractor of a contract
17 for the construction, modification, or maintenance of a weapon
18 system that is entered into by an official of the Department of
19 Defense.

20 (b) **SUPPORT CONTRACTS.**—Any logistics support and lo-
21 gistics services to be provided under this section to a contractor
22 in support of the performance of a contract described in sub-
23 section (a) shall be provided under a separate contract that is
24 entered into by the Director of the Defense Logistics Agency
25 with that contractor. The requirements of section 2208(h) of
26 title 10, United States Code, and the regulations prescribed
27 pursuant to such section shall apply to the contract between
28 the Director of the Defense Logistics Agency and the con-
29 tractor.

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

36 (d) **LIMITATIONS.**—(1) The number of contracts described
37 in subsection (a) for which the Secretary of Defense makes lo-

1 logistics support and logistics services available under the author-
2 ity of this section may not exceed five contracts. The total
3 amount of the estimated costs of all such contracts for which
4 logistics support and logistics services are made available under
5 this section may not exceed \$100,000,000.

6 (2) No contract entered into by the Director of the De-
7 fense Logistics Agency under subsection (b) may be for a pe-
8 riod in excess of five years, including periods for which the con-
9 tract is extended under options to extend the contract.

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

17 (1) A requirement for the authority under this section
18 to be used only for providing logistics support and logistics
19 services in support of the performance of a contract that
20 is entered into using competitive procedures (as defined in
21 section 4 of the Office of Federal Procurement Policy Act
22 (41 U.S.C. 403)).

23 (2) A requirement for the solicitation of offers for a
24 contract described in subsection (a), for which logistics sup-
25 port and logistics services are to be made available under
26 this section, to include—

27 (A) a statement that the logistics support and lo-
28 gistics services are to be made available under the au-
29 thority of this section to any contractor awarded the
30 contract, but only on a basis that does not require ac-
31 ceptance of the support and services; and

32 (B) a description of the range of the logistics sup-
33 port and logistics services that are to be made available
34 to the contractor.

35 (3) A requirement for the rates charged a contractor
36 for logistics support and logistics services provided to a
37 contractor under this section to reflect the full cost to the

1 United States of the resources used in providing the sup-
2 port and services, including the costs of resources used, but
3 not paid for, by the Department of Defense.

4 (4) With respect to a contract described in subsection
5 (a) that is being performed for a department or agency
6 outside the Department of Defense, a prohibition, in ac-
7 cordance with applicable contracting procedures, on the im-
8 position of any charge on that department or agency for
9 any effort of Department of Defense personnel or the con-
10 tractor to correct deficiencies in the performance of such
11 contract.

12 (5) A prohibition on the imposition of any charge on
13 a contractor for any effort of the contractor to correct a
14 deficiency in the performance of logistics support and logis-
15 tics services provided to the contractor under this section.

16 (f) RELATIONSHIP TO TREATY OBLIGATIONS.—The Sec-
17 retary shall ensure that the exercise of authority under this sec-
18 tion does not conflict with any obligation of the United States
19 under any treaty or other international agreement.

20 (g) TERMINATION OF AUTHORITY.—(1) The authority
21 provided in this section shall expire on September 30, 2007.

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

24 (A) any contract that was entered into by the Director
25 of the Defense Logistics Agency under subsection (b) be-
26 fore the date specified in paragraph (1) or any obligation
27 to provide logistics support and logistics services under that
28 contract; or

29 (B) any authority to enter into a contract described in
30 subsection (a) for which a solicitation of offers was issued
31 in accordance with the regulations prescribed pursuant to
32 subsection (e)(2) before the date specified in paragraph (1)
33 or to provide logistics support and logistics services to the
34 contractor with respect to that contract in accordance with
35 this section.

1 **SEC. 366. TRAINING RANGE SUSTAINMENT PLAN, GLOB-**
2 **AL STATUS OF RESOURCES AND TRAINING**
3 **SYSTEM, AND TRAINING RANGE INVENTORY.**

4 (a) PLAN REQUIRED.—(1) The Secretary of Defense shall
5 develop a comprehensive plan for using existing authorities
6 available to the Secretary of Defense and the Secretaries of the
7 military departments to address training constraints caused by
8 limitations on the use of military lands, marine areas, and air-
9 space that are available in the United States and overseas for
10 training of the Armed Forces.

11 (2) As part of the preparation of the plan, the Secretary
12 of Defense shall conduct the following:

13 (A) An assessment of current and future training
14 range requirements of the Armed Forces.

15 (B) An evaluation of the adequacy of current Depart-
16 ment of Defense resources (including virtual and construc-
17 tive training assets as well as military lands, marine areas,
18 and airspace available in the United States and overseas)
19 to meet those current and future training range require-
20 ments.

21 (3) The plan shall include the following:

22 (A) Proposals to enhance training range capabilities
23 and address any shortfalls in current Department of De-
24 fense resources identified pursuant to the assessment and
25 evaluation conducted under paragraph (2).

26 (B) Goals and milestones for tracking planned actions
27 and measuring progress.

28 (C) Projected funding requirements for implementing
29 planned actions.

30 (D) Designation of an office in the Office of the Sec-
31 retary of Defense and in each of the military departments
32 that will have lead responsibility for overseeing implementa-
33 tion of the plan.

34 (4) At the same time as the President submits to Congress
35 the budget for fiscal year 2004, the Secretary of Defense shall
36 submit to Congress a report describing the progress made in
37 implementing this subsection, including—

3–31

- 1 (A) the plan developed under paragraph (1);
2 (B) the results of the assessment and evaluation con-
3 ducted under paragraph (2); and
4 (C) any recommendations that the Secretary may have
5 for legislative or regulatory changes to address training
6 constraints identified pursuant to this section.

7 (5) At the same time as the President submits to Congress
8 the budget for each of fiscal years 2005 through 2008, the Sec-
9 retary shall submit to Congress a report describing the
10 progress made in implementing the plan and any additional ac-
11 tions taken, or to be taken, to address training constraints
12 caused by limitations on the use of military lands, marine
13 areas, and airspace.

14 (b) **READINESS REPORTING IMPROVEMENT.**—Not later
15 than June 30, 2003, the Secretary of Defense, using existing
16 measures within the authority of the Secretary, shall submit to
17 Congress a report on the plans of the Department of Defense
18 to improve the Global Status of Resources and Training Sys-
19 tem to reflect the readiness impact that training constraints
20 caused by limitations on the use of military lands, marine
21 areas, and airspace have on specific units of the Armed Forces.

22 (c) **TRAINING RANGE INVENTORY.**—(1) The Secretary of
23 Defense shall develop and maintain a training range inventory
24 for each of the Armed Forces—

25 (A) to identify all available operational training
26 ranges;

27 (B) to identify all training capacities and capabilities
28 available at each training range; and

29 (C) to identify training constraints caused by limita-
30 tions on the use of military lands, marine areas, and air-
31 space at each training range.

32 (2) The Secretary of Defense shall submit an initial inven-
33 tory to Congress at the same time as the President submits the
34 budget for fiscal year 2004 and shall submit an updated inven-
35 tory to Congress at the same time as the President submits the
36 budget for fiscal years 2005 through 2008.

1 (d) GAO EVALUATION.—The Secretary of Defense shall
2 transmit copies of each report required by subsections (a) and
3 (b) to the Comptroller General. Within 60 days after receiving
4 a report, the Comptroller General shall submit to Congress an
5 evaluation of the report.

6 (e) ARMED FORCES DEFINED.—In this section, the term
7 “Armed Forces” means the Army, Navy, Air Force, and Ma-
8 rine Corps.

9 **SEC. 367. ENGINEERING STUDY AND ENVIRONMENTAL**
10 **ANALYSIS OF ROAD MODIFICATIONS IN VI-**
11 **CINITY OF FORT BELVOIR, VIRGINIA.**

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

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

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

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

33 (d) FUNDING.—Of the amount authorized to be appro-
34 priated by section 301(a)(1) for the Army for operation and
35 maintenance, \$5,000,000 may be made available for the study
36 and analysis required by subsection (a).

1 **SEC. 368. REAUTHORIZATION OF WARRANTY CLAIMS RE-**
2 **COVERY PILOT PROGRAM.**

3 Section 391 of the National Defense Authorization Act for
4 Fiscal Year 1998 (Public Law 105-85; 10 U.S.C. 2304 note),
5 as amended by section 364 of Public Law 107-107 (115 Stat.
6 1068), is further amended—

7 (1) in subsection (f), by striking “September 30,
8 2003” and inserting “September 30, 2004”; and

9 (2) by striking subsection (g).

10 **SEC. 369. EXPANDED ELIGIBILITY FOR LOAN, GIFT, OR**
11 **EXCHANGE OF DOCUMENTS, HISTORICAL**
12 **ARTIFACTS, AND CONDEMNED OR OBSOLETE**
13 **COMBAT MATERIEL.**

14 Section 2572(a)(3) of title 10, United States Code, is
15 amended by inserting before the period the following: “or a
16 nonprofit military aviation heritage foundation or association
17 incorporated in a State”.

1 **TITLE IV—MILITARY PERSONNEL**
 2 **AUTHORIZATIONS**

Subtitle A—Active Forces

- Sec. 401. End strengths for active forces.
 Sec. 402. Revision in permanent end strength minimum levels.
 Sec. 403. Expanded authority for administrative increases in statutory active-duty end strengths.
 Sec. 404. General and flag officer management.
 Sec. 405. Extension of certain authorities relating to management of numbers of general and flag officers in certain grades.
 Sec. 406. Increase in authorized strengths for Marine Corps officers on active duty in the grade of colonel.

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 2003 limitation on non-dual status technicians.

Subtitle C—Authorization of Appropriations

- Sec. 421. Authorization of appropriations for military personnel.

3 **Subtitle A—Active Forces**

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

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

- 7 (1) The Army, 480,000.
 8 (2) The Navy, 375,700.
 9 (3) The Marine Corps, 175,000.
 10 (4) The Air Force, 359,000.

11 **SEC. 402. REVISION IN PERMANENT END STRENGTH**
 12 **MINIMUM LEVELS.**

13 (a) REVISED END STRENGTH FLOORS.—Subsection (b) of
 14 section 691 of title 10, United States Code, is amended—

- 15 (1) in paragraph (2), by striking “376,000” and in-
 16 serting “375,700”;
 17 (2) in paragraph (3), by striking “172,600” and in-
 18 serting “175,000”; and
 19 (3) in paragraph (4), by striking “358,800” and in-
 20 serting “359,000”.

21 (b) REPEAL OF SECRETARY OF DEFENSE FLEXIBILITY
 22 AUTHORITY.—Subsection (e) of such section is repealed.

1 **SEC. 403. [H403]. EXPANDED AUTHORITY FOR ADMINIS-**
2 **TRATIVE INCREASES IN STATUTORY ACTIVE-**
3 **DUTY END STRENGTHS.**

4 (a) SECRETARY OF DEFENSE AUTHORITY.—Subsection
5 (c)(1) of section 115 of title 10, United States Code, is amend-
6 ed by striking “2 percent” and inserting “3 percent”.

7 (b) SERVICE SECRETARY AUTHORITY.—Such section is
8 further amended by inserting after subsection (e) the following
9 new subsection:

10 “(f) Upon determination by the Secretary of a military de-
11 partment that such action would enhance manning and readi-
12 ness in essential units or in critical specialties or ratings, the
13 Secretary may increase the end strength authorized pursuant
14 to subsection (a)(1)(A) for a fiscal year for the armed force
15 under the jurisdiction of that Secretary or, in the case of the
16 Secretary of the Navy, for any of the armed forces under the
17 jurisdiction of that Secretary. Any such increase for a fiscal
18 year—

19 “(1) shall be by a number equal to not more than 2
20 percent of such authorized end strength; and

21 “(2) shall be counted as part of the increase for that
22 armed force for that fiscal year authorized under sub-
23 section (c)(1).”.

24 **SEC. 404. GENERAL AND FLAG OFFICER MANAGEMENT.**

25 (a) EXCLUSION OF SENIOR MILITARY ASSISTANT TO THE
26 SECRETARY OF DEFENSE FROM LIMITATION ON ACTIVE DUTY
27 OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR AD-
28 MIRAL.—Effective on the date specified in subsection (d), sec-
29 tion 525(b) of title 10, United States Code, is amended by add-
30 ing at the end the following new paragraph:

31 “(8) An officer while serving in a position designated by
32 the Secretary of Defense as Senior Military Assistant to the
33 Secretary of Defense, if serving in the grade of lieutenant gen-
34 eral or vice admiral, is in addition to the number that otherwise
35 would be permitted for that officer’s armed force for that grade
36 under paragraph (1) or (2). Only one officer may be designated

1 as Senior Military Assistant to the Secretary of Defense for
2 purposes of this paragraph.”.

3 (b) INCREASE IN NUMBER OF LIEUTENANT GENERALS
4 AUTHORIZED FOR THE MARINE CORPS.—Paragraph (2)(B) of
5 such section is amended by striking “16.2 percent” and insert-
6 ing “17.5 percent”.

7 (c) REVIEW OF ACTIVE DUTY AND RESERVE GENERAL
8 AND FLAG OFFICER AUTHORIZATIONS.—(1) The Secretary of
9 Defense shall submit to Congress a report containing any rec-
10 ommendations of the Secretary (together with the rationale of
11 the Secretary for the recommendations) concerning the fol-
12 lowing:

13 (A) Revision of the limitations on general and flag of-
14 ficer grade authorizations and distribution in grade pre-
15 scribed by sections 525, 526, and 12004 of title 10, United
16 States Code.

17 (B) Statutory designation of the positions and grades
18 of any additional general and flag officers in the commands
19 specified in chapter 1006 of title 10, United States Code,
20 and the reserve component offices specified in sections
21 3038, 5143, 5144, and 8038 of such title.

22 (2) The provisions of subsection (b) through (e) of section
23 1213 of the National Defense Authorization Act for Fiscal
24 Year 1997 (Public Law 104-201; 110 Stat. 2694) shall apply
25 to the report under paragraph (1) in the same manner as they
26 applied to the report required by subsection (a) of that section.

27 (d) EFFECTIVE DATE.—The amendment made by sub-
28 section (a) shall take effect on the date of the receipt by Con-
29 gress of the report required by subsection (c).

30 **SEC. 405. EXTENSION OF CERTAIN AUTHORITIES RELAT-**
31 **ING TO MANAGEMENT OF NUMBERS OF GEN-**
32 **ERAL AND FLAG OFFICERS IN CERTAIN**
33 **GRADES.**

34 (a) SENIOR JOINT OFFICER POSITIONS.—Section 604(c)
35 of title 10, United States Code, is amended by striking “Sep-
36 tember 30, 2003” and inserting “December 31, 2004”.

1 (b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN
 2 GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5)(C)
 3 of such title is amended by striking “September 30, 2003” and
 4 inserting “December 31, 2004”.

5 (c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG
 6 OFFICERS ON ACTIVE DUTY.—Section 526(b)(3) of such title
 7 is amended by striking “October 1, 2002” and inserting “De-
 8 cember 31, 2004”.

9 **SEC. 406. INCREASE IN AUTHORIZED STRENGTHS FOR**
 10 **MARINE CORPS OFFICERS ON ACTIVE DUTY**
 11 **IN THE GRADE OF COLONEL.**

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

“571
 632
 653
 673
 694
 715
 735”.

16 **Subtitle B—Reserve Forces**

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

18 (a) IN GENERAL.—The Armed Forces are authorized
 19 strengths for Selected Reserve personnel of the reserve compo-
 20 nents as of September 30, 2003, as follows:

- 21 (1) The Army National Guard of the United States,
 22 350,000.
 23 (2) The Army Reserve, 205,000.
 24 (3) The Naval Reserve, 87,800.
 25 (4) The Marine Corps Reserve, 39,558.
 26 (5) The Air National Guard of the United States,
 27 106,600.
 28 (6) The Air Force Reserve, 75,600.
 29 (7) The Coast Guard Reserve, 9,000.

30 (b) ADJUSTMENTS.—The end strengths prescribed by sub-
 31 section (a) for the Selected Reserve of any reserve component
 32 shall be proportionately reduced by—

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

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

10 Whenever such units or such individual members are released
11 from active duty during any fiscal year, the end strength pre-
12 scribed for such fiscal year for the Selected Reserve of such re-
13 serve component shall be proportionately increased by the total
14 authorized strengths of such units and by the total number of
15 such individual members.

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

18 Within the end strengths prescribed in section 411(a), the
19 reserve components of the Armed Forces are authorized, as of
20 September 30, 2003, the following number of Reserves to be
21 serving on full-time active duty or full-time duty, in the case
22 of members of the National Guard, for the purpose of orga-
23 nizing, administering, recruiting, instructing, or training the re-
24 serve components:

25 (1) The Army National Guard of the United States,
26 24,562.

27 (2) The Army Reserve, 14,070.

28 (3) The Naval Reserve, 14,572.

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

30 (5) The Air National Guard of the United States,
31 11,727.

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

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

35 The minimum number of military technicians (dual status)
36 as of the last day of fiscal year 2003 for the reserve compo-

1 nents of the Army and the Air Force (notwithstanding section
2 129 of title 10, United States Code) shall be the following:

3 (1) For the Army National Guard of the
4 United States, 24,102.

5 (2) For the Army Reserve, 6,599.

6 (3) For the Air National Guard of the United States,
7 22,495.

8 (4) For the Air Force Reserve, 9,911.

9 **SEC. 414. FISCAL YEAR 2003 LIMITATION ON NON-DUAL**
10 **STATUS TECHNICIANS.**

11 (a) ARMY.—The number of non-dual status technicians
12 employed by the reserve components of the Army as of Sep-
13 tember 30, 2003, may not exceed the following:

14 (1) For the Army Reserve, 995.

15 (2) For the Army National Guard of the United
16 States, 1,600, to be counted within the limitation specified
17 in section 10217(e)(2) of title 10, United States Code.

18 (b) AIR FORCE.—The number of non-dual status techni-
19 cians employed by the reserve components of the Army and the
20 Air Force as of September 30, 2003, may not exceed the fol-
21 lowing:

22 (1) For the Air Force Reserve, 90.

23 (2) For the Air National Guard of the United States,
24 350, to be counted within the limitation specified in section
25 10217(c)(2) of title 10, United States Code.

26 (c) NON-DUAL STATUS TECHNICIANS DEFINED.—In this
27 section, the term “non-dual status technician” has the meaning
28 given that term in section 10217(a) of title 10, United States
29 Code.

30 (d) TECHNICAL AMENDMENTS.—Section 10217(c)(2) of
31 title 10, United States Code, is amended—

32 (1) in the first sentence, by striking “Effective Octo-
33 ber 1, 2002, the” and inserting “The”; and

34 (2) in the second sentence, by striking “after the pre-
35 ceding sentence takes effect”.

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

3 **SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR**
4 **MILITARY PERSONNEL.**

5 There is hereby authorized to be appropriated to the De-
6 partment of Defense for military personnel for fiscal year 2003
7 a total of \$93,829,525,000. The authorization in the preceding
8 sentence supersedes any other authorization of appropriations
9 (definite or indefinite) for such purpose for fiscal year 2003.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

- 1
- 2
- Sec. 501. Extension of good-of-the-service waiver authority for officers appointed to a Reserve Chief or Guard Director position.
- Sec. 502. Exclusion of certain officers from limitation on authority to grant a waiver of required completion or sequencing for joint professional military education.
- Sec. 503. Extension and codification of authority for recall of retired aviators to active duty.
- Sec. 504. Grades for certain positions.
- Sec. 505. Reinstatement of authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
- Sec. 506. Authority to require that an officer take leave pending review of a recommendation for removal by a board of inquiry.

Subtitle B—Reserve Component Management

- Sec. 511. Reviews of National Guard strength accounting and management and other issues.
- Sec. 512. Courts-martial for the National Guard when not in Federal service.
- Sec. 513. Fiscal year 2003 funding for military personnel costs of reserve component Special Operations Forces personnel engaged in humanitarian assistance activities relating to clearing of landmines.
- Sec. 514. Use of Reserves to perform duties relating to defense against terrorism.
- Sec. 515. Repeal of prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.

Subtitle C—Reserve Component Officer Personnel Policy

- Sec. 521. Eligibility for consideration for promotion to grade of major general for certain reserve component brigadier generals who do not otherwise qualify for consideration for promotion under the one-year rule.
- Sec. 522. Authority for limited extension of medical deferment of mandatory retirement or separation of reserve component officers.

Subtitle D—Enlistment, Education, and Training Programs

- Sec. 531. Enlistment incentives for pursuit of skills to facilitate national service.
- Sec. 532. Authority for phased increase to 4,400 in authorized strengths for the service academies.
- Sec. 533. Enhancement of reserve component delayed training program.
- Sec. 534. Review of Armed Forces programs for preparation for, participation in, and conduct of athletic competitions.
- Sec. 535. Repeal of bar to eligibility of Army College First program participants for benefits under student loan repayment program.

Subtitle E—Decorations, Awards, and Commendations

- Sec. 541. Waiver of time limitations for award of Army Distinguished-Service Cross to certain persons.
- Sec. 542. Option to convert award of Armed Forces Expeditionary Medal awarded for Operation Frequent Wind to Vietnam Service Medal.
- Sec. 543. Korea Defense Service Medal.

Sec. 544. Commendation of military chaplains.

Subtitle F—Administrative Matters

Sec. 551. Staffing and funding for Defense Prisoner of War/Missing Personnel Office.

Sec. 552. Three-year freeze on reductions of personnel of agencies responsible for review and correction of military records.

Sec. 553. Authority for acceptance of voluntary services of individuals as proctors for administration of Armed Services Vocational Aptitude Battery test.

Sec. 554. Extension of temporary early retirement authority.

Subtitle G—Matters Relating to Minorities and Women in the Armed Forces

Sec. 561. Surveys of racial and ethnic issues and of gender issues in the Armed Forces.

Sec. 562. Annual report on status of female members of the Armed Forces.

Sec. 563. Wear of abayas by female members of the Armed Forces in Saudi Arabia.

Subtitle H—Benefits

Sec. 571. Department of Defense support for persons participating in military funeral honors details.

Sec. 572. Emergency leave of absence program.

Sec. 573. Enhanced flexibility in medical loan repayment program.

Sec. 574. Destinations authorized for Government paid transportation of enlisted personnel for rest and recuperation absence upon extending duty at designated locations overseas.

Sec. 575. Vehicle storage in lieu of transportation when member is ordered to a nonforeign duty station outside continental United States.

Subtitle I—Reports

Sec. 581. Quadrennial quality of life review.

Sec. 582. Report on desirability and feasibility of consolidating separate courses of basic instruction for judge advocates.

Sec. 583. Reports on efforts to resolve status of Captain Michael Scott Speicher, United States Navy.

Sec. 584. Report on volunteer services of members of the reserve components in emergency response to the terrorist attacks of September 11, 2001.

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF GOOD-OF-THE-SERVICE WAIVER AUTHORITY FOR OFFICERS APPOINTED TO A RESERVE CHIEF OR GUARD DIRECTOR POSITION.

(a) WAIVER OF REQUIREMENT FOR SIGNIFICANT JOINT DUTY EXPERIENCE.—Sections 3038(b)(4), 5143(b)(4), 5144(b)(4), 8038(b)(4), and 10506(a)(3)(D) of title 10, United States Code, are each amended by striking “October 1, 2003” and inserting “December 31, 2004”.

(b) REPORT ON FUTURE IMPLEMENTATION OF REQUIREMENT.—Not later than May 1, 2003, the Secretary of Defense

1 shall submit to the Committee on Armed Services of the Senate
2 and the Committee on Armed Services of the House of Rep-
3 resentatives a report—

4 (1) setting forth the steps that have been taken by the
5 Secretary, the Secretaries of the military departments, and
6 the Chairman of the Joint Chiefs of Staff to ensure that
7 Reserve and National Guard officers receive significant
8 joint duty experience; and

9 (2) specifying the date by which no further extension
10 of the waiver authority under the sections amended by sub-
11 section (a) will be required.

12 **SEC. 502. EXCLUSION OF CERTAIN OFFICERS FROM LIM-**
13 **ITATION ON AUTHORITY TO GRANT A WAIV-**
14 **ER OF REQUIRED COMPLETION OR SE-**
15 **QUENCING FOR JOINT PROFESSIONAL MILI-**
16 **TARY EDUCATION.**

17 (a) EXCLUSION FROM LIMITATION.—There shall be ex-
18 cluded from counting for purposes of the 10-percent limitation
19 set forth in the last sentence of section 661(c)(3)(D) of title
20 10, United States Code (limiting the authority to grant waivers
21 related to sequencing or completion of program of joint profes-
22 sional military education), any officer selected for the joint spe-
23 cialty who—

24 (1) on December 28, 2001, met the requirements of
25 section 661(c) of such title for nomination for the joint spe-
26 cialty, but who had not been nominated for that specialty
27 before that date by the Secretary of the military depart-
28 ment concerned; and

29 (2) before the date of the enactment of this Act was
30 automatically nominated for the joint specialty as a result
31 of section 661(b)(2) of such title.

32 (b) TERMINATION.—The provisions of subsection (a) shall
33 terminate on October 1, 2006.

34 (c) CROSS-REFERENCE CORRECTION.—Section
35 661(c)(3)(E) of title 10, United States Code, is amended by
36 striking “subparagraph” and inserting “paragraph”.

1 **SEC. 503. EXTENSION AND CODIFICATION OF AUTHOR-**
2 **ITY FOR RECALL OF RETIRED AVIATORS TO**
3 **ACTIVE DUTY.**

4 (a) IN GENERAL.—(1) Chapter 39 of title 10, United
5 States Code, is amended by inserting after section 688 the fol-
6 lowing new section:

7 **“§ 688a. Retired aviators: temporary authority to**
8 **order to active duty**

9 “(a) AUTHORITY.—The Secretary of a military depart-
10 ment may order to active duty a retired officer having expertise
11 as an aviator to fill staff positions normally filled by aviators
12 on active duty. Any such order may be made only with the con-
13 sent of the officer ordered to active duty and in accordance
14 with an agreement between the Secretary and the officer.

15 “(b) DURATION.—The period of active duty of an officer
16 under an order to active duty under subsection (a) shall be
17 specified in the agreement entered into under that subsection.

18 “(c) LIMITATION.—No more than a total of 500 officers
19 may be on active duty at any time under subsection (a).

20 “(d) RELATIONSHIP TO OTHER AUTHORITY.—The author-
21 ity to order a retired officer to active duty under this section
22 is in addition to the authority under section 688 of this title
23 or any other provision of law authorizing the Secretary con-
24 cerned to order a retired member to active duty.

25 “(e) INAPPLICABILITY OF CERTAIN PROVISIONS.—Officers
26 ordered to active duty under subsection (a) shall not be counted
27 for purposes of section 688 or 690 of this title.

28 “(f) EXPIRATION OF AUTHORITY.—An officer may not be
29 ordered to active duty under this section after September 30,
30 2008.”.

31 (2) The table of sections at the beginning of such chapter
32 is amended by inserting after the item relating to section 688
33 the following new item:

“688a. Retired aviators: temporary authority to order to active duty.”.

34 (b) GRADE IN WHICH ORDERED TO ACTIVE DUTY AND
35 UPON RELEASE FROM ACTIVE DUTY.—(1) Section 689 of

1 such title is amended by inserting “or 688a” after “section
2 688” each place it appears.

3 (2) The provisions of section 689(d) of title 10, United
4 States Code, shall apply with respect to an officer ordered to
5 active duty under section 501 of the National Defense Author-
6 ization Act for Fiscal Year 2000 (Public Law 106–65; 113
7 Stat. 589) before the date of the enactment of this Act in the
8 same manner as such provisions apply to an officer ordered to
9 active duty under section 688 of such title.

10 (c) TRANSITION PROVISION.—Any officer ordered to active
11 duty under section 501 of the National Defense Authorization
12 Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 589)
13 who continues on active duty under such order to active duty
14 after the date of the enactment of this Act shall be counted for
15 purposes of the limitation under subsection (c) of section 688a
16 of title 10, United States Code, as added by subsection (a).

17 **SEC. 504. GRADES FOR CERTAIN POSITIONS.**

18 (a) HEADS OF NURSE CORPS.—(1) Section 3069(b) of
19 title 10, United States Code, is amended by striking “brigadier
20 general” in the second sentence and inserting “major general”.

21 (2) The first sentence of section 5150(c) of such title is
22 amended—

23 (A) by inserting “rear admiral, in the case of an offi-
24 cer in the Nurse Corps, or” after “for promotion to the
25 grade of”; and

26 (B) by inserting “, in the case of an officer in the
27 Medical Service Corps” after “rear admiral (lower half)”.

28 (3) Section 8069(b) of such title is amended by striking
29 “brigadier general” in the second sentence and inserting
30 “major general”.

31 (b) CHIEF OF VETERINARY CORPS OF THE ARMY.—(1)
32 Chapter 307 of such title is amended by adding at the end the
33 following new section:

34 **“§ 3084. Chief of Veterinary Corps; grade**

35 “The Chief of the Veterinary Corps of the Army serves in
36 the grade of brigadier general. An officer appointed to that po-

1 sition who holds a lower grade shall be appointed in the grade
2 of brigadier general.”.

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

“3084. Chief of Veterinary Corps: grade.”.

5 (c) CHIEF OF LEGISLATIVE LIAISON OF THE ARMY.—
6 (1)(A) Chapter 303 of such title is amended by adding at the
7 end the following new section:

8 **“§ 3023. Chief of Legislative Liaison**

9 “(a) There is a Chief of Legislative Liaison in the Depart-
10 ment of the Army. An officer assigned to that position shall be
11 an officer in the grade of major general.

12 “(b) The Chief of Legislative Liaison shall perform legisla-
13 tive affairs functions as specified for the Office of the Secretary
14 of the Army by section 3014(c)(1)(F) of this title.”.

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

“3023. Chief of Legislative Liaison.”.

17 (2) Section 3014(b) of such title is amended—

18 (A) by redesignating paragraphs (6) and (7) as para-
19 graphs (7) and (8), respectively; and

20 (B) by inserting after paragraph (5) the following new
21 paragraph (6):

22 “(6) The Chief of Legislative Liaison.”.

23 (d) LEGISLATIVE AFFAIRS POSITIONS OF THE NAVY AND
24 MARINE CORPS.—(1)(A) Chapter 503 of such title is amended
25 by adding at the end the following new section:

26 **“§ 5027. Chief of Legislative Affairs**

27 “(a) There is a Chief of Legislative Affairs in the Depart-
28 ment of the Navy. An officer assigned to that position shall be
29 an officer in the grade of rear admiral.

30 “(b) The Chief of Legislative Affairs shall perform legisla-
31 tive affairs functions as specified for the Office of the Secretary
32 of the Navy by section 5014(c)(1)(F) of this title.”.

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

“5027. Chief of Legislative Affairs.”.

3 (2) Section 5014(b) of such title is amended—

4 (A) by redesignating paragraphs (6) and (7) as para-
5 graphs (7) and (8), respectively; and

6 (B) by inserting after paragraph (5) the following new
7 paragraph (6):

8 “(6) The Chief of Legislative Affairs.”.

9 (3)(A) Chapter 506 of such title is amended by adding at
10 the end the following new section:

11 **“§ 5047. Legislative Assistant to the Commandant**

12 “There is in the Marine Corps a Legislative Assistant to
13 the Commandant. An officer assigned to that position shall be
14 in a grade above colonel.”.

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

“5047. Legislative Assistant to the Commandant.”.

17 (e) CHIEF OF LEGISLATIVE LIAISON OF THE AIR
18 FORCE.—(1)(A) Chapter 803 of such title is amended by add-
19 ing at the end the following new section:

20 **“§ 8023. Chief of Legislative Liaison**

21 “(a) There is a Chief of Legislative Liaison in the Depart-
22 ment of the Air Force. An officer assigned to that position
23 shall be an officer in the grade of major general.

24 “(b) The Chief of Legislative Liaison shall perform legisla-
25 tive affairs functions as specified for the Office of the Secretary
26 of the Air Force by section 8014(e)(1)(F) of this title.”.

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

“8023. Chief of Legislative Liaison.”.

29 (2) Section 8014(b) of such title is amended—

30 (A) by redesignating paragraphs (5) and (6) as para-
31 graphs (6) and (7), respectively; and

32 (B) by inserting after paragraph (4) the following new
33 paragraph (5):

1 “(5) The Chief of Legislative Liaison.”.

2 (f) TECHNICAL AMENDMENT TO PROVIDE CORRECT
3 STATUTORY TITLE OF GRADE.—Section 5022(a)(2) of such
4 title is amended by striking “(upper half)”.

5 **SEC. 505. REINSTATEMENT OF AUTHORITY TO REDUCE**
6 **THREE-YEAR TIME-IN-GRADE REQUIREMENT**
7 **FOR RETIREMENT IN GRADE FOR OFFICERS**
8 **IN GRADES ABOVE MAJOR AND LIEUTENANT**
9 **COMMANDER.**

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

12 (1) in subparagraph (A), by striking “during the pe-
13 riod beginning on October 1, 1990, and ending on Decem-
14 ber 31, 2001” and inserting “during the period beginning
15 on October 1, 2002, and ending on December 31, 2003”;

16 (2) by redesignating subparagraphs (B) and (C) as
17 subparagraphs (D) and (E), respectively; and

18 (3) by inserting after subparagraph (A) the following
19 new subparagraphs (B) and (C):

20 “(B) In the case of an officer to be retired in a general
21 or flag officer grade, authority provided by the Secretary of De-
22 fense to the Secretary of a military department under subpara-
23 graph (A) may be exercised with respect to that officer only if
24 approved by the Secretary of Defense or another civilian official
25 in the Office of the Secretary of Defense appointed by the
26 President, by and with the advice and consent of the Senate.

27 “(C) Authority provided by the Secretary of Defense to
28 the Secretary of a military department under subparagraph (A)
29 may be delegated within that military department only to a ci-
30 vilian official of that military department appointed by the
31 President, by and with the advice and consent of the Senate.”.

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

34 (1) by designating the second sentence of paragraph
35 (5) as paragraph (6) and in that paragraph by striking
36 “this paragraph” and inserting “paragraph (5)”; and

37 (2) in paragraph (5)—

38 (A) by inserting “(A)” after “(5)”;

1 (B) by striking “in the case of retirements effective during the period beginning on October 17, 1998, and ending on December 31, 2001” and inserting “in the case of transfers to the Retired Reserve and discharges of retirement-qualified officers effective during the period beginning on October 1, 2002, and ending on December 31, 2003”; and

2 (C) by adding at the end (before paragraph (6) as designated by paragraph (1) of this subsection) the following new subparagraphs:

3 “(B) In the case of a person who, upon transfer to the Retired Reserve or discharge, is to be credited with satisfactory service in a general or flag officer grade under paragraph (1), authority provided by the Secretary of Defense to the Secretary of a military department under subparagraph (A) may be exercised with respect to that person only if approved by the Secretary of Defense or another civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate.

4 “(C) Authority provided by the Secretary of Defense to the Secretary of a military department under subparagraph (A) may be delegated within that military department only to a civilian official of that military department appointed by the President, by and with the advice and consent of the Senate.”.

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

6 “(e) ADVANCE NOTICE TO CONGRESSIONAL COMMITTEES.—(1) In the case of an officer to be retired in a grade that is a general or flag officer grade who is eligible to retire in that grade only by reason of an exercise of authority under paragraph (2) of subsection (a) to reduce the three-year service-in-grade requirement otherwise applicable under that paragraph, the Secretary of Defense, before the officer is retired in that grade, shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House

1 of Representatives of the exercise of authority under that para-
2 graph with respect to that officer.

3 “(2) In the case of a person to be credited under sub-
4 section (d) with satisfactory service in a grade that is a general
5 or flag officer grade who is eligible to be credited with such
6 service in that grade only by reason of an exercise of authority
7 under paragraph (5) of that subsection to reduce the three-year
8 service-in-grade requirement otherwise applicable under para-
9 graph (3)(A) of that subsection, the Secretary of Defense, be-
10 fore the person is credited with such satisfactory service in that
11 grade, shall notify the Committee on Armed Services of the
12 Senate and the Committee on Armed Services of the House of
13 Representatives of the exercise of authority under paragraph
14 (5) of that subsection with respect to that officer.

15 “(3) In the case of an officer to whom subsection (c) ap-
16 plies, the requirement for notification under paragraph (1) is
17 satisfied if the notification is included in the certification sub-
18 mitted with respect to that officer under paragraph (1) of such
19 subsection.”.

20 **SEC. 506. AUTHORITY TO REQUIRE THAT AN OFFICER**
21 **TAKE LEAVE PENDING REVIEW OF A REC-**
22 **COMMENDATION FOR REMOVAL BY A BOARD**
23 **OF INQUIRY.**

24 (a) REQUIREMENT.—Section 1182(c) of title 10, United
25 States Code, is amended—

26 (1) by inserting “(1)” after “(c)”; and

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

28 “(2) Under regulations prescribed by the Secretary con-
29 cerned, an officer as to whom a board of inquiry makes a rec-
30 ommendation under paragraph (1) that the officer not be re-
31 tained on active duty may be required to take leave pending the
32 completion of the officer’s case under this chapter. The officer
33 may be required to begin such leave at any time following the
34 officer’s receipt of the report of the board of inquiry, including
35 the board’s recommendation for removal from active duty, and
36 the expiration of any period allowed for submission by the offi-
37 cer of a rebuttal to that report. The leave may be continued

1 until the date on which action by the Secretary concerned on
2 the officer's case is completed or may be terminated at any ear-
3 lier time.”.

4 (b) PAYMENT FOR MANDATORY EXCESS LEAVE UPON
5 DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARATION REC-
6 OMMENDATIONS.—Chapter 40 of such title is amended by in-
7 serting after section 707 the following new section:

8 **“§ 707a. Payment upon disapproval of certain**
9 **board of inquiry recommendations for ex-**
10 **cess leave required to be taken**

11 “(a) An officer—

12 “(1) who is required to take leave under section
13 1182(c)(2) of this title, any period of which is charged as
14 excess leave under section 706(a) of this title, and

15 “(2) whose recommendation for removal from active
16 duty in a report of a board of inquiry is not approved by
17 the Secretary concerned under section 1184 of this title,
18 shall be paid, as provided in subsection (b), for the period of
19 leave charged as excess leave.

20 “(b)(1) An officer entitled to be paid under this section
21 shall be deemed, for purposes of this section, to have accrued
22 pay and allowances for each day of leave required to be taken
23 under section 1182(c)(2) of this title that is charged as excess
24 leave (except any day of accrued leave for which the officer has
25 been paid under section 706(b)(1) of this title and which has
26 been charged as excess leave).

27 “(2) The officer shall be paid the amount of pay and al-
28 lowances that is deemed to have accrued to the officer under
29 paragraph (1), reduced by the total amount of his income from
30 wages, salaries, tips, other personal service income, unemploy-
31 ment compensation, and public assistance benefits from any
32 Government agency during the period the officer is deemed to
33 have accrued pay and allowances. Except as provided in para-
34 graph (3), such payment shall be made within 60 days after
35 the date on which the Secretary concerned decides not to re-
36 move the officer from active duty.

1 “(3) If an officer is entitled to be paid under this section,
2 but fails to provide sufficient information in a timely manner
3 regarding the officer’s income when such information is re-
4 quired under regulations prescribed under subsection (c), the
5 period of time prescribed in paragraph (2) shall be extended
6 until 30 days after the date on which the member provides the
7 information requested.

8 “(c) This section shall be administered under uniform reg-
9 ulations prescribed by the Secretaries concerned. The regula-
10 tions may provide for the method of determining an officer’s
11 income during any period the officer is deemed to have accrued
12 pay and allowances, including a requirement that the officer
13 provide income tax returns and other documentation to verify
14 the amount of the officer’s income.”.

15 (c) CONFORMING AMENDMENTS.—(1) Section 706 of such
16 title is amended—

17 (A) by inserting “or 1182(c)(2)” after “section 876a”
18 in subsections (a), (b)(1), (b)(2), and (c); and

19 (B) by striking “section 707” in subsection (b)(2) and
20 inserting “sections 707 and 707a”.

21 (2) The heading for such section is amended to read as
22 follows:

23 **“§ 706. Administration of leave required to be**
24 **taken”.**

25 (d) CLERICAL AMENDMENTS.—The table of sections at
26 the beginning of chapter 40 of such title is amended—

27 (1) by striking the item relating to section 706 and in-
28 sserting the following:

“706. Administration of leave required to be taken.”;

29 and

30 (2) by inserting after the item relating to section 707
31 the following new item:

“707a. Payment upon disapproval of certain board of inquiry recommenda-
tions for excess leave required to be taken.”.

Subtitle B—Reserve Component Management

SEC. 511. REVIEWS OF NATIONAL GUARD STRENGTH ACCOUNTING AND MANAGEMENT AND OTHER ISSUES.

(a) COMPTROLLER GENERAL ASSESSMENTS.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on management of the National Guard. The report shall include the following:

(1) The Comptroller General’s assessment of the effectiveness of the implementation of Department of Defense plans for improving management and accounting for personnel strengths in the National Guard, including an assessment of the process that the Department of Defense, the National Guard Bureau, the Army National Guard and State-level National Guard leadership, and leadership in the other reserve components have for identifying and addressing in a timely manner specific units in which non-participation rates are significantly in excess of the established norms.

(2) The Comptroller General’s assessment of the effectiveness of the process for Federal recognition of senior National Guard officers and recommendations for improvement to that process.

(3) The Comptroller General’s assessment of the process for, and the nature and extent of, the administrative or judicial corrective action taken by the Secretary of Defense, the Secretary of the Army, and the Secretary of the Air Force as a result of Inspector General investigations or other investigations in which allegations against senior National Guard officers are substantiated in whole or in part.

(4) The Comptroller General’s determination of the effectiveness of the Federal protections provided for members or employees of the National Guard who report allegations of waste, fraud, abuse, or mismanagement and the nature and extent to which corrective action is taken against those

1 in the National Guard who retaliate against such members
2 or employees.

3 (b) SECRETARY OF DEFENSE REPORT ON DIFFERENT
4 ARMY AND AIR FORCE PROCEDURES.—Not later than six
5 months after the date of the enactment of this Act, the Sec-
6 retary of Defense shall submit to Congress a report on the dif-
7 fering Army and Air Force policies for taking adverse adminis-
8 trative actions against National Guard officers in a State sta-
9 tus. The report shall include the Secretary’s determination as
10 to whether changes should be made in those policies.

11 **SEC. 512. COURTS-MARTIAL FOR THE NATIONAL GUARD**
12 **WHEN NOT IN FEDERAL SERVICE.**

13 (a) MANNER OF PRESCRIBING PUNISHMENTS.—Section
14 326 of title 32, United States Code, is amended by adding at
15 the end the following new sentence: “Punishments shall be as
16 provided by the laws of the respective States and Territories,
17 Puerto Rico, and the District of Columbia.”.

18 (b) CONVENING AUTHORITY.—Section 327 of such title is
19 amended to read as follows:

20 **“§ 327. Courts-martial of National Guard not in**
21 **Federal service: convening authority**

22 “(a) In the National Guard not in Federal service, gen-
23 eral, special, and summary courts-martial may be convened as
24 provided by the laws of the respective States and Territories,
25 Puerto Rico, and the District of Columbia.

26 “(b) In the National Guard not in Federal service—

27 “(1) general courts-martial may be convened by the
28 President;

29 “(2) special courts-martial may be convened—

30 “(A) by the commanding officer of a garrison,
31 fort, post, camp, air base, auxiliary air base, or other
32 place where members of the National Guard are on
33 duty; or

34 “(B) by the commanding officer of a division, bri-
35 gade, regiment, wing, group, detached battalion, sepa-
36 rate squadron, or other detached command; and

37 “(3) summary courts-martial may be convened—

1 “(A) by the commanding officer of a garrison,
2 fort, post, camp, air base, auxiliary air base, or other
3 place where members of the National Guard are on
4 duty; or

5 “(B) by the commanding officer of a division, bri-
6 gade, regiment, wing, group, detached battalion, de-
7 tached squadron, detached company, or other detach-
8 ment.

9 “(c) The convening authorities provided under subsection
10 (b) are in addition to the convening authorities provided under
11 subsection (a).”.

12 (c) REPEAL OF SUPERSEDED AND OBSOLETE PROVI-
13 SIONS.—(1) Sections 328, 329, 330, 331, 332, and 333 of title
14 32, United States Code, are repealed.

15 (2) The provisions of law repealed by paragraph (1) shall
16 continue to apply with respect to courts-martial convened in the
17 National Guard not in Federal service before the date of the
18 enactment of this Act.

19 (d) CLERICAL AMENDMENTS.—The table of sections at
20 the beginning of chapter 3 of such title is amended by striking
21 the items relating to sections 327, 328, 329, 330, 331, 332,
22 and 333 and inserting the following:

“327. Courts-martial of National Guard not in Federal service: convening
 authority.”.

23 (e) MODELS FOR STATE CODE OF MILITARY JUSTICE AND
24 STATE MANUAL FOR COURTS-MARTIAL.—(1) The Secretary of
25 Defense shall prepare a model State code of military justice
26 and a model State manual for courts-martial to recommend to
27 the States for use with respect to the National Guard not in
28 Federal service. Both such models shall be consistent with the
29 recommendations contained in the report that was issued in
30 1998 by the Department of Defense Panel to Study Military
31 Justice in the National Guard not in Federal Service.

32 (2) The Secretary shall ensure that adequate support for
33 the preparation of the model State code of military justice and
34 the model State manual for courts-martial (including the detail-
35 ing of attorneys and other personnel) is provided by the Gen-

1 eral Counsel of the Department of Defense, the Secretary of
2 the Army, the Secretary of the Air Force, and the Chief of the
3 National Guard Bureau.

4 (3) If the funds available to the Chief of the National
5 Guard Bureau are insufficient for paying the cost of the Na-
6 tional Guard Bureau support required under paragraph (2) (in-
7 cluding increased costs of pay of members of the National
8 Guard for additional active duty necessitated by such require-
9 ment and increased cost of detailed attorneys and other staff,
10 allowances, and travel expenses related to such support), the
11 Secretary shall, upon request made by the Chief of the Bureau,
12 provide such additional funding as the Secretary determines
13 necessary to satisfy the requirement for such support.

14 (4) Not later than one year after the date of the enact-
15 ment of this Act, the Secretary shall submit a report on the
16 actions taken to carry out this subsection to the Committee on
17 Armed Services of the Senate and the Committee on Armed
18 Services of the House of Representatives. The report shall in-
19 clude proposals in final form of both the model State code of
20 military justice and the model State manual for courts-martial
21 required by paragraph (1), together with a discussion of the ef-
22 forts being made to present those proposals to the States for
23 their consideration for enactment or adoption, respectively.

24 (5) In this subsection, the term “State” includes the Dis-
25 trict of Columbia, the Commonwealth of Puerto Rico, the Vir-
26 gin Islands, and Guam.

27 **SEC. 513. FISCAL YEAR 2003 FUNDING FOR MILITARY**
28 **PERSONNEL COSTS OF RESERVE COMPO-**
29 **NENT SPECIAL OPERATIONS FORCES PER-**
30 **SONNEL ENGAGED IN HUMANITARIAN AS-**
31 **SISTANCE ACTIVITIES RELATING TO CLEAR-**
32 **ING OF LANDMINES.**

33 (a) USE OF RESERVE COMPONENT MILITARY PERSONNEL
34 FUNDS.—Fiscal year 2003 reserve component military per-
35 sonnel funds may be used for military personnel expenses of re-
36 serve component Special Operations forces that are incurred
37 during fiscal year 2003 in connection with landmine clearance

1 assistance, notwithstanding section 401(c)(1) of title 10,
2 United States Code.

3 (b) REIMBURSEMENT REQUIREMENT.—Fiscal year 2003
4 reserve component military personnel funds shall be reimbursed
5 from fiscal year 2003 landmine clearance assistance funds for
6 all military personnel expenses of reserve component Special
7 Operations forces that are incurred during fiscal year 2003 in
8 connection with landmine clearance assistance. Such reimburse-
9 ment shall be made in each instance to the reserve component
10 military personnel account that incurred the expense.

11 (c) LIMITATION.—The amount of reserve component mili-
12 tary personnel expenses incurred during fiscal year 2003 for
13 landmine clearance assistance may not exceed 10 percent of the
14 amount of fiscal year 2003 landmine clearance assistance
15 funds.

16 (d) DEFINITIONS.—For purposes of this section:

17 (1) LANDMINE CLEARANCE ASSISTANCE.—The term
18 “landmine clearance assistance” means humanitarian and
19 civic assistance provided under section 401 of title 10,
20 United States Code, that is described in subsection (e)(5)
21 of that section.

22 (2) FISCAL YEAR 2003 LANDMINE CLEARANCE ASSIST-
23 ANCE FUNDS.—The term “fiscal year 2003 landmine clear-
24 ance assistance funds” means the total amount appro-
25 priated for fiscal year 2003 in operations and maintenance
26 accounts of the Department of Defense that is provided for
27 landmine clearance assistance.

28 (3) FISCAL YEAR 2003 RESERVE COMPONENT MILITARY
29 PERSONNEL FUNDS.—The term “fiscal year 2003 reserve
30 component military personnel funds” means amounts ap-
31 propriated for fiscal year 2003 for military personnel ex-
32 penses of a reserve component of the Department of De-
33 fense.

34 (4) MILITARY PERSONNEL EXPENSES.—The term
35 “military personnel expenses” means expenses properly
36 chargeable to a military personnel account of the Depart-
37 ment of Defense.

1 (e) LEGISLATIVE PROPOSAL.—The Secretary of Defense
2 shall submit to Congress, as part of the budget request of the
3 Department of Defense for fiscal year 2004, a legislative pro-
4 posal that would ensure that military personnel expenses for
5 both active and reserve component military personnel providing
6 landmine clearance assistance are specified in detail and are
7 budgeted to be authorized and appropriated from the appro-
8 priate military personnel accounts.

9 **SEC. 514. USE OF RESERVES TO PERFORM DUTIES RE-**
10 **LATING TO DEFENSE AGAINST TERRORISM.**

11 (a) USE OF RESERVES TO PERFORM DUTIES RELATING
12 TO DEFENSE AGAINST TERRORISM.—Section 12304(b) of title
13 10, United States Code, is amended by striking “involving”
14 and all that follows and inserting “involving—

15 “(1) a use or threatened use of a weapon of mass de-
16 struction; or

17 “(2) a terrorist attack or threatened terrorist attack
18 in the United States that results, or could result, in cata-
19 strophic loss of life or property.”.

20 (b) CONFORMING AMENDMENT RELATING TO FULL-TIME
21 SUPPORT OF GUARD AND RESERVE PERSONNEL.— Section
22 12310(e)(1) of such title is amended by striking “involving”
23 and all that follows and inserting “involving—

24 “(A) the use of a weapon of mass destruction (as de-
25 fined in section 12304(i)(2) of this title); or

26 “(B) a terrorist attack or threatened terrorist attack
27 in the United States that results, or could result, in cata-
28 strophic loss of life or property.”.

29 **SEC. 515. REPEAL OF PROHIBITION ON USE OF AIR**
30 **FORCE RESERVE AGR PERSONNEL FOR AIR**
31 **FORCE BASE SECURITY FUNCTIONS.**

32 (a) REPEAL.—Section 12551 of title 10, United States
33 Code, is repealed.

34 (b) CLERICAL AMENDMENT.—The table of sections at the
35 beginning of chapter 1215 of such title is amended by striking
36 the item relating to section 12551.

1 **Subtitle C—Reserve Component**
2 **Officer Personnel Policy**

3 **SEC. 521. ELIGIBILITY FOR CONSIDERATION FOR PRO-**
4 **MOTION TO GRADE OF MAJOR GENERAL**
5 **FOR CERTAIN RESERVE COMPONENT BRIGA-**
6 **DIER GENERALS WHO DO NOT OTHERWISE**
7 **QUALIFY FOR CONSIDERATION FOR PRO-**
8 **MOTION UNDER THE ONE-YEAR RULE.**

9 Section 14301(g) of title 10, United States Code, is
10 amended to read as follows:

11 “(g) BRIGADIER GENERALS.—(1) An officer who is a re-
12 serve component brigadier general of the Army or the Air
13 Force who is not eligible for consideration for promotion under
14 subsection (a) because the officer is not on the reserve active
15 status list (as required by paragraph (1) of that subsection for
16 such eligibility) is nevertheless eligible for consideration for pro-
17 motion to the grade of major general by a promotion board
18 convened under section 14101(a) of this title if—

19 “(A) as of the date of the convening of the promotion
20 board, the officer has been in an inactive status for less
21 than one year; and

22 “(B) immediately before the date of the officer’s most
23 recent transfer to an inactive status, the officer had con-
24 tinuously served on the reserve active status list or the ac-
25 tive-duty list (or a combination of the reserve active status
26 list and the active-duty list) for at least one year.

27 “(2) An officer who is a reserve component brigadier gen-
28 eral of the Army or the Air Force who is on the reserve active
29 status list but who is not eligible for consideration for pro-
30 motion under subsection (a) because the officer’s service does
31 not meet the one-year-of-continuous-service requirement under
32 paragraph (2) of that subsection is nevertheless eligible for con-
33 sideration for promotion to the grade of major general by a
34 promotion board convened under section 14101(a) of this title
35 if—

36 “(A) the officer was transferred from an inactive sta-
37 tus to the reserve active status list during the one-year pe-

1 riod preceding the date of the convening of the promotion
2 board;

3 “(B) immediately before the date of the officer’s most
4 recent transfer to an active status, the officer had been in
5 an inactive status for less than one year; and

6 “(C) immediately before the date of the officer’s most
7 recent transfer to an inactive status, the officer had con-
8 tinuously served for at least one year on the reserve active
9 status list or the active-duty list (or a combination of the
10 reserve active status list and the active-duty list).”.

11 **SEC. 522. AUTHORITY FOR LIMITED EXTENSION OF**
12 **MEDICAL DEFERMENT OF MANDATORY RE-**
13 **TIREMENT OR SEPARATION OF RESERVE**
14 **COMPONENT OFFICERS.**

15 (a) **AUTHORITY.**—Chapter 1407 of title 10, United States
16 Code, is amended by adding at the end the following new sec-
17 tion:

18 **“§ 14519. Deferment of retirement or separation**
19 **for medical reasons**

20 “(a) **AUTHORITY.**—If, in the case of an officer required to
21 be retired or separated under this chapter or chapter 1409 of
22 this title, the Secretary concerned determines that the evalua-
23 tion of the physical condition of the officer and determination
24 of the officer’s entitlement to retirement or separation for phys-
25 ical disability require hospitalization or medical observation and
26 that such hospitalization or medical observation cannot be com-
27 pleted with confidence in a manner consistent with the officer’s
28 well being before the date on which the officer would otherwise
29 be required to retire or be separated, the Secretary may defer
30 the retirement or separation of the officer.

31 “(b) **PERIOD OF DEFERMENT.**—A deferral of retirement
32 or separation under subsection (a) may not extend for more
33 than 30 days after the completion of the evaluation requiring
34 hospitalization or medical observation.”.

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

“14519. Deferment of retirement or separation for medical reasons.”.

4 **Subtitle D—Enlistment, Education,**
5 **and Training Programs**

6 **SEC. 531. ENLISTMENT INCENTIVES FOR PURSUIT OF**
7 **SKILLS TO FACILITATE NATIONAL SERVICE.**

8 (a) AUTHORITY.—(1) Chapter 31 of title 10, United
9 States Code, is amended by inserting after section 509 the fol-
10 lowing new section:

11 **“§ 510. Enlistment incentives for pursuit of skills**
12 **to facilitate national service**

13 “(a) ENLISTMENT INCENTIVE PROGRAM.—The Secretary
14 of Defense shall carry out an enlistment incentive program in
15 accordance with this section under which a person who is a Na-
16 tional Call to Service participant shall be entitled to one of the
17 incentives specified in subsection (e). The program shall be car-
18 ried out during the period ending on December 31, 2007, and
19 may be carried out after that date.

20 “(b) NATIONAL CALL TO SERVICE PARTICIPANT.—In this
21 section, the term ‘National Call to Service participant’ means
22 a person who has not previously served in the armed forces who
23 enters into an original enlistment pursuant to a written agree-
24 ment with the Secretary of a military department (in such form
25 and manner as may be prescribed by that Secretary) under
26 which the person agrees to perform a period of national service
27 as specified in subsection (c).

28 “(c) NATIONAL SERVICE.—The total period of national
29 service to which a National Call to Service participant is obli-
30 gated under the agreement under this section shall be specified
31 in the agreement. Under the agreement, the participant shall—

32 “(1) upon completion of initial entry training (as pre-
33 scribed by the Secretary of Defense), serve on active duty
34 in a military occupational specialty designated by the Sec-

1 retary of Defense under subsection (d) for a period of 15
2 months;

3 “(2) upon completion of the period of active duty spec-
4 ified in paragraph (1) and without a break in service, serve
5 either (A) an additional period of active duty as determined
6 by the Secretary of Defense, or (B) a period of 24 months
7 in an active status in the Selected Reserve; and

8 “(3) upon completion of the period of service specified
9 in paragraph (2), and without a break in service, serve the
10 remaining period of obligated service specified in the
11 agreement—

12 “(A) on active duty in the armed forces;

13 “(B) in the Selected Reserve;

14 “(C) in the Individual Ready Reserve;

15 “(D) in the Peace Corps, Americorps, or another
16 national service program jointly designated by the Sec-
17 retary of Defense and the head of such program for
18 purposes of this section; or

19 “(E) in any combination of service referred to in
20 subparagraphs (A) through (D) that is approved by the
21 Secretary of the military department concerned pursu-
22 ant to regulations prescribed by the Secretary of De-
23 fense and specified in the agreement.

24 “(d) DESIGNATED MILITARY OCCUPATIONAL SPECIAL-
25 TIES.—The Secretary of Defense shall designate military occu-
26 pational specialties for purposes of subsection (c)(1). Such mili-
27 tary occupational specialties shall be military occupational spe-
28 cialties that, as determined by the Secretary, will facilitate pur-
29 suit of national service by National Call to Service participants.

30 “(e) INCENTIVES.—The incentives specified in this sub-
31 section are as follows:

32 “(1) Payment of a bonus in the amount of \$5,000.

33 “(2) Payment in an amount not to exceed \$18,000 of
34 outstanding principal and interest on qualifying student
35 loans of the National Call to Service participant.

36 “(3) Entitlement to an allowance for educational as-
37 sistance at the monthly rate equal to the monthly rate pay-

1 able for basic educational assistance allowances under sec-
2 tion 3015(a)(1) of title 38 for a total of 12 months.

3 “(4) Entitlement to an allowance for educational as-
4 sistance at the monthly rate equal to 50 percent of the
5 monthly rate payable for basic educational assistance allow-
6 ances under section 3015(b)(1) of title 38 for a total of 36
7 months.

8 “(f) ELECTION OF INCENTIVE.—A National Call to Serv-
9 ice participant shall elect in the agreement under subsection (b)
10 which incentive under subsection (e) to receive. An election
11 under this subsection is irrevocable.

12 “(g) PAYMENT OF BONUS AMOUNTS.—(1) Payment to a
13 National Call to Service participant of the bonus elected by the
14 National Call to Service participant under subsection (e)(1)
15 shall be made in such time and manner as the Secretary of De-
16 fense shall prescribe.

17 “(2)(A) Payment of outstanding principal and interest on
18 the qualifying student loans of a National Call to Service par-
19 ticipant, as elected under subsection (e)(2), shall be made in
20 such time and manner as the Secretary of Defense shall pre-
21 scribe.

22 “(B) Payment under this paragraph of the outstanding
23 principal and interest on the qualifying student loans of a Na-
24 tional Call to Service participant shall be made to the holder
25 of such student loans, as identified by the National Call to
26 Service participant to the Secretary of the military department
27 concerned for purposes of such payment.

28 “(3) Payment of a bonus or incentive in accordance with
29 this subsection shall be made by the Secretary of the military
30 department concerned.

31 “(h) COORDINATION WITH MONTGOMERY GI BILL BENE-
32 FITS.—(1)(A) Subject to subparagraph (B), a National Call to
33 Service participant who elects an incentive under paragraph (3)
34 or (4) of subsection (e) is not entitled to additional educational
35 assistance under chapter 1606 of this title or to basic edu-
36 cational assistance under subchapter II of chapter 30 of title
37 38.

1 “(B) If a National Call to Service participant meets all eli-
2 gibility requirements specified in chapter 1606 of this title or
3 chapter 30 of title 38 for entitlement to allowances for edu-
4 cational assistance under either such chapter, the participant
5 may become eligible for allowances for educational assistance
6 benefits under either such chapter up to the maximum allow-
7 ance provided less the total amount of allowance paid under
8 paragraph (3) or (4) of subsection (e).

9 “(2)(A) The Secretary of Defense shall, to the maximum
10 extent practicable, administer the receipt by National Call to
11 Service participants of incentives under paragraph (3) or (4) of
12 subsection (e) as if such National Call to Service participants
13 were, in receiving such incentives, receiving educational assist-
14 ance for members of the Selected Reserve under chapter 1606
15 of this title.

16 “(B) The Secretary of Defense shall, in consultation with
17 the Secretary of Veterans Affairs, prescribe regulations for pur-
18 poses of subparagraph (A). Such regulations shall, to the max-
19 imum extent practicable, take into account the administrative
20 provisions of chapters 30 and 36 of title 38 that are specified
21 in section 16136 of this title.

22 “(3)(A) Except as provided in paragraph (1), nothing in
23 this section shall prohibit a National Call to Service participant
24 who satisfies through service under subsection (c) the eligibility
25 requirements for educational assistance under chapter 1606 of
26 this title or basic educational assistance under chapter 30 of
27 title 38 from an entitlement to such educational assistance
28 under chapter 1606 of this title or basic educational assistance
29 under chapter 30 of title 38, as the case may be.

30 “(B)(i) A participant who made an election not to receive
31 educational assistance under either such chapter at the applica-
32 ble time specified under law or who was denied the opportunity
33 to make an election may revoke that election or make an initial
34 election, as the case may be, at such time and in such manner
35 as the Secretary concerned may specify. A revocation or initial
36 election under the preceding sentence is irrevocable.

1 “(ii) The participant making a revocation or initial elec-
2 tion under clause (i) shall be eligible for educational assistance
3 under either such chapter at such time as the participant satis-
4 fies through service the applicable eligibility requirements
5 under either such chapter.

6 “(i) REPAYMENT.—(1) If a National Call to Service par-
7 ticipant who has entered into an agreement under subsection
8 (b) and received or benefited from an incentive under sub-
9 section (e)(1) or (e)(2) fails to complete the total period of
10 service specified in such agreement, the National Call to Serv-
11 ice participant shall refund to the United States the amount
12 that bears the same ratio to the amount of the incentive as the
13 uncompleted part of such service bears to the total period of
14 such service.

15 “(2) Subject to paragraph (3), an obligation to reimburse
16 the United States imposed under paragraph (1) is for all pur-
17 poses a debt owed to the United States.

18 “(3) The Secretary concerned may waive, in whole or in
19 part, a reimbursement required under paragraph (1) if the Sec-
20 retary concerned determines that recovery would be against eq-
21 uity and good conscience or would be contrary to the best inter-
22 ests of the United States.

23 “(4) A discharge in bankruptcy under title 11 that is en-
24 tered into less than five years after the termination of an
25 agreement entered into under subsection (b) does not discharge
26 the person signing the agreement from a debt arising under the
27 agreement or under paragraph (1).

28 “(j) FUNDING.—Amounts for payment of incentives under
29 subsection (e), including payment of allowances for educational
30 assistance under that subsection, shall be derived from amounts
31 available to the Secretary of the military department concerned
32 for payment of pay, allowances, and other expenses of the
33 members of the armed force concerned.

34 “(k) REGULATIONS.—The Secretary of Defense and the
35 Secretaries of the military departments shall prescribe regula-
36 tions for purposes of the program under this section.

37 “(l) DEFINITIONS.—In this section:

1 “(1) The term ‘Americorps’ means the Americorps
2 program carried out under subtitle C of title I of the Na-
3 tional and Community Service Act of 1990 (42 U.S.C.
4 12571 et seq.).

5 “(2) The term ‘qualifying student loan’ means a loan,
6 the proceeds of which were used to pay any part or all of
7 the cost of attendance (as defined in section 472 of the
8 Higher Education Act of 1965 (20 U.S.C. 1087ll) at an in-
9 stitution of higher education (as defined in section 101 of
10 the Higher Education Act of 1965 (20 U.S.C. 1001).

11 “(3) The term ‘Secretary of a military department’ in-
12 cludes, with respect to matters concerning the Coast Guard
13 when it is not operating as a service in the Navy, the Sec-
14 retary of the Department in which the Coast Guard is op-
15 erating.”.

16 (2) The table of sections at the beginning of that chapter
17 is amended by inserting after the item relating to section 509
18 the following new item:

“510. Enlistment incentives for pursuit of skills to facilitate national serv-
ice.”.

19 (b) COMMENCEMENT OF PROGRAM.—The Secretary of De-
20 fense shall prescribe the date on which the program provided
21 for section 510 of title 10, United States Code, as added by
22 subsection (a), shall commence. Such date shall be not later
23 than October 1, 2003.

24 (c) CONFORMING REPEAL.—Section 3264 of title 10,
25 United States Code, is repealed. The table of sections at the
26 beginning of chapter 333 of such title is amended by striking
27 the item relating to section 3264.

28 (d) IMPLEMENTATION REPORT.—Not later than March
29 31, 2003, the Secretary of Defense shall submit to the Commit-
30 tees on Armed Services of the Senate and the House of Rep-
31 resentatives a report on the Secretary’s plans for implementa-
32 tion of section 510 of title 10, United States Code, as added
33 by subsection (a).

34 (e) EFFECTIVENESS REPORTS.—Not later than March 31,
35 2005, and March 31, 2007, the Secretary of Defense shall sub-

1 mit to the committees specified in subsection (d) reports on the
2 effectiveness of the program under section 510 of title 10,
3 United States Code, as added by subsection (a), in attracting
4 new recruits to national service.

5 **SEC. 532. AUTHORITY FOR PHASED INCREASE TO 4,400**
6 **IN AUTHORIZED STRENGTHS FOR THE SERV-**
7 **ICE ACADEMIES.**

8 (a) MILITARY ACADEMY.—Section 4342 of title 10, United
9 States Code, is amended—

10 (1) in subsection (a), by inserting before the period at
11 the end of the first sentence the following: “or such higher
12 number as may be prescribed by the Secretary of the Army
13 under subsection (j)”;

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

15 “(j)(1) Beginning with the 2003–2004 academic year, the
16 Secretary of the Army may prescribe annual increases in the
17 cadet strength limit in effect under subsection (a). For any
18 academic year, any such increase shall be by no more than 100
19 cadets or such lesser number as applies under paragraph (3)
20 for that year. Such annual increases may be prescribed until
21 the cadet strength limit is 4,400. However, no increase may be
22 prescribed for any academic year after the 2007–2008 aca-
23 demic year.

24 “(2) Any increase in the cadet strength limit under para-
25 graph (1) with respect to an academic year shall be prescribed
26 not later than the date on which the budget of the President
27 is submitted to Congress under section 1105 of title 31 for the
28 fiscal year beginning in the same year as the year in which that
29 academic year begins. Whenever the Secretary prescribes such
30 an increase, the Secretary shall submit to Congress a notice in
31 writing of the increase. The notice shall state the amount of
32 the increase in the cadet strength limit and the new cadet
33 strength limit, as so increased, and the amount of the increase
34 in Senior Army Reserve Officers’ Training Corps enrollment
35 under each of sections 2104 and 2107 of this title.

36 “(3) The amount of an increase under paragraph (1) in
37 the cadet strength limit for an academic year may not exceed

1 the increase (if any) for the preceding academic year in the
2 total number of cadets enrolled in the Army Senior Reserve Of-
3 ficers’ Training Corps program under chapter 103 of this title
4 who have entered into an agreement under section 2104 or
5 2107 of this title.

6 “(4) In this subsection, the term ‘cadet strength limit’
7 means the authorized maximum strength of the Corps of Ca-
8 dets of the Academy.”.

9 (b) NAVAL ACADEMY.—Section 6954 of title 10, United
10 States Code, is amended—

11 (1) in subsection (a), by inserting before the period at
12 the end of the first sentence the following: “or such higher
13 number as may be prescribed by the Secretary of the Navy
14 under subsection (h)”;

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

16 “(h)(1) Beginning with the 2003–2004 academic year, the
17 Secretary of the Navy may prescribe annual increases in the
18 midshipmen strength limit in effect under subsection (a). For
19 any academic year, any such increase shall be by no more than
20 100 midshipmen or such lesser number as applies under para-
21 graph (3) for that year. Such annual increases may be pre-
22 scribed until the midshipmen strength limit is 4,400. However,
23 no increase may be prescribed for any academic year after the
24 2007–2008 academic year.

25 “(2) Any increase in the midshipmen strength limit under
26 paragraph (1) with respect to an academic year shall be pre-
27 scribed not later than the date on which the budget of the
28 President is submitted to Congress under section 1105 of title
29 31 for the fiscal year beginning in the same year as the year
30 in which that academic year begins. Whenever the Secretary
31 prescribes such an increase, the Secretary shall submit to Con-
32 gress a notice in writing of the increase. The notice shall state
33 the amount of the increase in the midshipmen strength limit
34 and the new midshipmen strength limit, as so increased, and
35 the amount of the increase in Senior Navy Reserve Officers’
36 Training Corps enrollment under each of sections 2104 and
37 2107 of this title.

1 “(3) The amount of an increase under paragraph (1) in
2 the midshipmen strength limit for an academic year may not
3 exceed the increase (if any) for the preceding academic year in
4 the total number of midshipmen enrolled in the Navy Senior
5 Reserve Officers’ Training Corps program under chapter 103
6 of this title who have entered into an agreement under section
7 2104 or 2107 of this title.

8 “(4) In this subsection, the term ‘midshipmen strength
9 limit’ means the authorized maximum strength of the Brigade
10 of Midshipmen.”.

11 (c) AIR FORCE ACADEMY.—Section 9342 of title 10,
12 United States Code, is amended—

13 (1) in subsection (a), by inserting before the period at
14 the end of the first sentence the following: “or such higher
15 number as may be prescribed by the Secretary of the Air
16 Force under subsection (j)”; and

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

18 “(j)(1) Beginning with the 2003–2004 academic year, the
19 Secretary of the Air Force may prescribe annual increases in
20 the cadet strength limit in effect under subsection (a). For any
21 academic year, any such increase shall be by no more than 100
22 cadets or such lesser number as applies under paragraph (3)
23 for that year. Such annual increases may be prescribed until
24 the cadet strength limit is 4,400. However, no increase may be
25 prescribed for any academic year after the 2007–2008 aca-
26 demic year.

27 “(2) Any increase in the cadet strength limit under para-
28 graph (1) with respect to an academic year shall be prescribed
29 not later than the date on which the budget of the President
30 is submitted to Congress under sections 1105 of title 31 for the
31 fiscal year beginning in the same year as the year in which that
32 academic year begins. Whenever the Secretary prescribes such
33 an increase, the Secretary shall submit to Congress a notice in
34 writing of the increase. The notice shall state the amount of
35 the increase in the cadet strength limit and the new cadet
36 strength limit, as so increased, and the amount of the increase

1 in Senior Air Force Reserve Officers' Training Corps enroll-
2 ment under each of sections 2104 and 2107 of this title.

3 “(3) The amount of an increase under paragraph (1) in
4 the cadet strength limit for an academic year may not exceed
5 the increase (if any) for the preceding academic year in the
6 total number of cadets enrolled in the Air Force Senior Reserve
7 Officers' Training Corps program under chapter 103 of this
8 title who have entered into an agreement under section 2104
9 or 2107 of this title.

10 “(4) In this subsection, the term ‘cadet strength limit’
11 means the authorized maximum strength of Air Force Cadets
12 of the Academy.”.

13 (d) TARGET FOR INCREASES IN NUMBER OF ROTC
14 SCHOLARSHIP PARTICIPANTS.—Section 2107 of such title is
15 amended by adding at the end the following new subsection:

16 “(i) The Secretary of each military department shall seek
17 to achieve an increase in the number of agreements entered
18 into under this section so as to achieve an increase, by the
19 2006–2007 academic year, of not less than 400 in the number
20 of cadets or midshipmen, as the case may be, enrolled under
21 this section, compared to such number enrolled for the 2002–
22 2003 academic year. In the case of the Secretary of the Navy,
23 the Secretary shall seek to ensure that not less than one-third
24 of such increase in agreements under this section are with stu-
25 dents enrolled (or seeking to enroll) in programs of study lead-
26 ing to a baccalaureate degree in nuclear engineering or another
27 appropriate technical, scientific, or engineering field of study.”.

28 (e) REPEAL OF LIMIT ON NUMBER OF ROTC SCHOLAR-
29 SHIPS.—Section 2107 of such title is further amended by strik-
30 ing the first sentence of subsection (h)(1).

31 (f) REPEAL OF OBSOLETE LANGUAGE.—Section 4342(i)
32 of such title is amended by striking “(beginning with the 2001–
33 2002 academic year)”.

34 **SEC. 533. ENHANCEMENT OF RESERVE COMPONENT DE-**
35 **LAYED TRAINING PROGRAM.**

36 (a) INCREASE IN TIME FOLLOWING ENLISTMENT FOR
37 COMMENCEMENT OF INITIAL PERIOD OF ACTIVE DUTY FOR

1 TRAINING.—Section 12103(d) of title 10, United States Code,
2 is amended by striking “270 days” in the last sentence and in-
3 serting “one year”.

4 (b) EFFECTIVE DATE.—The amendment made by sub-
5 section (a) shall apply with respect to enlistments under section
6 12103(d) of title 10, United States Code, after the end of the
7 90-day period beginning on the date of the enactment of this
8 Act.

9 (c) TRANSITION.—In the case of a person who enlisted
10 under section 12103(d) of title 10, United States Code, before
11 the date of the enactment of this Act and who as of such date
12 has not commenced the required initial period of active duty for
13 training under that section, the amendment made by subsection
14 (a) may be applied to that person, but only with the agreement
15 of that person and the Secretary concerned.

16 **SEC. 534. REVIEW OF ARMED FORCES PROGRAMS FOR**
17 **PREPARATION FOR, PARTICIPATION IN, AND**
18 **CONDUCT OF ATHLETIC COMPETITIONS.**

19 (a) REQUIREMENT FOR REVIEW.—The Secretary of De-
20 fense shall conduct a comprehensive review of the programs of
21 the active and reserve components of the Armed Forces for
22 preparation for, participation in, and conduct of athletic com-
23 petitions.

24 (b) CONSIDERATION OF FUNDING.—The matters reviewed
25 under subsection (a) shall include the funding sources that are
26 currently available for the programs referred to in such sub-
27 section and any relevant limitations on the use of such funding
28 sources.

29 (c) REPORT.—Not later than March 3, 2003, the Sec-
30 retary shall submit to the Committees on Armed Services of the
31 Senate and the House of Representatives a report on the Sec-
32 retary’s findings and conclusions resulting from the review. The
33 report shall include the following matters:

- 34 (1) The Secretary’s views on the adequacy of the exist-
35 ing funding sources for the programs referred to in sub-
36 section (a).

1 (2) Any recommendations that the Secretary may have
2 regarding limitations on the use of such funding sources or
3 any inadequacies in the funding for such programs.

4 (3) An assessment of the issues related to, and rec-
5 ommendations of the Secretary for, achieving consistent
6 funding and policy treatment with regard to participation
7 by active and reserve component personnel in athletic com-
8 petitions.

9 (4) Any recommended legislation that the Secretary
10 considers appropriate regarding such programs.

11 **SEC. 535. REPEAL OF BAR TO ELIGIBILITY OF ARMY**
12 **COLLEGE FIRST PROGRAM PARTICIPANTS**
13 **FOR BENEFITS UNDER STUDENT LOAN RE-**
14 **PAYMENT PROGRAM.**

15 Subsection (e) of section 573 of the National Defense Au-
16 thorization Act for Fiscal Year 2000 (Public Law 106–65; 10
17 U.S.C. 513 note) is repealed.

18 **Subtitle E—Decorations and Awards**

19 **SEC. 541. WAIVER OF TIME LIMITATIONS FOR AWARD OF**
20 **ARMY DISTINGUISHED-SERVICE CROSS TO**
21 **CERTAIN PERSONS.**

22 (a) WAIVER.—Any limitation established by law or policy
23 for the time within which a recommendation for the award of
24 a military decoration or award must be submitted shall not
25 apply to awards of decorations described in subsection (b), the
26 award of each such decoration having been determined by the
27 Secretary of the Army to be warranted in accordance with sec-
28 tion 1130 of title 10, United States Code.

29 (b) DISTINGUISHED-SERVICE CROSS OF THE ARMY.—Sub-
30 section (a) applies to the award of the Distinguished-Service
31 Cross of the Army as follows:

32 (1) To Henry Johnson of Albany, New York, for ex-
33 traordinary heroism in France during the period of May 13
34 to 15, 1918, while serving as a member of the Army.

35 (2) To Hilliard Carter of Jackson, Mississippi, for ex-
36 traordinary heroism in actions near Troung Loung, Repub-
37 lic of Vietnam, on September 28, 1966, while serving as a
38 member of the Army.

1 (3) To Albert C. Welch of Florissant, Colorado, for ex-
2 traordinary heroism in actions in Ong Thanh, Binh Long
3 Province, Republic of Vietnam, on October 17, 1967, while
4 serving as a member of the Army.

5 **SEC. 542. OPTION TO CONVERT AWARD OF ARMED**
6 **FORCES EXPEDITIONARY MEDAL AWARDED**
7 **FOR OPERATION FREQUENT WIND TO VIET-**
8 **NAM SERVICE MEDAL.**

9 (a) IN GENERAL.—The Secretary of the military depart-
10 ment concerned shall, upon the application of an individual who
11 is an eligible Vietnam evacuation veteran, award that individual
12 the Vietnam Service Medal, notwithstanding any otherwise ap-
13 plicable requirements for the award of that medal. Any such
14 award shall be made in lieu of the Armed Forces Expeditionary
15 Medal awarded the individual for participation in Operation
16 Frequent Wind.

17 (b) ELIGIBLE VIETNAM EVACUATION VETERAN.—For
18 purposes of this section, the term “eligible Vietnam evacuation
19 veteran” means a member or former member of the Armed
20 Forces who was awarded the Armed Forces Expeditionary
21 Medal for participation in military operations designated as
22 Operation Frequent Wind arising from the evacuation of Viet-
23 nam on April 29 and 30, 1975.

24 **SEC. 543. KOREA DEFENSE SERVICE MEDAL.**

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

26 (1) More than 40,000 members of the United States
27 Armed Forces have served in the Republic of Korea or the
28 waters adjacent thereto each year since the signing of the
29 cease-fire agreement in July 1953 ending the Korean War.

30 (2) An estimated 1,200 members of the United States
31 Armed Forces have died as a direct result of their service
32 in Korea since the cease-fire agreement in July 1953.

33 (b) ARMY.—(1) Chapter 357 of title 10, United States
34 Code, is amended by adding at the end the following new sec-
35 tion:

“§ 3755. Korea Defense Service Medal

“(a) The Secretary of the Army shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Army served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

“(b) In this section, the term ‘KDSM eligibility period’ means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

“(c) The Secretary of the Army shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.”.

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

“3755. Korea Defense Service Medal.”.

(c) NAVY AND MARINE CORPS.—(1) Chapter 567 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 6257. Korea Defense Service Medal

“(a) The Secretary of the Navy shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Navy or Marine Corps served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

“(b) In this section, the term ‘KDSM eligibility period’ means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as

1 may be determined by the Secretary of Defense to be appro-
2 priate for terminating eligibility for the Korea Defense Service
3 Medal.

4 “(c) The Secretary of the Navy shall prescribe service re-
5 quirements for eligibility for the Korea Defense Service Medal.
6 Those requirements shall not be more stringent than the serv-
7 ice requirements for award of the Armed Forces Expeditionary
8 Medal for instances in which the award of that medal is au-
9 thORIZED.”.

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

“6257. Korea Defense Service Medal.”.

12 (d) AIR FORCE.—(1) Chapter 857 of title 10, United
13 States Code, is amended by adding at the end the following
14 new section:

15 **“§ 8755. Korea Defense Service Medal**

16 “(a) The Secretary of the Air Force shall issue a cam-
17 paign medal, to be known as the Korea Defense Service Medal,
18 to each person who while a member of the Air Force served
19 in the Republic of Korea or the waters adjacent thereto during
20 the KDSM eligibility period and met the service requirements
21 for the award of that medal prescribed under subsection (c).

22 “(b) In this section, the term ‘KDSM eligibility period’
23 means the period beginning on July 28, 1954, and ending on
24 such date after the date of the enactment of this section as
25 may be determined by the Secretary of Defense to be appro-
26 priate for terminating eligibility for the Korea Defense Service
27 Medal.

28 “(c) The Secretary of the Air Force shall prescribe service
29 requirements for eligibility for the Korea Defense Service
30 Medal. Those requirements shall not be more stringent than
31 the service requirements for award of the Armed Forces Expe-
32 ditionary Medal for instances in which the award of that medal
33 is authorized.”.

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

“8755. Korea Defense Service Medal.”.

3 (e) AWARD FOR SERVICE BEFORE DATE OF ENACT-
4 MENT.—The Secretary of the military department concerned
5 shall take appropriate steps to provide in a timely manner for
6 the issuance of the Korea Defense Service Medal, upon applica-
7 tion therefor, to persons whose eligibility for that medal is by
8 reason of service in the Republic of Korea or the waters adja-
9 cent thereto before the date of the enactment of this Act.

10 **SEC. 544. COMMENDATION OF MILITARY CHAPLAINS.**

11 (a) FINDINGS.—Congress finds the following:

12 (1) Military chaplains have served with those who
13 fought for the cause of freedom since the founding of the
14 Nation.

15 (2) Military chaplains and religious support personnel
16 of the Armed Forces have served with distinction as uni-
17 formed members of the Armed Forces in support of the
18 Nation’s defense missions during every conflict in the his-
19 tory of the United States.

20 (3) 400 United States military chaplains have died in
21 combat, some as a result of direct fire while ministering to
22 fallen Americans, while others made the ultimate sacrifice
23 as a prisoner of war.

24 (4) Military chaplains currently serve in humanitarian
25 operations, rotational deployments, and in the war on ter-
26 rorism.

27 (5) Religious organizations make up the very fabric of
28 religious diversity and represent unparalleled levels of free-
29 dom of conscience, speech, and worship that set the United
30 States apart from any other nation on Earth.

31 (6) Religious organizations have richly blessed the uni-
32 formed services by sending clergy to comfort and encourage
33 all persons of faith in the Armed Forces.

34 (7) During the sinking of the USS Dorchester in Feb-
35 ruary 1943 during World War II, four chaplains (Reverend

1 Fox, Reverend Poling, Father Washington, and Rabbi
2 Goode) gave their lives so that others might live.

3 (8) All military chaplains aid and assist members of
4 the Armed Forces and their family members with the chal-
5 lenging issues of today’s world.

6 (9) The current war against terrorism has brought to
7 the shores of the United States new threats and concerns
8 that strike at the beliefs and emotions of Americans.

9 (10) Military chaplains must, as never before, deal
10 with the spiritual well-being of the members of the Armed
11 Forces and their families.

12 (b) COMMENDATION.—Congress, on behalf of the Nation,
13 expresses its appreciation for the outstanding contribution that
14 all military chaplains make to the members of the Armed
15 Forces and their families.

16 (c) PRESIDENTIAL PROCLAMATION.—The President is au-
17 thorized and requested to issue a proclamation calling on the
18 people of the United States to recognize the distinguished serv-
19 ice of the Nation’s military chaplains.

20 **Subtitle F—Administrative Matters**

21 **SEC. 551. STAFFING AND FUNDING FOR DEFENSE PRIS- 22 **ONER OF WAR/MISSING PERSONNEL OFFICE.****

23 (a) REQUIREMENT FOR STAFFING AND FUNDING AT LEV-
24 ELS REQUIRED FOR PERFORMANCE OF FULL RANGE OF MIS-
25 SIONS.—Subsection (a) of section 1501 of title 10, United
26 States Code, is amended by adding at the end the following
27 new paragraph:

28 “(5)(A) The Secretary of Defense shall ensure that the of-
29 fice is provided sufficient military and civilian personnel, and
30 sufficient funding, to enable the office to fully perform the com-
31 plete range of missions of the office. The Secretary shall ensure
32 that Department of Defense programming, planning, and budg-
33 eting procedures are structured so as to ensure compliance with
34 the preceding sentence for each fiscal year.

35 “(B) For any fiscal year, the number of military and civil-
36 ian personnel assigned or detailed to the office may not be less
37 than the number requested in the President’s budget for fiscal

1 year 2003, unless a level below such number is expressly re-
2 quired by law.

3 “(C) For any fiscal year, the level of funding allocated to
4 the office within the Department of Defense may not be below
5 the level requested for such purposes in the President’s budget
6 for fiscal year 2003, unless such a level of funding is expressly
7 required by law.”.

8 (b) NAME OF OFFICE.—Such subsection is further amend-
9 ed by inserting after the first sentence of paragraph (1) the fol-
10 lowing new sentence: “Such office shall be known as the De-
11 fense Prisoner of War/Missing Personnel Office.”.

12 **SEC. 552. THREE-YEAR FREEZE ON REDUCTIONS OF**
13 **PERSONNEL OF AGENCIES RESPONSIBLE**
14 **FOR REVIEW AND CORRECTION OF MILI-**
15 **TARY RECORDS.**

16 (a) IN GENERAL.—Chapter 79 of title 10, United States
17 Code, is amended by adding at the end the following new sec-
18 tion:

19 **“§ 1559. Personnel limitation**

20 “(a) LIMITATION.—During fiscal years 2003, 2004, and
21 2005, the Secretary of a military department may not carry out
22 any reduction in the number of military and civilian personnel
23 assigned to duty with the service review agency for that mili-
24 tary department below the baseline number for that agency
25 until—

26 “(1) the Secretary submits to Congress a report
27 that—

28 “(A) describes the reduction proposed to be made;

29 “(B) provides the Secretary’s rationale for that re-
30 duction; and

31 “(C) specifies the number of such personnel that
32 would be assigned to duty with that agency after the
33 reduction; and

34 “(2) a period of 90 days has elapsed after the date on
35 which the report is submitted.

36 “(b) BASELINE NUMBER.—The baseline number for a
37 service review agency under this section is—

1 “(1) for purposes of the first report with respect to a
2 service review agency under this section, the number of
3 military and civilian personnel assigned to duty with that
4 agency as of January 1, 2002; and

5 “(2) for purposes of any subsequent report with re-
6 spect to a service review agency under this section, the
7 number of such personnel specified in the most recent re-
8 port with respect to that agency under this section.

9 “(c) SERVICE REVIEW AGENCY DEFINED.—In this sec-
10 tion, the term ‘service review agency’ means—

11 “(1) with respect to the Department of the Army, the
12 Army Review Boards Agency;

13 “(2) with respect to the Department of the Navy, the
14 Board for Correction of Naval Records; and

15 “(3) with respect to the Department of the Air Force,
16 the Air Force Review Boards Agency.”.

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

“1559. Personnel limitation.”.

20 **SEC. 553. AUTHORITY FOR ACCEPTANCE OF VOLUNTARY**
21 **SERVICES OF INDIVIDUALS AS PROCTORS**
22 **FOR ADMINISTRATION OF ARMED SERVICES**
23 **VOCATIONAL APTITUDE BATTERY TEST.**

24 Section 1588(a) of title 10, United States Code, is amend-
25 ed by adding at the end the following new paragraph:

26 “(6) Voluntary services as a proctor for administration
27 to secondary school students of the test known as the
28 ‘Armed Services Vocational Aptitude Battery’.”.

29 **SEC. 554. EXTENSION OF TEMPORARY EARLY RETIRE-**
30 **MENT AUTHORITY.**

31 Effective January 1, 2002, section 4403(i) of the National
32 Defense Authorization Act for Fiscal Year 1993 (10 U.S.C.
33 1293 note) is amended by striking “December 31, 2001” and
34 inserting “September 1, 2002”.

1 **Subtitle G—Matters Relating to Mi-**
2 **norities and Women in the Armed**
3 **Forces**

4 **SEC. 561. SURVEYS OF RACIAL AND ETHNIC ISSUES AND**
5 **OF GENDER ISSUES IN THE ARMED FORCES.**

6 (a) DIVISION OF ANNUAL SURVEY INTO FOUR QUADREN-
7 NIAL SURVEYS.—(1) Section 481 of title 10, United States
8 Code, is amended to read as follows:

9 **“§ 481. Racial and ethnic issues; gender issues:**
10 **surveys**

11 “(a) IN GENERAL.—(1) The Secretary of Defense shall
12 carry out four quadrennial surveys (each in a separate year) in
13 accordance with this section to identify and assess racial and
14 ethnic issues and discrimination, and to identify and assess
15 gender issues and discrimination, among members of the armed
16 forces. Each such survey shall be conducted so as to identify
17 and assess the extent (if any) of activity among such members
18 that may be seen as so-called ‘hate group’ activity.

19 “(2) The four surveys shall be as follows:

20 “(A) To identify and assess racial and ethnic issues
21 and discrimination among members of the armed forces
22 serving on active duty.

23 “(B) To identify and assess racial and ethnic issues
24 and discrimination among members of the armed forces in
25 the reserve components.

26 “(C) To identify and assess gender issues and dis-
27 crimination among members of the armed forces serving on
28 active duty.

29 “(D) To identify and assess gender issues and dis-
30 crimination members of the armed forces in the reserve
31 components.

32 “(3) The surveys under this section relating to racial and
33 ethnic issues and discrimination shall be known as the ‘Armed
34 Forces Workplace and Equal Opportunity Surveys’. The sur-
35 veys under this section relating to gender issues and discrimi-

1 nation shall be known as the ‘Armed Forces Workplace and
2 Gender Relations Surveys’.

3 “(4) Each survey under this section shall be conducted
4 separately from any other survey conducted by the Department
5 of Defense.

6 “(b) ARMED FORCES WORKPLACE AND EQUAL OPPOR-
7 TUNITY SURVEYS.—The Armed Forces Workplace and Equal
8 Opportunity Surveys shall be conducted so as to solicit infor-
9 mation on racial and ethnic issues, including issues relating to
10 harassment and discrimination, and the climate in the armed
11 forces for forming professional relationships among members of
12 the armed forces of various racial and ethnic groups. Both such
13 surveys shall be conducted so as to solicit information on the
14 following:

15 “(1) Indicators of positive and negative trends for pro-
16 fessional and personal relationships among members of all
17 racial and ethnic groups.

18 “(2) The effectiveness of Department of Defense poli-
19 cies designed to improve relationships among all racial and
20 ethnic groups.

21 “(3) The effectiveness of current processes for com-
22 plaints on and investigations into racial and ethnic dis-
23 crimination.

24 “(c) ARMED FORCES WORKPLACE AND GENDER RELA-
25 TIONS SURVEYS.—The Armed Forces Workplace and Gender
26 Relations Surveys shall be conducted so as to solicit informa-
27 tion on gender issues, including issues relating to gender-based
28 harassment and discrimination, and the climate in the armed
29 forces for forming professional relationships between male and
30 female members of the armed forces. Both such surveys shall
31 be conducted so as to solicit information on the following:

32 “(1) Indicators of positive and negative trends for pro-
33 fessional and personal relationships between male and fe-
34 male members of the armed forces.

35 “(2) The effectiveness of Department of Defense poli-
36 cies designed to improve professional relationships between
37 male and female members of the armed forces.

1 “(3) The effectiveness of current processes for com-
2 plaints on and investigations into gender-based discrimina-
3 tion.

4 “(d) SURVEYS TO BE CONDUCTED IN DIFFERENT
5 YEARS.—Each of the four quadrennial surveys conducted
6 under this section shall be conducted in a different year from
7 any other survey conducted under this section, so that one such
8 survey is conducted during each year.

9 “(e) REPORTS TO CONGRESS.—Upon the completion of a
10 survey under this section, the Secretary shall submit to Con-
11 gress a report containing the results of the survey.

12 “(f) INAPPLICABILITY TO COAST GUARD.—This section
13 does not apply to the Coast Guard.”.

14 (2) The item relating to such section in the table of sec-
15 tions at the beginning of chapter 23 of such title is amended
16 to read as follows:

“481. Racial and ethnic issues; gender issues: surveys.”.

17 (b) EFFECTIVE DATE.—The first survey under section
18 481 of title 10, United States Code, as amended by subsection
19 (a)(1), shall be carried out during 2003.

20 **SEC. 562. ANNUAL REPORT ON STATUS OF FEMALE**
21 **MEMBERS OF THE ARMED FORCES.**

22 (a) REQUIREMENT FOR REPORT.—The Secretary of De-
23 fense shall submit to Congress, for each of fiscal years 2002
24 through 2006, a report on the status of female members of the
25 Armed Forces. Information in the annual report shall be shown
26 for the Department of Defense as a whole and separately for
27 each of the Army, Navy, Air Force, and Marine Corps.

28 (b) MATTERS TO BE INCLUDED.—The report for a fiscal
29 year under subsection (a) shall include the following informa-
30 tion:

31 (1) The positions, weapon systems, and fields of skills
32 for which, by policy, female members are not eligible for as-
33 signment, as follows:

34 (A) In the report for fiscal year 2002—

1 (i) an identification of each position, weapon
2 system, and field of skills for which, by policy, fe-
3 male members are not eligible; and

4 (ii) the rationale for the applicability of the
5 policy to each such position, weapon system, and
6 field.

7 (B) In the report for each fiscal year after fiscal
8 year 2002, the positions, weapon systems, and fields
9 for which policy on the eligibility of female members for
10 assignment has changed during that fiscal year, includ-
11 ing a discussion of how the policy has changed and the
12 rationale for the change.

13 (2) Information on joint spouse assignments, as fol-
14 lows:

15 (A) The number of cases in which members of the
16 Armed Forces married to each other are in assign-
17 ments to which they were jointly assigned during that
18 fiscal year, as defined in the applicable Department of
19 Defense and military department personnel assignment
20 policies.

21 (B) The number of cases in which members of the
22 Armed Forces married to each other are in assign-
23 ments to which they were assigned during that fiscal
24 year, but were not jointly assigned (as so defined).

25 (3) Promotion selection rates for female members, for
26 male members, and for all personnel in the reports sub-
27 mitted by promotion selection boards in that fiscal year for
28 promotion to grades E-7, E-8, and E-9, and, in the case
29 of commissioned officers, promotion to grades O-4, O-5,
30 and O-6.

31 (4) Retention rates for female members in each grade
32 and for male members in each grade during that fiscal
33 year.

34 (5) Selection rates for female members and for male
35 members for assignment to grade O-6 and grade O-5 com-
36 mand positions in reports of command selection boards that
37 were submitted during that fiscal year.

1 (6) Selection rates for female members and for male
2 members for attendance at intermediate service schools
3 (ISS) and, separately, for attendance at senior service
4 schools (SSS) in reports of selection boards that were sub-
5 mitted during that fiscal year.

6 (7) The extent of assignments of female members dur-
7 ing that fiscal year in each field in which at least 80 per-
8 cent of the Armed Forces personnel assigned in the field
9 are men.

10 (8) The incidence of sexual harassment complaints
11 made during that fiscal year, stated as the number of cases
12 in which complaints of sexual harassment were filed under
13 procedures of military departments that are applicable to
14 the submission of sexual harassment complaints, together
15 with the number and percent of the complaints that were
16 substantiated.

17 (9) Satisfaction (based on surveys) of female active-
18 duty members, female dependents of active-duty members,
19 and female dependents of nonactive duty members entitled
20 to health care provided by the Department of Defense with
21 access to, and quality of, women's health care benefits pro-
22 vided by the Department of Defense.

23 (c) TIME FOR REPORT.—The report for a fiscal year
24 under this section shall be submitted not later than 120 days
25 after the end of that fiscal year.

26 **SEC. 563. WEAR OF ABAYAS BY FEMALE MEMBERS OF**
27 **THE ARMED FORCES IN SAUDI ARABIA.**

28 (a) PROHIBITION RELATING TO WEAR OF ABAYAS.—No
29 member of the Armed Forces having authority over a member
30 of the Armed Forces and no officer or employee of the United
31 States having authority over a member of the Armed Forces
32 may require or encourage that member to wear the abaya gar-
33 ment or any part of the abaya garment while the member is
34 in the Kingdom of Saudi Arabia pursuant to a permanent
35 change of station or orders for temporary duty.

36 (b) INSTRUCTION.—(1) The Secretary of Defense shall
37 provide each female member of the Armed Forces ordered to

1 a permanent change of station or temporary duty in the King-
2 dom of Saudi Arabia with instruction regarding the prohibition
3 in subsection (a). Such instruction shall be provided imme-
4 diately upon or not more than 48 hours prior to the arrival of
5 the member at a United States military installation within the
6 Kingdom of Saudi Arabia. The instruction shall be presented
7 orally and in writing. The written instruction shall include the
8 full text of this section.

9 (2) In carrying out paragraph (1), the Secretary shall act
10 through the Commander in Chief, United States Central Com-
11 mand and Joint Task Force Southwest Asia, and the com-
12 manders of the Army, Navy, Air Force, and Marine Corps com-
13 ponents of the United States Central Command and Joint Task
14 Force Southwest Asia.

15 (c) PROHIBITION ON USE OF FUNDS FOR PROCUREMENT
16 OF ABAYAS.—Funds appropriated or otherwise made available
17 to the Department of Defense may not be used to procure
18 abayas for regular or routine issuance to members of the
19 Armed Forces serving in the Kingdom of Saudi Arabia or for
20 any personnel of contractors accompanying the Armed Forces
21 in the Kingdom of Saudi Arabia in the performance of con-
22 tracts entered into by the United States with such contractors.

23 Subtitle H—Benefits

24 SEC. 571. DEPARTMENT OF DEFENSE SUPPORT FOR 25 PERSONS PARTICIPATING IN MILITARY FU- 26 NERAL HONORS DETAILS.

27 Section 1491(d) of title 10, United States Code, is
28 amended—

29 (1) by striking “To provide a” after “SUPPORT.—”
30 and inserting “(1) To support a”;

31 (2) by redesignating paragraph (1) as subparagraph
32 (A) and amending such subparagraph, as so redesignated,
33 to read as follows:

34 “(A) For a person who participates in a funeral hon-
35 ors detail (other than a person who is a member of the
36 armed forces not in a retired status or an employee of the
37 United States), either transportation (or reimbursement for

1 transportation) and expenses or the daily stipend pre-
2 scribed under paragraph (2).”;

3 (3) by redesignating paragraph (2) as subparagraph
4 (B) and in that subparagraph—

5 (A) by striking “Materiel, equipment, and training
6 for” and inserting “For”; and

7 (B) by inserting before the period at the end “and
8 for members of the armed forces in a retired status,
9 materiel, equipment, and training”;

10 (4) by redesignating paragraph (3) as subparagraph
11 (C) and in that subparagraph—

12 (A) by striking “Articles of clothing for” and in-
13 sserting “For”; and

14 (B) by inserting “, articles of clothing” after “sub-
15 section (b)(2)”; and

16 (5) by adding at the end the following new para-
17 graphs:

18 “(2) The Secretary of Defense shall prescribe annually a
19 flat rate daily stipend for purposes of paragraph (1)(A). Such
20 stipend shall be set at a rate so as to encompass typical costs
21 for transportation and other miscellaneous expenses for persons
22 participating in funeral honors details who are members of the
23 armed forces in a retired status and other persons who are not
24 members of the armed forces or employees of the United
25 States.

26 “(3) A stipend paid under this subsection to a member of
27 the armed forces in a retired status is in addition to any com-
28 pensation to which the member is entitled under section
29 435(a)(2) of title 37 and any other compensation to which the
30 member may be entitled.”.

31 **SEC. 572. EMERGENCY LEAVE OF ABSENCE PROGRAM.**

32 (a) IN GENERAL.—Chapter 40 of title 10, United States
33 Code, is amended by adding at the end the following new sec-
34 tion:

1 **“§ 709. Emergency leave of absence**

2 “(a) EMERGENCY LEAVE OF ABSENCE.—The Secretary
3 concerned may grant a member of the armed forces emergency
4 leave of absence for a qualifying emergency.

5 “(b) LIMITATIONS.—An emergency leave of absence under
6 this section—

7 “(1) may be granted only once for any member;

8 “(2) may be granted only to prevent the member from
9 entering unearned leave status or excess leave status; and

10 “(3) may not extend for a period of more than 14
11 days.

12 “(c) QUALIFYING EMERGENCY.—In this section, the term
13 ‘qualifying emergency’, with respect to a member of the armed
14 forces, means a circumstance that—

15 “(1) is due to—

16 “(A) a medical condition of a member of the im-
17 mediate family of the member; or

18 “(B) any other hardship that the Secretary con-
19 cerned determines appropriate for purposes of this sec-
20 tion; and

21 “(2) is verified to the Secretary’s satisfaction based
22 upon information or opinion from a source in addition to
23 the member that the Secretary considers to be objective
24 and reliable.

25 “(d) MILITARY DEPARTMENT REGULATIONS.—Regula-
26 tions prescribed under this section by the Secretaries of the
27 military department shall be as uniform as practicable and
28 shall be subject to approval by the Secretary of Defense.

29 “(e) DEFINITIONS.—In this section:

30 “(1) The term ‘unearned leave status’ means leave ap-
31 proved to be used by a member of the armed forces that
32 exceeds the amount of leave credit that has been accrued
33 as a result of the member’s active service and that has not
34 been previously used by the member.

35 “(2) The term ‘excess leave status’ means leave ap-
36 proved to be used by a member of the armed forces that
37 is unearned leave for which a member is unable to accrue

1 leave credit during the member's current term of service
2 before the member's separation.”.

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

“709. Emergency leave of absence.”.

6 **SEC. 573. ENHANCED FLEXIBILITY IN MEDICAL LOAN**
7 **REPAYMENT PROGRAM.**

8 (a) ELIGIBLE PERSONS.—Subsection (d) of section 2173
9 of title 10, United States Code, is amended by striking “Par-
10 ticipants” and all that follows through “and students” and in-
11 sserting “Students”.

12 (b) LOAN REPAYMENT AMOUNTS.—Subsection (e)(2) of
13 such section is amended by striking the last sentence.

14 **SEC. 574. DESTINATIONS AUTHORIZED FOR GOVERN-**
15 **MENT PAID TRANSPORTATION OF ENLISTED**
16 **PERSONNEL FOR REST AND RECUPERATION**
17 **ABSENCE UPON EXTENDING DUTY AT DES-**
18 **IGNATED LOCATIONS OVERSEAS.**

19 (a) EXPANSION OF BENEFITS.—Subsection (b)(2) of sec-
20 tion 705 of title 10, United States Code, is amended by insert-
21 ing before the period at the end the following: “, or to an alter-
22 native destination and return at a cost not to exceed the cost
23 of round-trip transportation from the location of the extended
24 tour of duty to such nearest port”.

25 (b) CHANGE IN TERMINOLOGY.—(1) Subsection (b) of
26 such section is further amended by striking “recuperative” in
27 paragraphs (1) and (2) and inserting “recuperation”.

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

30 **“§ 705. Rest and recuperation absence: qualified**
31 **enlisted members extending duty at des-**
32 **ignated locations overseas”.**

33 (B) The item relating to such section in the table of sec-
34 tions at the beginning of chapter 40 of such title is amended
35 to read as follows:

“705. Rest and recuperation absence: qualified enlisted members extending
duty at designated locations overseas.”.

1 **SEC. 575. VEHICLE STORAGE IN LIEU OF TRANSPOR-**
2 **TATION WHEN MEMBER IS ORDERED TO A**
3 **NONFOREIGN DUTY STATION OUTSIDE CON-**
4 **TINENTAL UNITED STATES.**

5 (a) STORAGE COSTS AUTHORIZED.—Subsection (b) of sec-
6 tion 2634 of title 10, United States Code, is amended by strik-
7 ing paragraphs (1) and (2) and inserting the following:

8 “(b)(1) When a member receives a vehicle storage quali-
9 fying order, the member may elect to have a motor vehicle de-
10 scribed in subsection (a) stored at the expense of the United
11 States at a location approved by the Secretary concerned. In
12 the case of a vehicle storage qualifying order that is to make
13 a change of permanent station, such storage is in lieu of trans-
14 portation authorized by subsection (a).

15 “(2) In this subsection, the term ‘vehicle storage quali-
16 fying order’ means any of the following:

17 “(A) An order to make a change of permanent station
18 to a foreign country in a case in which the laws, regula-
19 tions, or other restrictions imposed by the foreign country
20 or by the United States either—

21 “(i) preclude entry of a motor vehicle described in
22 subsection (a) into that country; or

23 “(ii) would require extensive modification of the
24 vehicle as a condition to entry.

25 “(B) An order to make a change of permanent station
26 to a nonforeign area outside the continental United States
27 in a case in which the laws, regulations, or other restric-
28 tions imposed by that area or by the United States either—

29 “(i) preclude entry of a motor vehicle described in
30 subsection (a) into that area; or

31 “(ii) would require extensive modification of the
32 vehicle as a condition to entry.

33 “(C) An order under which a member is transferred
34 or assigned in connection with a contingency operation to
35 duty at a location other than the permanent station of the
36 member for a period of more than 30 consecutive days but
37 which is not considered a change of permanent station.”.

1 (b) NONFOREIGN AREA OUTSIDE THE CONTINENTAL
2 UNITED STATES DEFINED.—Subsection (h) of such section is
3 amended by adding at the end the following new paragraph:

4 “(3) The term ‘nonforeign area outside the continental
5 United States’ means any of the following: the States of
6 Alaska and Hawaii, the Commonwealths of Puerto Rico
7 and the Northern Mariana Islands, and any possession of
8 the United States.”.

9 (c) EFFECTIVE DATE.—The amendments made by this
10 section apply to orders to make a change of permanent station
11 to a nonforeign area outside the continental United States (as
12 such term is defined in subsection (h)(3) of section 2634 of
13 title 10, United States Code, as added by subsection (b)) that
14 are issued on or after the date of the enactment of this Act.

15 **Subtitle I—Reports**

16 **SEC. 581. QUADRENNIAL QUALITY OF LIFE REVIEW.**

17 (a) REQUIREMENT FOR REVIEW.—(1) Chapter 2 of title
18 10, United States Code, is amended by inserting after section
19 118 the following new section:

20 **“§ 118a. Quadrennial quality of life review**

21 “(a) REVIEW REQUIRED.—(1) The Secretary of Defense
22 shall every four years conduct a comprehensive examination of
23 the quality of life of the members of the armed forces (to be
24 known as the ‘quadrennial quality of life review’). The review
25 shall include examination of the programs, projects, and activi-
26 ties of the Department of Defense, including the morale, wel-
27 fare, and recreation activities.

28 “(2) The quadrennial quality of life review shall be de-
29 signed to result in determinations, and to foster policies and
30 actions, that reflect the priority given the quality of life of
31 members of the armed forces as a primary concern of the De-
32 partment of Defense leadership.

33 “(b) CONDUCT OF REVIEW.—Each quadrennial quality of
34 life review shall be conducted so as—

35 “(1) to assess quality of life priorities and issues con-
36 sistent with the most recent National Security Strategy

1 prescribed by the President pursuant to section 108 of the
2 National Security Act of 1947 (50 U.S.C. 404a);

3 “(2) to identify actions that are needed in order to
4 provide members of the armed forces with the quality of
5 life reasonably necessary to encourage the successful execu-
6 tion of the full range of missions that the members are
7 called on to perform under the national security strategy;
8 and

9 “(3) to identify other actions that have the potential
10 for improving the quality of life of the members of the
11 armed forces.

12 “(c) CONSIDERATIONS.—The Secretary shall consider ad-
13 dressing the following matters as part of the quadrennial qual-
14 ity of life review:

15 “(1) Infrastructure.

16 “(2) Military construction.

17 “(3) Physical conditions at military installations and
18 other Department of Defense facilities.

19 “(4) Budget plans.

20 “(5) Adequacy of medical care for members of the
21 armed forces and their dependents.

22 “(6) Adequacy of housing and the basic allowance for
23 housing and basic allowance for subsistence.

24 “(7) Housing-related utility costs.

25 “(8) Educational opportunities and costs.

26 “(9) Length of deployments.

27 “(10) Rates of pay and pay differentials between the
28 pay of members and the pay of civilians.

29 “(11) Retention and recruiting efforts.

30 “(12) Workplace safety.

31 “(13) Support services for spouses and children.

32 “(14) Other elements of Department of Defense pro-
33 grams and Government policies and programs that affect
34 the quality of life of members.

35 “(d) SUBMISSION TO CONGRESSIONAL COMMITTEES.—(1)
36 The Secretary shall submit a report on each quadrennial qual-
37 ity of life review to the Committee on Armed Services of the

1 Senate and the Committee on Armed Services of the House of
2 Representatives. The report shall include the following:

3 “(A) The assumptions used in the review.

4 “(B) The results of the review, including a comprehen-
5 sive discussion of how the quality of life of members of the
6 armed forces affects the national security strategy of the
7 United States.

8 “(2) The report shall be submitted in the year following
9 the year in which the review is conducted, but not later than
10 the date on which the President submits the budget for the
11 next fiscal year to Congress under section 1105(a) of title 31.”.

12 (2) The table of sections at the beginning of such chapter
13 is amended by inserting after the item relating to section 118
14 the following new item:

“118a. Quadrennial quality of life review.”.

15 (b) **FIRST QUADRENNIAL QUALITY OF LIFE REVIEW.—**
16 The first quadrennial quality of life review under section 118a
17 of title 10, United States Code, as added by subsection (a),
18 shall be conducted during 2003, and the report on that review
19 required to be submitted to Congress under subsection (d) of
20 such section shall be submitted not later than the date on
21 which the President submits the budget for fiscal year 2005 to
22 Congress.

23 **SEC. 582. REPORT ON DESIRABILITY AND FEASIBILITY**
24 **OF CONSOLIDATING SEPARATE COURSES OF**
25 **BASIC INSTRUCTION FOR JUDGE ADVO-**
26 **CATES.**

27 Not later than February 1, 2003, the Secretary of Defense
28 shall submit to the Committee on Armed Services of the Senate
29 and the Committee on Armed Services of the House of Rep-
30 resentatives a report on the desirability and feasibility of con-
31 solidating the separate Army, Navy, and Air Force courses of
32 basic instruction for judge advocates into a single course to be
33 conducted at a single location. The report shall include—

34 (1) an assessment of the advantages and disadvan-
35 tages of such a consolidation;

1 (2) a recommendation as to whether such a consolida-
2 tion is desirable and feasible; and

3 (3) any proposal for legislative action that the Sec-
4 retary considers appropriate for carrying out such a con-
5 solidation.

6 **SEC. 583. REPORTS ON EFFORTS TO RESOLVE STATUS**
7 **OF CAPTAIN MICHAEL SCOTT SPEICHER,**
8 **UNITED STATES NAVY.**

9 (a) REPORTS.— Not later than 90 days after the date of
10 the enactment of this Act, and every 120 days thereafter, the
11 Secretary of Defense shall submit to Congress a report on the
12 efforts of the United States Government to determine the sta-
13 tus of Captain Michael Scott Speicher, United States Navy,
14 whose aircraft was shot down over Iraq on the night of Janu-
15 ary 17, 1991. Each such report shall be prepared in consulta-
16 tion with the Secretary of State and the Director of Central In-
17 telligence.

18 (b) PERIOD COVERED BY REPORTS.—The first report
19 under subsection (a) shall cover efforts described in that sub-
20 section from the time that Michael Scott Speicher's aircraft
21 was shot down over Iraq until the date of the report, and each
22 subsequent report shall cover efforts described in that sub-
23 section since the last such report.

24 (c) REPORT ELEMENTS.—Each report under subsection
25 (a) shall describe, for the period covered by such report, the
26 following:

27 (1) All direct and indirect contacts by the United
28 States Government with the Government of Iraq regarding
29 the status of Michael Scott Speicher.

30 (2) Any request made by the United States Govern-
31 ment to the government of another country, including the
32 intelligence service of such country, for assistance in resolv-
33 ing the status of Michael Scott Speicher, including the re-
34 sponse to such request.

35 (3) Each current lead on the status of Michael Scott
36 Speicher, including an assessment of the utility of such
37 lead in resolving the status of Michael Scott Speicher.

1 (4) Any cooperation with nongovernmental organiza-
2 tions or international organizations in resolving the status
3 of Michael Scott Speicher, including the results of such co-
4 operation.

5 (d) FORM OF REPORTS.—Each report under subsection
6 (a) shall be submitted in classified or unclassified form. To the
7 extent submitted in classified form, such report shall include an
8 unclassified summary.

9 (e) DURATION.—The requirement to submit reports under
10 this section shall cease to be effective upon a final determina-
11 tion regarding the status of Michael Scott Speicher by the Sec-
12 retary of Defense.

13 **SEC. 584. REPORT ON VOLUNTEER SERVICES OF MEM-**
14 **BERS OF THE RESERVE COMPONENTS IN**
15 **EMERGENCY RESPONSE TO THE TERRORIST**
16 **ATTACKS OF SEPTEMBER 11, 2001.**

17 (a) REQUIREMENT FOR REPORT.—Not later than 180
18 days after the date of the enactment of this Act, the Secretary
19 of Defense shall submit to the Committees on Armed Services
20 of the Senate and House of Representatives a report on volun-
21 teer services described in subsection (b) that were provided by
22 members of the reserve components of the Armed Forces, while
23 not in a duty status pursuant to orders, during the period of
24 September 11 through September 14, 2001. The report shall
25 include a discussion of any recognition that the Secretary con-
26 siders appropriate for those members regarding the provision of
27 such services.

28 (b) COVERED VOLUNTEER SERVICES.—The volunteer
29 services referred to in subsection (a) are volunteer services of
30 a military-unique nature that were provided—

31 (1) in the vicinity of the site of the World Trade Cen-
32 ter, New York, New York, in support of emergency re-
33 sponse to the terrorist attack on the World Trade Center
34 on September 11, 2001;

35 (2) in the vicinity of the Pentagon, Arlington, Vir-
36 ginia, in support of emergency response to the terrorist at-
37 tack on the Pentagon on September 11, 2001; or

1 (3) in the vicinity of Shanksville, Pennsylvania, in sup-
2 port of emergency response to the terrorist-caused crash of
3 United Airlines Flight 93 in Shanksville, Pennsylvania, on
4 September 11, 2001.

1 **TITLE VI—COMPENSATION AND**
2 **OTHER PERSONNEL BENEFITS**

Subtitle A—Pay and Allowances

- Sec. 601. Increase in basic pay for fiscal year 2003.
Sec. 602. Basic allowance for housing in cases of low-cost or no-cost moves.
Sec. 603. Rate of basic allowance for subsistence for enlisted personnel occupying single Government quarters without adequate availability of meals.

Subtitle B—Bonuses and Special and Incentive Pays

- Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Increase in maximum rates for certain special pays, bonuses, and financial assistance for health care professionals.
Sec. 616. Assignment incentive pay.
Sec. 617. Increase in maximum rates for prior service enlistment bonus.
Sec. 618. Retention incentives for health care professionals qualified in a critical military skill.

Subtitle C—Travel and Transportation Allowances

- Sec. 621. Extension of leave travel deferral period for members performing consecutive overseas tours of duty.
Sec. 622. Transportation of motor vehicles for members reported missing.

Subtitle D—Retired Pay and Survivor Benefits

- Sec. 631. Permanent reduction from eight to six in number of years of reserve service required for eligibility for retired pay for non-regular service.
Sec. 632. Increased retired pay for enlisted Reserves credited with extraordinary heroism.
Sec. 633. Elimination of possible inversion in retired pay cost-of-living adjustment for initial COLA computation.
Sec. 634. Technical revisions to so-called “forgotten widows” annuity program.
Sec. 635. Expansion of authority of Secretary of Defense to waive time limitations on claims against the Government for military personnel benefits.
Sec. 636. Special compensation for certain combat-related disabled uniformed services retirees.

Subtitle E—Montgomery GI Bill

- Sec. 641. Time limitation for use of Montgomery GI Bill entitlement by members of the Selected Reserve.
Sec. 642. Repayment requirements under Reserve Component Montgomery GI Bill arising from failure to participate satisfactorily in military service to be considered debts owed to the United States.
Sec. 643. Technical adjustments to authority for certain members to transfer educational assistance under Montgomery GI Bill to dependents.

Subtitle F—Other Matters

Sec. 651. Payment of interest on student loans.

Sec. 652. Additional authority to provide assistance for families of members of the Armed Forces.

Sec. 653. Repeal of authority for acceptance of honoraria by personnel at certain Department of Defense schools.

Sec. 654. Addition of definition of continental United States in title 37.

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2003 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2003, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
O-7 ...	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
O-6 ...	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60
O-5 ...	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
O-4 ...	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
O-3 ³	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
O-2 ³	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
O-1 ³	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
O-9 ...	0.00	0.00	0.00	0.00	0.00
O-8 ...	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
O-7 ...	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
O-6 ...	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
O-5 ...	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
O-4 ...	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
O-3 ³	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O-10 ²	\$0.00	\$12,077.70	\$12,137.10	\$12,389.40	\$12,829.20
O-9 ...	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O-8 ...	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O-7 ...	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O-6 ...	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O-5 ...	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O-4 ...	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O-3 ³	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O-2 ³	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O-1 ³	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O-7 through O-10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an officer in this grade while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard is \$14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³This table does not apply to commissioned officers in pay grade O-1, O-2, or O-3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

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COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O-3E	\$0.00	\$0.00	\$0.00	\$3,883.50	\$4,069.50
O-2E	0.00	0.00	0.00	3,410.70	3,481.20
O-1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O-3E	\$4,273.50	\$4,405.80	\$4,623.30	\$4,806.30	\$4,911.00
O-2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O-1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O-3E	\$5,054.40	\$5,054.40	\$5,054.40	\$5,054.40	\$5,054.40
O-2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O-1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W-3 ..	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W-2 ..	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W-1 ..	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W-5 ..	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
W-4 ..	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W-3 ..	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W-2 ..	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W-1 ..	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W-5 ..	\$0.00	\$5,169.30	\$5,346.60	\$5,524.50	\$5,703.30
W-4 ..	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W-3 ..	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W-2 ..	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W-1 ..	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

¹ Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS¹

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 ²	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E-8 ...	0.00	0.00	0.00	0.00	0.00
E-7 ...	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E-6 ...	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E-5 ...	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E-4 ...	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E-3 ...	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ...	³ 1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 ²	\$0.00	\$3,564.30	\$3,645.00	\$3,747.00	\$3,867.00
E-8 ...	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E-7 ...	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E-6 ...	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E-5 ...	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ...	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E-9 ²	\$3,987.30	\$4,180.80	\$4,344.30	\$4,506.30	\$4,757.40
E-8 ...	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E-7 ...	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E-6 ...	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E-5 ...	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E-4 ...	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E-3 ...	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E-2 ...	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E-1 ...	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

¹Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

²Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay is \$5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

³In the case of members in pay grade E-1 who have served less than 4 months on active duty, the rate of basic pay is \$1,064.70.

1 SEC. 602. BASIC ALLOWANCE FOR HOUSING IN CASES
2 OF LOW-COST OR NO-COST MOVES.

3 Section 403 of title 37, United States Code, is amended—

4 (1) by transferring paragraph (7) of subsection (b) to
5 the end of the section; and

6 (2) in such paragraph—

7 (A) by striking “(7)” and all that follows through
8 “circumstances of which make it necessary that the
9 member be” and inserting “(o) TREATMENT OF LOW-
10 COST AND NO-COST MOVES AS NOT BEING REASSIGN-
11 MENTS.—In the case of a member who is assigned to

1 duty at a location or under circumstances that make it
2 necessary for the member to be”; and

3 (B) by inserting “for the purposes of this section”
4 after “may be treated”.

5 **SEC. 603. RATE OF BASIC ALLOWANCE FOR SUBSIST-**
6 **ENCE FOR ENLISTED PERSONNEL OCCU-**
7 **PYING SINGLE GOVERNMENT QUARTERS**
8 **WITHOUT ADEQUATE AVAILABILITY OF**
9 **MEALS.**

10 Section 402(d) of title 37, United States Code, is amended
11 to read as follows:

12 “(d) SPECIAL RATE FOR ENLISTED MEMBERS OCCUPYING
13 SINGLE QUARTERS WITHOUT ADEQUATE AVAILABILITY OF
14 MEALS.—The Secretary of Defense, and the Secretary of the
15 department in which the Coast Guard is operating, may pay an
16 enlisted member the basic allowance for subsistence under this
17 section at a monthly rate that is twice the amount in effect
18 under subsection (b)(2) while—

19 “(1) the member is assigned to single Government
20 quarters which have no adequate food storage or prepara-
21 tion facility in the quarters; and

22 “(2) there is no Government messing facility serving
23 those quarters that is capable of making meals available to
24 the occupants of the quarters.”.

25 **Subtitle B—Bonuses and Special and**
26 **Incentive Pays**

27 **SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS**
28 **AND SPECIAL PAY AUTHORITIES FOR RE-**
29 **SERVE FORCES.**

30 (a) SELECTED RESERVE REENLISTMENT BONUS.—Sec-
31 tion 308b(f) of title 37, United States Code, is amended by
32 striking “December 31, 2002” and inserting “December 31,
33 2003”.

34 (b) SELECTED RESERVE ENLISTMENT BONUS.—Section
35 308c(e) of such title is amended by striking “December 31,
36 2002” and inserting “December 31, 2003”.

37 (c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO
38 CERTAIN HIGH PRIORITY UNITS.—Section 308d(e) of such

1 title is amended by striking “December 31, 2002” and insert-
2 ing “December 31, 2003”.

3 (d) SELECTED RESERVE AFFILIATION BONUS.—Section
4 308e(e) of such title is amended by striking “December 31,
5 2002” and inserting “December 31, 2003”.

6 (e) READY RESERVE ENLISTMENT AND REENLISTMENT
7 BONUS.—Section 308h(g) of such title is amended by striking
8 “December 31, 2002” and inserting “December 31, 2003”.

9 (f) PRIOR SERVICE ENLISTMENT BONUS.—Section
10 308i(f) of such title is amended by striking “December 31,
11 2002” and inserting “December 31, 2003”.

12 **SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS**
13 **AND SPECIAL PAY AUTHORITIES FOR CER-**
14 **TAIN HEALTH CARE PROFESSIONALS.**

15 (a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—
16 Section 2130a(a)(1) of title 10, United States Code, is amend-
17 ed by striking “December 31, 2002” and inserting “December
18 31, 2003”.

19 (b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN
20 HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RE-
21 SERVE.—Section 16302(d) of such title is amended by striking
22 “January 1, 2003” and inserting “January 1, 2004”.

23 (c) ACCESSION BONUS FOR REGISTERED NURSES.—Sec-
24 tion 302d(a)(1) of title 37, United States Code, is amended by
25 striking “December 31, 2002” and inserting “December 31,
26 2003”.

27 (d) INCENTIVE SPECIAL PAY FOR NURSE ANES-
28 THETISTS.—Section 302e(a)(1) of such title is amended by
29 striking “December 31, 2002” and inserting “December 31,
30 2003”.

31 (e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PRO-
32 FESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—
33 Section 302g(f) of such title is amended by striking “December
34 31, 2002” and inserting “December 31, 2003”.

35 (f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section
36 302h(a)(1) of such title is amended by striking “December 31,
37 2002” and inserting “December 31, 2003”.

1 **SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND**
2 **BONUS AUTHORITIES FOR NUCLEAR OFFI-**
3 **CERS.**

4 (a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS
5 EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of
6 title 37, United States Code, is amended by striking “Decem-
7 ber 31, 2002” and inserting “December 31, 2003”.

8 (b) NUCLEAR CAREER ACCESSION BONUS.—Section
9 312b(e) of such title is amended by striking “December 31,
10 2002” and inserting “December 31, 2003”.

11 (c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Sec-
12 tion 312c(d) of such title is amended by striking “December
13 31, 2002” and inserting “December 31, 2003”.

14 **SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND**
15 **SPECIAL PAY AUTHORITIES.**

16 (a) AVIATION OFFICER RETENTION BONUS.—Section
17 301b(a) of title 37, United States Code, is amended by striking
18 “December 31, 2002” and inserting “December 31, 2003”.

19 (b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Sec-
20 tion 308(g) of such title is amended by striking “December 31,
21 2002” and inserting “December 31, 2003”.

22 (c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section
23 309(e) of such title is amended by striking “December 31,
24 2002” and inserting “December 31, 2003”.

25 (d) RETENTION BONUS FOR MEMBERS WITH CRITICAL
26 MILITARY SKILLS.—Section 323(i) of such title is amended by
27 striking “December 31, 2002” and inserting “December 31,
28 2003”.

29 (e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL
30 SKILLS.—Section 324(g) of such title is amended by striking
31 “December 31, 2002” and inserting “December 31, 2003”.

32 **SEC. 615. INCREASE IN MAXIMUM RATES FOR CERTAIN**
33 **SPECIAL PAYS, BONUSES, AND FINANCIAL**
34 **ASSISTANCE FOR HEALTH CARE PROFES-**
35 **SIONALS.**

36 (a) RETENTION BONUS FOR MEDICAL OFFICERS.—Sec-
37 tion 301d(a)(2) of title 37, United States Code, is amended by
38 striking “\$14,000” and inserting “\$50,000”.

1 (b) RETENTION BONUS FOR DENTAL OFFICERS.—Section
2 301e(a)(2) of such title is amended by striking “\$14,000” and
3 inserting “\$50,000”.

4 (c) INCENTIVE SPECIAL PAY FOR MEDICAL OFFICERS.—
5 Section 302(b)(1) of such title is amended by striking the sec-
6 ond sentence and inserting the following new sentence: “The
7 amount of incentive special pay paid to an officer under this
8 subsection may not exceed \$50,000 for any 12-month period.”.

9 (d) RETENTION SPECIAL PAY OPTOMETRISTS.—Section
10 302a(b)(1) of such title is amended by striking “\$6,000” and
11 inserting “\$15,000”.

12 (e) ACCESSION BONUS FOR REGISTERED NURSES.—Sec-
13 tion 302d(a)(2) of such title is amended by striking “\$5,000”
14 and inserting “\$30,000”.

15 (f) INCENTIVE SPECIAL PAY FOR NURSE ANES-
16 THETISTS.—Section 302e(a)(1) of such title is amended by
17 striking “\$15,000” and inserting “\$50,000”.

18 (g) RETENTION SPECIAL PAY FOR PHARMACY OFFI-
19 CERS.—Section 302i of such title is amended—

20 (1) in subsections (a) and (b), by striking “special pay
21 at the rates specified in subsection (d)” both places it ap-
22 pears and inserting “retention special pay under this sec-
23 tion”;

24 (2) in subsection (c), by striking “LIMITATION.—”
25 and inserting “LIMITATION ON ELIGIBILITY FOR SPECIAL
26 PAY.—”; and

27 (3) by striking subsection (d) and inserting the fol-
28 lowing new subsection:

29 “(d) LIMITATION ON AMOUNT OF SPECIAL PAY.—The
30 amount of retention special pay paid to an officer under this
31 section may not exceed \$15,000 for any 12-month period.”.

32 (h) FINANCIAL ASSISTANCE FOR NURSE OFFICER CAN-
33 DIDATES.—Section 2130a(a) of title 10, United States Code, is
34 amended—

35 (1) in paragraph (1), by striking “\$5,000” in the first
36 sentence and inserting “\$10,000” and by striking “\$2,500”
37 in the second sentence and inserting “\$5,000”; and

1 (2) in paragraph (2), by striking “\$500” and inserting
2 “\$1,000”.

3 (i) APPLICATION OF INCREASE.—In the case of an amend-
4 ment made by this section to increase the maximum amount
5 of a special pay or bonus that may be paid during any 12-
6 month period, the amended limitation shall apply to 12-month
7 periods beginning after September 30, 2002.

8 **SEC. 616. ASSIGNMENT INCENTIVE PAY.**

9 (a) AUTHORITY.—(1) Chapter 5 of title 37, United States
10 Code, is amended by inserting after section 307 the following
11 new section:

12 **“§ 307a. Special pay: assignment incentive pay**

13 “(a) AUTHORITY.—The Secretary concerned may pay
14 monthly incentive pay under this section to a member of a uni-
15 formed service who performs service, while entitled to basic
16 pay, in an assignment designated by the Secretary concerned.

17 “(b) WRITTEN AGREEMENT.—The period for which incen-
18 tive pay will be provided under this section and the monthly
19 rate of the incentive pay for a member shall be specified in a
20 written agreement between the Secretary concerned and the
21 member. Agreements entered into by the Secretary of a mili-
22 tary department shall require the concurrence of the Secretary
23 of Defense.

24 “(c) MAXIMUM RATE.—The maximum monthly rate of in-
25 centive pay payable to a member under this section is \$1,500.

26 “(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—
27 Incentive pay paid to a member under this section is in addi-
28 tion to any other pay and allowances to which the member is
29 entitled.

30 “(e) STATUS NOT AFFECTED BY TEMPORARY DUTY OR
31 LEAVE.—The service of a member in an assignment referred
32 to in subsection (a) shall not be considered discontinued during
33 any period that the member is not performing service in the
34 assignment by reason of temporary duty performed by the
35 member pursuant to orders or absence of the member for au-
36 thorized leave.

1 “(f) TERMINATION OF AUTHORITY.—No agreement under
2 this section may be entered into after December 31, 2005.”.

3 (2) The table of sections at the beginning of such chapter
4 is amended by inserting after the item relating to section 307
5 the following new item:

“307a. Special pay: assignment incentive pay.”.

6 (b) ANNUAL REPORT.—Not later than February 28, 2004,
7 and February 28, 2005, the Secretary of Defense shall submit
8 to the Committee on Armed Services of the Senate and the
9 Committee on Armed Services of the House of Representatives
10 a report on the use of the authority provided under section
11 307a of title 37, United States Code, as added by subsection
12 (a), including an assessment of the utility of that authority.

13 **SEC. 617. INCREASE IN MAXIMUM RATES FOR PRIOR**
14 **SERVICE ENLISTMENT BONUS.**

15 Section 308i(b)(1) of title 37, United States Code, is
16 amended—

17 (1) in subparagraph (A), by striking “\$5,000” and in-
18 serting “\$8,000”;

19 (2) in subparagraph (B), by striking “\$2,500” and in-
20 serting “\$4,000”; and

21 (3) in subparagraph (C), by striking “\$2,000” and in-
22 serting “\$3,500”.

23 **SEC. 618. RETENTION INCENTIVES FOR HEALTH CARE**
24 **PROFESSIONALS QUALIFIED IN A CRITICAL**
25 **MILITARY SKILL.**

26 (a) EXCEPTION TO LIMITATION ON MAXIMUM BONUS
27 AMOUNT.—Subsection (d) of section 323 of title 37, United
28 States Code, is amended—

29 (1) by inserting “(1)” before “A member”; and

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

31 “(2) The limitation in paragraph (1) on the total bonus
32 payments that a member may receive under this section does
33 not apply with respect to an officer who is assigned duties as
34 a health care professional.”.

35 (b) EXCEPTION TO YEARS OF SERVICE LIMITATION.—
36 Subsection (e) of such section is amended—

1 (1) by redesignating paragraphs (1) and (2) as sub-
2 paragraphs (A) and (B), respectively;

3 (2) by inserting “(1)” before “A retention”; and

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

5 “(2) The limitations in paragraph (1) do not apply with
6 respect to an officer who is assigned duties as a health care
7 professional during the period of active duty for which the
8 bonus is being offered.”.

9 **Subtitle C—Travel and** 10 **Transportation Allowances**

11 **SEC. 621. EXTENSION OF LEAVE TRAVEL DEFERRAL PE-** 12 **RIOD FOR MEMBERS PERFORMING CON-** 13 **SECUTIVE OVERSEAS TOURS OF DUTY.**

14 (a) AUTHORIZED DEFERRAL PERIOD.—Section 411b of
15 title 37, United States Code is amended by inserting after sub-
16 section (a) the following new subsection:

17 “(b) AUTHORITY TO DEFER TRAVEL; LIMITATIONS.—(1)
18 Under the regulations referred to in subsection (a), a member
19 may defer the travel for which the member is paid travel and
20 transportation allowances under this section until any time be-
21 fore the completion of the consecutive tour at the same duty
22 station or the completion of the tour of duty at the new duty
23 station under the order involved, as the case may be.

24 “(2) If a member is unable to undertake the travel before
25 expiration of the deferral period under paragraph (1) because
26 of duty in connection with a contingency operation, the member
27 may defer the travel until not more than one year after the
28 date on which the member’s duty in connection with the contin-
29 gency operation ends.”.

30 (b) CONFORMING AND CLERICAL AMENDMENTS.—Such
31 section is further amended—

32 (1) in subsection (a)—

33 (A) by striking “(a)(1)” and inserting “(a) AL-
34 LOWANCES AUTHORIZED.—”; and

35 (B) by striking paragraph (2); and

1 (2) by striking “(b) The allowances” and inserting
 2 “(c) LIMITATION ON ALLOWANCE RATE.—The allow-
 3 ances”.

4 (c) APPLICATION OF AMENDMENT.—Subsection (b) of sec-
 5 tion 411b of title 37, United States Code, as added by sub-
 6 section (a), shall apply with respect to members of the uni-
 7 formed services in a deferred leave travel status under such
 8 section as of the date of the enactment of this Act or becomes
 9 entitled to travel and transportation allowances under such sec-
 10 tion on or after that date.

11 **SEC. 622. TRANSPORTATION OF MOTOR VEHICLES FOR**
 12 **MEMBERS REPORTED MISSING.**

13 (a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—Sub-
 14 section (a) of section 554 of title 37, United States Code, is
 15 amended by striking “one privately owned motor vehicle” both
 16 places it appears and inserting “two privately owned motor ve-
 17 hicles”.

18 (b) PAYMENTS FOR LATE DELIVERY.—Subsection (i) of
 19 such section is amended by adding at the end the following new
 20 sentence: “In a case in which two motor vehicles of a member
 21 (or the dependent or dependents of a member) are transported
 22 at the expense of the United States, no reimbursement is pay-
 23 able under this subsection unless both motor vehicles do not ar-
 24 rive at the authorized destination of the vehicles by the des-
 25 ignated delivery date.”.

26 (c) APPLICABILITY.—The amendments made by subsection
 27 (a) shall apply with respect to members whose eligibility for
 28 benefits under section 554 of title 37, United States Code,
 29 commences on or after the date of the enactment of this Act.

30 **Subtitle D—Retired Pay and Survivor**
 31 **Benefits**

32 **SEC. 631. PERMANENT REDUCTION FROM EIGHT TO SIX**
 33 **IN NUMBER OF YEARS OF RESERVE SERVICE**
 34 **REQUIRED FOR ELIGIBILITY FOR RETIRED**
 35 **PAY FOR NON-REGULAR SERVICE.**

36 (a) REDUCTION IN REQUIREMENT FOR YEARS OF RE-
 37 SERVE COMPONENT SERVICE BEFORE RETIRED PAY ELIGI-

1 BILITY.—Subsection (a)(3) of section 12731 of title 10, United
2 States Code, is amended—

3 (1) by striking “eight years” and inserting “six
4 years”; and

5 (2) by inserting before the semicolon “, except that in
6 the case of a person who completed the service require-
7 ments of paragraph (2) before October 5, 1994, the num-
8 ber of years of such qualifying service under this paragraph
9 shall be eight”.

10 (b) CONFORMING AMENDMENT.—Subsection (f) of such
11 section is repealed.

12 (c) EFFECTIVE DATE.—The amendments made by sub-
13 section (a) shall take effect on October 1, 2002. No benefit
14 shall accrue to any person for any period before that date by
15 reason of the enactment of those amendments.

16 **SEC. 632. INCREASED RETIRED PAY FOR ENLISTED RE-**
17 **SERVES CREDITED WITH EXTRAORDINARY**
18 **HEROISM.**

19 (a) AUTHORITY.—Section 12739 of title 10, United States
20 Code, is amended—

21 (1) by redesignating subsections (b) and (c) as sub-
22 sections (c) and (d), respectively; and

23 (2) by inserting after subsection (a) the following new
24 subsection (b):

25 “(b) If a person entitled to retired pay under this chapter
26 has been credited by the Secretary concerned with extraor-
27 dinary heroism in the line of duty and if the highest grade held
28 satisfactorily by that person at any time in the armed forces
29 is an enlisted grade, the person’s retired pay shall be increased
30 by 10 percent of the amount determined under subsection (a).
31 The Secretary’s determination as to extraordinary heroism is
32 conclusive for all purposes.”.

33 (b) CONFORMING AMENDMENT.—Subsection (e) of such
34 section, as redesignated by subsection (a)(1), is amended by
35 striking “amount computed under subsection (a)” and inserting
36 “total amount of the monthly retired pay computed under sub-
37 sections (a) and (b)”.

1 (c) EFFECTIVE DATE.—The amendments made by sub-
2 sections (a) and (b) shall take effect on October 1, 2002, and
3 shall apply with respect to retired pay for months beginning on
4 or after that date.

5 **SEC. 633. ELIMINATION OF POSSIBLE INVERSION IN RE-**
6 **TIRED PAY COST-OF-LIVING ADJUSTMENT**
7 **FOR INITIAL COLA COMPUTATION.**

8 (a) ELIMINATION OF POSSIBLE COLA INVERSION.—Sec-
9 tion 1401a of title 10, United States Code, is amended—

10 (1) in subsections (c)(1), (d), and (e), by inserting
11 “but subject to subsection (f)(2)” after “Notwithstanding
12 subsection (b)”;

13 (2) in subsection (c)(2), by inserting “(subject to sub-
14 section (f)(2) as applied to other members whose retired
15 pay is computed on the current rates of basic pay in the
16 most recent adjustment under this section)” after “shall be
17 increased”; and

18 (3) in subsection (f)—

19 (A) by designating the text after the subsection
20 heading as paragraph (1), indenting that text two ems,
21 and inserting “PREVENTION OF RETIRED PAY INVER-
22 SIONS.—” before “Notwithstanding”; and

23 (B) by adding at the end the following new para-
24 graph:

25 “(2) PREVENTION OF COLA INVERSIONS.—The per-
26 centage of the first adjustment under this section in the re-
27 tired pay of any person, as determined under subsection
28 (c)(1), (c)(2), (d), or (e), may not exceed the percentage in-
29 crease in retired pay determined under subsection (b)(2)
30 that is effective on the same date as the effective date of
31 such first adjustment.”.

32 (b) TECHNICAL AMENDMENTS.—Such section is further
33 amended—

34 (1) in subsection (d), by inserting “or on or after Au-
35 gust 1, 1986, if the member or former member did not
36 elect to receive a bonus under section 322 of title 37” after
37 “August 1, 1986,”; and

1 (2) in subsection (e), by inserting “and elected to re-
2 ceive a bonus under section 322 of title 37” after “August
3 1, 1986,”.

4 **SEC. 634. TECHNICAL REVISIONS TO SO-CALLED “FOR-**
5 **GOTTEN WIDOWS” ANNUITY PROGRAM.**

6 (a) CLARIFICATION OF ELIGIBILITY.—Subsection (a)(1) of
7 section 644 of the National Defense Authorization Act for Fis-
8 cal Year 1998 (Public Law 105–85; 10 U.S.C. 1448 note) is
9 amended—

10 (1) in subparagraph (A), by inserting after “(A)” the
11 following: “became entitled to retired or retainer pay before
12 September 21, 1972,”; and

13 (2) in subparagraph (B), by striking “was a member
14 of a reserve component of the Armed Forces” and inserting
15 “died”.

16 (b) CLARIFICATION OF INTERACTION WITH OTHER BENE-
17 FITS.—(1) Subsection (a)(2) of such section is amended by
18 striking “and who” and all that follows through “note”).

19 (2) Subsection (b)(2) of such section is amended to read
20 as follows:

21 “(2) The amount of an annuity to which a surviving
22 spouse is entitled under this section for any period shall be re-
23 duced (but not below zero) by any amount paid to that sur-
24 viving spouse for the same period under any of the following
25 provisions of law:

26 “(A) Section 1311(a) of title 38, United States Code
27 (relating to dependency and indemnity compensation pay-
28 able by the Secretary of Veterans Affairs).

29 “(B) Chapter 73 of title 10, United States Code.

30 “(C) Section 4 of Public Law 92–425 (10 U.S.C. 1448
31 note).”.

32 (c) CLARIFICATION OF DEFINITION OF SURVIVING
33 SPOUSE.—Subsection (d)(2) of such section is amended by
34 striking “the terms” and all that follows through “and (8)”
35 and inserting “such term in paragraph (9)”.

36 (d) SPECIFICATION IN LAW OF CURRENT BENEFIT
37 AMOUNT.—Subsection (b) of such section is amended—

1 (1) in paragraph (1), by striking “\$165” and inserting
2 “\$185.58”; and

3 (2) in paragraph (3)—

4 (A) by striking “the date of the enactment of this
5 Act” and inserting “May 1, 2002,”; and

6 (B) by striking the last sentence.

7 (e) SPECIFICATION OF ENACTMENT MONTH.—Subsection
8 (e) of such section is amended—

9 (1) in paragraph (1), by striking “the month in which
10 this Act is enacted” and inserting “November 1997”; and

11 (2) in paragraph (2), by striking “the first month that
12 begins after the month in which this Act is enacted” and
13 inserting “December 1997”.

14 **SEC. 635. EXPANSION OF AUTHORITY OF SECRETARY OF**
15 **DEFENSE TO WAIVE TIME LIMITATIONS ON**
16 **CLAIMS AGAINST THE GOVERNMENT FOR**
17 **MILITARY PERSONNEL BENEFITS.**

18 (a) AUTHORITY FOR WAIVER OF TIME LIMITATIONS.—
19 Paragraph (1) of section 3702(e) of title 31, United States
20 Code, is amended by striking “a claim” and all that follows
21 through “title 10” and inserting “a claim referred to in sub-
22 section (a)(1)(A)”.

23 (b) TECHNICAL AMENDMENTS.—(1) Such paragraph is
24 further amended—

25 (A) by striking “Upon the request” and all that fol-
26 lows through “the Secretary of Defense” and inserting
27 “The Secretary of Defense”;

28 (B) by striking “and, subject to paragraph (2), settle
29 the claim”; and

30 (C) by adding at the end the following new sentence:
31 “In the case of a claim by or with respect to a member of
32 the uniformed services who is not under the jurisdiction of
33 the Secretary of a military department, such a waiver may
34 be made only upon the request of the Secretary concerned
35 (as defined in section 101 of title 37).”.

36 (2) Paragraph (2) of such section is amended—

1 (A) by striking “under paragraph (1)’ and inserting
2 “under subsection (a)(1)(A)”;

3 (B) by inserting before the period at the end the fol-
4 lowing: “, except that in the case of a claim for retired pay
5 or survivor benefits, if the obligation claimed would have
6 been paid from a trust fund if timely paid, the payment of
7 the claim shall be made from that trust fund”.

8 (c) EFFECTIVE DATE.—The amendment made by sub-
9 section (a) shall apply with respect to claims against the United
10 States presented to the Secretary of Defense under section
11 3702 of title 31, United States Code, on or after the date of
12 the enactment of this Act.

13 **SEC. 636. SPECIAL COMPENSATION FOR CERTAIN COM-**
14 **BAT-RELATED DISABLED UNIFORMED SERV-**
15 **ICES RETIREES.**

16 (a) AUTHORITY.—(1) Chapter 71 of title 10, United
17 States Code, is amended by inserting after section 1413 the fol-
18 lowing new section:

19 **“§ 1413a. Special compensation for certain combat-**
20 **related disabled uniformed services retir-**
21 **ees**

22 “(a) AUTHORITY.—The Secretary concerned shall pay to
23 each eligible combat-related disabled uniformed services retiree
24 who elects benefits under this section a monthly amount for the
25 combat-related disability of the retiree determined under sub-
26 section (b).

27 “(b) AMOUNT.—

28 “(1) DETERMINATION OF MONTHLY AMOUNT.—Sub-
29 ject to paragraphs (2) and (3), the monthly amount to be
30 paid an eligible combat-related disabled uniformed services
31 retiree for a combat-related disability under subsection (a)
32 is the monthly amount of compensation to which the retiree
33 would be entitled solely for the combat-related disability
34 consistent with chapter 11 of title 38.

35 “(2) MAXIMUM AMOUNT.—The amount paid to an eli-
36 gible combat-related disabled uniformed services retiree for
37 any month under paragraph (1) may not exceed the

1 amount of the reduction in retired pay that is applicable to
2 the retiree for that month under sections 5304 and 5305
3 of title 38.

4 “(3) SPECIAL RULES FOR CHAPTER 61 DISABILITY
5 RETIREES.—In the case of an eligible combat-related dis-
6 abled uniformed services retiree who is retired under chap-
7 ter 61 of this title, the amount of the payment under para-
8 graph (1) for any month shall be reduced by the amount
9 (if any) by which the amount of the member’s retired pay
10 under chapter 61 of this title exceeds the amount of retired
11 pay to which the member would have been entitled under
12 any other provision of law based upon the member’s service
13 in the uniformed services if the member had not been re-
14 tired under chapter 61 of this title.

15 “(c) ELIGIBLE RETIREES.—For purposes of this section,
16 an eligible combat-related disabled uniformed services retiree
17 referred to in subsection (a) is a member of the uniformed
18 services entitled to retired pay who—

19 “(1) has completed at least 20 years of service in the
20 uniformed services that are creditable for purposes of com-
21 puting the amount of retired pay to which the member is
22 entitled; and

23 “(2) has a qualifying combat-related disability.

24 “(d) PROCEDURES.—The Secretary of Defense shall pre-
25 scribe procedures and criteria under which a disabled uni-
26 formed services retiree may apply to the Secretary of a military
27 department to be considered to be an eligible combat-related
28 disabled uniformed services retiree. Such procedures shall apply
29 uniformly throughout the Department of Defense.

30 “(e) QUALIFYING COMBAT-RELATED DISABILITY.—In this
31 section, the term ‘qualifying combat-related disability’ means
32 either of the following:

33 “(1) A disability that—

34 “(A) is attributable to an injury for which the
35 member was awarded the Purple Heart; and

36 “(B) is rated as not less than 10 percent
37 disabling—

1 “(i) by the Secretary concerned, as of the date
2 on which the member is retired from the uniformed
3 services, under criteria prescribed by the Secretary
4 of Defense; or

5 “(ii) by the Secretary of Veterans Affairs.

6 “(2) A service-connected disability that—

7 “(A) was incurred (as determined under criteria
8 prescribed by the Secretary of Defense)—

9 “(i) as a direct result of armed conflict;

10 “(ii) while engaged in hazardous service;

11 “(iii) in the performance of duty under condi-
12 tions simulating war; or

13 “(iv) through an instrumentality of war; and

14 “(B) is rated as not less than 60 percent
15 disabling—

16 “(i) by the Secretary concerned, as of the date
17 on which the member is retired from the uniformed
18 services, under criteria prescribed by the Secretary
19 of Defense; or

20 “(ii) by the Secretary of Veterans Affairs.

21 “(f) CONSTRUCTION WITH SPECIAL COMPENSATION FOR
22 SEVERELY DISABLED UNIFORMED SERVICES RETIREES.—

23 “(1) SINGLE SOURCE OF COMPENSATION.—An indi-
24 vidual who is paid special compensation under this section
25 may not receive special compensation under section 1413 of
26 this title.

27 “(2) ELECTION OF SOURCE.—An individual who is eli-
28 gible for special compensation under this section and spe-
29 cial compensation under section 1413 of this title shall
30 elect which special compensation to receive.

31 “(3) REGULATIONS.—The Secretary of Defense shall
32 prescribe in regulations the manner and form of an election
33 under this subsection.

34 “(g) STATUS OF PAYMENTS.—Payments under this sec-
35 tion are not retired pay.

36 “(h) SOURCE OF PAYMENTS.—Payments under this sec-
37 tion for any fiscal year shall be paid out of funds appropriated

1 for pay and allowances payable by the Secretary concerned for
2 that fiscal year.

3 “(i) OTHER DEFINITIONS.—In this section:

4 “(1) The term ‘service-connected’ has the meaning
5 given such term in section 101 of title 38.

6 “(2) The term ‘retired pay’ includes retainer pay,
7 emergency officers’ retirement pay, and naval pension.”.

8 (2) Section 1413a of title 10, United States Code, as
9 added by paragraph (1), shall take effect not later than 180
10 days after the date of the enactment of this Act.

11 (3) The table of sections at the beginning of chapter 71
12 of such title is amended by inserting after the item relating to
13 section 1413 the following new item:

“1413a. Special compensation for certain combat-related disabled uniformed
services retirees.”.

14 (b) SPECIAL COMPENSATION FOR CERTAIN SEVERELY
15 DISABLED UNIFORMED SERVICES RETIREES.—Section 1413 of
16 title 10, United States Code, is amended—

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

19 (2) by inserting after subsection (d) the following new
20 subsection (e):

21 “(e) CONSTRUCTION WITH SPECIAL COMPENSATION FOR
22 COMBAT-DISABLED UNIFORMED SERVICES RETIREES.—(1) An
23 individual who is paid special compensation under this section
24 may not receive special compensation under section 1413a of
25 this title.

26 “(2) An individual who is eligible for special compensation
27 under this section and special compensation under section
28 1413a of this title shall elect which special compensation to re-
29 ceive.

30 “(3) The Secretary of Defense shall prescribe in regula-
31 tions the manner and form of an election under this sub-
32 section.”.

Subtitle E—Montgomery GI Bill

SEC. 641. TIME LIMITATION FOR USE OF MONTGOMERY GI BILL ENTITLEMENT BY MEMBERS OF THE SELECTED RESERVE.

(a) EXTENSION OF LIMITATION PERIOD.—Section 16133(a)(1) of title 10, United States Code, is amended by striking “10-year” and inserting “14-year”.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to periods of entitlement to educational assistance under chapter 1606 of title 10, United States Code, that begin on or after October 1, 1992.

SEC. 642. REPAYMENT REQUIREMENTS UNDER RESERVE COMPONENT MONTGOMERY GI BILL ARISING FROM FAILURE TO PARTICIPATE SATISFACTORILY IN MILITARY SERVICE TO BE CONSIDERED DEBTS OWED TO THE UNITED STATES.

Section 16135 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(e)(1) Subject to subsection (a)(2), an obligation to pay a refund to the United States under subsection (a)(1)(B) in an amount determined under subsection (b) is, for all purposes, a debt owed to the United States.

“(2) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment or other agreement under this section does not discharge the person signing such enlistment or other agreement from a debt arising under the enlistment or agreement, respectively, under this subsection.”.

SEC. 643. TECHNICAL ADJUSTMENTS TO AUTHORITY FOR CERTAIN MEMBERS TO TRANSFER EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL TO DEPENDENTS.

(a) CLARIFICATION OF RATE OF EDUCATIONAL ASSISTANCE FOR DEPENDENTS TO WHOM ENTITLEMENT IS TRANSFERRED.—Section 3020(h) of title 38, United States Code, is amended—

(1) in paragraph (2)—

6–23

1 (A) by striking “paragraphs (4) and (5)” and in-
2 serting “paragraphs (5) and (6)”; and

3 (B) by striking “and at the same rate”;

4 (2) by redesignating paragraphs (3) through (6) as
5 paragraphs (4) through (7), respectively; and

6 (3) by inserting after paragraph (2) the following new
7 paragraph (3):

8 “(3)(A) Subject to subparagraph (B), the monthly rate of
9 educational assistance payable to a dependent to whom entitle-
10 ment is transferred under this section shall be the monthly
11 amount payable under sections 3015 and 3022 of this title to
12 the individual making the transfer.

13 “(B) The monthly rate of assistance payable to a depend-
14 ent under subparagraph (A) shall be subject to the provisions
15 of section 3032 of this title, except that the provisions of sub-
16 section (a)(1) of that section shall not apply even if the indi-
17 vidual making the transfer to the dependent under this section
18 is on active duty during all or any part of enrollment period
19 of the dependent in which such entitlement is used.”.

20 (b) SOURCE OF FUNDS FROM INCREASED USAGE.—Sec-
21 tion 3035(b) of such title is amended—

22 (1) in paragraph (1), by striking “paragraphs (2) and
23 (3) of this subsection” and inserting “paragraphs (2), (3),
24 and (4)”; and

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

26 “(4) Payments attributable to the increased usage of bene-
27 fits as a result of transfers of entitlement to basic educational
28 assistance under section 3020 of this title shall be made from
29 the Department of Defense Education Benefits Fund estab-
30 lished under section 2006 of title 10 or from appropriations
31 made to the Department of Transportation, as appropriate.”.

32 (c) EFFECTIVE DATE.—(1) The amendments made by
33 subsection (a) shall take effect as if included in the enactment
34 of section 3020 of title 38, United States Code, by section
35 654(a)(1) of the National Defense Authorization Act for Fiscal
36 Year 2002 (Public Law 107–107; 115 Stat. 1153).

1 (2) The amendments made by subsection (b) shall take ef-
2 fect as if made by section 654 of the National Defense Author-
3 ization Act for Fiscal Year 2002 (Public Law 107–107; 115
4 Stat. 1153).

5 **Subtitle F—Other Matters**

6 **SEC. 651. PAYMENT OF INTEREST ON STUDENT LOANS.**

7 (a) **AUTHORITY.**—(1) Chapter 109 of title 10, United
8 States Code, is amended by adding at the end the following
9 new section:

10 **“§ 2174. Interest payment program: members on** 11 **active duty**

12 “(a) **AUTHORITY.**—(1) The Secretary concerned may pay
13 in accordance with this section the interest and any special al-
14 lowances that accrue on one or more student loans of an eligi-
15 ble member of the armed forces.

16 “(2) The Secretary of a military department may exercise
17 the authority under paragraph (1) only if approved by the Sec-
18 retary of Defense and subject to such requirements, conditions,
19 and restrictions as the Secretary of Defense may prescribe.

20 “(b) **ELIGIBLE MEMBERS.**—A member of the armed forces
21 is eligible for the benefit under subsection (a) while the
22 member—

23 “(1) is serving on active duty in fulfillment of the
24 member’s first enlistment in the armed forces or, in the
25 case of an officer, is serving on active duty and has not
26 completed more than three years of service on active duty;

27 “(2) is the debtor on one or more unpaid loans de-
28 scribed in subsection (c); and

29 “(3) is not in default on any such loan.

30 “(c) **STUDENT LOANS.**—The authority to make payments
31 under subsection (a) may be exercised with respect to the fol-
32 lowing loans:

33 “(1) A loan made, insured, or guaranteed under part
34 B of title IV of the Higher Education Act of 1965 (20
35 U.S.C. 1071 et seq.).

1 “(2) A loan made under part D of such title (20
2 U.S.C. 1087a et seq.).

3 “(3) A loan made under part E of such title (20
4 U.S.C. 1087aa et seq.).

5 “(d) MAXIMUM BENEFIT.—The months for which interest
6 and any special allowance may be paid on behalf of a member
7 of the armed forces under this section are any 36 consecutive
8 months during which the member is eligible under subsection
9 (b).

10 “(e) FUNDS FOR PAYMENTS.—Appropriations available
11 for the pay and allowances of military personnel shall be avail-
12 able for payments under this section.

13 “(f) COORDINATION.—(1) The Secretary of Defense and,
14 with respect to the Coast Guard when it is not operating as
15 a service in the Navy, the Secretary of the Department in
16 which the Coast Guard is operating shall consult with the Sec-
17 retary of Education regarding the administration of the author-
18 ity under this section.

19 “(2) The Secretary concerned shall transfer to the Sec-
20 retary of Education the funds necessary—

21 “(A) to pay interest and special allowances on student
22 loans under this section (in accordance with sections
23 428(o), 455(l), and 464(j) of the Higher Education Act of
24 1965 (20 U.S.C. 1078(o), 1087e(l), and 1087dd(j)); and

25 “(B) to reimburse the Secretary of Education for any
26 reasonable administrative costs incurred by the Secretary
27 in coordinating the program under this section with the ad-
28 ministration of the student loan programs under parts B,
29 D, and E of title IV of the Higher Education Act of 1965.

30 “(g) SPECIAL ALLOWANCE DEFINED.—In this section, the
31 term ‘special allowance’ means a special allowance that is pay-
32 able under section 438 of the Higher Education Act of 1965
33 (20 U.S.C. 1087–1).”.

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

“2174. Interest payment program: members on active duty.”.

6–26

1 (b) FEDERAL FAMILY EDUCATION LOANS AND DIRECT
2 LOANS.—(1) Subsection (c)(3) of section 428 of the Higher
3 Education Act of 1965 (20 U.S.C. 1078) is amended—

4 (A) in clause (i) of subparagraph (A)—

5 (i) by striking “or” at the end of subclause (II);

6 (ii) by inserting “or” at the end of subclause (III);

7 and

8 (iii) by adding at the end the following new sub-
9 clause:

10 “(IV) is eligible for interest payments to
11 be made on such loan for service in the Armed
12 Forces under section 2174 of title 10, United
13 States Code, and, pursuant to that eligibility,
14 the interest is being paid on such loan under
15 subsection (o);”;

16 (B) in clause (ii)(II) of subparagraph (A), by inserting
17 “or (IV)” after “clause (i)(II)”; and

18 (C) by striking subparagraph (C) and inserting the
19 following:

20 “(C) shall contain provisions that specify that—

21 “(i) the form of forbearance granted by the
22 lender pursuant to this paragraph, other than sub-
23 paragraph (A)(i)(IV), shall be temporary cessation
24 of payments, unless the borrower selects forbear-
25 ance in the form of an extension of time for mak-
26 ing payments, or smaller payments than were pre-
27 viously scheduled; and

28 “(ii) the form of forbearance granted by the
29 lender pursuant to subparagraph (A)(i)(IV) shall
30 be the temporary cessation of all payments on the
31 loan other than payments of interest on the loan
32 that are made under subsection (o); and”.

33 (2) Section 428 of such Act is further amended by adding
34 at the end the following new subsection:

35 “(o) ARMED FORCES STUDENT LOAN INTEREST PAY-
36 MENT PROGRAM.—

1 “(1) **AUTHORITY.**—Using funds received by transfer
2 to the Secretary under section 2174 of title 10, United
3 States Code, for the payment of interest and any special
4 allowance on a loan to a member of the Armed Forces that
5 is made, insured, or guaranteed under this part, the Sec-
6 retary shall pay the interest and special allowance on such
7 loan as due for a period not in excess of 36 consecutive
8 months. The Secretary may not pay interest or any special
9 allowance on such a loan out of any funds other than funds
10 that have been so transferred.

11 “(2) **FORBEARANCE.**—During the period in which the
12 Secretary is making payments on a loan under paragraph
13 (1), the lender shall grant the borrower forbearance in ac-
14 cordance with the guaranty agreement under subsection
15 (c)(3)(A)(i)(IV).

16 “(3) **SPECIAL ALLOWANCE DEFINED.**—For the pur-
17 poses of this subsection, the term ‘special allowance’, means
18 a special allowance that is payable with respect to a loan
19 under section 438.”.

20 (c) **FEDERAL DIRECT LOANS.**—Section 455 of the Higher
21 Education Act of 1965 (20 U.S.C. 1087e) is amended by add-
22 ing at the end the following new subsection:

23 “(1) **ARMED FORCES STUDENT LOAN INTEREST PAYMENT**
24 **PROGRAM.**—

25 “(1) **AUTHORITY.**—Using funds received by transfer
26 to the Secretary under section 2174 of title 10, United
27 States Code, for the payment of interest on a loan made
28 under this part to a member of the Armed Forces, the Sec-
29 retary shall pay the interest on the loan as due for a period
30 not in excess of 36 consecutive months. The Secretary may
31 not pay interest on such a loan out of any funds other than
32 funds that have been so transferred.

33 “(2) **FORBEARANCE.**—During the period in which the
34 Secretary is making payments on a loan under paragraph
35 (1), the Secretary shall grant the borrower forbearance, in
36 the form of a temporary cessation of all payments on the

1 loan other than the payments of interest on the loan that
2 are made under that paragraph.”.

3 (d) FEDERAL PERKINS LOANS.—Section 464 of the High-
4 er Education Act of 1965 (20 U.S.C. 1087dd) is amended—

5 (1) in subsection (e)—

6 (A) by striking “or” at the end of paragraph (1);

7 (B) by striking the period at the end of paragraph

8 (2) and inserting “; or”; and

9 (C) by adding at the end the following new para-
10 graph:

11 “(3) the borrower is eligible for interest payments to
12 be made on such loan for service in the Armed Forces
13 under section 2174 of title 10, United States Code, and,
14 pursuant to that eligibility, the interest on such loan is
15 being paid under subsection (j), except that the form of a
16 forbearance under this paragraph shall be a temporary ces-
17 sation of all payments on the loan other than payments of
18 interest on the loan that are made under subsection (j).”;
19 and

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

21 “(j) ARMED FORCES STUDENT LOAN INTEREST PAYMENT
22 PROGRAM.—

23 “(1) AUTHORITY.—Using funds received by transfer
24 to the Secretary under section 2174 of title 10, United
25 States Code, for the payment of interest on a loan made
26 under this part to a member of the Armed Forces, the Sec-
27 retary shall pay the interest on the loan as due for a period
28 not in excess of 36 consecutive months. The Secretary may
29 not pay interest on such a loan out of any funds other than
30 funds that have been so transferred.

31 “(2) FORBEARANCE.—During the period in which the
32 Secretary is making payments on a loan under paragraph
33 (1), the institution of higher education shall grant the bor-
34 rower forbearance in accordance with subsection (e)(3).”.

35 (e) EFFECTIVE DATE.—The amendments made by this
36 section shall apply with respect to interest, and any special al-
37 lowance under section 438 of the Higher Education Act of

1 1965, that accrue for months beginning on or after October 1,
2 2003, on student loans described in subsection (c) of section
3 2174 of title 10, United States Code (as added by subsection
4 (a)), that were made before, on, or after such date to members
5 of the Armed Forces who are on active duty (as defined in sec-
6 tion 101(d) of title 10, United States Code) on or after that
7 date.

8 **SEC. 652. ADDITIONAL AUTHORITY TO PROVIDE ASSIST-**
9 **ANCE FOR FAMILIES OF MEMBERS OF THE**
10 **ARMED FORCES.**

11 (a) **AUTHORITY.**—(1) Subchapter I of chapter 88 of title
12 10, United States Code, is amended by adding at the end the
13 following new section:

14 **“§ 1788. Additional family assistance**

15 “(a) **AUTHORITY.**—The Secretary of Defense may provide
16 for the families of members of the armed forces serving on ac-
17 tive duty, in addition to any other assistance available for such
18 families, any assistance that the Secretary considers appro-
19 priate to ensure that the children of such members obtain need-
20 ed child care, education, and other youth services.

21 “(b) **PRIMARY PURPOSE OF ASSISTANCE.**—The assistance
22 authorized by this section should be directed primarily toward
23 providing needed family support, including child care, edu-
24 cation, and other youth services, for children of members of the
25 Armed Forces who are deployed, assigned to duty, or ordered
26 to active duty in connection with a contingency operation.”.

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

“1788. Additional family assistance.”.

30 (b) **EFFECTIVE DATE.**—Section 1788 of title 10, United
31 States Code, as added by subsection (a), shall take effect on
32 October 1, 2002.

1 **SEC. 653. REPEAL OF AUTHORITY FOR ACCEPTANCE OF**
2 **HONORARIA BY PERSONNEL AT CERTAIN**
3 **DEPARTMENT OF DEFENSE SCHOOLS.**

4 (a) REPEAL OF EXEMPTION.—Section 542 of the National
5 Defense Authorization Act for Fiscal Year 1993 (Public Law
6 102–484; 106 Stat. 2413; 10 U.S.C. prec. 2161 note) is re-
7 pealed.

8 (b) EFFECTIVE DATE.—The repeal made by subsection
9 (a) shall apply with respect to appearances made, speeches pre-
10 sented, and articles published on or after October 1, 2002.

11 **SEC. 654. ADDITION OF DEFINITION OF CONTINENTAL**
12 **UNITED STATES IN TITLE 37.**

13 (a) DEFINITION.—Section 101(1) of title 37, United
14 States Code, is amended—

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

16 (2) by adding at the end the following new subpara-
17 graph:

18 “(B) The term ‘continental United States’ means the
19 48 contiguous States and the District of Columbia.”.

20 (b) CONFORMING AMENDMENTS.—Title 37, United States
21 Code, is amended as follows:

22 (1) Section 314(a)(3) is amended by striking “the 48
23 contiguous States and the District of Columbia” and in-
24 serting “the continental United States”.

25 (2) Section 403b(i) is amended by striking paragraph
26 (6).

27 (3) Section 409 is amended by striking subsection (e).

28 (4) Section 411b(a) is amended by striking “the 48
29 contiguous States and the District of Columbia” both
30 places it appears and inserting “the continental United
31 States”.

32 (5) Section 411d is amended by striking subsection
33 (d).

34 (6) Section 430 is amended by striking subsection (f)
35 and inserting the following new subsection (f):

36 “(f) DEFINITIONS.—In this section:

37 “(1) The term ‘formal education’ means the following:

6-31

- 1 “(A) A secondary education.
- 2 “(B) An undergraduate college education.
- 3 “(C) A graduate education pursued on a full-time
- 4 basis at an institution of higher education.
- 5 “(D) Vocational education pursued on a full-time
- 6 basis at a postsecondary vocational institution.
- 7 “(2) The term ‘institution of higher education’ has the
- 8 meaning given that term in section 101 of the Higher Edu-
- 9 cation Act of 1965 (20 U.S.C. 1001).
- 10 “(3) The term ‘postsecondary vocational institution’
- 11 has the meaning given that term in section 102(c) of the
- 12 Higher Education Act of 1965 (20 U.S.C. 1002(c)).”.

1
2

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Program Improvements

- Sec. 701. Elimination of requirement for TRICARE preauthorization of inpatient mental health care for medicare-eligible beneficiaries.
- Sec. 702. Continued TRICARE eligibility of dependents residing at remote locations after departure of sponsors for unaccompanied assignments and eligibility of dependents of reserve component members ordered to active duty.
- Sec. 703. Eligibility of surviving dependents for TRICARE dental program benefits after discontinuance of former enrollment.
- Sec. 704. Department of Defense Medicare-Eligible Retiree Health Care Fund.
- Sec. 705. Approval of medicare providers as TRICARE providers.
- Sec. 706. Technical corrections relating to transitional health care for members separated from active duty.
- Sec. 707. Extension of temporary authority to enter into personal services contracts for the performance of health care responsibilities at locations other than military medical treatment facilities.
- Sec. 708. Access to health care services for beneficiaries eligible for TRICARE and Department of Veterans Affairs health care.
- Sec. 709. Disclosure of information on Project 112 to Department of Veterans Affairs.

Subtitle B—Reports

- Sec. 711. Claims information.
- Sec. 712. Comptroller General report on provision of care under the TRICARE program.
- Sec. 713. Repeal of report requirement.

Subtitle C—Department of Defense-Department of Veterans Affairs Health Resources Sharing

- Sec. 721. Revised coordination and sharing guidelines.
- Sec. 722. Health care resources sharing and coordination project.
- Sec. 723. Report on improved coordination and sharing of health care and health care resources following domestic acts of terrorism or domestic use of weapons of mass destruction.
- Sec. 724. Interoperability of Department of Veterans Affairs and Department of Defense pharmacy data systems.
- Sec. 725. Joint pilot program for providing graduate medical education and training for physicians.
- Sec. 726. Repeal of certain limits on Department of Veterans Affairs resources.

Subtitle A—Health Care Program Improvements

SEC. 701. ELIMINATION OF REQUIREMENT FOR TRICARE PREAUTHORIZATION OF INPA- TIENT MENTAL HEALTH CARE FOR MEDI- CARE-ELIGIBLE BENEFICIARIES.

(a) ELIMINATION OF REQUIREMENT.—Section 1079(i)(3)
of title 10, United States Code, is amended—

(1) by inserting “(A)” after “(3)”;

(2) by striking “Except in the case of an emergency,”
and inserting “Except as provided in subparagraph (B),”;
and

(3) by adding at the end the following new subpara-
graphs:

“(B) Preadmission authorization for inpatient mental
health services is not required under subparagraph (A) in the
following cases:

“(i) In the case of an emergency.

“(ii) In a case in which any benefits are payable for
such services under part A of title XVIII of the Social Se-
curity Act (42 U.S.C. 1395c et seq.), subject to subpara-
graph (C).

“(C) In a case of inpatient mental health services to which
subparagraph (B)(ii) applies, the Secretary shall require ad-
vance authorization for a continuation of the provision of such
services after benefits cease to be payable for such services
under such part A.”.

(b) EFFECTIVE DATE.—The amendments made by sub-
section (a) shall take effect October 1, 2003.

SEC. 702. CONTINUED TRICARE ELIGIBILITY OF DE- PENDENTS RESIDING AT REMOTE LOCA- TIONS AFTER DEPARTURE OF SPONSORS FOR UNACCOMPANIED ASSIGNMENTS AND ELIGIBILITY OF DEPENDENTS OF RESERVE COMPONENT MEMBERS ORDERED TO AC- TIVE DUTY.

Section 1079(p) of title 10, United States Code, is
amended—

7-3

1 (1) in paragraph (1), by striking “dependents referred
2 to in subsection (a) of a member of the uniformed services
3 referred to in section 1074(c)(3) of this title who are resid-
4 ing with the member” and inserting “dependents described
5 in paragraph (3)”;

6 (2) by redesignating paragraph (3) as paragraph (4);
7 and

8 (3) by inserting after paragraph (2) the following new
9 paragraph (3):

10 “(3) This subsection applies with respect to a dependent
11 referred to in subsection (a) who—

12 “(A) is a dependent of a member of the uniformed
13 services referred to in section 1074(c)(3) of this title and
14 is residing with the member;

15 “(B) is a dependent of a member who, after having
16 served in a duty assignment described in section 1074(c)(3)
17 of this title, has relocated without the dependent pursuant
18 to orders for a permanent change of duty station from a
19 remote location described in subparagraph (B)(ii) of such
20 section where the member and the dependent resided to-
21 gether while the member served in such assignment, if the
22 orders do not authorize dependents to accompany the mem-
23 ber to the new duty station at the expense of the United
24 States and the dependent continues to reside at the same
25 remote location, or

26 “(C) is a dependent of a reserve component member
27 ordered to active duty for a period of more than 30 days
28 and is residing with the member, and the residence is lo-
29 cated more than 50 miles, or approximately one hour of
30 driving time, from the nearest military medical treatment
31 facility adequate to provide the needed care.”.

32 **SEC. 703. ELIGIBILITY OF SURVIVING DEPENDENTS FOR**
33 **TRICARE DENTAL PROGRAM BENEFITS**
34 **AFTER DISCONTINUANCE OF FORMER EN-**
35 **ROLLMENT.**

36 Section 1076a(k)(2) of title 10, United States Code, is
37 amended by striking “if the dependent is enrolled on the date

1 of the death of the member in a dental benefits plan estab-
2 lished under subsection (a)” and inserting “if, on the date of
3 the death of the member, the dependent is enrolled in a dental
4 benefits plan established under subsection (a) or is not enrolled
5 in such a plan by reason of a discontinuance of a former enroll-
6 ment under subsection (f)”.

7 **SEC. 704. DEPARTMENT OF DEFENSE MEDICARE-ELIGI-**
8 **BLE RETIREE HEALTH CARE FUND.**

9 (a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL PAY-
10 MENTS INTO THE FUND.—Section 1116(c) of title 10, United
11 States Code, is amended by striking “health care programs”
12 and inserting “pay of members”.

13 (b) MANDATORY PARTICIPATION OF OTHER UNIFORMED
14 SERVICES.—Section 1111(c) of such title is amended—

15 (1) in the first sentence, by striking “may enter into
16 an agreement with any other administering Secretary” and
17 inserting “shall enter into an agreement with each other
18 administering Secretary”; and

19 (2) in the second sentence, by striking “Any such”
20 and inserting “The”.

21 **SEC. 705. APPROVAL OF MEDICARE PROVIDERS AS**
22 **TRICARE PROVIDERS.**

23 (a) IN GENERAL.—Section 1079 of title 10, United States
24 Code, is amended by adding at the end the following new sub-
25 section:

26 “(q) Subject to subsection (a), a physician or other health
27 care practitioner who is eligible to receive reimbursement for
28 services provided under medicare (as defined in section
29 1086(d)(3)(C) of this title) shall be considered approved to pro-
30 vide medical care authorized under this section and section
31 1086 of this title unless the administering Secretaries have in-
32 formation indicating medicare, TRICARE, or other Federal
33 health care program integrity violations by the physician or
34 other health care practitioner.”.

35 (b) APPLICABILITY.—The amendment made by subsection
36 (a) shall apply with respect to any contract under the

1 TRICARE program entered into on or after the date of the en-
2 actment of this Act.

3 **SEC. 706. TECHNICAL CORRECTIONS RELATING TO**
4 **TRANSITIONAL HEALTH CARE FOR MEM-**
5 **BERS SEPARATED FROM ACTIVE DUTY.**

6 (a) CONTINUED APPLICABILITY TO DEPENDENTS.—Sub-
7 section (a)(1) of section 736 of the National Defense Author-
8 ization Act for Fiscal Year 2002 (Public Law 107-107; 115
9 Stat. 1172) is amended to read as follows:

10 “(1) in paragraph (1), by striking ‘paragraph (2), a
11 member’ and all that follows through ‘of the member),’ and
12 inserting ‘paragraph (3), a member of the armed forces
13 who is separated from active duty as described in para-
14 graph (2) (and the dependents of the member)’;”.

15 (b) CLARIFICATION REGARDING THE COAST GUARD.—
16 Subsection (b)(2) of such section is amended to read as follows:

17 “(2) in subsection (e)—

18 “(A) by striking the first sentence; and

19 “(B) by striking ‘the Coast Guard’ in the second
20 sentence and inserting ‘the members of the Coast
21 Guard and their dependents’.”.

22 (c) EFFECTIVE DATE.—The amendments made by this
23 section shall take effect as of December 28, 2001, and as if in-
24 cluded in the National Defense Authorization Act for Fiscal
25 Year 2002 as enacted.

26 **SEC. 707. EXTENSION OF TEMPORARY AUTHORITY TO**
27 **ENTER INTO PERSONAL SERVICES CON-**
28 **TRACTS FOR THE PERFORMANCE OF**
29 **HEALTH CARE RESPONSIBILITIES AT LOCA-**
30 **TIONS OTHER THAN MILITARY MEDICAL**
31 **TREATMENT FACILITIES.**

32 Section 1091(a)(2) of title 10, United States Code, is
33 amended by striking “December 31, 2002” and inserting “De-
34 cember 31, 2003”.

1 **SEC. 708. ACCESS TO HEALTH CARE SERVICES FOR**
2 **BENEFICIARIES ELIGIBLE FOR TRICARE**
3 **AND DEPARTMENT OF VETERANS AFFAIRS**
4 **HEALTH CARE.**

5 (a) REQUIREMENT TO ESTABLISH PROCESS.—(1) The
6 Secretary of Defense shall prescribe in regulations a process for
7 resolving issues relating to patient safety and continuity of care
8 for covered beneficiaries who are concurrently entitled to health
9 care under the TRICARE program and eligible for health care
10 services provided by the Department of Veterans Affairs. The
11 Secretary shall—

12 (A) ensure that the process provides for coordination
13 of, and access to, health care from the two sources in a
14 manner that prevents diminution of access to health care
15 from either source; and

16 (B) in consultation with the Secretary of Veterans Af-
17 fairs, prescribe a clear definition of an “episode of care”
18 for use in the resolution of patient safety and continuity of
19 care issues under such process.

20 (2) Not later than May 1, 2003, the Secretary shall sub-
21 mit to the Committees on Armed Services of the Senate and
22 of the House of Representatives a report describing the process
23 prescribed under paragraph (1).

24 (3) While prescribing the process under paragraph (1) and
25 upon completion of the report under paragraph (2), the Sec-
26 retary shall provide to the Comptroller General information
27 that would be relevant in carrying out the study required by
28 subsection (b).

29 (b) COMPTROLLER GENERAL STUDY AND REPORT.—(1)
30 The Comptroller General shall conduct a study of the health
31 care issues of covered beneficiaries described in subsection (a).
32 The study shall include the following:

33 (A) An analysis of whether covered beneficiaries who
34 seek services through the Department of Veterans Affairs
35 are receiving needed health care services in a timely man-
36 ner from the Department of Veterans Affairs, as compared
37 to the timeliness of the care available to covered bene-

1 ficiaries under TRICARE Prime (as set forth in access to
2 care standards under TRICARE program policy that are
3 applicable to the care being sought).

4 (B) An evaluation of the quality of care for covered
5 beneficiaries who do not receive needed services from the
6 Department of Veterans Affairs within a time period that
7 is comparable to the time period provided for under such
8 access to care standards and who then must seek alter-
9 native care under the TRICARE program.

10 (C) Recommendations to improve access to, and time-
11 liness and quality of, care for covered beneficiaries de-
12 scribed in subsection (a).

13 (D) An evaluation of the feasibility and advisability of
14 making access to care standards applicable jointly under
15 the TRICARE program and the Department of Veterans
16 Affairs health care system.

17 (E) A review of the process prescribed by the Sec-
18 retary of Defense under subsection (a) to determine wheth-
19 er the process ensures the adequacy and quality of the
20 health care services provided to covered beneficiaries under
21 the TRICARE program and through the Department of
22 Veterans Affairs, together with timeliness of access to such
23 services and patient safety.

24 (2) Not later than 60 days after the congressional commit-
25 tees specified in subsection (a)(2) receive the report required
26 under that subsection, the Comptroller General shall submit to
27 those committees a report on the study conducted under this
28 subsection.

29 (c) DEFINITIONS.—In this section:

30 (1) The term “covered beneficiary” has the meaning
31 provided by section 1072(5) of title 10, United States
32 Code.

33 (2) The term “TRICARE program” has the meaning
34 provided by section 1072(7) of such title.

35 (3) The term “TRICARE Prime” has the meaning
36 provided by section 1097a(f) of such title.

1 **SEC. 709. DISCLOSURE OF INFORMATION ON PROJECT**
2 **112 TO DEPARTMENT OF VETERANS AF-**
3 **FAIRS.**

4 (a) PLAN FOR DISCLOSURE OF INFORMATION.—Not later
5 than 90 days after the date of the enactment of this Act, the
6 Secretary of Defense shall submit to Congress and the Sec-
7 retary of Veterans Affairs a comprehensive plan for the review,
8 declassification, and submittal to the Department of Veterans
9 Affairs of all records and information of the Department of De-
10 fense on Project 112 that are relevant to the provision of bene-
11 fits by the Secretary of Veterans Affairs to members of the
12 Armed Forces who participated in that project.

13 (b) PLAN REQUIREMENTS.—(1) The records and informa-
14 tion covered by the plan under subsection (a) shall be the
15 records and information necessary to permit the identification
16 of members of the Armed Forces who were or may have been
17 exposed to chemical or biological agents as a result of Project
18 112.

19 (2) The plan shall provide for completion of all activities
20 contemplated by the plan not later than one year after the date
21 of the enactment of this Act.

22 (c) IDENTIFICATION OF OTHER PROJECTS OR TESTS.—
23 The Secretary of Defense also shall work with veterans and vet-
24 erans service organizations to identify other projects or tests
25 conducted by the Department of Defense that may have ex-
26 posed members of the Armed Forces to chemical or biological
27 agents.

28 (d) GAO REPORTS ON PLAN AND IMPLEMENTATION.—(1)
29 Not later than 30 days after submission of the plan under sub-
30 section (a), the Comptroller General shall submit to Congress
31 a report reviewing the plan. The report shall include an exam-
32 ination of whether adequate resources have been committed,
33 the timeliness of the information to be released to the Depart-
34 ment of Veterans Affairs, and the adequacy of the procedures
35 to notify affected veterans of potential exposure.

36 (2) Not later than six months after implementation of the
37 plan begins, the Comptroller General shall submit to Congress

1 a report evaluating the progress in the implementation of the
2 plan.

3 (e) DOD REPORTS ON IMPLEMENTATION.—(1) Not later
4 than six months after the date of the enactment of this Act,
5 and upon completion of all activities contemplated by the plan
6 under subsection (a), the Secretary of Defense shall submit to
7 Congress and the Secretary of Veterans Affairs a report on
8 progress in the implementation of the plan.

9 (2) Each report under paragraph (1) shall include, for the
10 period covered by such report—

11 (A) the number of records reviewed;

12 (B) each test, if any, under Project 112 identified dur-
13 ing such review;

14 (C) for each test so identified—

15 (i) the test name;

16 (ii) the test objective;

17 (iii) the chemical or biological agent or agents in-
18 volved; and

19 (iv) the number of members of the Armed Forces,
20 and civilian personnel, potentially effected by such test;
21 and

22 (D) the extent of submittal of records and information
23 to the Secretary of Veterans Affairs under this section.

24 (f) PROJECT 112.—For purposes of this section, Project
25 112 refers to the chemical and biological weapons vulnerabil-
26 ity-testing program of the Department of Defense conducted by
27 the Deseret Test Center from 1963 to 1969. The project in-
28 cluded the Shipboard Hazard and Defense (SHAD) project of
29 the Navy.

30 **Subtitle B—Reports**

31 **SEC. 711. CLAIMS INFORMATION.**

32 (a) CORRESPONDENCE TO MEDICARE CLAIMS INFORMA-
33 TION REQUIREMENTS.—Section 1095c of title 10, United
34 States Code, is amended by adding at the end the following
35 new subsection:

1 “(d) CORRESPONDENCE TO MEDICARE CLAIMS INFORMA-
2 TION REQUIREMENTS.—The Secretary of Defense, in consulta-
3 tion with the other administering Secretaries, shall limit the in-
4 formation required in support of claims for payment for health
5 care items and services provided under the TRICARE program
6 to that information that is identical to the information that
7 would be required for claims for reimbursement for those items
8 and services under title XVIII of the Social Security Act (42
9 U.S.C. 1395 et seq.) except for that information, if any, that
10 is uniquely required by the TRICARE program. The Secretary
11 of Defense shall report to the Committee on Armed Services of
12 the Senate and the Committee on Armed Services of the House
13 of Representatives any information that is excepted under this
14 provision, and the justification for that exception.”.

15 (b) APPLICABILITY.—The Secretary of Defense, in con-
16 sultation with the other administering Secretaries referred to in
17 section 1072(3) of title 10, United States Code, shall apply the
18 limitations required under subsection (d) of section 1095c of
19 such title (as added by subsection (a)) with respect to contracts
20 entered into under the TRICARE program on or after October
21 1, 2002.

22 (c) COMPTROLLER GENERAL REPORT ON TRICARE
23 CLAIMS PROCESSING.—Not later than March 31, 2003, the
24 Comptroller General shall submit to Congress an evaluation of
25 the continuing impediments to cost effective claims processing
26 under the TRICARE program. The evaluation shall include a
27 discussion of the following:

28 (1) The extent of progress implementing improvements
29 in claims processing, particularly regarding the application
30 of best industry practices.

31 (2) The extent of progress in simplifying claims proc-
32 essing procedures, including the elimination of, or reduction
33 in, the complexity of the Health Care Service Record re-
34 quirements.

35 (3) The cost effectiveness of the data collection and
36 fraud prevention capabilities of existing claims processing
37 practices.

1 (4) Recommendations for improving the claims proc-
2 essing system that will reduce processing and administra-
3 tion costs, create greater competition, and improve fraud-
4 prevention activities.

5 **SEC. 712. COMPTROLLER GENERAL REPORT ON PROVI-**
6 **SION OF CARE UNDER THE TRICARE PRO-**
7 **GRAM.**

8 Not later than March 31, 2003, the Comptroller General
9 shall submit to Congress an evaluation of the nature of, rea-
10 sons for, extent of, and trends regarding network provider in-
11 stability under the TRICARE program, and the effectiveness of
12 efforts by the Department of Defense and managed care sup-
13 port contractors to measure and mitigate such instability. The
14 evaluation shall include a discussion of the following:

15 (1) The adequacy of measurement tools of TRICARE
16 network instability and their use by the Department of De-
17 fense and managed care support contractors to assess net-
18 work adequacy and stability.

19 (2) Recommendations for improvements needed in
20 measurement tools or their application.

21 (3) The relationship of reimbursement rates and ad-
22 ministration requirements (including preauthorization re-
23 quirements) to TRICARE network instability.

24 (4) The extent of problems under the TRICARE pro-
25 gram and likely future trends with and without intervention
26 using existing authority.

27 (5) Use of existing authority by the Department of
28 Defense and TRICARE managed care support contractors
29 to apply higher reimbursement rates in specific geographic
30 areas.

31 (6) Recommendations for specific fiscally prudent
32 measures that could mitigate negative trends or improve
33 provider and network stability.

34 **SEC. 713. REPEAL OF REPORT REQUIREMENT.**

35 Notwithstanding subsection (f)(2) of section 712 of the
36 Floyd D. Spence National Defense Authorization Act for Fiscal
37 Year 2001 (as enacted into law by Public Law 106-398; 114

1 Stat. 1654A–179), the amendment made by subsection (e) of
2 such section shall not take effect and the paragraph amended
3 by such subsection is repealed.

4 **Subtitle C—Department of Defense-**
5 **Department of Veterans Affairs**
6 **Health Resources Sharing**

7 **SEC. 721. REVISED COORDINATION AND SHARING**
8 **GUIDELINES.**

9 (a) IN GENERAL.—(1) Section 8111 of title 38, United
10 States Code, is amended to read as follows:

11 **“§ 8111. Sharing of Department of Veterans Affairs**
12 **and Department of Defense health care**
13 **resources**

14 “(a) REQUIRED COORDINATION AND SHARING OF
15 HEALTH CARE RESOURCES.—The Secretary of Veterans Af-
16 fairs and the Secretary of Defense shall enter into agreements
17 and contracts for the mutually beneficial coordination, use, or
18 exchange of use of the health care resources of the Department
19 of Veterans Affairs and the Department of Defense with the
20 goal of improving the access to, and quality and cost effective-
21 ness of, the health care provided by the Veterans Health Ad-
22 ministration and the Military Health System to the bene-
23 ficiaries of both Departments.

24 “(b) JOINT REQUIREMENTS FOR SECRETARIES OF VET-
25 ERANS AFFAIRS AND DEFENSE.—To facilitate the mutually
26 beneficial coordination, use, or exchange of use of the health
27 care resources of the two Departments, the two Secretaries
28 shall carry out the following functions:

29 “(1) Develop and publish a joint strategic vision state-
30 ment and a joint strategic plan to shape, focus, and
31 prioritize the coordination and sharing efforts among ap-
32 propriate elements of the two Departments and incorporate
33 the goals and requirements of the joint sharing plan into
34 the strategic and performance plan of each Department
35 under the Government Performance and Results Act.

1 “(2) Jointly fund the interagency committee provided
2 for under subsection (c).

3 “(3) Continue to facilitate and improve sharing be-
4 tween individual Department of Veterans Affairs and De-
5 partment of Defense health care facilities, but giving pri-
6 ority of effort to initiatives (A) that improve sharing and
7 coordination of health resources at the intraregional and
8 nationwide levels, and (B) that improve the ability of both
9 Departments to provide coordinated health care.

10 “(4) Establish a joint incentive program under sub-
11 section (d).

12 “(c) DOD–VA HEALTH EXECUTIVE COMMITTEE.—(1)
13 There is established an interagency committee to be known as
14 the Department of Veterans Affairs-Department of Defense
15 Health Executive Committee (hereinafter in this section re-
16 ferred to as the ‘Committee’). The Committee is composed of—

17 “(A) the Deputy Secretary of Veterans Affairs and
18 such other officers and employees of the Department of
19 Veterans Affairs as the Secretary of Veterans Affairs may
20 designate; and

21 “(B) the Under Secretary of Defense for Personnel
22 and Readiness and such other officers and employees of the
23 Department of Defense as the Secretary of Defense may
24 designate.

25 “(2)(A) During odd-numbered fiscal years, the Deputy
26 Secretary of Veterans Affairs shall chair the Committee. Dur-
27 ing even-numbered fiscal years, the Under Secretary of Defense
28 shall chair the Committee.

29 “(B) The Deputy Secretary and the Under Secretary shall
30 determine the size and structure of the Committee, as well as
31 the administrative and procedural guidelines for the operation
32 of the Committee. The two Departments shall share equally the
33 Committee’s cost of personnel and administrative support and
34 services. Support for such purposes shall be provided at a level
35 sufficient for the efficient operation of the Committee, includ-
36 ing a permanent staff and, as required, other temporary work-

1 ing groups of appropriate departmental staff and outside ex-
2 perts.

3 “(3) The Committee shall recommend to the Secretaries
4 strategic direction for the joint coordination and sharing efforts
5 between and within the two Departments under this section
6 and shall oversee implementation of those efforts.

7 “(4) The Committee shall submit to the two Secretaries
8 and to Congress an annual report containing such rec-
9 ommendations as the Committee considers appropriate.

10 “(5) In order to enable the Committee to make rec-
11 ommendations in its annual report under paragraph (4), the
12 Committee shall do the following:

13 “(A) Review existing policies, procedures, and prac-
14 tices relating to the coordination and sharing of health care
15 resources between the two Departments.

16 “(B) Identify changes in policies, procedures, and
17 practices that, in the judgment of the Committee, would
18 promote mutually beneficial coordination, use, or exchange
19 of use of the health care resources of the two Departments,
20 with the goal of improving the access to, and quality and
21 cost effectiveness of, the health care provided by the Vet-
22 erans Health Administration and the Military Health Sys-
23 tem to the beneficiaries of both Departments.

24 “(C) Identify and assess further opportunities for the
25 coordination and sharing of health care resources between
26 the Departments that, in the judgment of the Committee,
27 would not adversely affect the range of services, the quality
28 of care, or the established priorities for care provided by ei-
29 ther Department.

30 “(D) Review the plans of both Departments for the
31 acquisition of additional health care resources, especially
32 new facilities and major equipment and technology, in
33 order to assess the potential effect of such plans on further
34 opportunities for the coordination and sharing of health
35 care resources.

1 “(E) Review the implementation of activities designed
2 to promote the coordination and sharing of health care re-
3 sources between the Departments.

4 “(6) The Committee chairman, under procedures jointly
5 developed by the two Secretaries, may require the Inspector
6 General of either or both Departments to assist in activities
7 under paragraph (5)(E).

8 “(d) JOINT INCENTIVES PROGRAM.—(1) Pursuant to sub-
9 section (b)(4), the two Secretaries shall carry out a program
10 to identify, provide incentives to, implement, fund, and evaluate
11 creative coordination and sharing initiatives at the facility,
12 intraregional, and nationwide levels. The program shall be ad-
13 ministered by the Committee established in subsection (c),
14 under procedures jointly prescribed by the two Secretaries.

15 “(2) To facilitate the incentive program, effective October
16 1, 2003, there is established in the Treasury a fund to be
17 known as the ‘DOD–VA Health Care Sharing Incentive Fund’.
18 Each Secretary shall annually contribute to the fund a min-
19 imum of \$15,000,000 from the funds appropriated to that Sec-
20 retary’s Department. Such funds shall remain available until
21 expended.

22 “(3)(A) For each fiscal year during which the program
23 under this subsection is in effect, the Comptroller General shall
24 conduct a review of the implementation and effectiveness of the
25 incentives program under this subsection. Upon completion of
26 each such annual review, the Comptroller General shall submit
27 to the Committees on Armed Services and Veterans’ Affairs of
28 the Senate and House of Representatives a report on the re-
29 sults of that review. Each such report shall be submitted not
30 later than February 28 of the year following the fiscal year cov-
31 ered by the report. In addition, the Comptroller General shall
32 conduct such a review during the first five months of fiscal
33 year 2004 and, not later than February 28, 2004, shall submit
34 to those committees a report on the implementation and effec-
35 tiveness of the incentives program under this subsection to that
36 date.

1 “(B) Each report under this paragraph shall describe ac-
2 tivities carried out under the program under this subsection
3 during the preceding fiscal year (or, in the case of the first
4 such report, to the date of the submission of the report). Each
5 report shall include at least the following:

6 “(i) An analysis of the initiatives funded by the Com-
7 mittee, and the funds so expended by such initiatives, from
8 the DOD-VA Health Care Sharing Incentive Fund, includ-
9 ing the purposes and effects of those initiatives on improv-
10 ing access to care by beneficiaries, improvements in the
11 quality of care received by those beneficiaries, and effi-
12 ciencies gained in delivering services to those beneficiaries.

13 “(ii) Other matters of interest, including recommenda-
14 tions from the Comptroller General for legislative improve-
15 ments to the program.

16 “(4) The program under this subsection shall terminate on
17 September 30, 2007.

18 “(e) GUIDELINES AND POLICIES FOR IMPLEMENTATION
19 OF COORDINATION AND SHARING RECOMMENDATIONS, CON-
20 TRACTS, AND AGREEMENTS.—(1) To implement the rec-
21 ommendations made by the Committee under subsection (c)(2),
22 as well as to carry out other health care contracts and agree-
23 ments for coordination and sharing initiatives as they consider
24 appropriate, the two Secretaries shall jointly issue guidelines
25 and policy directives. Such guidelines and policies shall provide
26 for coordination and sharing that—

27 “(A) is consistent with the health care responsibilities
28 of the Department of Veterans Affairs under this title and
29 with the health care responsibilities of the Department of
30 Defense under chapter 55 of title 10;

31 “(B) will not adversely affect the range of services, the
32 quality of care, or the established priorities for care pro-
33 vided by either Department; and

34 “(C) will not reduce capacities in certain specialized
35 programs of the Department of Veterans Affairs that the
36 Secretary is required to maintain in accordance with sec-
37 tion 1706(b) of this title.

1 “(2) To facilitate the sharing and coordination of health
2 care services between the two Departments, the two Secretaries
3 shall jointly develop and implement guidelines for a standard-
4 ized, uniform payment and reimbursement schedule for those
5 services. Such schedule shall be implemented no later than Oc-
6 tober 1, 2003, and shall be revised periodically as necessary.
7 The two Secretaries, following implementation of the schedule,
8 may on a case-by-case basis waive elements of the schedule if
9 they jointly agree that such a waiver is in the best interests of
10 both Departments.

11 “(3)(A) The guidelines established under paragraph (1)
12 shall authorize the heads of individual Department of Defense
13 and Department of Veterans Affairs medical facilities and serv-
14 ice regions to enter into health care resources coordination and
15 sharing agreements.

16 “(B) Under any such agreement, an individual who is a
17 primary beneficiary of one Department may be provided health
18 care, as provided in the agreement, at a facility or in the serv-
19 ice region of the other Department that is a party to the shar-
20 ing agreement.

21 “(C) Each such agreement shall identify the health care
22 resources to be shared.

23 “(D) Each such agreement shall provide, and shall specify
24 procedures designed to ensure, that the availability of direct
25 health care to individuals who are not primary beneficiaries of
26 the providing Department is (i) on a referral basis from the fa-
27 cility or service region of the other Department, and (ii) does
28 not (as determined by the head of the providing facility or re-
29 gion) adversely affect the range of services, the quality of care,
30 or the established priorities for care provided to the primary
31 beneficiaries of the providing Department.

32 “(E) Each such agreement shall provide that a providing
33 Department or service region shall be reimbursed for the cost
34 of the health care resources provided under the agreement and
35 that the rate of such reimbursement shall be as determined in
36 accordance with paragraph (2).

1 “(F) Each proposal for an agreement under this para-
2 graph shall be effective (i) on the 46th day after the receipt
3 of such proposal by the Committee, unless earlier disapproved,
4 or (ii) if earlier approved by the Committee, on the date of
5 such approval.

6 “(G) Any funds received through such a uniform payment
7 and reimbursement schedule shall be credited to funds that
8 have been allotted to the facility of either Department that pro-
9 vided the care or services, or is due the funds from, any such
10 agreement.

11 “(f) ANNUAL JOINT REPORT.—(1) At the time the Presi-
12 dent’s budget is transmitted to Congress in any year pursuant
13 to section 1105 of title 31, the two Secretaries shall submit to
14 Congress a joint report on health care coordination and sharing
15 activities under this section during the fiscal year that ended
16 during the previous calendar year.

17 “(2) Each report under this section shall include the fol-
18 lowing:

19 “(A) The guidelines prescribed under subsection (e)
20 (and any revision of such guidelines).

21 “(B) The assessment of further opportunities identi-
22 fied under subparagraph (C) of subsection (e)(5) for the
23 sharing of health-care resources between the two Depart-
24 ments.

25 “(C) Any recommendation made under subsection
26 (e)(4) during such fiscal year.

27 “(D) A review of the sharing agreements entered into
28 under subsection (e) and a summary of activities under
29 such agreements during such fiscal year and a description
30 of the results of such agreements in improving access to,
31 and the quality and cost effectiveness of, the health care
32 provided by the Veterans Health Administration and the
33 Military Health System to the beneficiaries of both Depart-
34 ments.

35 “(E) A summary of other planning and activities in-
36 volving either Department in connection with promoting the

1 coordination and sharing of Federal health-care resources
2 during the preceding fiscal year.

3 “(F) Such recommendations for legislation as the two
4 Secretaries consider appropriate to facilitate the sharing of
5 health-care resources between the two Departments.

6 “(3) In addition to the matters specified in paragraph (2),
7 the two Secretaries shall include in the annual report under
8 this subsection an overall status report of the progress of
9 health resources sharing between the two Departments as a
10 consequence of subtitle C of title VII of the Bob Stump Na-
11 tional Defense Authorization Act for Fiscal Year 2003 and of
12 other sharing initiatives taken during the period covered by the
13 report. Such status report shall indicate the status of such
14 sharing and shall include appropriate data as well as analyses
15 of that data. The annual report shall include the following:

16 “(A) Enumerations and explanations of major policy
17 decisions reached by the two Secretaries during the period
18 covered by the report period with respect to sharing be-
19 tween the two Departments.

20 “(B) A description of progress made in new ventures
21 or particular areas of sharing and coordination that would
22 be of policy interest to Congress consistent with the intent
23 of such subtitle.

24 “(C) A description of enhancements of access to care
25 of beneficiaries of both Departments that came about as a
26 result of new sharing approaches brought about by such
27 subtitle.

28 “(D) A description of proposals for which funds are
29 provided through the joint incentives program under sub-
30 section (d), together with a description of their results or
31 status at the time of the report, including access improve-
32 ments, savings, and quality-of-care enhancements they
33 brought about, and a description of any additional use of
34 funds made available under subsection (d).

35 “(4) In addition to the matters specified in paragraphs (2)
36 and (3), the two Secretaries shall include in the annual report
37 under this subsection for each year through 2008 the following:

1 “(A) A description of the measures taken, or planned
2 to be taken, to implement the health resources sharing
3 project under section 722 of the Bob Stump National De-
4 fense Authorization Act for Fiscal Year 2003 and any cost
5 savings anticipated, or cost sharing achieved, at facilities
6 participating in the project, including information on im-
7 provements in access to care, quality, and timeliness, as
8 well as impediments encountered and legislative rec-
9 ommendations to ameliorate such impediments.

10 “(B) A description of the use of the waiver authority
11 provided by section 722(d)(1) of the Bob Stump National
12 Defense Authorization Act for Fiscal Year 2003,
13 including—

14 “(i) a statement of the numbers and types of re-
15 quests for waivers under that section of administrative
16 policies that have been made during the period covered
17 by the report and, for each such request, an expla-
18 nation of the content of each request, the intended pur-
19 pose or result of the requested waiver, and the disposi-
20 tion of each request; and

21 “(ii) descriptions of any new administrative poli-
22 cies that enhance the success of the project.

23 “(5) In addition to the matters specified in paragraphs
24 (2), (3), and (4), the two Secretaries shall include in the an-
25 nual report under this subsection for each year through 2009
26 a report on the pilot program for graduate medical education
27 under section 725 of the Bob Stump National Defense Author-
28 ization Act for Fiscal Year 2003, including activities under the
29 program during the preceding year and each Secretary’s assess-
30 ment of the efficacy of providing education and training under
31 that program.

32 “(g) DEFINITIONS.—For the purposes of this section:

33 “(1) The term ‘beneficiary’ means a person who is a
34 primary beneficiary of the Department of Veterans Affairs
35 or of the Department of Defense.

36 “(2) The term ‘direct health care’ means health care
37 provided to a beneficiary in a medical facility operated by

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1 the Department of Veterans Affairs or the Department of
2 Defense.

3 “(3) The term ‘head of a medical facility’ (A) with re-
4 spect to a medical facility of the Department of Veterans
5 Affairs, means the director of the facility, and (B) with re-
6 spect to a medical facility of the Department of Defense,
7 means the medical or dental officer in charge or the con-
8 tract surgeon in charge.

9 “(4) The term ‘health-care resource’ includes hospital
10 care, medical services, and rehabilitative services, as those
11 terms are defined in paragraphs (5), (6), and (8), respec-
12 tively, of section 1701 of this title, services under sections
13 1782 and 1783 of this title, any other health-care service,
14 and any health-care support or administrative resource.

15 “(5) The term ‘primary beneficiary’ (A) with respect
16 to the Department means a person who is eligible under
17 this title (other than under section 1782, 1783, or 1784 or
18 subsection (d) of this section) or any other provision of law
19 for care or services in Department medical facilities, and
20 (B) with respect to the Department of Defense, means a
21 member or former member of the Armed Forces who is eli-
22 gible for care under section 1074 of title 10.

23 “(6) The term ‘providing Department’ means the De-
24 partment of Veterans Affairs, in the case of care or services
25 furnished by a facility of the Department of Veterans Af-
26 fairs, and the Department of Defense, in the case of care
27 or services furnished by a facility of the Department of De-
28 fense.

29 “(7) The term ‘service region’ means a geographic
30 service area of the Veterans Health Administration, in the
31 case of the Department of Veterans Affairs, and a service
32 region, in the case of the Department of Defense.”.

33 (2) The item relating to that section in the table of sec-
34 tions at the beginning of chapter 81 of title 38, United States
35 Code, is amended to read as follows:

“8111. Sharing of Department of Veterans Affairs and Department of De-
fense health care resources.”.

1 (b) CONFORMING AMENDMENT.—Section 1104(a) of title
2 10, United States Code, is amended by striking “may” and in-
3 serting “shall”.

4 (c) EFFECTIVE DATE.—The amendments made by this
5 section shall take effect on October 1, 2003.

6 **SEC. 722. HEALTH CARE RESOURCES SHARING AND CO-**
7 **ORDINATION PROJECT.**

8 (a) ESTABLISHMENT.—(1) The Secretary of Veterans Af-
9 fairs and the Secretary of Defense shall conduct a health care
10 resources sharing project to serve as a test for evaluating the
11 feasibility, and the advantages and disadvantages, of measures
12 and programs designed to improve the sharing and coordina-
13 tion of health care and health care resources between the De-
14 partment of Veterans Affairs and the Department of Defense.
15 The project shall be carried out, as a minimum, at the sites
16 identified under subsection (b).

17 (2) Reimbursement between the two Departments with re-
18 spect to the project under this section shall be made in accord-
19 ance with the provisions of section 8111(e)(2) of title 38,
20 United States Code, as amended by section 721(a).

21 (b) SITE IDENTIFICATION.—(1) Not later than 90 days
22 after the date of the enactment of this Act, the Secretaries
23 shall jointly identify not less than three sites for the conduct
24 of the project under this section.

25 (2) For purposes of this section, a site at which the re-
26 source sharing project shall be carried out is an area in the
27 United States in which—

28 (A) one or more military treatment facilities and one
29 or more VA health care facilities are situated in relative
30 proximity to each other, including facilities engaged in joint
31 ventures as of the date of the enactment of this Act; and

32 (B) for which an agreement to coordinate care and
33 programs for patients at those facilities could be imple-
34 mented not later than October 1, 2004.

35 (c) CONDUCT OF PROJECT.—(1) At sites at which the
36 project is conducted, the Secretaries shall provide a test of a
37 coordinated management system for the military treatment fa-

1 facilities and VA health care facilities participating in the project.
2 Such a coordinated management system for a site shall include
3 at least one of the elements specified in paragraph (2), and
4 each of the elements specified in that paragraph must be in-
5 cluded in the coordinated management system for at least one
6 of the participating sites.

7 (2) Elements of a coordinated management system re-
8 ferred to in paragraph (1) are the following:

9 (A) A budget and financial management system for
10 those facilities that—

11 (i) provides managers with information about the
12 costs of providing health care by both Departments at
13 the site; and

14 (ii) allows managers to assess the advantages and
15 disadvantages (in terms of relative costs, benefits, and
16 opportunities) of using resources of either Department
17 to provide or enhance health care to beneficiaries of ei-
18 ther Department.

19 (B) A coordinated staffing and assignment system for
20 the personnel (including contract personnel) employed at or
21 assigned to those facilities, including clinical practitioners
22 of either Department.

23 (C) Medical information and information technology
24 systems for those facilities that—

25 (i) are compatible with the purposes of the project;

26 (ii) communicate with medical information and in-
27 formation technology systems of corresponding ele-
28 ments of those facilities; and

29 (iii) incorporate minimum standards of informa-
30 tion quality that are at least equivalent to those adopt-
31 ed for the Departments at large in their separate
32 health care systems.

33 (d) **AUTHORITY TO WAIVE CERTAIN ADMINISTRATIVE**
34 **POLICIES.—(1)(A)** In order to carry out subsection (c), the
35 Secretary of Defense may, in the Secretary's discretion, waive
36 any administrative policy of the Department of Defense other-
37 wise applicable to that subsection that specifically conflicts with

1 the purposes of the project, in instances in which the Secretary
2 determines that the waiver is necessary for the purposes of the
3 project.

4 (B) In order to carry out subsection (c), the Secretary of
5 Veterans Affairs may, in the Secretary’s discretion, waive any
6 administrative policy of the Department of Veterans Affairs
7 otherwise applicable to that subsection that specifically conflicts
8 with the purposes of the project, in instances in which the Sec-
9 retary determines that the waiver is necessary for the purposes
10 of the project.

11 (C) The two Secretaries shall establish procedures for re-
12 solving disputes that may arise from the effects of policy
13 changes that are not covered by other agreements or existing
14 procedures.

15 (2) No waiver under paragraph (1) may alter any labor-
16 management agreement in effect as of the date of the enact-
17 ment of this Act or adopted by either Department during the
18 period of the project.

19 (e) USE BY DOD OF CERTAIN TITLE 38 PERSONNEL AU-
20 THORITIES.—(1) In order to carry out subsection (c), the Sec-
21 retary of Defense may apply to civilian personnel of the De-
22 partment of Defense assigned to or employed at a military
23 treatment facility participating in the project any of the provi-
24 sions of subchapters I, III, and IV of chapter 74 of title 38,
25 United States Code, determined appropriate by the Secretary.

26 (2) For purposes of paragraph (1), any reference in chap-
27 ter 74 of title 38, United States Code—

28 (A) to the “Secretary” or the “Under Secretary for
29 Health” shall be treated as referring to the Secretary of
30 Defense; and

31 (B) to the “Veterans Health Administration” shall be
32 treated as referring to the Department of Defense.

33 (f) FUNDING.—From amounts available for health care for
34 a fiscal year, each Secretary shall make available to carry out
35 the project not less than—

36 (1) \$3,000,000 for fiscal year 2003;

37 (2) \$6,000,000 for fiscal year 2004; and

1 (3) \$9,000,000 for each succeeding year during which
2 the project is in effect.

3 (g) DEFINITIONS.—For purposes of this section:

4 (1) The term “military treatment facility” means a
5 medical facility under the jurisdiction of the Secretary of
6 a military department.

7 (2) The term “VA health care facility” means a facil-
8 ity under the jurisdiction of the Veterans Health Adminis-
9 tration of the Department of Veterans Affairs.

10 (h) PERFORMANCE REVIEW.—(1) The Comptroller Gen-
11 eral shall provide for an annual on-site review at each of the
12 project locations selected by the Secretaries under this section.

13 (2) Not later than 90 days after completion of the annual
14 review under paragraph (1), the Comptroller General shall sub-
15 mit a report on such review to the Committees on Armed Serv-
16 ices and Veterans’ Affairs of the Senate and House of Rep-
17 resentatives.

18 (3) Each such report shall include the following:

19 (A) The strategic mission coordination between shared
20 activities.

21 (B) The accuracy and validity of performance data
22 used to evaluate sharing performance and changes in
23 standards of care or services at the shared facilities.

24 (C) A statement that all appropriated funds des-
25 ignated for sharing activities are being used for direct sup-
26 port of sharing initiatives.

27 (D) Recommendations concerning continuance of the
28 project at each site for the succeeding 12-month period.

29 (4) Whenever there is a recommendation under paragraph
30 (3)(D) to discontinue a resource sharing project under this sec-
31 tion, the two Secretaries shall act upon that recommendation
32 as soon as practicable.

33 (5) In the initial report under this subsection, the Comp-
34 troller General shall validate the baseline information used for
35 comparative analysis.

1 (i) TERMINATION.—(1) The project, and the authority
2 provided by this section, shall terminate on September 30,
3 2007.

4 (2) The two Secretaries jointly may terminate the per-
5 formance of the project at any site when the performance of
6 the project at that site fails to meet performance expectations
7 of the Secretaries, based on recommendations from the Comp-
8 troller General under subsection (h) or on other information
9 available to the Secretaries to warrant such action.

10 **SEC. 723. REPORT ON IMPROVED COORDINATION AND**
11 **SHARING OF HEALTH CARE AND HEALTH**
12 **CARE RESOURCES FOLLOWING DOMESTIC**
13 **ACTS OF TERRORISM OR DOMESTIC USE OF**
14 **WEAPONS OF MASS DESTRUCTION.**

15 (a) JOINT REVIEW.—The Secretary of Defense and the
16 Secretary of Veterans Affairs shall jointly review the adequacy
17 of current processes and existing statutory authorities and pol-
18 icy governing the capability of the Department of Defense and
19 the Department of Veterans Affairs to provide health care to
20 members of the Armed Forces following domestic acts of ter-
21 rorism or domestic use of weapons of mass destruction, both
22 before and after any declaration of national emergency. Such
23 review shall include a determination of the adequacy of current
24 authorities in providing for the coordination and sharing of
25 health care resources between the two Departments in such
26 cases, particularly before the declaration of a national emer-
27 gency.

28 (b) REPORT TO CONGRESS.—The two Secretaries shall in-
29 clude a joint report on the review under subsection (a), includ-
30 ing any recommended legislative changes, shall be submitted to
31 Congress as part of the fiscal year 2004 budget submission to
32 Congress.

33 **SEC. 724. INTEROPERABILITY OF DEPARTMENT OF VET-**
34 **ERANS AFFAIRS AND DEPARTMENT OF DE-**
35 **FENSE PHARMACY DATA SYSTEMS.**

36 (a) INTEROPERABILITY.—The Secretary of Veterans Af-
37 fairs and the Secretary of Defense shall seek to ensure that on
38 or before October 1, 2004, the Department of Veterans Affairs

1 pharmacy data system and the Department of Defense phar-
2 macy data system (known as the “Pharmacy Data Transaction
3 System”) are interoperable for both Department of Defense
4 beneficiaries and Department of Veterans Affairs beneficiaries
5 by achieving real-time interface, data exchange, and checking
6 of prescription drug data of outpatients, and using national
7 standards for the exchange of outpatient medication informa-
8 tion.

9 (b) ALTERNATIVE REQUIREMENT.—If the interoperability
10 specified in subsection (a) is not achieved by October 1, 2004,
11 as determined jointly by the Secretary of Defense and the Sec-
12 retary of Veterans Affairs, the Secretary of Veterans Affairs
13 shall adopt the Department of Defense Pharmacy Data Trans-
14 action System for use by the Department of Veterans Affairs
15 health care system. Such system shall be fully operational not
16 later than October 1, 2005.

17 (c) IMPLEMENTATION FUNDING FOR ALTERNATIVE RE-
18 QUIREMENT.—The Secretary of Defense shall transfer to the
19 Secretary of Veterans Affairs, or shall otherwise bear the cost
20 of, an amount sufficient to cover three-fourths of the cost to
21 the Department of Veterans Affairs for computer programming
22 activities and relevant staff training expenses related to imple-
23 mentation of subsection (b). Such amount shall be determined
24 in such manner as agreed to by the two Secretaries.

25 **SEC. 725. JOINT PILOT PROGRAM FOR PROVIDING**
26 **GRADUATE MEDICAL EDUCATION AND**
27 **TRAINING FOR PHYSICIANS.**

28 (a) IN GENERAL.—The Secretary of Defense and the Sec-
29 retary of Veterans Affairs shall jointly carry out a pilot pro-
30 gram under which graduate medical education and training is
31 provided to military physicians and physician employees of the
32 Department of Defense and the Department of Veterans Af-
33 fairs through one or more programs carried out in military
34 medical treatment facilities of the Department of Defense and
35 medical centers of the Department of Veterans Affairs. The
36 pilot program shall begin not later than January 1, 2003.

1 (b) COST-SHARING AGREEMENT.—The Secretaries shall
2 enter into an agreement for carrying out the pilot program.
3 The agreement shall establish means for each Secretary to as-
4 sist in paying the costs, with respect to individuals under the
5 jurisdiction of that Secretary, incurred by the other Secretary
6 in providing medical education and training under the pilot
7 program.

8 (c) USE OF EXISTING AUTHORITIES.—To carry out the
9 pilot program, the Secretary of Defense and the Secretary of
10 Veterans Affairs may use authorities provided to them under
11 this subtitle, section 8111 of title 38, United States Code (as
12 amended by section 721(a)), and other laws relating to the fur-
13 nishing or support of medical education and the cooperative use
14 of facilities.

15 (d) TERMINATION OF PROGRAM.—The pilot program
16 under this section shall terminate on July 31, 2008.

17 (e) REPEAL OF SUPERSEDED PROVISION.—Section 738 of
18 the National Defense Authorization Act for Fiscal Year 2002
19 (Public Law 107–107; 10 U.S.C. 1094 note; 115 Stat.1173) is
20 repealed.

21 **SEC. 726. REPEAL OF CERTAIN LIMITS ON DEPARTMENT**
22 **OF VETERANS AFFAIRS RESOURCES.**

23 (a) REPEAL OF VA BED LIMITS.—Section 8110(a)(1) of
24 title 38, United States Code, is amended—

25 (1) in the first sentence, by striking “at not more than
26 125,000 and not less than 100,000”;

27 (2) in the third sentence, by striking “shall operate
28 and maintain a total of not less than 90,000 hospital beds
29 and nursing home beds and”; and

30 (3) in the fourth sentence, by striking “to enable the
31 Department to operate and maintain a total of not less
32 than 90,000 hospital and nursing home beds in accordance
33 with this paragraph and”.

34 (b) EFFECTIVE DATE.—The amendments made by sub-
35 section (a) shall take effect on October 1, 2003.

1 **TITLE VIII—ACQUISITION POLICY,**
2 **ACQUISITION MANAGEMENT, AND**
3 **RELATED MATTERS**

Subtitle A—Acquisition Policy and Management

- Sec. 801. Buy-to-budget acquisition of end items.
- Sec. 802. Report to Congress on evolutionary acquisition of major defense acquisition programs.
- Sec. 803. Spiral development under major defense acquisition programs.
- Sec. 804. Improvement of software acquisition processes.
- Sec. 805. Performance goals for procuring services pursuant to multiple award contracts.
- Sec. 806. Rapid acquisition and deployment procedures.
- Sec. 807. Quick-reaction special projects acquisition team.

**Subtitle B—Amendments to General Contracting
Authorities, Procedures, and Limitations**

- Sec. 811. Limitation period for task and delivery order contracts.
- Sec. 812. One-year extension of program applying simplified procedures to certain commercial items; report.
- Sec. 813. Extension and improvement of personnel demonstration policies and procedures applicable to the civilian acquisition workforce.
- Sec. 814. Past performance given significant weight in renewal of procurement technical assistance cooperative agreements.
- Sec. 815. Increased maximum amount of assistance for tribal organizations or economic enterprises carrying out procurement technical assistance programs in two or more service areas.
- Sec. 816. Extension of contract goal for small disadvantaged businesses and certain institutions of higher education.
- Sec. 817. Grants of exceptions to cost or pricing data certification requirements and waivers of cost accounting standards.
- Sec. 818. Timing of certification in connection with waiver of survivability and lethality testing requirements.
- Sec. 819. Contracting with Federal Prison Industries.
- Sec. 820. Revisions to multiyear contracting authority.

Subtitle C—Acquisition-Related Reports and Other Matters

- Sec. 821. Evaluation of training, knowledge, and resources regarding negotiation of intellectual property arrangements.
- Sec. 822. Independent technology readiness assessments.
- Sec. 823. Extension and amendment of requirement for annual report on defense commercial pricing management improvement.
- Sec. 824. Assessment of purchases of products and services through contracts with other Federal departments and agencies.
- Sec. 825. Repeal of certain requirements and Comptroller General reviews of the requirements.
- Sec. 826. Multiyear procurement authority for purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.
- Sec. 827. Multiyear procurement authority for environmental services for military installations.
- Sec. 828. Report on effects of Army Contracting Agency.
- Sec. 829. Authorization to take actions to correct the industrial resource shortfall for radiation-hardened electronics.

1 **Subtitle A—Acquisition Policy and** 2 **Management**

3 **SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.**

4 (a) AUTHORITY.—(1) Chapter 137 of title 10, United
5 States Code, is amended by inserting after section 2307 the fol-
6 lowing new section:

7 **“§ 2308. Buy-to-budget acquisition: end items**

8 “(a) AUTHORITY TO ACQUIRE ADDITIONAL END ITEMS.—
9 Using funds available to the Department of Defense for the ac-
10 quisition of an end item, the head of an agency making the ac-
11 quisition may acquire a higher quantity of the end item than
12 the quantity specified for the end item in a law providing for
13 the funding of that acquisition if that head of an agency makes
14 each of the following findings:

15 “(1) The agency has an established requirement for
16 the end item that is expected to remain substantially un-
17 changed throughout the period of the acquisition.

18 “(2) It is possible to acquire the higher quantity of the
19 end item without additional funding because of production
20 efficiencies or other cost reductions.

21 “(3) The amount of the funds used for the acquisition
22 of the higher quantity of the end item will not exceed the
23 amount provided under that law for the acquisition of the
24 end item.

25 “(4) The amount so provided is sufficient to ensure
26 that each unit of the end item acquired within the higher
27 quantity is fully funded as a complete end item.

28 “(b) REGULATIONS.—The Secretary of Defense shall pre-
29 scribe regulations for the administration of this section. The
30 regulations shall include, at a minimum, the following:

31 “(1) The level of approval within the Department of
32 Defense that is required for a decision to acquire a higher
33 quantity of an end item under subsection (a).

34 “(2) Authority (subject to subsection (a)) to acquire
35 up to 10 percent more than the quantity of an end item
36 approved in a justification and approval of the use of pro-

1 cedures other than competitive procedures for the acquisi-
2 tion of the end item under section 2304 of this title.

3 “(c) NOTIFICATION OF CONGRESS.—The head of an agen-
4 cy is not required to notify Congress in advance regarding a
5 decision under the authority of this section to acquire a higher
6 quantity of an end item than is specified in a law described in
7 subsection (a), but shall notify the congressional defense com-
8 mittees of the decision not later than 30 days after the date
9 of the decision.

10 “(d) WAIVER BY OTHER LAW.—A provision of law may
11 not be construed as prohibiting the acquisition of a higher
12 quantity of an end item under this section unless that provision
13 of law—

14 “(1) specifically refers to this section; and

15 “(2) specifically states that the acquisition of the high-
16 er quantity of the end item is prohibited notwithstanding
17 the authority provided in this section.

18 “(e) DEFINITIONS.—(1) For the purposes of this section,
19 a quantity of an end item shall be considered specified in a law
20 if the quantity is specified either in a provision of that law or
21 in any related representation that is set forth separately in a
22 table, chart, or explanatory text included in a joint explanatory
23 statement or governing committee report accompanying the
24 law.

25 “(2) In this section:

26 “(A) The term ‘congressional defense committees’
27 means—

28 “(i) the Committee on Armed Services and the
29 Committee on Appropriations of the Senate; and

30 “(ii) the Committee on Armed Services and
31 the Committee on Appropriations of the House of
32 Representatives.

33 “(B) The term ‘end item’ means a production
34 product assembled, completed, and ready for issue or
35 deployment.

36 “(C) The term ‘head of an agency’ means the Sec-
37 retary of Defense, the Secretary of the Army, the Sec-

1 retary of the Navy, and the Secretary of the Air
2 Force.”.

3 (2) The table of sections at the beginning of such chapter
4 is amended by inserting after the item relating to section 2307
5 the following new item:

“2308. Buy-to-budget acquisition: end items.”.

6 (b) **TIME FOR ISSUANCE OF FINAL REGULATIONS.**—The
7 Secretary of Defense shall issue the final regulations under sec-
8 tion 2308(b) of title 10, United States Code (as added by sub-
9 section (a)), not later than 120 days after the date of the en-
10 actment of this Act.

11 **SEC. 802. REPORT TO CONGRESS ON EVOLUTIONARY**
12 **ACQUISITION OF MAJOR DEFENSE ACQUI-**
13 **SITION PROGRAMS.**

14 (a) **REPORT REQUIRED.**—(1) Not later than 120 days
15 after the date of the enactment of this Act, the Secretary of
16 Defense shall submit to the congressional defense committees
17 a report on the approach that the Secretary plans to take to
18 apply the requirements listed in paragraph (2) to major defense
19 acquisition programs that follow the evolutionary acquisition
20 process.

21 (2) The requirements referred to in paragraph (1) are—

22 (A) the requirements of chapter 144 of title 10,
23 United States Code;

24 (B) sections 139, 181, 2366, 2399, and 2400 of such
25 title;

26 (C) Department of Defense Directive 5000.1;

27 (D) Department of Defense Instruction 5000.2;

28 (E) Chairman of the Joint Chiefs of Staff Instruction
29 3170.01B; and

30 (F) other provisions of law and regulations (including
31 successor documents) that are applicable to such programs.

32 (b) **CONTENT OF REPORT.**—The report shall, at a min-
33 imum, address the following matters:

34 (1) The manner in which the Secretary plans to estab-
35 lish and approve, for each increment of an evolutionary ac-
36 quisition process—

- 1 (A) operational requirements; and
- 2 (B) cost and schedule goals.

3 (2) The manner in which the Secretary plans, for each
4 increment of an evolutionary acquisition process—

5 (A) to meet requirements for operational testing
6 and live fire testing;

7 (B) to monitor cost and schedule performance;
8 and

9 (C) to comply with laws requiring reports to Con-
10 gress on results testing and on cost and schedule per-
11 formance.

12 (3) The manner in which the Secretary plans to en-
13 sure that each increment of an evolutionary acquisition
14 process is designed—

15 (A) to achieve interoperability within and among
16 United States forces and United States coalition part-
17 ners; and

18 (B) to optimize total system performance and min-
19 imize total ownership costs by giving appropriate con-
20 sideration to—

21 (i) logistics planning;

22 (ii) manpower, personnel, and training;

23 (iii) human, environmental, safety, occupa-
24 tional health, accessibility, survivability, operational
25 continuity, and security factors;

26 (iv) protection of critical program information;
27 and

28 (v) spectrum management.

29 (c) DEFINITIONS.—In this section:

30 (1) The term “evolutionary acquisition process” means
31 a process by which an acquisition program is conducted
32 through discrete phases or blocks, with each phase or block
33 consisting of the planned definition, development, produc-
34 tion or acquisition, and fielding of hardware or software
35 that provides operationally useful capability.

1 (2) The term “increment”, with respect to an evolu-
2 tionary acquisition program, means one of the discrete
3 phases or blocks of such program.

4 (3) The term “major defense acquisition program” has
5 the meaning given such term in section 139(a)(2)(B) of
6 title 10, United States Code.

7 **SEC. 803. SPIRAL DEVELOPMENT UNDER MAJOR DE-**
8 **FENSE ACQUISITION PROGRAMS.**

9 (a) **AUTHORITY.**—The Secretary of Defense is authorized
10 to conduct major defense acquisition programs as spiral devel-
11 opment programs.

12 (b) **LIMITATION ON SPIRAL DEVELOPMENT PROGRAMS.**—
13 A research and development program for a major defense ac-
14 quisition program of a military department or Defense Agency
15 may not be conducted as a spiral development program unless
16 the Secretary of Defense approves the spiral development plan
17 for that research and development program in accordance with
18 subsection (c). The Secretary of Defense may delegate author-
19 ity to approve the plan to the Under Secretary of Defense for
20 Acquisition, Technology, and Logistics, or to the senior acquisi-
21 tion executive of the military department or Defense Agency
22 concerned, but such authority may not be further delegated.

23 (c) **SPIRAL DEVELOPMENT PLANS.**—A spiral development
24 plan for a research and development program for a major de-
25 fense acquisition program shall, at a minimum, include the fol-
26 lowing matters:

27 (1) A rationale for dividing the research and develop-
28 ment program into separate spirals, together with a pre-
29 liminary identification of the spirals to be included.

30 (2) A program strategy, including overall cost, sched-
31 ule, and performance goals for the total research and devel-
32 opment program.

33 (3) Specific cost, schedule, and performance param-
34 eters, including measurable exit criteria, for the first spiral
35 to be conducted.

36 (4) A testing plan to ensure that performance goals,
37 parameters, and exit criteria are met.

1 (5) An appropriate limitation on the number of proto-
2 type units that may be produced under the research and
3 development program.

4 (6) Specific performance parameters, including meas-
5 urable exit criteria, that must be met before the major de-
6 fense acquisition program proceeds into production of units
7 in excess of the limitation on the number of prototype
8 units.

9 (d) GUIDANCE.—Not later than 120 days after the date
10 of the enactment of this Act, the Secretary of Defense shall
11 issue guidance for the implementation of spiral development
12 programs authorized by this section. The guidance shall include
13 appropriate processes for ensuring the independent validation
14 of exit criteria being met, the operational assessment of
15 fieldable prototypes, and the management of spiral development
16 programs.

17 (e) REPORTING REQUIREMENT.—The Secretary shall sub-
18 mit to Congress by September 30 of each of 2003 through
19 2008 a status report on each research and development pro-
20 gram that is a spiral development program. The report shall
21 contain information on unit costs that is similar to the infor-
22 mation on unit costs under major defense acquisition programs
23 that is required to be provided to Congress under chapter 144
24 of title 10, United States Code, except that the information on
25 unit costs shall address projected prototype costs instead of
26 production costs.

27 (f) APPLICABILITY OF EXISTING LAW.—Nothing in this
28 section shall be construed to exempt any program of the De-
29 partment of Defense from the application of any provision of
30 chapter 144 of title 10, United States Code, section 139, 181,
31 2366, 2399, or 2400 of such title, or any requirement under
32 Department of Defense Directive 5000.1, Department of De-
33 fense Instruction 5000.2, or Chairman of the Joint Chiefs of
34 Staff Instruction 3170.01B in accordance with the terms of
35 such provision or requirement.

36 (g) DEFINITIONS.—In this section:

1 (1) The term “spiral development program”, with re-
2 spect to a research and development program, means a pro-
3 gram that—

4 (A) is conducted in discrete phases or blocks, each
5 of which will result in the development of fieldable pro-
6 totypes; and

7 (B) will not proceed into acquisition until specific
8 performance parameters, including measurable exit cri-
9 teria, have been met.

10 (2) The term “spiral” means one of the discrete
11 phases or blocks of a spiral development program.

12 (3) The term “major defense acquisition program” has
13 the meaning given such term in section 139(a)(2)(B) of
14 title 10, United States Code.

15 **SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION**
16 **PROCESSES.**

17 (a) ESTABLISHMENT OF PROGRAMS.—(1) The Secretary
18 of each military department shall establish a program to im-
19 prove the software acquisition processes of that military depart-
20 ment.

21 (2) The head of each Defense Agency that manages a
22 major defense acquisition program with a substantial software
23 component shall establish a program to improve the software
24 acquisition processes of that Defense Agency.

25 (3) The programs required by this subsection shall be es-
26 tablished not later than 120 days after the date of the enact-
27 ment of this Act.

28 (b) PROGRAM REQUIREMENTS.—A program to improve
29 software acquisition processes under this section shall, at a
30 minimum, include the following:

31 (1) A documented process for software acquisition
32 planning, requirements development and management,
33 project management and oversight, and risk management.

34 (2) Efforts to develop appropriate metrics for perform-
35 ance measurement and continual process improvement.

1 (3) A process to ensure that key program personnel
2 have an appropriate level of experience or training in soft-
3 ware acquisition.

4 (4) A process to ensure that each military department
5 and Defense Agency implements and adheres to established
6 processes and requirements relating to the acquisition of
7 software.

8 (c) DEPARTMENT OF DEFENSE GUIDANCE.—The Assist-
9 ant Secretary of Defense for Command, Control, Communica-
10 tions, and Intelligence, in consultation with the Under Sec-
11 retary of Defense for Acquisition, Technology, and Logistics,
12 shall—

13 (1) prescribe uniformly applicable guidance for the ad-
14 ministration of all of the programs established under sub-
15 section (a) and take such actions as are necessary to en-
16 sure that the military departments and Defense Agencies
17 comply with the guidance; and

18 (2) assist the Secretaries of the military departments
19 and the heads of the Defense Agencies to carry out such
20 programs effectively by—

21 (A) ensuring that the criteria applicable to the se-
22 lection of sources provides added emphasis on past per-
23 formance of potential sources, as well as on the matu-
24 rity of the software products offered by the potential
25 sources; and

26 (B) identifying, and serving as a clearinghouse for
27 information regarding, best practices in software devel-
28 opment and acquisition in both the public and private
29 sectors.

30 (d) DEFINITIONS.—In this section:

31 (1) The term “Defense Agency” has the meaning
32 given the term in section 101(a)(11) of title 10, United
33 States Code.

34 (2) The term “major defense acquisition program” has
35 the meaning given such term in section 139(a)(2)(B) of
36 title 10, United States Code.

1 **SEC. 805. PERFORMANCE GOALS FOR PROCURING SERV-**
2 **ICES PURSUANT TO MULTIPLE AWARD CON-**
3 **TRACTS.**

4 (a) PERFORMANCE GOALS.—Subsection (a) of section 802
5 of the National Defense Authorization Act for Fiscal Year
6 2002 (Public Law 107–107; 115 Stat. 1178; 10 U.S.C. 2330
7 note) is amended to read as follows:

8 “(a) GOALS.—(1) It shall be an objective of the Depart-
9 ment of Defense to achieve efficiencies in procurements of serv-
10 ices pursuant to multiple award contracts through the use of—

11 “(A) performance-based services contracting;

12 “(B) appropriate competition for task orders under
13 services contracts;

14 “(C) program review, spending analyses, and improved
15 management of services contracts.

16 “(2) In furtherance of such objective, the Department of
17 Defense shall have the following goals:

18 “(A) To increase, as a percentage of all of the indi-
19 vidual purchases of services made by or for the Department
20 of Defense under multiple award contracts for a fiscal year
21 (calculated on the basis of dollar value), the volume of the
22 individual purchases of services that are made on a com-
23 petitive basis and involve receipt of more than one offer
24 from qualified contractors to a percentage as follows:

25 “(i) For fiscal year 2003, a percentage not less
26 than 40 percent.

27 “(ii) For fiscal year 2004, a percentage not less
28 than 50 percent.

29 “(iii) For fiscal year 2011, a percentage not less
30 than 75 percent.

31 “(B) To increase, as a percentage of all of the indi-
32 vidual purchases of services made by or for the Department
33 of Defense under multiple award contracts for a fiscal year
34 (calculated on the basis of dollar value), the use of per-
35 formance-based purchasing specifying firm fixed prices for
36 the specific tasks to be performed to a percentage as fol-
37 lows:

1 “(i) For fiscal year 2003, a percentage not less
2 than 25 percent.

3 “(ii) For fiscal year 2004, a percentage not less
4 than 35 percent.

5 “(iii) For fiscal year 2005, a percentage not less
6 than 50 percent.

7 “(iv) For fiscal year 2011, a percentage not less
8 than 70 percent.

9 “(3) The Secretary of Defense may adjust any percentage
10 goal established in paragraph (2) if the Secretary determines
11 in writing that such a goal is too high and cannot reasonably
12 be achieved. In the event that the Secretary chooses to adjust
13 such a goal, the Secretary shall—

14 “(A) establish a percentage goal that the Secretary de-
15 termines would create an appropriate incentive for Depart-
16 ment of Defense components to use competitive procedures
17 or performance-based services contracting, as the case may
18 be; and

19 “(B) submit to the congressional defense committees
20 a report containing an explanation of the reasons for the
21 Secretary’s determination and a statement of the new goal
22 that the Secretary has established.”.

23 (b) EXTENSION AND REVISION OF REPORTING REQUIRE-
24 MENT.—Subsection (b) of such section is amended—

25 (1) by striking “March 1, 2006” and inserting “March
26 1, 2011”; and

27 (2) by amending paragraph (5) to read as follows:

28 “(5) Regarding the individual purchases of services
29 that were made by or for the Department of Defense under
30 multiple award contracts in the fiscal year preceding the
31 fiscal year in which the report is required to be submitted,
32 information (determined using the data collection system
33 established under section 2330a of title 10, United States
34 Code) as follows:

35 “(A) The percentage (calculated on the basis of
36 dollar value) of such purchases that are purchases that

1 were made on a competitive basis and involved receipt
2 of more than one offer from qualified contractors.

3 “(B) The percentage (calculated on the basis of
4 dollar value) of such purchases that are performance-
5 based purchases specifying firm fixed prices for the
6 specific tasks to be performed.”.

7 (c) DEFINITIONS.—Such section is further amended by
8 adding at the end the following new subsection:

9 “(c) DEFINITIONS.—(1) In this section, the terms ‘indi-
10 vidual purchase’ and ‘multiple award contract’ have the mean-
11 ings given such terms in section 803(c) of this Act.

12 “(2) For the purposes of this section, an individual pur-
13 chase of services is made on a competitive basis only if it is
14 made pursuant to procedures described in paragraphs (2), (3),
15 and (4) of section 803(b) of this Act.”.

16 (d) CONFORMING AMENDMENT.—The heading for such
17 section is amended by striking “**SAVINGS GOALS**” and insert-
18 ing “**PERFORMANCE GOALS**”.

19 **SEC. 806. RAPID ACQUISITION AND DEPLOYMENT PRO-**
20 **CEDURES.**

21 (a) REQUIREMENT TO ESTABLISH PROCEDURES.—Not
22 later than 180 days after the date of the enactment of this Act,
23 the Secretary of Defense shall prescribe procedures for the
24 rapid acquisition and deployment of items that are—

25 (1) currently under development by the Department of
26 Defense or available from the commercial sector; and

27 (2) urgently needed to react to an enemy threat or to
28 respond to significant and urgent safety situations.

29 (b) ISSUES TO BE ADDRESSED.—The procedures pre-
30 scribed under subsection (a) shall include the following:

31 (1) A process for streamlined communications between
32 the Chairman of the Joint Chiefs of Staff, the acquisition
33 community, and the research and development community,
34 including—

35 (A) a process for the commanders of the combat-
36 ant commands and the Joint Chiefs of Staff to commu-

1 nicate their needs to the acquisition community and the
2 research and development community; and

3 (B) a process for the acquisition community and
4 the research and development community to propose
5 items that meet the needs communicated by the com-
6 batant commands and the Joint Chiefs of Staff.

7 (2) Procedures for demonstrating, rapidly acquiring,
8 and deploying items proposed pursuant to paragraph
9 (1)(B), including—

10 (A) a process for demonstrating performance and
11 evaluating for current operational purposes the existing
12 capability of an item;

13 (B) a process for developing an acquisition and
14 funding strategy for the deployment of an item; and

15 (C) a process for making deployment determina-
16 tions based on information obtained pursuant to sub-
17 paragraphs (A) and (B).

18 (c) TESTING REQUIREMENT.—(1) The process for dem-
19 onstrating performance and evaluating for current operational
20 purposes the existing capability of an item prescribed under
21 subsection (b)(2)(A) shall include—

22 (A) an operational assessment in accordance with pro-
23 cedures prescribed by the Director of Operational Test and
24 Evaluation; and

25 (B) a requirement to provide information about any
26 deficiency of the item in meeting the original requirements
27 for the item (as stated in an operational requirements doc-
28 ument or similar document) to the deployment decision-
29 making authority.

30 (2) The process may not include a requirement for any de-
31 ficiency of an item to be the determining factor in deciding
32 whether to deploy the item.

33 (d) LIMITATION.—The quantity of items of a system pro-
34 cured using the procedures prescribed pursuant to this section
35 may not exceed the number established for low-rate initial pro-
36 duction for the system. Any such items shall be counted for

1 purposes of the number of items of the system that may be
2 procured through low-rate initial production.

3 **SEC. 807. QUICK-REACTION SPECIAL PROJECTS ACQUI-**
4 **SITION TEAM.**

5 (a) ESTABLISHMENT.—The Under Secretary of Defense
6 for Acquisition, Technology, and Logistics shall establish a
7 team of highly qualified acquisition professionals who shall be
8 available to advise the Under Secretary on actions that can be
9 taken to expedite the acquisition of urgently needed systems.

10 (b) DUTIES.—The issues on which the team may provide
11 advice shall include the following:

12 (1) Industrial base issues, including the limited avail-
13 ability of suppliers.

14 (2) Technology development and technology transition
15 issues.

16 (3) Issues of acquisition policy, including the length of
17 the acquisition cycle.

18 (4) Issues of testing policy and ensuring that weapon
19 systems perform properly in combat situations.

20 (5) Issues of procurement policy, including the impact
21 of socio-economic requirements.

22 (6) Issues relating to compliance with environmental
23 requirements.

24 **Subtitle B—Amendments to General**
25 **Contracting Authorities, Proce-**
26 **dures, and Limitations**

27 **SEC. 811. LIMITATION PERIOD FOR TASK AND DELIVERY**
28 **ORDER CONTRACTS.**

29 (a) LIMITATION PERIOD.—Section 2306c of title 10,
30 United States Code, is amended by adding at the end the fol-
31 lowing new subsection:

32 “(g) LIMITATION PERIOD FOR TASK AND DELIVERY
33 ORDER CONTRACTS.—(1) The authority and restrictions of this
34 section, including the authority to enter into contracts for peri-
35 ods of not more than five years, shall apply with respect to task
36 order and delivery order contracts entered into under the au-
37 thority of section 2304a, 2304b, or 2304c of this title.

1 “(2) The regulations implementing this subsection shall
2 establish a preference that, to the maximum extent practicable,
3 multi-year requirements for task order and delivery order con-
4 tracts be met with separate awards to two or more sources
5 under the authority of section 2304a(d)(1)(B) of this title.”.

6 (b) EFFECTIVE DATE.—Subsection (g) of section 2306c of
7 title 10, United States Code, as added by subsection (a), shall
8 apply to all task order and delivery order contracts entered into
9 on or after the date of the enactment of this Act.

10 (c) COMPTROLLER GENERAL REPORT.—Not later than
11 March 15, 2003, the Comptroller General shall submit to the
12 Committee on Armed Services of the Senate and the Committee
13 on Armed Services of the House of Representatives a report on
14 the contract periods (including any options or extensions) for
15 all single and multiple contract awards entered into under sec-
16 tion 2304a(d) of title 10, United States Code, before the effec-
17 tive date in subsection (b).

18 **SEC. 812. ONE-YEAR EXTENSION OF PROGRAM APPLY-**
19 **ING SIMPLIFIED PROCEDURES TO CERTAIN**
20 **COMMERCIAL ITEMS; REPORT.**

21 (a) EXTENSION OF PILOT PROGRAM.—Section 4202 of the
22 Clinger-Cohen Act of 1996 (divisions D and E of Public Law
23 104–106; 10 U.S.C. 2304 note) is amended in subsection (e)
24 by striking “January 1, 2003” and inserting “January 1,
25 2004”.

26 (b) REPORT REQUIRED.—(1) Not later than March 15,
27 2003, the Comptroller General shall submit to Congress a re-
28 port on the authority to issue solicitations for purchases of
29 commercial items in excess of the simplified acquisition thresh-
30 old pursuant to the special simplified procedures authorized by
31 section 2304(g)(1) of title 10, United States Code, and section
32 31(a) of the Office of Federal Procurement Policy Act (41
33 U.S.C. 427(a)).

34 (2) The report required by paragraph (1) shall address, at
35 a minimum—

36 (A) the extent to which such authority has been used
37 by the Secretary of Defense;

1 (B) the benefits realized by the Department of De-
2 fense through the use of such authority;

3 (C) the impact of the use of such authority on com-
4 petition for contracts with the Department of Defense; and

5 (D) any recommendations of the Comptroller General
6 for the continuation or modification of such authority.

7 **SEC. 813. EXTENSION AND IMPROVEMENT OF PER-**
8 **PERSONNEL DEMONSTRATION POLICIES AND**
9 **PROCEDURES APPLICABLE TO THE CIVILIAN**
10 **ACQUISITION WORKFORCE.**

11 (a) **PLAN REQUIRED.**—(1) The Secretary of Defense shall
12 develop a plan for improving the personnel management poli-
13 cies and procedures applicable to the Department of Defense
14 civilian acquisition workforce based on the results of the dem-
15 onstration project described in section 4308 of the Clinger–
16 Cohen Act of 1996 (divisions D and E of Public Law 104–106;
17 10 U.S.C. 1701 note).

18 (2) Not later than February 15, 2003, the Secretary shall
19 submit to Congress the plan required under paragraph (1) and
20 a report on the plan, including any recommendations for legis-
21 lative action necessary to implement the plan.

22 (b) **EXTENSION OF DEMONSTRATION PROJECT AUTHOR-**
23 **ITY.**—Section 4308 of the Clinger–Cohen Act of 1996 (divi-
24 sions D and E of Public Law 104–106; 10 U.S.C. 1701 note)
25 is amended—

26 (1) in subsection (b)(2)(C), by striking “subsection
27 (d)(1)(A)” and inserting “subsection (d)(1)”;

28 (2) by amending subparagraph (B) of subsection
29 (b)(3) to read as follows:

30 “(B) commences before October 1, 2007.”; and

31 (3) by adding at the end the following new subsection:

32 “(e) **TERMINATION OF AUTHORITY.**—The authority to
33 conduct a demonstration program under this section shall ter-
34minate on September 30, 2012.”.

1 **SEC. 814. PAST PERFORMANCE GIVEN SIGNIFICANT**
2 **WEIGHT IN RENEWAL OF PROCUREMENT**
3 **TECHNICAL ASSISTANCE COOPERATIVE**
4 **AGREEMENTS.**

5 Section 2413 of title 10, United States Code, is amended
6 by adding at the end the following new subsection:

7 “(d) In conducting a competition for the award of a coop-
8 erative agreement under subsection (a), and in determining the
9 level of funding to provide under an agreement under sub-
10 section (b), the Secretary shall give significant weight to suc-
11 cessful past performance of eligible entities under a cooperative
12 agreement under this section.”.

13 **SEC. 815. INCREASED MAXIMUM AMOUNT OF ASSIST-**
14 **ANCE FOR TRIBAL ORGANIZATIONS OR ECO-**
15 **NOMIC ENTERPRISES CARRYING OUT PRO-**
16 **UREMENT TECHNICAL ASSISTANCE PRO-**
17 **GRAMS IN TWO OR MORE SERVICE AREAS.**

18 Section 2414(a)(4) of title 10, United States Code, is
19 amended by striking “\$300,000” and inserting “\$600,000”.

20 **SEC. 816. EXTENSION OF CONTRACT GOAL FOR SMALL**
21 **DISADVANTAGED BUSINESSES AND CERTAIN**
22 **INSTITUTIONS OF HIGHER EDUCATION.**

23 Section 2323(k) of title 10, United States Code, is amend-
24 ed by striking “2003” both places it appears and inserting
25 “2006”.

26 **SEC. 817. GRANTS OF EXCEPTIONS TO COST OR PRICING**
27 **DATA CERTIFICATION REQUIREMENTS AND**
28 **WAIVERS OF COST ACCOUNTING STAND-**
29 **ARDS.**

30 (a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL CIR-
31 CUMSTANCES.—Not later than 60 days after the date of the en-
32 actment of this Act, the Secretary of Defense shall issue guid-
33 ance on the circumstances under which it is appropriate to
34 grant an exceptional case exception or waiver with respect to
35 certified cost and pricing data and cost accounting standards.

36 (b) DETERMINATION REQUIRED FOR EXCEPTIONAL CASE
37 EXCEPTION OR WAIVER.—The guidance shall, at a minimum,
38 include a limitation that a grant of an exceptional case excep-
39 tion or waiver is appropriate with respect to a contract, sub-

1 contract, or (in the case of submission of certified cost and
2 pricing data) modification only upon a determination that—

3 (1) the property or services cannot reasonably be ob-
4 tained under the contract, subcontract, or modification, as
5 the case may be, without the grant of the exception or
6 waiver;

7 (2) the price can be determined to be fair and reason-
8 able without the submission of certified cost and pricing
9 data or the application of cost accounting standards, as the
10 case may be; and

11 (3) there are demonstrated benefits to granting the ex-
12 ception or waiver.

13 (c) APPLICABILITY OF NEW GUIDANCE.—The guidance
14 issued under subsection (a) shall apply to each exceptional case
15 exception or waiver that is granted on or after the date on
16 which the guidance is issued.

17 (d) ANNUAL REPORT ON BOTH COMMERCIAL ITEM AND
18 EXCEPTIONAL CASE EXCEPTIONS AND WAIVERS WITH PRICE
19 OR VALUE GREATER THAN \$15,000,000.—(1) The Secretary
20 of Defense shall transmit to the congressional defense commit-
21 tees promptly after the end of each fiscal year a report on com-
22 mercial item exceptions, and exceptional case exceptions and
23 waivers, described in paragraph (2) that were granted during
24 that fiscal year.

25 (2) The report for a fiscal year shall include—

26 (A) with respect to any commercial item exception
27 granted in the case of a contract, subcontract, or contract
28 or subcontract modification that is expected to have a price
29 of \$15,000,000 or more, an explanation of the basis for the
30 determination that the products or services to be purchased
31 are commercial items, including an identification of the
32 specific steps taken to ensure price reasonableness; and

33 (B) with respect to any exceptional case exception or
34 waiver granted in the case of a contract or subcontract that
35 is expected to have a value of \$15,000,000 or more, an ex-
36 planation of the basis for the determination described in
37 subsection (b), including an identification of the specific

1 steps taken to ensure that the price was fair and reason-
2 able.

3 (e) DEFINITIONS.—In this section:

4 (1) The term “exceptional case exception or waiver”
5 means either of the following:

6 (A) An exception pursuant to section
7 2306a(b)(1)(C) of title 10, United States Code, relat-
8 ing to submission of certified cost and pricing data.

9 (B) A waiver pursuant to section 26(f)(5)(B) of
10 the Office of Federal Procurement Policy Act (41
11 U.S.C. 422(f)(5)(B)), relating to the applicability of
12 cost accounting standards to contracts and sub-
13 contracts.

14 (2) The term “commercial item exception” means an
15 exception pursuant to section 2306a(b)(1)(B) of title 10,
16 United States Code, relating to submission of certified cost
17 and pricing data.

18 **SEC. 818. TIMING OF CERTIFICATION IN CONNECTION**
19 **WITH WAIVER OF SURVIVABILITY AND**
20 **LETHALITY TESTING REQUIREMENTS.**

21 (a) CERTIFICATION FOR EXPEDITED PROGRAMS.—Para-
22 graph (1) of subsection (c) of section 2366 of title 10, United
23 States Code, is amended to read as follows:

24 “(1) The Secretary of Defense may waive the application
25 of the survivability and lethality tests of this section to a cov-
26 ered system, munitions program, missile program, or covered
27 product improvement program if the Secretary determines that
28 live-fire testing of such system or program would be unreason-
29 ably expensive and impractical and submits a certification of
30 that determination to Congress—

31 “(A) before Milestone B approval for the system or
32 program; or

33 “(B) in the case of a system or program initiated at—

34 “(i) Milestone B, as soon as is practicable after
35 the Milestone B approval; or

36 “(ii) Milestone C, as soon as is practicable after
37 the Milestone C approval.”

1 (b) DEFINITIONS.—Subsection (e) of such section is
2 amended by adding at the end the following new paragraphs:

3 “(8) The term ‘Milestone B approval’ means a deci-
4 sion to enter into system development and demonstration
5 pursuant to guidance prescribed by the Secretary of De-
6 fense for the management of Department of Defense acqui-
7 sition programs.

8 “(9) The term ‘Milestone C approval’ means a decision
9 to enter into production and deployment pursuant to guid-
10 ance prescribed by the Secretary of Defense for the man-
11 agement of Department of Defense acquisition programs.”.

12 **SEC. 819. CONTRACTING WITH FEDERAL PRISON INDUS-**
13 **TRIES.**

14 (a) ASSURANCE OF BEST VALUE FOR NATIONAL DE-
15 FENSE.—(1) Section 2410n of title 10, United States Code, is
16 amended—

17 (A) in subsection (a)—

18 (i) by amending the heading to read as follows:

19 “MARKET RESEARCH.—”; and

20 (ii) by striking “comparable in price, quality, and
21 time of delivery to products available from the private
22 sector” and inserting “comparable to products available
23 from the private sector that best meet the Depart-
24 ment’s needs in terms of price, quality, and time of de-
25 livery”;

26 (B) by striking subsection (b) and inserting the fol-
27 lowing:

28 “(b) COMPETITION REQUIREMENT.—If the Secretary de-
29 termines that a Federal Prison Industries product is not com-
30 parable in price, quality, or time of delivery to products avail-
31 able from the private sector that best meet the Department’s
32 needs in terms of price, quality, and time of delivery, the Sec-
33 retary shall use competitive procedures for the procurement of
34 the product or shall make an individual purchase under a mul-
35 tiple award contract. In conducting such a competiton or mak-
36 ing such a purchase, the Secretary shall consider a timely offer
37 from Federal Prison Industries.”; and

1 (C) by adding at the end the following new sub-
2 sections:

3 “(c) IMPLEMENTATION BY SECRETARY OF DEFENSE.—
4 The Secretary of Defense shall ensure that—

5 “(1) the Department of Defense does not purchase a
6 Federal Prison Industries product or service unless a con-
7 tracting officer of the Department determines that the
8 product or service is comparable to products or services
9 available from the private sector that best meet the Depart-
10 ment’s needs in terms of price, quality, and time of deliv-
11 ery; and

12 “(2) Federal Prison Industries performs its contrac-
13 tual obligations to the same extent as any other contractor
14 for the Department of Defense.

15 “(d) MARKET RESEARCH DETERMINATION NOT SUBJECT
16 TO REVIEW.—A determination by a contracting officer regard-
17 ing whether a product or service offered by Federal Prison In-
18 dustries is comparable to products or services available from
19 the private sector that best meet the Department’s needs in
20 terms of price, quality, and time of delivery shall not be subject
21 to review pursuant to section 4124(b) of title 18.

22 “(e) PERFORMANCE AS A SUBCONTRACTOR.—(1) A con-
23 tractor or potential contractor of the Department of Defense
24 may not be required to use Federal Prison Industries as a sub-
25 contractor or supplier of products or provider of services for
26 the performance of a Department of Defense contract by any
27 means, including means such as—

28 “(A) a contract solicitation provision requiring a con-
29 tractor to offer to make use of products or services of Fed-
30 eral Prison Industries in the performance of the contract;

31 “(B) a contract specification requiring the contractor
32 to use specific products or services (or classes of products
33 or services) offered by Federal Prison Industries in the per-
34 formance of the contract; or

35 “(C) any contract modification directing the use of
36 products or services of Federal Prison Industries in the
37 performance of the contract.

1 “(2) In this subsection, the term ‘contractor’, with respect
2 to a contract, includes a subcontractor at any tier under the
3 contract.

4 “(f) PROTECTION OF CLASSIFIED AND SENSITIVE INFOR-
5 MATION.—The Secretary of Defense may not enter into any
6 contract with Federal Prison Industries under which an inmate
7 worker would have access to—

8 “(1) any data that is classified;

9 “(2) any geographic data regarding the location of—

10 “(A) surface and subsurface infrastructure pro-
11 viding communications or water or electrical power dis-
12 tribution;

13 “(B) pipelines for the distribution of natural gas,
14 bulk petroleum products, or other commodities; or

15 “(C) other utilities; or

16 “(3) any personal or financial information about any
17 individual private citizen, including information relating to
18 such person’s real property however described, without the
19 prior consent of the individual.

20 “(g) DEFINITIONS.—In this section:

21 “(1) The term ‘competitive procedures’ has the mean-
22 ing given such term in section 2302(2) of this title.

23 “(2) The term ‘market research’ means obtaining spe-
24 cific information about the price, quality, and time of deliv-
25 ery of products available in the private sector through a va-
26 riety of means, which may include—

27 “(A) contacting knowledgeable individuals in gov-
28 ernment and industry;

29 “(B) interactive communication among industry,
30 acquisition personnel, and customers; and

31 “(C) interchange meetings or pre-solicitation con-
32 ferences with potential offerors.”.

33 (2) Paragraph (1) and the amendments made by such
34 paragraph shall take effect as of October 1, 2001.

35 (b) REGULATORY IMPLEMENTATION.—(1) Proposed revi-
36 sions to the Department of Defense Supplement to the Federal
37 Acquisition Regulation to implement this section shall be pub-

1 lished not later than 90 days after the date of the enactment
2 of this Act, and not less than 60 days shall be provided for
3 public comment on the proposed revisions.

4 (2) Final regulations shall be published not later than 180
5 days after the date of the enactment of this Act and shall be
6 effective on the date that is 30 days after the date of the publi-
7 cation.

8 **SEC. 820. REVISIONS TO MULTIYEAR CONTRACTING AU-**
9 **THORITY.**

10 (a) USE OF PROCUREMENT AND ADVANCE PROCUREMENT
11 FUNDS.—Section 2306b(i) of title 10, United States Code, is
12 amended by adding at the end the following new paragraph:

13 “(4)(A) The Secretary of Defense may obligate funds for
14 procurement of an end item under a multiyear contract for the
15 purchase of property only for procurement of a complete and
16 usable end item.

17 “(B) The Secretary of Defense may obligate funds appro-
18 priated for any fiscal year for advance procurement under a
19 contract for the purchase of property only for the procurement
20 of those long-lead items necessary in order to meet a planned
21 delivery schedule for complete major end items that are pro-
22 grammed under the contract to be acquired with funds appro-
23 priated for a subsequent fiscal year (including an economic
24 order quantity of such long-lead items when authorized by
25 law).”.

26 (b) EFFECTIVE DATE.—(1) Paragraph (4) of section
27 2306b(i) of title 10, United States Code, as added by sub-
28 section (a), shall not apply with respect to any contract award-
29 ed before the date of the enactment of this Act.

30 (2) Nothing in this section shall be construed to authorize
31 the expenditure of funds under any contract awarded before the
32 date of the enactment of this Act for any purpose other than
33 the purpose for which such funds have been authorized and ap-
34 propriated.

Subtitle C—Acquisition-Related Reports and Other Matters

SEC. 821. EVALUATION OF TRAINING, KNOWLEDGE, AND RESOURCES REGARDING NEGOTIATION OF INTELLECTUAL PROPERTY ARRANGEMENTS.

(a) AVAILABILITY OF TRAINING, KNOWLEDGE, AND RESOURCES.—The Secretary of Defense shall evaluate the training, knowledge, and resources needed by the Department of Defense in order to effectively negotiate intellectual property rights using the principles of the Defense Federal Acquisition Regulation Supplement and determine whether the Department of Defense currently has in place the training, knowledge, and resources available to meet those Departmental needs.

(b) REPORT.—Not later than February 1, 2003, the Secretary of Defense shall submit to Congress a report describing—

(1) the results of the evaluation performed under subsection (a);

(2) to the extent the Department does not have adequate training, knowledge, and resources available, actions to be taken to improve training and knowledge and to make resources available to meet the Department’s needs; and

(3) the number of Department of Defense legal personnel trained in negotiating intellectual property arrangements.

SEC. 822. INDEPENDENT TECHNOLOGY READINESS ASSESSMENTS.

Section 804(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended—

(1) by striking “and” at the end of paragraph (1);

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

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

“(3) identify each case in which an authoritative decision has been made within the Department of Defense not to conduct an independent technology readiness assessment

1 for a critical technology on a major defense acquisition pro-
2 gram and explain the reasons for the decision.”.

3 **SEC. 823. EXTENSION AND AMENDMENT OF REQUIRE-**
4 **MENT FOR ANNUAL REPORT ON DEFENSE**
5 **COMMERCIAL PRICING MANAGEMENT IM-**
6 **PROVEMENT.**

7 Section 803(c)(4) of the Strom Thurmond National De-
8 fense Authorization Act for Fiscal Year 1999 (Public Law
9 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is amended—

10 (1) by striking “2000, 2001, and 2002,” and inserting
11 “2000 through 2006,”;

12 (2) by inserting after “were conducted” the following:
13 “by the Secretary of each military department and the Di-
14 rector of the Defense Logistics Agency”; and

15 (3) by inserting after “actions taken” the following:
16 “by each Secretary and the Director”.

17 **SEC. 824. ASSESSMENT OF PURCHASES OF PRODUCTS**
18 **AND SERVICES THROUGH CONTRACTS WITH**
19 **OTHER FEDERAL DEPARTMENTS AND AGEN-**
20 **CIES.**

21 (a) **REQUIREMENT FOR ASSESSMENT.**—The Secretary of
22 Defense shall carry out an assessment of purchases by the De-
23 partment of Defense of products and services through contracts
24 entered into with other Federal departments and agencies.

25 (b) **PERIOD COVERED BY ASSESSMENT.**—The assessment
26 required by subsection (a) shall cover purchases made during
27 fiscal years 2000 through 2002.

28 (c) **REPORT.**—Not later than February 1, 2003, the Sec-
29 retary of Defense shall submit to the Committees on Armed
30 Services of the Senate and the House of Representatives a re-
31 port on the results of the assessment conducted under sub-
32 section (a). The report shall include the following:

33 (1) The total amount paid by the Department of De-
34 fense as fees for the acquisition of such products and serv-
35 ices.

36 (2) A determination of whether such total amount
37 paid is excessive and should be reduced.

1 (3) A description of the benefits received by the De-
2 partment as a result of purchasing such products and serv-
3 ices through such contracts.

4 **SEC. 825. REPEAL OF CERTAIN REQUIREMENTS AND**
5 **COMPTROLLER GENERAL REVIEWS OF THE**
6 **REQUIREMENTS.**

7 (a) TERMINATION OF AUTHORITY TO TRANSFER FUNDS
8 INTO DEFENSE MODERNIZATION ACCOUNT.—(1) Paragraph
9 (1) of section 912(c) of the National Defense Authorization Act
10 for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410; 10
11 U.S.C. 2216 note) is amended by striking “September 30,
12 2003” and inserting “September 30, 2002”.

13 (2) Section 912(d) of such Act (110 Stat. 410; 10 U.S.C.
14 2216 note), relating to Comptroller General reviews of the ad-
15 ministration of the Defense Modernization Account, is repealed.

16 (b) REPEAL OF SOLUTIONS-BASED CONTRACTING PILOT
17 PROGRAM.—(1) Section 11522 of title 40, United States Code,
18 is repealed.

19 (2)(A) Section 11501 of title 40, United States Code, is
20 amended—

21 (i) in the section heading, by striking “**PROGRAMS**”
22 and inserting “**PROGRAM**”;

23 (ii) in subsection (a)(1), by striking “conduct pilot
24 programs” and inserting “conduct a pilot program pursu-
25 ant to the requirements of section 11521 of this title”;

26 (iii) in subsection (a)(2), by striking “each pilot pro-
27 gram” and inserting “the pilot program”;

28 (iv) in subsection (b)—

29 (I) by striking “LIMITATIONS.—” and all that fol-
30 lows through “pilot programs conducted” and inserting
31 the following: “LIMITATION ON AMOUNT.—The total
32 amount obligated for contracts entered into under the
33 pilot program conducted”; and

34 (II) by striking “paragraph.” and inserting “sub-
35 section.”; and

36 (v) in subsection (c)(1), by striking “a pilot” and in-
37 serting “the pilot”.

1 (B) The following provisions of chapter 115 of such title
2 are each amended by striking “a pilot” each place it appears
3 and inserting “the pilot”:

- 4 (i) Section 11502(a).
- 5 (ii) Section 11502(b).
- 6 (iii) Section 11503(a).
- 7 (iv) Section 11504.

8 (C) Section 11505 of such chapter is amended by striking
9 “programs” and inserting “program”.

10 (3)(A) The chapter heading for chapter 115 of such title
11 is amended by striking “**PROGRAMS**” and inserting
12 “**PROGRAM**”.

13 (B) The subchapter heading for subchapter I and for sub-
14 chapter II of such chapter are each amended by striking
15 “PROGRAMS” and inserting “PROGRAM”.

16 (C) The item relating to subchapter I in the table of sec-
17 tions at the beginning of such chapter is amended to read as
18 follows:

“SUBCHAPTER I—CONDUCT OF PILOT PROGRAM”.

19 (D) The item relating to subchapter II in the table of sec-
20 tions at the beginning of such chapter is amended to read as
21 follows:

“SUBCHAPTER II—SPECIFIC PILOT PROGRAM”.

22 (E) The item relating to section 11501 in the table of sec-
23 tions at the beginning of such is amended by striking “pro-
24 grams” and inserting “program”.

25 (F) The table of sections at the beginning of such chapter
26 is amended by striking the item relating to section 11522.

27 (G) The item relating to chapter 115 in the table of chap-
28 ters for subtitle III of title 40, United States Code, is amended
29 to read as follows:

“115. INFORMATION TECHNOLOGY ACQUISITION PILOT
PROGRAM 11501”.

30 (c) REPEAL OF ON-LINE MULTIPLE AWARD SCHEDULE
31 CONTRACTING REQUIREMENTS.—(1) Section 11701 of title 40,
32 United States Code, is repealed.

1 (2) Sections 11702, 11703, and 11704 of such title are re-
2 designated as sections 11701, 11702, and 11703, respectively.

3 (3) The table of sections for chapter 117 of such title is
4 amended—

5 (A) by striking the item relating to section 11701; and

6 (B) by redesignating the items relating to sections
7 11702, 11703, and 11704 as sections 11701, 11702, and
8 11703, respectively.

9 **SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR**
10 **PURCHASE OF DINITROGEN TETROXIDE, HY-**
11 **DRAZINE, AND HYDRAZINE-RELATED PROD-**
12 **UCTS.**

13 (a) IN GENERAL.—Chapter 141 of title 10, United States
14 Code, is amended by inserting after section 2410n the following
15 new section:

16 **“§ 2410o. Multiyear procurement authority: pur-**
17 **chase of dinitrogen tetroxide, hydrazine,**
18 **and hydrazine-related products**

19 “(a) TEN-YEAR CONTRACT PERIOD.—The Secretary of
20 Defense may enter into a contract for a period of up to 10
21 years for the purchase of dinitrogen tetroxide, hydrazine, and
22 hydrazine-related products for the support of a United States
23 national security program or a United States space program.

24 “(b) EXTENSIONS.—A contract entered into for more than
25 one year under the authority of subsection (a) may be extended
26 for a total of not more than 10 years pursuant to any option
27 or options set forth in the contract.”.

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

“2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide,
hydrazine, and hydrazine-related products.”.

31 **SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR**
32 **ENVIRONMENTAL SERVICES FOR MILITARY**
33 **INSTALLATIONS.**

34 (a) AUTHORITY.—Subsection (b) of section 2306c of title
35 10, United States Code, is amended by adding at the end the
36 following new paragraph:

1 “(5) Environmental remediation services for—
 2 “(A) an active military installation;
 3 “(B) a military installation being closed or re-
 4 aligned under a base closure law; or
 5 “(C) a site formerly used by the Department of
 6 Defense.”.

7 (b) DEFINITIONS.—Such section, as amended by section
 8 811, is further amended by adding at the end the following new
 9 subsection:

10 “(h) ADDITIONAL DEFINITIONS.—In this section:

11 “(1) The term ‘base closure law’ has the meaning
 12 given such term in section 2667(h)(2) of this title.

13 “(2) The term ‘military installation’ has the meaning
 14 given such term in section 2801(c)(2) of this title.”.

15 **SEC. 828. REPORT ON EFFECTS OF ARMY CONTRACTING**
 16 **AGENCY.**

17 (a) IN GENERAL.—The Secretary of the Army shall submit
 18 a report on the effects of the establishment of an Army Con-
 19 tracting Agency on small business participation in Army pro-
 20 curements during the first year of operation of such an agency
 21 to—

22 (1) the Committee on Armed Services of the House of
 23 Representatives;

24 (2) the Committee on Armed Services of the Senate;

25 (3) the Committee on Small Business of the House of
 26 Representatives; and

27 (4) the Committee on Small Business and Entrepre-
 28 neurship of the Senate.

29 (b) CONTENT.—The report required under subsection (a)
 30 shall include, in detail—

31 (1) the justification for the establishment of an Army
 32 Contracting Agency;

33 (2) the impact of the creation of an Army Contracting
 34 Agency on—

35 (A) Army compliance with—

36 (i) Department of Defense Directive 4205.1;

1 (ii) section 15(g) of the Small Business Act
2 (15 U.S.C. 644(g)); and

3 (iii) section 15(k) of the Small Business Act
4 (15 U.S.C. 644(k)); and

5 (B) small business participation in Army procure-
6 ment of products and services for affected Army instal-
7 lations, including—

8 (i) the impact on small businesses located near
9 Army installations, including—

10 (I) the increase or decrease in the total
11 value of Army prime contracting with local
12 small businesses; and

13 (II) the opportunities for small business
14 owners to meet and interact with Army pro-
15 curement personnel; and

16 (ii) any change or projected change in the use
17 of consolidated contracts and bundled contracts;
18 and

19 (3) a description of the Army’s plan to address any
20 negative impact on small business participation in Army
21 procurement, to the extent such impact is identified in the
22 report.

23 (c) TIME FOR SUBMISSION.—The report under this section
24 shall be submitted 15 months after the date of the establish-
25 ment of the Army Contracting Agency.

26 **SEC. 829. AUTHORIZATION TO TAKE ACTIONS TO COR-**
27 **RECT THE INDUSTRIAL RESOURCE SHORT-**
28 **FALL FOR RADIATION-HARDENED ELEC-**
29 **TRONICS.**

30 Notwithstanding the limitation in section 303(a)(6)(C) of
31 the Defense Production Act of 1950 (50 U.S.C. App.
32 2093(a)(6)(C)), action or actions may be taken under section
33 303 of that Act to correct the industrial resource shortfall for
34 radiation-hardened electronics, if such actions do not cause the
35 aggregate outstanding amount of all such actions to exceed
36 \$106,000,000.

1 **TITLE IX—DEPARTMENT OF DE-**
 2 **FENSE ORGANIZATION AND MAN-**
 3 **AGEMENT**

Subtitle A—Duties and Functions of Department of Defense Officers

Sec. 901. Under Secretary of Defense for Intelligence.

Sec. 902. Reorganization of Office of Secretary of Defense for administration of duties relating to homeland defense and combating terrorism.

Subtitle B—Space Activities

Sec. 911. Oversight of acquisition for defense space programs.

Sec. 912. Report regarding assured access to space for the United States.

Subtitle C—Reports

Sec. 921. Report on establishment of United States Northern Command.

Sec. 922. Time for submittal of report on Quadrennial Defense Review.

Sec. 923. National defense mission of Coast Guard to be included in future Quadrennial Defense Reviews.

Sec. 924. Report on establishment of a Joint National Training Complex and joint opposing forces.

Subtitle D—Other Matters

Sec. 931. Authority to accept gifts for National Defense University.

Sec. 932. Western Hemisphere Institute for Security Cooperation.

Sec. 933. Conforming amendment to reflect disestablishment of Department of Defense Consequence Management Program Integration Office.

Sec. 934. Increase in number of Deputy Commandants of the Marine Corps.

4 **Subtitle A—Duties and Functions of**
 5 **Department of Defense Officers**

6 **SEC. 901. UNDER SECRETARY OF DEFENSE FOR INTEL-**
 7 **LIGENCE.**

8 (a) ESTABLISHMENT OF POSITION.—Chapter 4 of title 10,
 9 United States Code, is amended—

10 (1) by transferring section 137 within such chapter to
 11 appear after section 139 and redesignating that section as
 12 section 139a; and

13 (2) by inserting after section 136a the following new
 14 section 137:

15 **“§ 137. Under Secretary of Defense for Intelligence**

16 “(a) There is an Under Secretary of Defense for Intel-
 17 ligence, appointed from civilian life by the President, by and
 18 with the advice and consent of the Senate.

1 “(b) Subject to the authority, direction, and control of the
2 Secretary of Defense, the Under Secretary of Defense for Intel-
3 ligence shall perform such duties and exercise such powers as
4 the Secretary of Defense may prescribe in the area of intel-
5 ligence.

6 “(c) The Under Secretary of Defense for Intelligence takes
7 precedence in the Department of Defense after the Under Sec-
8 retary of Defense for Personnel and Readiness.”.

9 (b) CONFORMING AMENDMENTS.—(1) Section 131(b) of
10 such title is amended—

11 (A) by striking paragraphs (2) through (5) and insert-
12 ing the following:

13 “(2) The Under Secretaries of Defense, as follows:

14 “(A) The Under Secretary of Defense for Acquisi-
15 tion, Technology, and Logistics.

16 “(B) The Under Secretary of Defense for Policy.

17 “(C) The Under Secretary of Defense (Comp-
18 troller).

19 “(D) The Under Secretary of Defense for Per-
20 sonnel and Readiness.

21 “(E) The Under Secretary of Defense for Intel-
22 ligence.”; and

23 (B) by redesignating paragraphs (6), (7), (8), (9),
24 (10), and (11) as paragraphs (3), (4), (5), (6), (7), and
25 (8), respectively.

26 (2) The table of sections at the beginning of chapter 4 of
27 such title is amended—

28 (A) by striking the item relating to section 137 and
29 inserting the following:

“137. Under Secretary of Defense for Intelligence.”;

30 and

31 (B) by inserting after the item relating to section 139
32 the following new item:

“139a. Director of Defense Research and Engineering.”.

1 (c) EXECUTIVE LEVEL III.—Section 5314 of title 5,
2 United States Code, is amended by inserting after “Under Sec-
3 retary of Defense for Personnel and Readiness.” the following:

4 “Under Secretary of Defense for Intelligence.”.

5 (d) RELATIONSHIP TO AUTHORITIES UNDER NATIONAL
6 SECURITY ACT OF 1947.—Nothing in section 137 of title 10,
7 United States Code, as added by subsection (a), shall supersede
8 or modify the authorities of the Secretary of Defense and the
9 Director of Central Intelligence as established by the National
10 Security Act of 1947 (50 U.S.C. 401 et seq.).

11 (e) REPORT.—Not later than 90 days after the date of the
12 enactment of this Act, the Secretary of Defense shall submit
13 to Congress a report on the establishment of the position of
14 Under Secretary of Defense for Intelligence. The report shall
15 set forth the following:

16 (1) The mission prescribed for that Under Secretary.

17 (2) The organizational structure established for the of-
18 fice of that Under Secretary.

19 (3) The relationship of that Under Secretary with the
20 Under Secretary of Defense for Acquisition, Technology,
21 and Logistics and the Under Secretary of Defense for Pol-
22 icy.

23 (4) The relationship of that Under Secretary with each
24 of the following intelligence components of the Department
25 of Defense: the National Security Agency, the Defense In-
26 telligence Agency, the National Imagery and Mapping
27 Agency, and the National Reconnaissance Office.

28 (5) The mission of the position designated, as of the
29 date of the enactment of this Act, as Assistant Secretary
30 of Defense for Command, Control, Communications, and
31 Intelligence and the relationship of that position to the
32 Under Secretary of Defense for Intelligence.

1 **SEC. 902. REORGANIZATION OF OFFICE OF SECRETARY**
2 **OF DEFENSE FOR ADMINISTRATION OF DU-**
3 **TIES RELATING TO HOMELAND DEFENSE**
4 **AND COMBATING TERRORISM.**

5 (a) ASSISTANT SECRETARY OF DEFENSE FOR HOMELAND
6 DEFENSE.—Section 138(b) of title 10, United States Code, is
7 amended by inserting after paragraph (2) the following new
8 paragraph:

9 “(3) One of the Assistant Secretaries shall be the Assist-
10 ant Secretary of Defense for Homeland Defense. He shall have
11 as his principal duty the overall supervision of the homeland
12 defense activities of the Department of Defense.”.

13 (b) TRANSFER TO UNDER SECRETARY OF DEFENSE FOR
14 POLICY OF RESPONSIBILITY FOR COMBATING TERRORISM.—
15 Section 134(b) of such title is amended by adding at the end
16 the following new paragraph:

17 “(4) Subject to the authority, direction, and control of the
18 Secretary of Defense, the Under Secretary of Defense for Pol-
19 icy shall have overall direction and supervision for policy, pro-
20 gram planning and execution, and allocation and use of re-
21 sources for the activities of the Department of Defense for
22 combating terrorism.”.

23 (c) CONFORMING AMENDMENT.—Section 138(b) of such
24 title is amended by striking paragraph (6).

25 (d) REPEAL OF PREVIOUS CONTINGENT REDUCTION IN
26 NUMBER OF ASSISTANT SECRETARIES OF DEFENSE.—Sub-
27 sections (c) and (d) of section 901 of the National Defense Au-
28 thorization Act for Fiscal Year 2002 (Public Law 107-107;
29 115 Stat. 1194) are repealed.

30 **Subtitle B—Space Activities**

31 **SEC. 911. OVERSIGHT OF ACQUISITION FOR DEFENSE**
32 **SPACE PROGRAMS.**

33 (a) IN GENERAL.—The Secretary of Defense shall provide
34 for oversight of acquisition for defense space programs through
35 appropriate organizations of the Office of the Secretary of De-
36 fense.

1 (b) REPORT ON OVERSIGHT.—(1) Not later than March
2 15, 2003, the Secretary of Defense shall submit to the congress-
3 sional defense committees a detailed plan on how the Office of
4 the Secretary of Defense shall provide oversight of acquisition
5 for defense space programs.

6 (2) The plan shall set forth the following:

7 (A) The organizations in the Office of the Secretary
8 of Defense, and the Joint Staff organizations, to be in-
9 volved in oversight of acquisition for defense space pro-
10 grams.

11 (B) The process for the review of acquisition for de-
12 fense space programs by the organizations specified under
13 subparagraph (A).

14 (C) The process for the provision by such organiza-
15 tions of technical, programmatic, scheduling, and budgetary
16 oversight of acquisition for defense space programs.

17 (D) The process for the development of independent
18 cost estimates for acquisition for defense space programs,
19 including the organization responsible for developing such
20 cost estimates and when such cost estimates shall be re-
21 quired.

22 (E) The process by which the military departments,
23 Defense Agencies, and organizations in the Office of the
24 Secretary of Defense develop and coordinate the budgets
25 for acquisition for defense space programs.

26 (F) The process for the resolution of conflicts among
27 the Department of Defense elements referred to in sub-
28 paragraphs (A) and (E) regarding acquisition for defense
29 space programs.

30 (c) DEFENSE SPACE PROGRAM DEFINED.—In this sec-
31 tion, the term “defense space program” means a program of
32 the Department of Defense that—

33 (1) is included in the “virtual major force program”
34 for space activities that was established by the Secretary of
35 Defense and was to have been submitted with the 2003 fis-
36 cal year budget for the Department of Defense; or

1 (2) after the date of the enactment of this Act, is in-
2 cluded in a virtual major force program for space cat-
3 egories or in a major force program for space activities es-
4 tablished after such date.

5 **SEC. 912. REPORT REGARDING ASSURED ACCESS TO**
6 **SPACE FOR THE UNITED STATES.**

7 (a) PLAN.—The Secretary of Defense shall—

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

10 (2) develop an integrated, long-range, and adequately
11 funded plan for assuring access to space by the United
12 States.

13 (b) REPORT.—Not later than March 1, 2003, the Sec-
14 retary of Defense shall submit to Congress a report on the plan
15 developed under subsection (a)(2).

16 **Subtitle C—Reports**

17 **SEC. 921. REPORT ON ESTABLISHMENT OF UNITED**
18 **STATES NORTHERN COMMAND.**

19 Not later than March 1, 2003, the Secretary of Defense
20 shall submit to the Committees on Armed Services of the Sen-
21 ate and the House of Representatives a report providing an im-
22 plementation plan for the establishment of the United States
23 Northern Command, which is established effective October 1,
24 2002. The report shall address the following:

25 (1) The required budget for standing-up and main-
26 taining that command over the period of the future-years
27 defense program.

28 (2) The rationale for the selection of Peterson Air
29 Force Base, Colorado, as the headquarters of that com-
30 mand, the criteria used in the selection of Peterson Air
31 Force Base, and the alternative locations considered for
32 that headquarters.

33 (3) The required military and civilian personnel levels
34 for the headquarters of that command and a specification
35 of the combatant commands and other Department of De-
36 fense sources from which such headquarters personnel will
37 be transferred, shown by the number of military and civil-

1 ian personnel from each such command or other Depart-
2 ment of Defense source.

3 (4) The organization of the command, a justification
4 of any components of the command, and a review of orga-
5 nizations and units permanently assigned or tasked to the
6 command.

7 (5) The relationship of that command (A) to the Of-
8 fice of Homeland Security, the Department of Homeland
9 Security, the Homeland Security Council, and any other
10 Federal coordinating entity, (B) to other Federal depart-
11 ments and agencies, and (C) to State and local law enforce-
12 ment agencies.

13 (6) The relationship of that command with the Na-
14 tional Guard Bureau, individual State National Guard
15 Headquarters, and State and local officials the command
16 may be called upon to provide support.

17 (7) The legal implications of members of the Armed
18 Forces, including the National Guard in both Federal and
19 State status, operating on United States territory pursuant
20 to missions, operations, or activities of that command.

21 (8) The status of Department of Defense
22 consultations—

23 (A) with Canada regarding Canada's role in, or re-
24 lationship with, and any expansion of mission for, the
25 North American Air Defense Command; and

26 (B) with Mexico regarding Mexico's role in, or re-
27 lationship with, the United States Northern Command.

28 (9) The status of United States consultations with the
29 North Atlantic Treaty Organization relating to the position
30 of Supreme Allied Commander, Atlantic, and the new chain
31 of command for that position.

32 (10) The effect of the creation of the United States
33 Northern Command on the mission, budget, and resource
34 levels of other combatant commands, particularly the
35 United States Joint Forces Command.

1 **SEC. 922. TIME FOR SUBMITTAL OF REPORT ON QUAD-**
2 **RENNIAL DEFENSE REVIEW.**

3 Section 118(d) of title 10, United States Code, is amended
4 by striking “not later than September 30 of the year in which
5 the review is conducted” in the second sentence and inserting
6 “in the year following the year in which the review is con-
7 ducted, but not later than the date on which the President sub-
8 mits the budget for the next fiscal year to Congress under sec-
9 tion 1105(a) of title 31”.

10 **SEC. 923. NATIONAL DEFENSE MISSION OF COAST**
11 **GUARD TO BE INCLUDED IN FUTURE QUAD-**
12 **RENNIAL DEFENSE REVIEWS.**

13 Section 118(d) of title 10, United States Code, is
14 amended—

15 (1) by redesignating paragraph (14) as paragraph
16 (15); and

17 (2) by inserting after paragraph (13) the following
18 new paragraph:

19 “(14) The national defense mission of the Coast
20 Guard.”.

21 **SEC. 924. REPORT ON ESTABLISHMENT OF A JOINT NA-**
22 **TIONAL TRAINING COMPLEX AND JOINT OP-**
23 **POSING FORCES.**

24 (a) REPORT REQUIRED.—The commander of the United
25 States Joint Forces Command shall submit to the Secretary of
26 Defense a report that outlines a plan that would provide for
27 the development and implementation of a joint national train-
28 ing concept together with the establishment of a joint training
29 complex for supporting the implementation of that concept.
30 Such a concept and complex—

31 (1) may include various training sites, mobile training
32 ranges, public and private modeling and simulation centers,
33 and appropriate joint opposing forces; and

34 (2) shall be capable of supporting field exercises and
35 experimentation at the operational level of war across a
36 broad spectrum of adversary capabilities.

37 (b) SUBMISSION OF REPORT.—Not later than six months
38 after the date of the enactment of this Act, the Secretary shall

1 submit the report under subsection (a), together with any com-
2 ments that the Secretary considers appropriate and any com-
3 ments that the Chairman of the Joint Chiefs of Staff considers
4 appropriate, to the Committee on Armed Services of the Senate
5 and the Committee on Armed Services of the House of Rep-
6 resentatives. The report may be included in the next annual re-
7 port submitted under section 485 of title 10, United States
8 Code, after the date of the enactment of this Act or it may be
9 submitted separately.

10 (c) MATTERS TO BE INCLUDED.—The report under sub-
11 section (a) shall include the following:

12 (1) An identification and description of the types of
13 joint training and experimentation that would be conducted
14 at such a joint national training complex, together with a
15 description of how such training and experimentation would
16 enhance accomplishment of the six critical operational goals
17 for the Department of Defense specified at page 30 of the
18 Quadrennial Defense Review Report of the Secretary of
19 Defense issued on September 30, 2001.

20 (2) A discussion of how establishment of such a com-
21 plex (including joint opposing forces) would promote inno-
22 vation and transformation throughout the Department of
23 Defense.

24 (3) A discussion of how results from training and ex-
25 periments conducted at such a complex would be taken into
26 consideration in the Department of Defense plans, pro-
27 grams, and budgeting process and by appropriate decision
28 making bodies within the Department of Defense.

29 (4) A methodology, framework, and options for select-
30 ing sites for such a complex, including consideration of cur-
31 rent training facilities that would accommodate require-
32 ments among all the Armed Forces.

33 (5) Options for development as part of such a complex
34 of a joint urban warfare training center that could also be
35 used for homeland defense and consequence management
36 training for Federal, State, and local training.

1 (6) Cost estimates and resource requirements to estab-
2 lish and maintain such a complex, including estimates of
3 costs and resource requirements for the use of contract per-
4 sonnel for the performance of management, operational,
5 and logistics activities for such a complex .

6 (7) An explanation of the relationship between and
7 among such a complex and the Department of Defense Of-
8 fice of Transformation, the Joint Staff, the United States
9 Joint Forces Command, the United States Northern Com-
10 mand, and each element of the major commands within the
11 separate Armed Forces with responsibility for experimen-
12 tation and training.

13 (8) A discussion of how implementation of a joint op-
14 posing force would be established, including the feasibility
15 of using qualified contractors for the function of estab-
16 lishing and maintaining joint opposing forces and the role
17 of foreign forces.

18 (9) A timeline for the establishment of such a complex
19 and for such a complex to achieve (A) initial operational
20 capability, and (B) full operational capability.

21 **Subtitle D—Other Matters**

22 **SEC. 931. AUTHORITY TO ACCEPT GIFTS FOR NATIONAL** 23 **DEFENSE UNIVERSITY.**

24 (a) IN GENERAL.—Chapter 155 of title 10, United States
25 Code, is amended by adding at the end the following new sec-
26 tion:

27 **“§ 2612. National Defense University: acceptance** 28 **of gifts**

29 “(a) The Secretary of Defense may accept, hold, admin-
30 ister, and spend any gift, including a gift from an international
31 organization and a foreign gift or donation (as defined in sec-
32 tion 2611(f) of this title), that is made on the condition that
33 it be used in connection with the operation or administration
34 of the National Defense University. The Secretary may pay all
35 necessary expenses in connection with the acceptance of a gift
36 under this subsection.

1 “(b) There is established in the Treasury a fund to be
2 known as the ‘National Defense University Gift Fund’. Gifts of
3 money, and the proceeds of the sale of property, received under
4 subsection (a) shall be deposited in the fund. The Secretary
5 may disburse funds deposited under this subsection for the ben-
6 efit or use of the National Defense University.

7 “(c) Subsection (c) of section 2601 of this title applies to
8 property that is accepted under subsection (a) in the same
9 manner that such subsection applies to property that is accept-
10 ed under subsection (a) of that section.

11 “(d)(1) Upon request of the Secretary of Defense, the Sec-
12 retary of the Treasury may—

13 “(A) retain money, securities, and the proceeds of the
14 sale of securities, in the National Defense University Gift
15 Fund; and

16 “(B) invest money and reinvest the proceeds of the
17 sale of securities in that fund in securities of the United
18 States or in securities guaranteed as to principal and inter-
19 est by the United States.

20 “(2) The interest and profits accruing from those securi-
21 ties shall be deposited to the credit of the fund and may be dis-
22 bursed as provided in subsection (b).

23 “(e) In this section:

24 “(1) the term ‘gift’ includes a devise of real property
25 or a bequest of personal property and any gift of an inter-
26 est in real property.

27 “(2) The term ‘National Defense University’ includes
28 any school or other component of the National Defense
29 University specified under section 2165(b) of this title.

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

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

“2612. National Defense University: acceptance of gifts.”.

1 **SEC. 932. WESTERN HEMISPHERE INSTITUTE FOR SECU-**
2 **RITY COOPERATION.**

3 (a) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONA-
4 TIONS.—Section 2166 of title 10, United States Code, is
5 amended—

6 (1) by redesignating subsections (f), (g), and (h), as
7 subsections (g), (h), and (i), respectively; and

8 (2) by inserting after subsection (e) the following new
9 subsection (f):

10 “(f) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONA-
11 TIONS.—(1) The Secretary of Defense may, on behalf of the In-
12 stitute, accept foreign gifts or donations in order to defray the
13 costs of, or enhance the operation of, the Institute.

14 “(2) Funds received by the Secretary under paragraph (1)
15 shall be credited to appropriations available for the Department
16 of Defense for the Institute. Funds so credited shall be merged
17 with the appropriations to which credited and shall be available
18 for the Institute for the same purposes and same period as the
19 appropriations with which merged.

20 “(3) The Secretary of Defense shall notify Congress if the
21 total amount of money accepted under paragraph (1) exceeds
22 \$1,000,000 in any fiscal year. Any such notice shall list each
23 of the contributors of such money and the amount of each con-
24 tribution in such fiscal year.

25 “(4) For the purposes of this subsection, a foreign gift or
26 donation is a gift or donation of funds, materials (including re-
27 search materials), property, or services (including lecture serv-
28 ices and faculty services) from a foreign government, a founda-
29 tion or other charitable organization in a foreign country, or an
30 individual in a foreign country.”.

31 (b) CONTENT OF ANNUAL REPORT TO CONGRESS.—Sub-
32 section (i) of such section, as redesignated by subsection (a)(1),
33 is amended by inserting after the first sentence the following:
34 “The report shall include a copy of the latest report of the
35 Board of Visitors received by the Secretary under subsection
36 (e)(5), together with any comments of the Secretary on the
37 Board’s report.”.

1 **SEC. 933. CONFORMING AMENDMENT TO REFLECT DIS-**
2 **ESTABLISHMENT OF DEPARTMENT OF DE-**
3 **FENSE CONSEQUENCE MANAGEMENT PRO-**
4 **GRAM INTEGRATION OFFICE.**

5 Section 12310(c)(3) of title 10, United States Code, is
6 amended by striking “only—” and all that follows through
7 “(B) while assigned” and inserting “only while assigned”.

8 **SEC. 934. INCREASE IN NUMBER OF DEPUTY**
9 **COMMANDANTS OF THE MARINE CORPS.**

10 Section 5045 of title 10, United States Code, is amended
11 by striking “five” and inserting “six”.

1 TITLE X—GENERAL PROVISIONS**Subtitle A—Financial Matters**

- Sec. 1001. Transfer authority.
- Sec. 1002. Authorization of supplemental appropriations for fiscal year 2002.
- Sec. 1003. United States contribution to NATO common-funded budgets in fiscal year 2003.
- Sec. 1004. Development and implementation of financial management enterprise architecture.
- Sec. 1005. Accountable officials in the Department of Defense.
- Sec. 1006. Uniform standards throughout Department of Defense for exposure of personnel to pecuniary liability for loss of Government property.
- Sec. 1007. Improvements in purchase card management.
- Sec. 1008. Improvements in travel card management.
- Sec. 1009. Clearance of certain transactions recorded in Treasury suspense accounts and resolution of certain check issuance discrepancies.
- Sec. 1010. Authorization of funds for ballistic missile defense programs or combating terrorism programs of the Department of Defense.
- Sec. 1011. Reduction in overall authorization due to inflation savings.

Subtitle B—Naval Vessels and Shipyards

- Sec. 1021. Number of Navy combatant surface vessels in active and reserve service.
- Sec. 1022. Annual long-range plan for the construction of naval vessels.
- Sec. 1023. Assessment of the feasibility of the expedited equipping of a Navy ship with a version of the 155-millimeter Advanced Gun System.
- Sec. 1024. Report on initiatives to increase operational days of Navy ships.
- Sec. 1025. Ship combat system industrial base.
- Sec. 1026. Sense of Congress concerning aircraft carrier force structure.
- Sec. 1027. Conveyance, Navy drydock, Portland, Oregon.

Subtitle C—Strategic Matters

- Sec. 1031. Strategic force structure plan for nuclear weapons and delivery systems.
- Sec. 1032. Annual report on weapons to defeat hardened and deeply buried targets.
- Sec. 1033. Report on effects of nuclear earth-penetrator weapon and other weapons.

Subtitle D—Reports

- Sec. 1041. Repeal and modification of various reporting requirements applicable to the Department of Defense.
- Sec. 1042. Requirement that Department of Defense reports to Congress be accompanied by electronic version.
- Sec. 1043. Annual report on the conduct of military operations conducted as part of Operation Enduring Freedom.
- Sec. 1044. Report on efforts to ensure adequacy of fire fighting staffs at military installations.
- Sec. 1045. Report on designation of certain Louisiana highway as Defense Access Road.

Subtitle E—Extension of Expiring Authorities

- Sec. 1051. Extension of authority for Secretary of Defense to sell aircraft and aircraft parts for use in responding to oil spills.

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- Sec. 1052. Six-month extension of expiring Governmentwide information security requirements; continued applicability of expiring Governmentwide information security requirements to the Department of Defense.
- Sec. 1053. Two-year extension of authority of the Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.

Subtitle F—Other Matters

- Sec. 1061. Time for transmittal of annual defense authorization legislative proposal.
- Sec. 1062. Technical and clerical amendments.
- Sec. 1063. Use for law enforcement purposes of DNA samples maintained by Department of Defense for identification of human remains.
- Sec. 1064. Enhanced authority to obtain foreign language services during periods of emergency.
- Sec. 1065. Rewards for assistance in combating terrorism.
- Sec. 1066. Provision of space and services to military welfare societies.
- Sec. 1067. Prevention and mitigation of corrosion of military equipment and infrastructure.
- Sec. 1068. Transfer of historic DF–9E Panther aircraft to Women Airforce Service Pilots Museum.
- Sec. 1069. Increase in amount authorized to be expended for Department of Defense program to commemorate 50th anniversary of the Korean War.

Subtitle A—Financial Matters**SEC. 1001. TRANSFER AUTHORITY.****(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1)**

Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2003 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of paragraph (1) may not exceed \$2,000,000,000.

(b) LIMITATIONS.—The authority provided by subsection (a) 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

1 (2) may not be used to provide authority for an item
2 that has been denied authorization by Congress.

3 (c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer
4 made from one account to another under the authority of sub-
5 section (a) shall be deemed to increase the amount authorized
6 for the account to which the amount is transferred by an
7 amount equal to the amount transferred.

8 (d) NOTICE TO CONGRESS.—The Secretary shall promptly
9 notify Congress of each transfer made under subsection (a).

10 (e) INCREASE IN AMOUNT OF TRANSFER AUTHORITY AU-
11 THORIZED FOR FY02.—Section 1001 of the National Defense
12 Authorization Act for Fiscal Year 2002 (Public Law 107–107;
13 115 Stat. 1201) is amended by striking “\$2,000,000,000” and
14 inserting “\$2,500,000,000”.

15 **SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPRO-**
16 **PRIATIONS FOR FISCAL YEAR 2002.**

17 (a) DOD AUTHORIZATIONS.—Amounts authorized to be
18 appropriated to the Department of Defense for fiscal year 2002
19 in the National Defense Authorization Act for Fiscal Year
20 2002 (Public Law 107–107) are hereby adjusted, with respect
21 to any such authorized amount, by the amount by which appro-
22 priations pursuant to such authorization are increased (by a
23 supplemental appropriation) or decreased (by a rescission), or
24 both, or are increased by a transfer of funds, pursuant to chap-
25 ter 3 or chapter 10 of title I of Public Law 107–206 (116 Stat.
26 835, 878).

27 (b) NNSA AUTHORIZATIONS.—Amounts authorized to be
28 appropriated to the Department of Energy for fiscal year 2002
29 in the National Defense Authorization Act for Fiscal Year
30 2002 (Public Law 107–107) are hereby adjusted, with respect
31 to any such authorized amount, by the amount by which appro-
32 priations pursuant to such authorization are increased (by a
33 supplemental appropriation) or decreased (by a rescission), or
34 both, or are increased by a transfer of funds, pursuant to chap-
35 ter 5 of title I of Public Law 107–206 (116 Stat. 848).

36 (c) REPORT ON FISCAL YEAR 2002 TRANSFERS.—Not
37 later than January 15, 2003, the Secretary of Defense shall

1 submit to the congressional defense committees a report stat-
2 ing, for each transfer during fiscal year 2002 of an amount
3 provided for the Department of Defense for that fiscal year
4 through a so-called “transfer account”, including the Defense
5 Emergency Response Fund or any other similar account, the
6 amount of the transfer, the appropriation account to which the
7 transfer was made, and the specific purpose for which the
8 transferred funds were used.

9 **SEC. 1003. UNITED STATES CONTRIBUTION TO NATO**
10 **COMMON-FUNDED BUDGETS IN FISCAL YEAR**
11 **2003.**

12 (a) FISCAL YEAR 2003 LIMITATION.—The total amount
13 contributed by the Secretary of Defense in fiscal year 2003 for
14 the common-funded budgets of NATO may be any amount up
15 to, but not in excess of, the amount specified in subsection (b)
16 (rather than the maximum amount that would otherwise be ap-
17 plicable to those contributions under the fiscal year 1998 base-
18 line limitation).

19 (b) TOTAL AMOUNT.—The amount of the limitation appli-
20 cable under subsection (a) is the sum of the following:

21 (1) The amounts of unexpended balances, as of the
22 end of fiscal year 2002, of funds appropriated for fiscal
23 years before fiscal year 2003 for payments for those budg-
24 ets.

25 (2) The amount specified in subsection (c)(1).

26 (3) The amount specified in subsection (c)(2).

27 (4) The total amount of the contributions authorized
28 to be made under section 2501.

29 (c) AUTHORIZED AMOUNTS.—Amounts authorized to be
30 appropriated by titles II and III of this Act are available for
31 contributions for the common-funded budgets of NATO as fol-
32 lows:

33 (1) Of the amount provided in section 201(1),
34 \$750,000 for the Civil Budget.

35 (2) Of the amount provided in section 301(1),
36 \$205,623,000 for the Military Budget.

37 (d) DEFINITIONS.—For purposes of this section:

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1 (1) COMMON-FUNDED BUDGETS OF NATO.—The term
2 “common-funded budgets of NATO” means the Military
3 Budget, the Security Investment Program, and the Civil
4 Budget of the North Atlantic Treaty Organization (and any
5 successor or additional account or program of NATO).

6 (2) FISCAL YEAR 1998 BASELINE LIMITATION.—The
7 term “fiscal year 1998 baseline limitation” means the max-
8 imum annual amount of Department of Defense contribu-
9 tions for common-funded budgets of NATO that is set
10 forth as the annual limitation in section 3(2)(C)(ii) of the
11 resolution of the Senate giving the advice and consent of
12 the Senate to the ratification of the Protocols to the North
13 Atlantic Treaty of 1949 on the Accession of Poland, Hun-
14 gary, and the Czech Republic (as defined in section 4(7)
15 of that resolution), approved by the Senate on April 30,
16 1998.

17 **SEC. 1004. DEVELOPMENT AND IMPLEMENTATION OF FI-**
18 **NANCIAL MANAGEMENT ENTERPRISE AR-**
19 **CHITECTURE.**

20 (a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE AND
21 FOR TRANSITION PLAN.—Not later than May 1, 2003, the Sec-
22 retary of Defense shall develop—

23 (1) a financial management enterprise architecture for
24 all budgetary, accounting, finance, enterprise resource plan-
25 ning, and mixed information systems of the Department of
26 Defense; and

27 (2) a transition plan for implementing that financial
28 management enterprise architecture.

29 (b) COMPOSITION OF ENTERPRISE ARCHITECTURE.—(1)
30 The financial management enterprise architecture developed
31 under subsection (a)(1) shall describe an information infra-
32 structure that, at a minimum, would enable the Department of
33 Defense to—

34 (A) comply with all Federal accounting, financial man-
35 agement, and reporting requirements;

36 (B) routinely produce timely, accurate, and reliable fi-
37 nancial information for management purposes;

1 (C) integrate budget, accounting, and program infor-
2 mation and systems; and

3 (D) provide for the systematic measurement of per-
4 formance, including the ability to produce timely, relevant,
5 and reliable cost information.

6 (2) That enterprise architecture shall also include policies,
7 procedures, data standards, and system interface requirements
8 that are to apply uniformly throughout the Department of De-
9 fense.

10 (c) COMPOSITION OF TRANSITION PLAN.—The transition
11 plan developed under subsection (a)(2) shall include the fol-
12 lowing:

13 (1) The acquisition strategy for the enterprise archi-
14 tecture, including specific time-phased milestones, perform-
15 ance metrics, and financial and nonfinancial resource
16 needs.

17 (2) A listing of the mission critical or mission essential
18 operational and developmental financial and nonfinancial
19 management systems of the Department of Defense, as de-
20 fined by the Under Secretary of Defense (Comptroller),
21 consistent with budget justification documentation, together
22 with—

23 (A) the costs to operate and maintain each of
24 those systems during fiscal year 2002; and

25 (B) the estimated cost to operate and maintain
26 each of those systems during fiscal year 2003.

27 (3) A listing of the operational and developmental fi-
28 nancial management systems of the Department of Defense
29 as of the date of the enactment of this Act (known as “leg-
30 acy systems”) that will not be part of the objective finan-
31 cial and nonfinancial management system, together with
32 the schedule for terminating those legacy systems that pro-
33 vides for reducing the use of those legacy systems in
34 phases.

35 (d) CONDITIONS FOR OBLIGATION OF SIGNIFICANT
36 AMOUNTS FOR FINANCIAL SYSTEM IMPROVEMENTS.—An
37 amount in excess of \$1,000,000 may be obligated for a defense

1 financial system improvement only if the Under Secretary of
2 Defense (Comptroller) makes a determination regarding that
3 improvement as follows:

4 (1) Before the date of an approval specified in para-
5 graph (2), a determination that the defense financial sys-
6 tem improvement is necessary for either of the following
7 reasons:

8 (A) To achieve a critical national security capa-
9 bility or address a critical requirement in an area such
10 as safety or security.

11 (B) To prevent a significant adverse effect (in
12 terms of a technical matter, cost, or schedule) on a
13 project that is needed to achieve an essential capability,
14 taking into consideration in the determination the al-
15 ternative solutions for preventing the adverse effect.

16 (2) On and after the date of any approval by the Sec-
17 retary of Defense of a financial management enterprise ar-
18 chitecture and a transition plan that satisfy the require-
19 ments of this section, a determination that the defense fi-
20 nancial system improvement is consistent with both the en-
21 terprise architecture and the transition plan.

22 (e) CONGRESSIONAL REPORTS.—Not later than March 15
23 of each year from 2004 through 2007, the Secretary of Defense
24 shall submit to the congressional defense committees a report
25 on the progress of the Department of Defense in implementing
26 the enterprise architecture and transition plan required by this
27 section. Each report shall include, at a minimum—

28 (1) a description of the actions taken during the pre-
29 ceding fiscal year to implement the enterprise architecture
30 and transition plan (together with the estimated costs of
31 such actions);

32 (2) an explanation of any action planned in the enter-
33 prise architecture and transition plan to be taken during
34 the preceding fiscal year that was not taken during that
35 fiscal year;

36 (3) a description of the actions taken and planned to
37 be taken during the current fiscal year to implement the

1 enterprise architecture and transition plan (together with
2 the estimated costs of such actions); and

3 (4) a description of the actions taken and planned to
4 be taken during the next fiscal year to implement the en-
5 terprise architecture and transition plan (together with the
6 estimated costs of such actions).

7 (f) **COMPTROLLER GENERAL REVIEW.**—Not later than 60
8 days after the approval of an enterprise architecture and tran-
9 sition plan in accordance with the requirements of subsection
10 (a), and not later than 60 days after the submission of an an-
11 nual report required by subsection (e), the Comptroller General
12 shall submit to the congressional defense committees an assess-
13 ment of the extent to which the actions taken by the Depart-
14 ment comply with the requirements of this section.

15 (g) **DEFINITIONS.**—In this section:

16 (1) The term “defense financial system improvement”
17 means the acquisition of a new budgetary, accounting, fi-
18 nance, enterprise resource planning, or mixed information
19 system for the Department of Defense or a modification of
20 an existing budgetary, accounting, finance, enterprise re-
21 source planning, or mixed information system of the De-
22 partment of Defense. Such term does not include routine
23 maintenance and operation of any such system.

24 (2) The term “mixed information system” means an
25 information system that supports financial and non-finan-
26 cial functions of the Federal Government as defined in Of-
27 fice of Management and Budget Circular A–127 (Financial
28 management Systems).

29 (h) **REPEAL.**—(1) Section 2222 of title 10, United States
30 Code, is repealed. The table of sections at the beginning of
31 chapter 131 of such title is amended by striking the item relat-
32 ing to such section.

33 (2) Section 185(d) of such title is amended by striking
34 “has the meaning given that term in section 2222(c)(2) of this
35 title” and inserting “means an automated or manual system
36 from which information is derived for a financial management
37 system or an accounting system”.

1 **SEC. 1005. ACCOUNTABLE OFFICIALS IN THE DEPART-**
2 **MENT OF DEFENSE.**

3 (a) ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT
4 OF DEFENSE.—Chapter 165 of title 10, United States Code,
5 is amended by inserting after section 2773 the following new
6 section:

7 **“§ 2773a. Departmental accountable officials**

8 “(a) DESIGNATION BY SECRETARY OF DEFENSE.—The
9 Secretary of Defense may designate any civilian employee of
10 the Department of Defense or member of the armed forces
11 under the Secretary’s jurisdiction who is described in sub-
12 section (b) as an employee or member who, in addition to any
13 other potential accountability, may be held accountable through
14 personal monetary liability for an illegal, improper, or incorrect
15 payment made the Department of Defense described in sub-
16 section (c). Any such designation shall be in writing. Any em-
17 ployee or member who is so designated may be referred to as
18 a ‘departmental accountable official’.

19 “(b) COVERED EMPLOYEES AND MEMBERS.—An employee
20 or member of the armed forces described in this subsection is
21 an employee or member who—

22 “(1) is responsible in the performance of the employ-
23 ee’s or member’s duties for providing to a certifying official
24 of the Department of Defense information, data, or services
25 that are directly relied upon by the certifying official in the
26 certification of vouchers for payment; and

27 “(2) is not otherwise accountable under subtitle III of
28 title 31 or any other provision of law for payments made
29 on the basis of such vouchers.

30 “(c) PECUNIARY LIABILITY.—(1) The Secretary of De-
31 fense may subject a departmental accountable official to pecu-
32 niary liability for an illegal, improper, or incorrect payment
33 made by the Department of Defense if the Secretary deter-
34 mines that such payment—

35 “(A) resulted from information, data, or services that
36 that official provided to a certifying official and upon which

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1 that certifying official directly relies in certifying the vouch-
 2 er supporting that payment; and

3 “(B) was the result of fault or negligence on the part
 4 of that departmental accountable official.

5 “(2) Pecuniary liability under this subsection shall apply
 6 in the same manner and to the same extent as applies to an
 7 official accountable under subtitle III of title 31.

8 “(3) Any pecuniary liability of a departmental accountable
 9 official under this subsection for a loss to the United States re-
 10 sulting from an illegal, improper, or incorrect payment is joint
 11 and several with that of any other officer or employee of the
 12 United States or member of the uniformed services who is pe-
 13 cuniarily liable for such loss.

14 “(d) CERTIFYING OFFICIAL DEFINED.—In this section,
 15 the term ‘certifying official’ means an employee who has the re-
 16 sponsibilities specified in section 3528(a) of title 31.”.

17 (b) CLERICAL AMENDMENT.—The table of sections at the
 18 beginning of such chapter is amended by inserting after the
 19 item relating to section 2773 the following new item:

“2773a. Departmental accountable officials.”.

20 **SEC. 1006. UNIFORM STANDARDS THROUGHOUT DE-**
 21 **PARTMENT OF DEFENSE FOR EXPOSURE OF**
 22 **PERSONNEL TO PECUNIARY LIABILITY FOR**
 23 **LOSS OF GOVERNMENT PROPERTY.**

24 (a) EXTENSION OF ARMY AND AIR FORCE REPORT-OF-
 25 SURVEY PROCEDURES TO NAVY AND MARINE CORPS AND ALL
 26 DOD CIVILIAN EMPLOYEES.—(1) Chapter 165 of title 10,
 27 United States Code, is amended by adding at the end the fol-
 28 lowing new section:

29 **“§ 2787. Reports of survey**

30 “(a) ACTION ON REPORTS OF SURVEY.—Under regula-
 31 tions prescribed pursuant to subsection (c), any officer of the
 32 Army, Navy, Air Force, or Marine Corps or any civilian em-
 33 ployee of the Department of Defense designated in accordance
 34 with those regulations may act upon reports of surveys and
 35 vouchers pertaining to the loss, spoilage, unserviceability,

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1 unsuitability, or destruction of, or damage to, property of the
2 United States under the control of the Department of Defense.

3 “(b) FINALITY OF ACTION.—(1) Action taken under sub-
4 section (a) is final except as provided in paragraph (2).

5 “(2) An action holding a person pecuniarily liable for loss,
6 spoilage, destruction, or damage is not final until approved by
7 a person designated to do so by the Secretary of a military de-
8 partment, commander of a combatant command, or Director of
9 a Defense Agency, as the case may be, who has jurisdiction of
10 the person held pecuniarily liable. The person designated to
11 provide final approval shall be an officer of an armed force, or
12 a civilian employee, under the jurisdiction of the official making
13 the designation.

14 “(c) REGULATIONS.—The Secretary of Defense shall pre-
15 scribe regulations to carry out this section.”.

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

“2787. Reports of survey.”.

18 (b) EXTENSION TO MEMBERS OF NAVY AND MARINE
19 CORPS OF PAY DEDUCTION AUTHORITY PERTAINING TO DAM-
20 AGE OR REPAIR OF ARMS AND EQUIPMENT.—Section 1007(e)
21 of title 37, United States Code, is amended by striking “Army
22 or the Air Force” and inserting “Army, Navy, Air Force, or
23 Marine Corps”.

24 (c) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sections
25 4835 and 9835 of title 10, United States Code, are repealed.

26 (2) The tables of sections at the beginning of chapters 453
27 and 953 of such title are amended by striking the items relat-
28 ing to sections 4835 and 9835, respectively.

29 (d) EFFECTIVE DATE.—The amendments made by this
30 section shall apply with respect to the loss, spoilage,
31 unavailability, unsuitability, or destruction of, or damage to,
32 property of the United States under the control of the Depart-
33 ment of Defense occurring on or after the effective date of reg-
34 ulations prescribed pursuant to section 2787 of title 10, United
35 States Code, as added by subsection (a).

1 **SEC. 1007. IMPROVEMENTS IN PURCHASE CARD MAN-**
2 **AGEMENT.**

3 (a) PURCHASE CARD MANAGEMENT IMPROVEMENTS.—
4 Section 2784 of title 10, United States Code, is amended—

5 (1) in subsection (a), by striking “, acting through the
6 Under Secretary of Defense (Comptroller),”; and

7 (2) by adding at the end of subsection (b) the fol-
8 lowing:

9 “(7) That periodic reviews are performed to determine
10 whether each purchase card holder has a need for the pur-
11 chase card.

12 “(8) That the Inspector General of the Department of
13 Defense, the Inspector General of the Army, the Naval In-
14 spector General, and the Inspector General of the Air
15 Force perform periodic audits to identify—

16 “(A) potentially fraudulent, improper, and abusive
17 uses of purchase cards;

18 “(B) any patterns of improper card holder trans-
19 actions, such as purchases of prohibited items; and

20 “(C) categories of purchases that should be made
21 by means other than purchase cards in order to better
22 aggregate purchases and obtain lower prices.

23 “(9) That appropriate training is provided to each
24 purchase card holder and each official with responsibility
25 for overseeing the use of purchase cards issued by the De-
26 partment of Defense.

27 “(10) That the Department of Defense has specific
28 policies regarding the number of purchase cards issued by
29 various organizations and categories of organizations, the
30 credit limits authorized for various categories of card hold-
31 ers, and categories of employees eligible to be issued pur-
32 chase cards, and that those policies are designed to mini-
33 mize the financial risk to the Federal Government of the
34 issuance of the purchase cards and to ensure the integrity
35 of purchase card holders.

36 “(c) PENALTIES FOR VIOLATIONS.—The regulations pre-
37 scribed under subsection (a) shall—

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1 “(1) provide for appropriate adverse personnel actions
2 or other punishment to be imposed in cases in which em-
3 ployees of the Department of Defense violate such regula-
4 tions or are negligent or engage in misuse, abuse, or fraud
5 with respect to a purchase card, including removal in ap-
6 propriate cases; and

7 “(2) provide that a violation of such regulations by a
8 person subject to chapter 47 of this title (the Uniform
9 Code of Military Justice) is punishable as a violation of
10 section 892 of this title (article 92 of the Uniform Code of
11 Military Justice).”.

12 (b) CONFORMING AND CLERICAL AMENDMENTS.—(1) Sec-
13 tion 2784 of such title is further amended—

14 (A) in the section heading, by striking “**credit**” and
15 inserting “**purchase**”;

16 (B) in the heading of subsection (a), by striking
17 “CREDIT” and inserting “PURCHASE”; and

18 (C) in subsection (a) and paragraphs (1) through (6)
19 of subsection (b), by striking “credit” and inserting “pur-
20 chase” each place it appears.

21 (2) The table of sections at the beginning of chapter 165
22 of such title is amended by striking the item relating to section
23 2784 and inserting the following:

“2784. Management of purchase cards.”.

24 **SEC. 1008. IMPROVEMENTS IN TRAVEL CARD MANAGE-**
25 **MENT.**

26 (a) TRAVEL CARD MANAGEMENT IMPROVEMENTS.—Chap-
27 ter 165 of title 10, United States Code, is amended by insert-
28 ing after section 2784 the following new section:

29 **“§ 2784a. Management of travel cards**

30 “(a) DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY
31 TO CREDITORS.—(1) The Secretary of Defense may require
32 that any part of a travel or transportation allowance of an em-
33 ployee of the Department of Defense or a member of the armed
34 forces be disbursed directly to the issuer of a Defense travel
35 card if the amount is disbursed to the issuer in payment of

1 amounts of expenses of official travel that are charged by the
2 employee or member on the Defense travel card.

3 “(2) For the purposes of this subsection, the travel and
4 transportation allowances referred to in paragraph (1) are
5 amounts to which an employee of the Department of Defense
6 is entitled under section 5702 of title 5 or a member of the
7 armed forces is entitled under section 404 of title 37.

8 “(b) OFFSETS FOR DELINQUENT TRAVEL CARD
9 CHARGES.—(1) The Secretary of Defense may require that
10 there be deducted and withheld from any basic pay payable to
11 an employee of the Department of Defense or a member of the
12 armed forces any amount that is owed by the employee or
13 member to a creditor by reason of one or more charges of ex-
14 penses of official travel of the employee or member on a De-
15 fense travel card issued by the creditor if the employee or
16 member—

17 “(A) is delinquent in the payment of such amount
18 under the terms of the contract under which the card is
19 issued; and

20 “(B) does not dispute the amount of the delinquency.

21 “(2) The amount deducted and withheld from pay under
22 paragraph (1) with respect to a debt owed a creditor as de-
23 scribed in that paragraph shall be disbursed to the creditor to
24 reduce the amount of the debt.

25 “(3) The amount of pay deducted and withheld from the
26 pay owed to an employee or member with respect to a pay pe-
27 riod under paragraph (1) may not exceed 15 percent of the dis-
28 posable pay of the employee or member for that pay period, ex-
29 cept that a higher amount may be deducted and withheld with
30 the written consent of the employee or member.

31 “(4) The Secretary of Defense shall prescribe procedures
32 for deducting and withholding amounts from pay under this
33 subsection. The procedures shall be substantially equivalent to
34 the procedures under section 3716 of title 31.

35 “(c) OFFSETS OF RETIRED PAY.—In the case of a former
36 employee of the Department of Defense or a retired member
37 of the armed forces who is receiving retired pay and who owes

1 an amount to a creditor by reason of one or more charges on
2 a Defense travel card that were made before the retirement of
3 the employee or member, the Secretary may require amounts
4 to be deducted and withheld from any retired pay of the former
5 employee or retired member in the same manner and subject
6 to the same conditions as the Secretary deducts and withholds
7 amounts from basic pay payable to an employee or member
8 under subsection (b).

9 “(d) DEFINITIONS.—In this section:

10 “(1) The term ‘Defense travel card’ means a charge
11 or credit card that—

12 “(A) is issued to an employee of the Department
13 of Defense or a member of the armed forces under a
14 contract entered into by the Department of Defense
15 with the issuer of the card; and

16 “(B) is to be used for charging expenses incurred
17 by the employee or member in connection with official
18 travel.

19 “(2) The term ‘disposable pay’, with respect to a pay
20 period, means the amount equal to the excess of the
21 amount of basic pay or retired pay, as the case may be,
22 payable for the pay period over the total of the amounts
23 deducted and withheld from such pay.

24 “(3) The term ‘retired pay’ means—

25 “(A) in the case of a former employee of the De-
26 partment of Defense, any retirement benefit payable to
27 that individual, out of the Civil Service Retirement and
28 Disability Fund, based (in whole or in part) on service
29 performed by such individual as a civilian employee of
30 the Department of Defense; and

31 “(B) in the case of a retired member of the armed
32 forces or member of the Fleet Reserve or Fleet Marine
33 Corps Reserve, retired or retainer pay to which the
34 member is entitled.

35 “(e) EXCLUSION OF COAST GUARD.—This section does
36 not apply to the Coast Guard.”

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1 (b) CLERICAL AMENDMENT.—The table of sections at the
2 beginning of chapter 165 of such title is amended by inserting
3 after the item relating to section 2784 the following new item:

“2784a. Management of travel cards.”.

4 **SEC. 1009. CLEARANCE OF CERTAIN TRANSACTIONS RE-**
5 **CORDED IN TREASURY SUSPENSE AC-**
6 **COUNTS AND RESOLUTION OF CERTAIN**
7 **CHECK ISSUANCE DISCREPANCIES.**

8 (a) CLEARANCE OF CERTAIN SUSPENSE ACCOUNTS.—(1)
9 In the case of any transaction that was entered into by or on
10 behalf of the Department of Defense before March 1, 2001,
11 that is recorded in the Department of Treasury Budget Clear-
12 ing Account (Suspense) designated as account F3875, the Un-
13 available Check Cancellations and Overpayments Account (Sus-
14 pense) designated as account F3880, or an Undistributed
15 Intergovernmental Payments account designated as account
16 F3885, and for which no appropriation for the Department of
17 Defense has been identified—

18 (A) any undistributed collection credited to such ac-
19 count in such case shall be deposited to the miscellaneous
20 receipts of the Treasury; and

21 (B) subject to paragraph (2), any undistributed dis-
22 bursement recorded in such account in such case shall be
23 canceled.

24 (2) An undistributed disbursement may not be canceled
25 under paragraph (1)(B) until the Secretary of Defense has
26 made a written determination that the appropriate official or
27 officials of the Department of Defense have attempted without
28 success to locate the documentation necessary to identify which
29 appropriation should be charged with such disbursement and
30 that further efforts to do so are not in the best interests of the
31 United States.

32 (b) RESOLUTION OF CHECK ISSUANCE DISCREPANCIES.—
33 (1) In the case of any check drawn on the Treasury that was
34 issued by or on behalf of the Department of Defense before Oc-
35 tober 31, 1998, for which the Secretary of the Treasury has
36 reported to the Department of Defense a discrepancy between

1 the amount paid and the amount of the check as transmitted
2 to the Department of Treasury, and for which no specific ap-
3 propriation for the Department of Defense can be identified as
4 being associated with the check, the discrepancy shall be can-
5 celed, subject to paragraph (2).

6 (2) A discrepancy may not be canceled under paragraph
7 (1) until the Secretary of Defense has made a written deter-
8 mination that the appropriate official or officials of the Depart-
9 ment of Defense have attempted without success to locate the
10 documentation necessary to identify which appropriation should
11 be charged with the amount of the check and that further ef-
12 forts to do so are not in the best interests of the United States.

13 (c) CONSULTATION.—The Secretary of Defense shall con-
14 sult the Secretary of the Treasury in the exercise of the author-
15 ity granted by subsections (a) and (b).

16 (d) DURATION OF CANCELLATION AUTHORITY FOL-
17 LOWING DETERMINATION.—(1) A particular undistributed dis-
18 bursement may not be canceled under paragraph (1)(B) of sub-
19 section (a) more than 30 days after the date of the written de-
20 termination made by the Secretary of Defense under paragraph
21 (2) of such subsection regarding that undistributed disburse-
22 ment.

23 (2) A particular discrepancy may not be canceled under
24 paragraph (1) of subsection (b) more than 30 days after the
25 date of the written determination made by the Secretary of De-
26 fense under paragraph (2) of such subsection regarding that
27 discrepancy.

28 (e) PROGRAM TERMINATION.—No authority may be exer-
29 cised under this section after the date that is two years after
30 the date of the enactment of this Act.

31 **SEC. 1010. AUTHORIZATION OF FUNDS FOR BALLISTIC**
32 **MISSILE DEFENSE PROGRAMS OR COM-**
33 **BATING TERRORISM PROGRAMS OF THE DE-**
34 **PARTMENT OF DEFENSE.**

35 (a) AUTHORIZATION.—There is hereby authorized to be
36 appropriated for fiscal year 2003 for the military functions of
37 the Department of Defense, in addition to amounts authorized

1 to be appropriated in titles I, II, and III, the amount of
2 \$814,300,000, to be available, in accordance with subsection
3 (b), for the following purposes:

4 (1) Research, development, test, and evaluation for
5 ballistic missile defense programs of the Missile Defense
6 Agency of the Department of Defense.

7 (2) Activities of the Department of Defense for com-
8 bating terrorism at home and abroad.

9 (b) ALLOCATION BY PRESIDENT.—(1) The amount au-
10 thorized to be appropriated by subsection (a) shall be allocated
11 between the purposes stated in paragraphs (1) and (2) of that
12 subsection in such manner as may be determined by the Presi-
13 dent based upon the national security interests of the United
14 States. The amount authorized in subsection (a) shall not be
15 available for any other purpose.

16 (2) Upon an allocation of such amount by the President,
17 the amount so allocated shall be transferred to the appropriate
18 regular authorization account under this division in the same
19 manner as provided in section 1001. Transfers under this para-
20 graph shall not be counted for the purposes of section
21 1001(a)(2).

22 (3) Not later than 15 days after an allocation is made
23 under this subsection, the Secretary of Defense shall submit to
24 the congressional defense committees a report describing the
25 President's allocation, the basis for the President's determina-
26 tion in making such allocation, and the Secretary's plan for the
27 use by the Department of Defense of the funds made available
28 pursuant to such allocation.

29 **SEC. 1011. REDUCTION IN OVERALL AUTHORIZATION**
30 **DUE TO INFLATION SAVINGS.**

31 (a) REDUCTION.—The total amount authorized to be ap-
32 propriated by titles I, II, and III is the amount equal to the
33 sum of the individual authorizations in those titles reduced by
34 \$1,000,000,000.

35 (b) SOURCE OF SAVINGS.—Reductions required in order to
36 comply with subsection (a) shall be derived from savings result-
37 ing from lower-than-expected inflation as a result of the

1 midsession review of the budget conducted by the Office of
2 Management and Budget.

3 (c) ALLOCATION OF REDUCTION.—The Secretary of De-
4 fense shall allocate the reduction required by subsection (a)
5 among the accounts in titles I, II, and III to reflect the extent
6 to which net inflation savings are available in those accounts.

7 **Subtitle B—Naval Vessels and** 8 **Shipyards**

9 **SEC. 1021. NUMBER OF NAVY COMBATANT SURFACE** 10 **VESSELS IN ACTIVE AND RESERVE SERVICE.**

11 (a) CONTINGENT REQUIREMENT FOR REPORT.—(1) If, on
12 the date of the enactment of this Act, the number of combatant
13 surface vessels of the Navy is less than 116, the Secretary of
14 the Navy shall, not later than 90 days after such date, submit
15 to the Committees on Armed Services of the Senate and the
16 House of Representatives a report on the size of the force of
17 combatant surface vessels of the Navy. The report shall include
18 a risk assessment for a force of combatant surface vessels in
19 the number as of the date of the enactment of this Act that
20 is based on the same assumptions as were applied in the QDR
21 2001 combatant surface force risk assessment.

22 (2) The definitions in subsection (c) of section 7296 of
23 title 10, United States Code, as added by subsection (b), apply
24 to this subsection.

25 (b) NUMBER OF COMBATANT SURFACE VESSELS.—(1)
26 Chapter 633 of title 10, United States Code, is amended by in-
27 sserting after section 7295 the following new section:

28 **“§ 7296. Combatant surface vessels: notice before** 29 **reduction in number; preservation of** 30 **surge capability**

31 “(a) NOTICE-AND-WAIT BEFORE REDUCTIONS.—(1) A re-
32 duction described in paragraph (2) in the number of combatant
33 surface vessels may only be carried out after—

34 “(A) the Secretary of the Navy submits to the Com-
35 mittee on Armed Services of the Senate and the Committee
36 on Armed Services of the House of Representatives a writ-
37 ten notification of the proposed reduction; and

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1 “(B) a period of 90 days has expired after the date
2 on which such notification is received.

3 “(2) A reduction described in this paragraph in the num-
4 ber of combatant surface vessels is a reduction—

5 “(A) from 116, or a number greater than 116, to a
6 number less than 116; or

7 “(B) from a number less than 116 to a lesser number.

8 “(3) Any notification under paragraph (1)(A) shall include
9 the following:

10 “(A) The schedule for the proposed reduction.

11 “(B) The number of vessels that are to comprise the
12 force of combatant surface vessels after the reduction.

13 “(C) A risk assessment for a force of combatant sur-
14 face vessels of the number specified under subparagraph
15 (B) that is based on the same assumptions as were applied
16 in the QDR 2001 combatant surface force risk assessment.

17 “(b) PRESERVATION OF SURGE CAPABILITY.—Whenever
18 the number of combatant surface vessels is less than 116, the
19 Secretary of the Navy shall maintain on the Naval Vessel Reg-
20 ister a sufficient number of combatant surface vessels to enable
21 the Navy to regain a force of combatant surface vessels num-
22 bering not less than 116 within 120 days after the date of any
23 decision by the President to increase the number of combatant
24 surface vessels.

25 “(c) DEFINITIONS.—In this section:

26 “(1) The term ‘combatant surface vessels’ means
27 cruisers, destroyers, and frigates that are in active service
28 in the Navy or in active reserve service in the Navy.

29 “(2) The term ‘QDR 2001 combatant surface force
30 risk assessment’ means the risk assessment associated with
31 a force of combatant surface vessels numbering 116 that is
32 set forth in the report on the quadrennial defense review
33 submitted to Congress on September 30, 2001, under sec-
34 tion 118 of this title.”.

35 (2) The table of sections at the beginning of such chapter
36 is amended by inserting after the item relating to section 7295
37 the following new item:

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“7296. Combatant surface vessels: notice before reduction in number; preservation of surge capability.”.

1 (c) EFFECTIVE DATE FOR 90–DAY WAITING PERIOD.—
 2 The provisions of subparagraph (B) of subsection (a)(1) of sec-
 3 tion 7296 of title 10, United States Code, as added by sub-
 4 section (b)(1) of this section, shall apply only with respect to
 5 notifications submitted under subparagraph (A) of that sub-
 6 section on or after January 15, 2003.

7 **SEC. 1022. ANNUAL LONG-RANGE PLAN FOR THE CON-**
 8 **STRUCTION OF NAVAL VESSELS.**

9 (a) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN.—(1)
 10 Chapter 9 of title 10, United States Code, is amended by add-
 11 ing at the end the following new section:

12 **“§ 231. Budgeting for construction of naval vessels:**
 13 **annual plan and certification**

14 “(a) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN AND
 15 CERTIFICATION.—The Secretary of Defense shall include with
 16 the defense budget materials for a fiscal year—

17 “(1) a plan for the construction of combatant and sup-
 18 port vessels for the Navy developed in accordance with this
 19 section; and

20 “(2) a certification by the Secretary that both the
 21 budget for that fiscal year and the future-years defense
 22 program submitted to Congress in relation to such budget
 23 under section 221 of this title provide for funding of the
 24 construction of naval vessels at a level that is sufficient for
 25 the procurement of the vessels provided for in the plan
 26 under paragraph (1) on the schedule provided in that plan.

27 “(b) ANNUAL NAVAL VESSEL CONSTRUCTION PLAN.—(1)
 28 The annual naval vessel construction plan developed for a fiscal
 29 year for purposes of subsection (a)(1) should be designed so
 30 that the naval vessel force provided for under that plan is capa-
 31 ble of supporting the national security strategy of the United
 32 States as set forth in the most recent national security strategy
 33 report of the President under section 108 of the National Secu-
 34 rity Act of 1947 (50 U.S.C. 404a), except that, if at the time
 35 such plan is submitted with the defense budget materials for

1 that fiscal year, a national security strategy report required
2 under such section 108 has not been submitted to Congress as
3 required by paragraph (2) or paragraph (3), if applicable, of
4 subsection (a) of such section, then such annual plan should be
5 designed so that the naval vessel force provided for under that
6 plan is capable of supporting the ship force structure rec-
7 ommended in the report of the most recent Quadrennial De-
8 fense Review.

9 “(2) Each such naval vessel construction plan shall include
10 the following:

11 “(A) A detailed program for the construction of com-
12 batant and support vessels for the Navy over the next 30
13 fiscal years.

14 “(B) A description of the necessary naval vessel force
15 structure to meet the requirements of the national security
16 strategy of the United States or the most recent Quadren-
17 nial Defense Review, whichever is applicable under para-
18 graph (1).

19 “(C) The estimated levels of annual funding necessary
20 to carry out the program, together with a discussion of the
21 procurement strategies on which such estimated levels of
22 annual funding are based.

23 “(c) ASSESSMENT WHEN VESSEL CONSTRUCTION BUDG-
24 ET IS INSUFFICIENT TO MEET APPLICABLE REQUIRE-
25 MENTS.—If the budget for a fiscal year provides for funding
26 of the construction of naval vessels at a level that is not suffi-
27 cient to sustain the naval vessel force structure specified in the
28 naval vessel construction plan for that fiscal year under sub-
29 section (a), the Secretary shall include with the defense budget
30 materials for that fiscal year an assessment that describes and
31 discusses the risks associated with the reduced force structure
32 of naval vessels that will result from funding naval vessel con-
33 struction at such level. Such assessment shall be coordinated in
34 advance with the commanders of the combatant commands.

35 “(d) DEFINITIONS.—In this section:

36 “(1) The term ‘budget’, with respect to a fiscal year,
37 means the budget for that fiscal year that is submitted to

1 Congress by the President under section 1105(a) of title
2 31.

3 “(2) The term ‘defense budget materials’, with respect
4 to a fiscal year, means the materials submitted to Congress
5 by the Secretary of Defense in support of the budget for
6 that fiscal year.

7 “(3) The term ‘Quadrennial Defense Review’ means
8 the review of the defense programs and policies of the
9 United States that is carried out every four years under
10 section 118 of this title.”

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

“231. Budgeting for construction of naval vessels: annual plan and certifi-
cation.”

14 **SEC. 1023. ASSESSMENT OF THE FEASIBILITY OF THE**
15 **EXPEDITED EQUIPPING OF A NAVY SHIP**
16 **WITH A VERSION OF THE 155-MILLIMETER**
17 **ADVANCED GUN SYSTEM.**

18 (a) FEASIBILITY ASSESSMENT REQUIRED.—(1) The Sec-
19 retary of the Navy shall conduct an assessment of the feasi-
20 bility of the expedited equipping of a Navy ship in active or in-
21 active service with a version of the 155-millimeter Advanced
22 Gun System that is being developed for the DD(X) next gen-
23 eration, multi-mission, land attack surface combatant vessel.

24 (2) The assessment shall include an analysis of—

25 (A) the actions required to achieve such equipping and
26 the technical and programmatic risks associated with those
27 actions;

28 (B) the plan, schedule, and funding required to
29 achieve such equipping; and

30 (C) the effect (if any) that such equipping might have
31 on the development program and schedule for the DD(X)
32 vessel.

33 (b) EQUIPPING ON EXPEDITED SCHEDULE.—The schedule
34 to be considered in the assessment under subsection (a) shall
35 provide for equipping of a ship with a version of the 155-milli-

1 meter Advanced Gun System on an expedited schedule that is
2 consistent with the achievement of safety of operation, but not
3 later than October 1, 2006.

4 (c) REPORT REQUIRED.—The Secretary shall submit to
5 the congressional defense committees a report on the results of
6 the assessment under subsection (a). The report shall be sub-
7 mitted at the same time that the President submits the budget
8 for fiscal year 2004 to Congress under section 1105(a) of title
9 31, United States Code.

10 **SEC. 1024. REPORT ON INITIATIVES TO INCREASE OPER-**
11 **ATIONAL DAYS OF NAVY SHIPS.**

12 (a) REQUIREMENT FOR REPORT ON INITIATIVES.—(1)
13 The Under Secretary of Defense for Acquisition, Technology,
14 and Logistics shall submit to the Committee on Armed Services
15 of the Senate and the Committee on Armed Services of the
16 House of Representatives a report on Department of Defense
17 initiatives to increase the number of operational days of Navy
18 ships as described in subsection (b).

19 (2) The report shall cover the ongoing Department of De-
20 fense initiatives as well as any potential initiatives that are
21 under consideration within the Department of Defense.

22 (b) INITIATIVES WITHIN LIMITS OF EXISTING FLEET AND
23 DEPLOYMENT POLICY.—In the report, the Under Secretary
24 shall assess the feasibility and identify the projected effects of
25 conducting initiatives that have the potential to increase the
26 number of operational days of Navy ships available to the com-
27 manders-in-chief of the regional unified combatant commands
28 without increasing the number of Navy ships and without in-
29 creasing the routine lengths of deployments of Navy ships
30 above six months.

31 (c) REQUIRED FOCUS AREAS.—The report shall address,
32 at a minimum, the following focus areas:

33 (1) Assignment of additional ships, including sub-
34 marines, to home ports closer to the areas of operation for
35 the ships (known as “forward homeporting”).

1 (2) Assignment of ships to remain in a forward area
2 of operations, together with rotation of crews for each ship
3 so assigned.

4 (3) Retention of ships for use until the end of the full
5 service life, together with investment of the funds necessary
6 to support retention to that extent.

7 (4) Prepositioning of additional ships with, under nor-
8 mal circumstances, small crews in a forward area of oper-
9 ations.

10 (d) SHIP MAINTENANCE.—The report shall include an as-
11 sessment of how routine programmed ship maintenance would
12 be accomplished for Navy ships that would remain in a forward
13 area of operations.

14 (e) TIME FOR SUBMITTAL.—The report shall be submitted
15 at the same time that the President submits the budget for fis-
16 cal year 2004 to Congress under section 1105(a) of title 31,
17 United States Code.

18 **SEC. 1025. SHIP COMBAT SYSTEM INDUSTRIAL BASE.**

19 (a) REVIEW.—The Secretary of Defense shall conduct a
20 review of the effect of the contract award announced on April
21 29, 2002, for the lead design agent for the DD(X) ship pro-
22 gram on the industrial base for ship combat system develop-
23 ment, including the industrial base for each of the following:
24 ship systems integration, radar, electronic warfare, and launch
25 systems.

26 (b) REPORT REQUIRED.—Not later than March 31, 2003,
27 the Secretary shall submit to the congressional defense commit-
28 tees a report based on the review under subsection (a). The re-
29 port shall include the following:

30 (1) The Secretary’s assessment of the effect of the
31 contract award referred to in that subsection on ship com-
32 bat system development and on the associated industrial
33 base.

34 (2) A description of any actions that the Secretary
35 proposes to ensure future competition in the ship combat
36 system development and industrial base.

1 **SEC. 1026. SENSE OF CONGRESS CONCERNING AIR-**
2 **CRAFT CARRIER FORCE STRUCTURE.**

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

4 (1) The aircraft carrier has been an integral compo-
5 nent in Operation Enduring Freedom and in the homeland
6 defense mission of Operation Noble Eagle beginning on
7 September 11, 2001. The aircraft carriers that have par-
8 ticipated in Operation Enduring Freedom, as of May 1,
9 2002, are the USS Enterprise (CVN–65), the USS Carl
10 Vinson (CVN–70), the USS Kitty Hawk (CV–63), the USS
11 Theodore Roosevelt (CVN–71), the USS John C. Stennis
12 (CVN–74), and the USS John F. Kennedy (CV–67). The
13 aircraft carriers that have participated in Operation Noble
14 Eagle, as of May 1, 2002, are the USS George Washington
15 (CVN–73), the USS John F. Kennedy (CV–67), and the
16 USS John C. Stennis (CVN–74).

17 (2) Since 1945, the United States has built 172 bases
18 overseas, of which only 24 are currently in use.

19 (3) The aircraft carrier provides an independent base
20 of operations should no land base be available for aircraft,
21 with carrier air wings providing the United States sea-
22 based forward-deployed offensive strike capability.

23 (4) The aircraft carrier is an essential component of
24 the Navy.

25 (5) The naval tactical aircraft modernization programs
26 are proceeding on schedule.

27 (6) As established by the Navy, the United States re-
28 quires the service of 15 aircraft carriers to completely fulfill
29 all the naval commitments assigned to the Navy without
30 gapping carrier presence.

31 (b) SENSE OF CONGRESS.—It is the sense of Congress
32 that the number of aircraft carriers of the Navy in active serv-
33 ice should not be less than 12.

34 (c) OPERATION ENDURING FREEDOM AND OPERATION
35 NOBLE EAGLE COMMENDATION.—Congress hereby commends
36 the military and civilian personnel who have participated in Op-
37 eration Enduring Freedom and Operation Noble Eagle.

1 **SEC. 1027. CONVEYANCE, NAVY DRYDOCK, PORTLAND,**
2 **OREGON.**

3 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
4 Navy may sell Navy Drydock No. YFD-69, located in Portland,
5 Oregon, to Portland Shipyard, LLC, which is the current user
6 of the drydock.

7 (b) CONDITION OF CONVEYANCE.—The conveyance under
8 subsection (a) shall be subject to the condition that the pur-
9 chaser agree to retain the drydock on Swan Island in Portland,
10 Oregon, until at least September 30, 2007.

11 (c) CONSIDERATION.—As consideration for the conveyance
12 of the drydock under subsection (a), the purchaser shall pay to
13 the Secretary an amount equal to the fair market value of the
14 drydock at the time of the conveyance, as determined by the
15 Secretary.

16 (d) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
17 retary may require such additional terms and conditions in con-
18 nection with the conveyance under subsection (a) as the Sec-
19 retary considers appropriate to protect the interests of the
20 United States.

21 **Subtitle C—Strategic Matters**

22 **SEC. 1031. STRATEGIC FORCE STRUCTURE PLAN FOR**
23 **NUCLEAR WEAPONS AND DELIVERY SYS-**
24 **TEMS.**

25 (a) PLAN REQUIRED.—The Secretary of Defense and the
26 Secretary of Energy shall jointly prepare a plan for the United
27 States strategic force structure for nuclear weapons and nu-
28 clear weapons delivery systems for the period of fiscal years
29 from 2003 through 2012. The plan shall—

30 (1) define the range of missions assigned to strategic
31 nuclear forces in the national defense strategy consistent
32 with—

33 (A) the Quadrennial Defense Review dated Sep-
34 tember 30, 2001, under section 118 of title 10, United
35 States Code;

36 (B) the Nuclear Posture Review dated December
37 2001 under section 1041 of the Floyd D. Spence Na-

1 tional Defense Authorization Act for Fiscal Year 2001
2 (as enacted into law by Public Law 106–398; 114 Stat.
3 1654A–262); and

4 (C) other relevant planning documents;

5 (2) delineate a baseline strategic force structure for
6 such weapons and systems over such period consistent with
7 such Nuclear Posture Review;

8 (3) define sufficient force structure, force moderniza-
9 tion and life extension plans, infrastructure, and other ele-
10 ments of the defense program of the United States associ-
11 ated with such weapons and systems that would be required
12 to execute successfully the full range of missions defined
13 under paragraph (1);

14 (4) identify the budget plan that would be required to
15 provide sufficient resources to execute successfully the full
16 range of missions using such force structure called for in
17 that national defense strategy; and

18 (5)(A) evaluate options for achieving, prior to fiscal
19 year 2012, a posture under which the United States main-
20 tains a number of operationally deployed nuclear warheads
21 at a level of from 1,700 to 2,200 such warheads, as out-
22 lined in the Nuclear Posture Review referred to in para-
23 graph (1)(B); and

24 (B) contain an assessment of the advantages and dis-
25 advantages of options for achieving such posture as early
26 as 2007, including effects on cost, the dismantlement work-
27 force, and any other affected matter.

28 (b) REPORT.—Not later than March 1, 2003, the Sec-
29 retary of Defense and the Secretary of Energy shall submit a
30 report on the plan to the congressional defense committees.

31 **SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT**
32 **HARDENED AND DEEPLY BURIED TARGETS.**

33 (a) ANNUAL REPORT.—Not later than April 1 of each
34 year, the Secretary of Defense, the Secretary of Energy, and
35 the Director of Central Intelligence shall jointly submit to the
36 congressional defense committees, the Select Committee on In-
37 telligence of the Senate, and the Permanent Select Committee

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1 on Intelligence of the House of Representatives a report on the
2 research and development, procurement, and other activities
3 undertaken during the preceding fiscal year by the Department
4 of Defense, the Department of Energy, and the intelligence
5 community to develop weapons to defeat hardened and deeply
6 buried targets.

7 (b) REPORT ELEMENTS.—The report for a fiscal year
8 under subsection (a) shall—

9 (1) include a discussion of the integration and inter-
10 operability of the activities referred to in that subsection
11 that were undertaken during that fiscal year, including a
12 discussion of the relevance of such activities to applicable
13 recommendations by the Chairman of the Joint Chiefs of
14 Staff, assisted under section 181(b) of title 10, United
15 States Code, by the Joint Requirements Oversight Council;
16 and

17 (2) set forth separately a description of the activities
18 referred to in that subsection, if any, that were undertaken
19 during such fiscal year by each element of—

20 (A) the Department of Defense;

21 (B) the Department of Energy; and

22 (C) the intelligence community.

23 (c) DEFINITION.—In this section, the term “intelligence
24 community” has the meaning given such term in section 3(4)
25 of the National Security Act of 1947 (50 U.S.C. 401a(4)).

26 (d) TERMINATION.—No report is required under this sec-
27 tion after the submission of the report that is due on April 1,
28 2007.

29 **SEC. 1033. REPORT ON EFFECTS OF NUCLEAR EARTH-**
30 **PENETRATOR WEAPON AND OTHER WEAP-**
31 **ONS.**

32 (a) NATIONAL ACADEMY OF SCIENCES STUDY.—The Sec-
33 retary of Defense shall request the National Academy of
34 Sciences to conduct a study and prepare a report on the fol-
35 lowing:

36 (1) The anticipated short-term effects and long-term
37 effects of the use by the United States of a nuclear earth-

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1 penetrator weapon on the target area, including the effects
 2 on civilian populations in proximity to the target area at
 3 the time of or after such use and the effects on United
 4 States military personnel who after such use carry out op-
 5 erations or battle damage assessments in the target area.

6 (2) The anticipated short-term and long-term effects
 7 on civilian population in proximity to a target area—

8 (A) if a non-penetrating nuclear weapon is used to
 9 attack a hard or deeply-buried target; and

10 (B) if a conventional high-explosive weapon is used
 11 to attack an adversary’s facilities for storage or produc-
 12 tion of weapons of mass destruction and, as a result of
 13 such attack, radioactive, nuclear, biological, or chemical
 14 weapons materials, agents, or other contaminants are
 15 released or spread into populated areas.

16 (b) REPORT.—Not later than 180 days after the date of
 17 the enactment of this Act, the Secretary shall submit to Con-
 18 gress the report under subsection (a), together with any com-
 19 ments the Secretary may consider appropriate on the report.
 20 The report shall be submitted in unclassified form to the max-
 21 imum extent possible, with a classified annex if needed.

22 Subtitle D—Reports

23 SEC. 1041. REPEAL AND MODIFICATION OF VARIOUS RE- 24 PORTING REQUIREMENTS APPLICABLE TO 25 THE DEPARTMENT OF DEFENSE.

26 (a) PROVISIONS OF TITLE 10, UNITED STATES CODE.—
 27 Title 10, United States Code, is amended as follows:

28 (1)(A) Section 183 is repealed.

29 (B) The table of sections at the beginning of chapter
 30 7 is amended by striking the item relating to section 183.

31 (2)(A) Section 230 is repealed.

32 (B) The table of sections at the beginning of chapter
 33 9 is amended by striking the items relating to section 230.

34 (3) Section 526 is amended by striking subsection (c).

35 (4) Section 721(d) is amended—

36 (A) by striking paragraph (2); and

37 (B) by striking “(1)” before “If an officer”.

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- 1 (5) Section 1095(g) is amended—
2 (A) by striking paragraph (2); and
3 (B) by striking “(1)” after “(g)”.
- 4 (6) Section 1798 is amended by striking subsection
5 (d).
- 6 (7) Section 1799 is amended by striking subsection
7 (d).
- 8 (8) Section 2220 is amended—
9 (A) by striking subsections (b) and (c);
10 (B) by striking “(1)” after “ESTABLISHMENT OF
11 GOALS.—”; and
12 (C) by striking “(2) The” and inserting “(b)
13 EVALUATION OF COST GOALS.—The”.
- 14 (9) Section 2350a(g) is amended by striking para-
15 graph (4).
- 16 (10) Section 2350f is amended by striking subsection
17 (c).
- 18 (11) Section 2350k is amended by striking subsection
19 (d).
- 20 (12) Section 2367(d) is amended by striking “EF-
21 FORT.—(1) In the” and all that follows through “(2) After
22 the close of” and inserting “EFFORT.—After the close of”.
- 23 (13) Section 2391 is amended by striking subsection
24 (c).
- 25 (14) Section 2486(b)(12) is amended by striking “, ex-
26 cept that” and all that follows and inserting the following:
27 “, except that the Secretary shall notify Congress of any
28 addition of, or change in, a merchandise category under
29 this paragraph.”.
- 30 (15) Section 2492 is amended by striking subsection
31 (c) and inserting the following:
32 “(c) NOTIFICATION OF CONDITIONS NECESSITATING RE-
33 STRICTIONS.—The Secretary of Defense shall notify Congress
34 of any change proposed or made to any of the host nation laws
35 or any of the treaty obligations of the United States, and any
36 changed conditions within host nations, if the change would ne-
37 cessitate the use of quantity or other restrictions on purchases

1 in commissary and exchange stores located outside the United
2 States.”.

3 (16) Section 2537(a) is amended by striking
4 “\$100,000” and inserting “\$10,000,000”.

5 (17) Section 2611 is amended by striking subsection
6 (e).

7 (18) Section 2667(d) is amended by striking para-
8 graph (3).

9 (19) Section 4416 is amended by striking subsection
10 (f).

11 (20) Section 5721(f) is amended—

12 (A) by striking paragraph (2); and

13 (B) by striking “(1)” after the subsection heading.

14 (b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FIS-
15 CAL YEAR 1995.—Section 553(b) of the National Defense Au-
16 thorization Act for Fiscal Year 1995 (Public Law 103–337;
17 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking
18 the last sentence.

19 (c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—Section
20 234 of the Ballistic Missile Defense Act of 1995 (subtitle C of
21 title II of Public Law 104–106; 10 U.S.C. 2431 note) is
22 amended by striking subsection (f).

23 **SEC. 1042. REQUIREMENT THAT DEPARTMENT OF DE-**
24 **FENSE REPORTS TO CONGRESS BE ACCOM-**
25 **PANIED BY ELECTRONIC VERSION.**

26 Section 480(a) of title 10, United States Code, is amended
27 by striking “shall, upon request” and all that follows through
28 “(or each” and inserting “shall provide to Congress (or”.

29 **SEC. 1043. ANNUAL REPORT ON THE CONDUCT OF MILI-**
30 **TARY OPERATIONS CONDUCTED AS PART OF**
31 **OPERATION ENDURING FREEDOM.**

32 (a) REPORTS REQUIRED.—(1) The Secretary of Defense
33 shall submit to the congressional committees specified in sub-
34 section (d) an annual report on the conduct of military oper-
35 ations conducted as part of Operation Enduring Freedom. The
36 first report, which shall include a definition of the military op-
37 erations carried out as part of Operation Enduring Freedom,
38 shall be submitted not later than June 15, 2003. Subsequent

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1 reports shall be submitted not later than June 15 each year,
2 and the final report shall be submitted not later than 180 days
3 after the date (as determined by the Secretary of Defense) of
4 the cessation of hostilities undertaken as part of Operation En-
5 during Freedom.

6 (2) Each report under this section shall be prepared in
7 consultation with the Chairman of the Joint Chiefs of Staff,
8 the commander of the United States Central Command, the Di-
9 rector of Central Intelligence, and such other officials as the
10 Secretary considers appropriate.

11 (3) Each such report shall be submitted in both a classi-
12 fied form and an unclassified form, as necessary.

13 (b) SPECIAL MATTERS TO BE INCLUDED.—Each report
14 under this section shall include the following:

15 (1) A discussion of the command, control, coordina-
16 tion, and support relationship between United States spe-
17 cial operations forces and Central Intelligence Agency ele-
18 ments participating in Operation Enduring Freedom and
19 any lessons learned from the joint conduct of operations by
20 those forces and elements.

21 (2) Recommendations to improve operational readiness
22 and effectiveness of these forces and elements.

23 (c) OTHER MATTERS TO BE INCLUDED.—Each report
24 under this section shall include a discussion, with a particular
25 emphasis on accomplishments and shortcomings, of the fol-
26 lowing matters with respect to Operation Enduring Freedom:

27 (1) The political and military objectives of the United
28 States.

29 (2) The military strategy of the United States to
30 achieve those political and military objectives.

31 (3) The concept of operations, including any new oper-
32 ational concepts, for the operation.

33 (4) The benefits and disadvantages of operating with
34 local opposition forces.

35 (5) The benefits and disadvantages of operating in a
36 coalition with the military forces of allied and friendly na-
37 tions.

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1 (6) The cooperation of nations in the region for over-
2 flight, basing, command and control, and logistic and other
3 support.

4 (7) The conduct of relief operations both during and
5 after the period of hostilities.

6 (8) The conduct of close air support (CAS), particu-
7 larly with respect to the timeliness, efficiency, and effective-
8 ness of such support.

9 (9) The use of unmanned aerial vehicles for intel-
10 ligence, surveillance, reconnaissance, and combat support to
11 operational forces.

12 (10) The use and performance of United States and
13 coalition military equipment, weapon systems, and muni-
14 tions.

15 (11) The effectiveness of reserve component forces, in-
16 cluding their use and performance in the theater of oper-
17 ations.

18 (12) The importance and effectiveness of the Inter-
19 national Security Assistance Force.

20 (13) The importance and effectiveness of United
21 States civil affairs forces.

22 (14) The anticipated duration of the United States
23 military presence in Afghanistan.

24 (15) The most critical lessons learned that could lead
25 to long-term doctrinal, organizational, and technological
26 changes.

27 (d) CONGRESSIONAL COMMITTEES.—The committees re-
28 ferred to in subsection (a)(1) are the following:

29 (1) The Committee on Armed Services and the Select
30 Committee on Intelligence of the Senate.

31 (2) The Committee on Armed Services and the Perma-
32 nent Select Committee on Intelligence of the House of Rep-
33 resentatives.

1 **SEC. 1044. REPORT ON EFFORTS TO ENSURE ADEQUACY**
2 **OF FIRE FIGHTING STAFFS AT MILITARY IN-**
3 **STALLATIONS.**

4 Not later than May 31, 2003, the Secretary of Defense
5 shall submit to Congress a report on the actions being under-
6 taken to ensure that the fire fighting staffs at military installa-
7 tions are adequate under applicable Department of Defense
8 regulations.

9 **SEC. 1045. REPORT ON DESIGNATION OF CERTAIN LOU-**
10 **ISIANA HIGHWAY AS DEFENSE ACCESS**
11 **ROAD.**

12 Not later than March 1, 2003, the Secretary of the Army
13 shall submit to the congressional defense committees a report
14 containing the results of a study on the advisability of desig-
15 nating Louisiana Highway 28 between Alexandria, Louisiana,
16 and Leesville, Louisiana, a road providing access to the Joint
17 Readiness Training Center, Louisiana, and to Fort Polk, Lou-
18 isiana, as a defense access road for purposes of section 210 of
19 title 23, United States Code.

20 **Subtitle E—Extension of Expiring**
21 **Authorities**

22 **SEC. 1051. EXTENSION OF AUTHORITY FOR SECRETARY**
23 **OF DEFENSE TO SELL AIRCRAFT AND AIR-**
24 **CRAFT PARTS FOR USE IN RESPONDING TO**
25 **OIL SPILLS.**

26 (a) **FOUR-YEAR EXTENSION.**—Section 740 of the Wendell
27 H. Ford Aviation Investment and Reform Act for the 21st Cen-
28 tury (Public Law 106–181; 114 Stat. 173; 10 U.S.C. 2576
29 note) is amended—

30 (1) in subsection (a)(1), by striking “, during the pe-
31 riod beginning on the date of the enactment of this Act and
32 ending September 30, 2002,”; and

33 (2) by adding at the end the following new subsection:
34 “(i) **EXPIRATION OF AUTHORITY.**—The authority to sell
35 aircraft and aircraft parts under this section expires on Sep-
36 tember 30, 2006.”.

1 (b) ADDITIONAL REPORT.—Subsection (f) of such section
2 is amended by striking “March 31, 2002” and inserting
3 “March 31, 2006”.

4 **SEC. 1052. SIX-MONTH EXTENSION OF EXPIRING GOV-**
5 **ERNMENTWIDE INFORMATION SECURITY RE-**
6 **QUIREMENTS; CONTINUED APPLICABILITY**
7 **OF EXPIRING GOVERNMENTWIDE INFORMA-**
8 **TION SECURITY REQUIREMENTS TO THE DE-**
9 **PARTMENT OF DEFENSE.**

10 (a) SIX-MONTH EXTENSION OF EXPIRING GOVERNMENT-
11 WIDE REQUIREMENTS.—Section 3536 of title 44, United
12 States Code, is amended to read as follows:

13 **“§ 3536. Expiration**

14 “This subchapter shall not be in effect after May 31,
15 2003.”.

16 (b) CONTINUED APPLICABILITY OF EXPIRING GOVERN-
17 MENTWIDE REQUIREMENTS TO DEPARTMENT OF DEFENSE.—

18 (1) Chapter 131 of title 10, United States Code, is amended
19 by inserting after section 2224 the following new section:

20 **“§ 2224a. Information security: continued applica-**
21 **bility of expiring Governmentwide re-**
22 **quirements to the Department of Defense**

23 “(a) IN GENERAL.—The provisions of subchapter II of
24 chapter 35 of title 44 shall continue to apply through Sep-
25 tember 30, 2004, with respect to the Department of Defense,
26 notwithstanding the expiration of authority under section 3536
27 of such title.

28 “(b) RESPONSIBILITIES.—In administering the provisions
29 of subchapter II of chapter 35 of title 44 with respect to the
30 Department of Defense after the expiration of authority under
31 section 3536 of such title, the Secretary of Defense shall per-
32 form the duties set forth in that subchapter for the Director
33 of the Office of Management and Budget.”.

34 (2) The table of sections at the beginning of such chapter
35 is amended by inserting after the item relating to section 2224
36 the following new item:

“2224a. Information security: continued applicability of expiring Govern-
mentwide requirements to the Department of Defense.”.

1 **SEC. 1053. TWO-YEAR EXTENSION OF AUTHORITY OF**
2 **THE SECRETARY OF DEFENSE TO ENGAGE**
3 **IN COMMERCIAL ACTIVITIES AS SECURITY**
4 **FOR INTELLIGENCE COLLECTION ACTIVI-**
5 **TIES ABROAD.**

6 Section 431(a) of title 10, United States Code, is amended
7 by striking “December 31, 2002” and inserting “December 31,
8 2004”.

9 **Subtitle F—Other Matters**

10 **SEC. 1061. TIME FOR TRANSMITTAL OF ANNUAL DE-**
11 **FENSE AUTHORIZATION LEGISLATIVE PRO-**
12 **POSAL.**

13 (a) IN GENERAL.—Chapter 2 of title 10, United States
14 Code, is amended by inserting after section 113 the following
15 new section:

16 **“§ 113a. Transmission of annual defense authoriza-**
17 **tion request**

18 “(a) TIME FOR TRANSMITTAL.—The Secretary of Defense
19 shall transmit to Congress the annual defense authorization re-
20 quest for a fiscal year during the first 30 days after the date
21 on which the President transmits to Congress the budget for
22 that fiscal year pursuant to section 1105 of title 31.

23 “(b) DEFENSE AUTHORIZATION REQUEST DEFINED.—In
24 this section, the term ‘defense authorization request’, with re-
25 spect to a fiscal year, means a legislative proposal submitted
26 to Congress for the enactment of the following:

27 “(1) Authorizations of appropriations for that fiscal
28 year, as required by section 114 of this title.

29 “(2) Personnel strengths for that fiscal year, as re-
30 quired by section 115 of this title.

31 “(3) Any other matter that is proposed by the Sec-
32 retary of Defense to be enacted as part of the annual de-
33 fense authorization bill for that fiscal year.”.

34 (b) CLERICAL AMENDMENT.—The table of sections at the
35 beginning of such chapter is amended by inserting after the
36 item relating to section 113 the following new item:

“113a. Transmission of annual defense authorization request.”.

1 **SEC. 1062. TECHNICAL AND CLERICAL AMENDMENTS.**

2 (a) TITLE 10, UNITED STATES CODE.—Title 10, United
3 States Code, is amended as follows:

4 (1) Section 153 is amended—

5 (A) by inserting “(a) PLANNING; ADVICE; POLICY
6 FORMULATION.—” at the beginning of the text; and

7 (B) by redesignating subsections (c) and (d) as
8 subsections (b) and (c), respectively.

9 (2) Section 624(d)(1) is amended by striking “sub-
10 section (d)(2)” in the second sentence and inserting “para-
11 graph (2)”.

12 (3) Section 661(b)(2) is amended by striking “the
13 date of the enactment of the National Defense Authoriza-
14 tion Act for Fiscal Year 2002” and inserting “December
15 28, 2001,”.

16 (4) Section 662(a)(2) is amended—

17 (A) in subparagraph (A), by striking “during the
18 three-year period beginning on the date of the enact-
19 ment of the National Defense Authorization Act for
20 Fiscal Year 2002,” and inserting “during the period
21 beginning on December 28, 2001, and ending on De-
22 cember 27, 2004,”; and

23 (B) in subparagraph (B), by striking “after the
24 end of the period specified in subparagraph (A)” and
25 inserting “after December 27, 2004”.

26 (5) Section 663(e)(2) is amended by striking “Armed
27 Forces Staff College” and inserting “Joint Forces Staff
28 College”.

29 (6) Section 1451(e)(3) is amended by striking “sec-
30 tion” before “clause”.

31 (7) Section 2162(b)(2) is amended by striking “the
32 date of the enactment of this paragraph” and inserting
33 “December 28, 2001,”.

34 (8) Section 2330(c) is amended by inserting a comma
35 after “a task order”.

36 (9) Section 2399(a)(2) is amended—

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1 (A) in the matter preceding subparagraph (A), by
2 striking “means—” and inserting “means a conven-
3 tional weapons system that—”; and

4 (B) in subparagraph (A), by striking “a conven-
5 tional weapons system that”.

6 (10)(A) Section 2410h is transferred to the end of
7 subchapter IV of chapter 87 and redesignated as section
8 1747.

9 (B) The item relating to that section in the table of
10 sections at the beginning of chapter 141 is transferred to
11 the end of the table of sections at the beginning of sub-
12 chapter IV of chapter 87 and amended to reflect the redес-
13 igation made by subparagraph (A).

14 (11) Section 2676(a) is amended by inserting an open
15 parenthesis before “41 U.S.C.”.

16 (12) Section 2677 is amended by striking subsection
17 (c).

18 (13) Section 2680(e) is amended by striking “the”
19 after “the Committee on” the first place it appears.

20 (14) Section 2815(b) is amended by striking “for fis-
21 cal year 2003 and each fiscal year thereafter” and insert-
22 ing “for any fiscal year”.

23 (15) Section 2828(b)(2) is amended by inserting
24 “time” after “from time to”.

25 (16) Sections 3755, 6257, and 8755, as added by sec-
26 tion 8143(c) of Public Law 107–248 (116 Stat. 1570), are
27 amended by striking “the date of the enactment of this sec-
28 tion” and inserting “October 23, 2002”.

29 (b) TITLE 14, UNITED STATES CODE.—Title 14, United
30 States Code, is amended as follows:

31 (1) Section 505, as added by section 8143(c)(4) of
32 Public Law 107–248 (116 Stat. 1571), is amended by
33 striking “the date of the enactment of this section” and in-
34 serting “October 23, 2002”.

35 (2) Section 516(c) is amended by striking “his sec-
36 tion” and inserting “this section”.

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1 (c) TITLE 37, UNITED STATES CODE.—Title 37, United
2 States Code, is amended as follows:

3 (1) Section 302j(a) is amended by striking “subsection
4 (c)” and inserting “subsection (d)”.

5 (2) Section 324(b) is amended by striking “(1)” before
6 “The Secretary”.

7 (d) PUBLIC LAW 107–248.—Section 8118(a) of Public
8 Law 107–248 (116 Stat. 1565) is amended by striking “sub-
9 section (i)” and inserting “subsection (j)”.

10 (e) PUBLIC LAW 107–217.—Effective as if included there-
11 in as originally enacted, section 3(b) of Public Law 107–217
12 is amended—

13 (1) in paragraph (8) (116 Stat. 1295), by inserting
14 “the second place it appears” before the semicolon; and

15 (2) in paragraph (34) (116 Stat. 1298), by striking
16 “section 7545(a)” and inserting “section 7545(c)”.

17 (f) PUBLIC LAW 107–107.—Effective as of December 28,
18 2001, and as if included therein as enacted, the National De-
19 fense Authorization Act for Fiscal Year 2002 (Public Law
20 107–107) is amended as follows:

21 (1) Section 602(a)(2) (115 Stat. 1132) is amended by
22 striking “an” in the first quoted matter.

23 (2) Section 1212(a)(5) (115 Stat. 1249) is amended
24 by inserting “in” after the paragraph designation.

25 (3) Section 1410(a)(3)(C) (115 Stat. 1266) by insert-
26 ing “both places it appears” before “and inserting”.

27 (4) Section 3007(d)(1)(C) (115 Stat. 1352) is amend-
28 ed by striking “2905(b)(7)(B)(iv)” and inserting
29 “2905(b)(7)(C)(iv)”.

30 (g) PUBLIC LAW 106–398.—Effective as of October 30,
31 2000, and as if included therein as enacted, the Floyd D.
32 Spence National Defense Authorization Act for Fiscal Year
33 2001 (as enacted into law by Public Law 106–398) is amended
34 as follows:

35 (1) Section 577(b)(2) (114 Stat. 1654A–140) is
36 amended by striking “Federal” in the quoted matter and
37 inserting “Department of Defense”.

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1 (2) Section 612(c)(4)(B) (114 Stat. 1654A–150) is
2 amended by striking the comma at the end of the first
3 quoted matter.

4 (h) PUBLIC LAW 106–246.—Section 136 of Public Law
5 106–246 (114 Stat. 520) is amended—

6 (1) in subsection (d)(7), by striking subparagraphs
7 (B) and (C) and inserting the following new subpara-
8 graphs:

9 “(B) Section 1302 of title 40, United States Code.

10 “(C) Subtitle I of title 40, United States Code.”; and

11 (2) in subsection (e)(3), by striking subparagraph (B)
12 and inserting the following new subparagraph:

13 “(B) Subtitle I of title 40, United States Code.”.

14 (i) PUBLIC LAW 106–181.—Section 740(a)(1) of the Wen-
15 dell H. Ford Aviation Investment and Reform Act for the 21st
16 Century (10 U.S.C. 2576 note) is amended by striking “section
17 202 of the Federal Property and Administrative Services Act
18 of 1949 (40 U.S.C. 483)” and inserting “subchapter II of
19 chapter 5 of title 40, United States Code,”.

20 (j) PUBLIC LAW 106–65.—The National Defense Author-
21 ization Act for Fiscal Year 2000 (Public Law 106–65) is
22 amended as follows:

23 (1) Section 573(b) (10 U.S.C. 513 note) is amended
24 by inserting a period at the end of paragraph (2).

25 (2) Section 1305(6) (22 U.S.C. 5952 note) is amended
26 by striking the first period after “facility”.

27 (k) PUBLIC LAW 104–307.—Section 2(a)(1) of the Wild-
28 fire Suppression Aircraft Transfer Act of 1996 (10 U.S.C.
29 2576 note) is amended by striking “section 202 of the Federal
30 Property and Administrative Services Act of 1949 (40 U.S.C.
31 483)” and inserting “subchapter II of chapter 5 of title 40,
32 United States Code,”.

33 (l) PUBLIC LAW 103–337.—Section 2814 of the National
34 Defense Authorization Act for Fiscal Year 1995 (Public Law
35 103–337) is amended by striking “the Public Buildings Act of
36 1959 (40 U.S.C. 601 et seq.) and the Federal Property and
37 Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)”

1 and inserting “chapter 5 or 33 of title 40, United States
2 Code”.

3 (m) PUBLIC LAW 101–510.—The National Defense Au-
4 thorization Act for Fiscal Year 1991 (Public Law 101–510) is
5 amended as follows:

6 (1) Section 2905(b)(1) (10 U.S.C. 2687 note) is
7 amended—

8 (A) in subparagraph (A), by striking “section 202
9 of the Federal Property and Administrative Services
10 Act of 1949 (40 U.S.C. 483)” and inserting “sub-
11 chapter II of chapter 5 of title 40, United States
12 Code”; and

13 (B) in subparagraph (B), by striking “section 203
14 of that Act (40 U.S.C. 484)” and inserting “sub-
15 chapter III of chapter 5 of title 40, United States
16 Code”.

17 (2) Section 2905(b)(4)(F) is amended by striking
18 “sections 202 and 203 of the Federal Property and Admin-
19 istrative Services Act of 1949 (40 U.S.C. 483, 484)” and
20 inserting “subchapters II and III of chapter 5 of title 40,
21 United States Code,”.

22 (3) Section 2905(b)(7) is amended by striking “section
23 203(k) of the Federal Property and Administrative Services
24 Act of 1949 (40 U.S.C. 484(k))” in subparagraphs (K)(v),
25 (L)(iv)(V), and (P) and inserting “section 550 of title 40,
26 United States Code,”.

27 (4) Section 2926(d)(2) is amended by striking “title
28 IX of the Federal Property and Administrative Services
29 Act (Public Law 92–582; 40 U.S.C. 541 et seq., as amend-
30 ed)” and inserting “chapter 11 of title 40, United States
31 Code”.

32 (n) PUBLIC LAW 100–526.—The Defense Authorization
33 Amendments and Base Closure and Realignment Act (Public
34 Law 100–526) is amended as follows:

35 (1) Section 204(b)(1) (10 U.S.C. 2687 note) is
36 amended—

1 (A) in subparagraph (A), by striking “section 202
2 of the Federal Property and Administrative Services
3 Act of 1949 (40 U.S.C. 483)” and inserting “sub-
4 chapter II of chapter 5 of title 40, United States
5 Code”; and

6 (B) in subparagraph (B), by striking “section 203
7 of that Act (40 U.S.C. 484)” and inserting “sub-
8 chapter III of chapter 5 of title 40, United States
9 Code”.

10 (2) Section 204(b)(4)(F) is amended by striking “sec-
11 tions 202 and 203 of the Federal Property and Administra-
12 tive Services Act of 1949 (40 U.S.C. 483, 484)” and in-
13 serting “subchapters II and III of chapter 5 of title 40,
14 United States Code,”.

15 (o) OTHER LAWS.—(1) Section 502(a) of the National
16 Emergencies Act (50 U.S.C. 1651(a)) is amended by striking
17 paragraph (2) and redesignating paragraphs (3) through (7) as
18 paragraphs (1) through (5), respectively.

19 (2) Section 10(b)(8) of the Military Selective Service Act
20 (50 U.S.C. App. 460(b)(8)) is amended by striking “Public
21 Law 26” and all that follows through the period at the end of
22 the paragraph and inserting “the Act of March 31, 1947 (50
23 U.S.C. App. 321 et seq.)”.

24 (3) The Defense Production Act of 1950 is amended in
25 both section 305(i) and section 306(j) (50 U.S.C. App. 2095(i),
26 2096(j))—

27 (A) in the first sentence, by striking “the Act entitled”
28 and all that follows through the period at the end of the
29 sentence and inserting “subchapter IV of chapter 31 of
30 title 40, United States Code.”; and

31 (B) in the last sentence, by striking “and section
32 276(c) of title 40”.

1 **SEC. 1063. USE FOR LAW ENFORCEMENT PURPOSES OF**
2 **DNA SAMPLES MAINTAINED BY DEPART-**
3 **MENT OF DEFENSE FOR IDENTIFICATION OF**
4 **HUMAN REMAINS.**

5 (a) IN GENERAL.—Chapter 80 of title 10, United States
6 Code, is amended by inserting after section 1565 the following
7 new section:

8 **“§ 1565a. DNA samples maintained for identifica-**
9 **tion of human remains: use for law en-**
10 **forcement purposes**

11 “(a) COMPLIANCE WITH COURT ORDER.—(1) Subject to
12 paragraph (2), if a valid order of a Federal court (or military
13 judge) so requires, an element of the Department of Defense
14 that maintains a repository of DNA samples for the purpose
15 of identification of human remains shall make available, for the
16 purpose specified in subsection (b), such DNA samples on such
17 terms and conditions as such court (or military judge) directs.

18 “(2) A DNA sample with respect to an individual shall be
19 provided under paragraph (1) in a manner that does not com-
20 promise the ability of the Department of Defense to maintain
21 a sample with respect to that individual for the purpose of
22 identification of human remains.

23 “(b) COVERED PURPOSE.—The purpose referred to in
24 subsection (a) is the purpose of an investigation or prosecution
25 of a felony, or any sexual offense, for which no other source
26 of DNA information is reasonably available.

27 “(c) DEFINITION.—In this section, the term ‘DNA sample’
28 has the meaning given such term in section 1565(c) of this
29 title.”.

30 (b) CLERICAL AMENDMENT.—The table of sections at the
31 beginning of such chapter is amended by inserting after the
32 item relating to section 1565 the following new item:

“1565a. DNA samples maintained for identification of human remains: use
for law enforcement purposes.”.

1 **SEC. 1064. ENHANCED AUTHORITY TO OBTAIN FOREIGN**
2 **LANGUAGE SERVICES DURING PERIODS OF**
3 **EMERGENCY.**

4 (a) NATIONAL FOREIGN LANGUAGE SKILLS REGISTRY.—

5 (1) Chapter 81 of title 10, United States Code, is amended by
6 inserting after section 1596a the following new section:

7 **“§ 1596b. Foreign language proficiency: National**
8 **Foreign Language Skills Registry**

9 “(a) ESTABLISHMENT.—(1) The Secretary of Defense may
10 establish and maintain a registry of persons who—

11 “(A) have proficiency in one or more critical foreign
12 languages;

13 “(B) are willing to provide linguistic services to the
14 United States in the interests of national security during
15 war or a national emergency; and

16 “(C) meet the eligibility requirements of subsection
17 (b).

18 “(2) The registry shall be known as the ‘National Foreign
19 Language Skills Registry’ (in this section referred to as the
20 ‘Registry’).

21 “(b) ELIGIBLE PERSONS.—To be eligible for listing on the
22 Registry, a person—

23 “(1) must be—

24 “(A) a national of the United States (as defined
25 in section 101(a)(22) of the Immigration and Nation-
26 ality Act (8 U.S.C. 1101(a)(22))); or

27 “(B) an alien lawfully admitted for permanent res-
28 idence (as defined in section 101(a)(20) of the Immi-
29 gration and Nationality Act (8 U.S.C. 1101(a)(20)));

30 “(2) shall express willingness, in a form and manner
31 prescribed by the Secretary—

32 “(A) to provide linguistic services for a foreign
33 language as described in subsection (a); and

34 “(B) to be listed on the Registry; and

35 “(3) shall meet such language proficiency and other
36 selection criteria as may be prescribed by the Secretary.

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1 “(c) REGISTERED INFORMATION.—The Registry shall consist of the following:

2
3 “(1) The names of eligible persons selected by the Secretary for listing on the Registry.

4
5 “(2) Such other information on such persons as the Secretary determines pertinent to the use of such persons to provide linguistic services as described in subsection (a).

6
7
8 “(d) PROTECTION OF PRIVACY.—The Secretary may withhold from public disclosure the information maintained in the Registry in accordance with section 552a of title 5.

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10
11 “(e) DESIGNATION OF CRITICAL FOREIGN LANGUAGES.—The Secretary shall designate those languages that are critical foreign languages for the purposes of this section. The Secretary shall make such a designation for any foreign language for which there is a shortage of experts in translation or interpretation available to meet requirements of the Secretary or of the head of any other department or agency of the United States for translation or interpretation in the national security interests of the United States.

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19 “(f) LINGUISTIC SERVICES DEFINED.—In this section, the term ‘linguistic services’ means translation or interpretation of communication in a foreign language.”

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21
22
23 (2) The table of sections at the beginning of such chapter is amended by inserting after section 1596a the following new item:

24
25 “1596b. Foreign language proficiency: National Foreign Language Skills Registry.”

26 (b) AUTHORITY TO ACCEPT VOLUNTARY TRANSLATION AND INTERPRETATION SERVICES.—Section 1588(a) of title 10, United States Code, is amended by adding after paragraph (6), as added by section 553, the following new paragraph:

27
28
29
30 “(7) Voluntary translation or interpretation services offered with respect to a foreign language by a person (A) who is registered for such foreign language on the National Foreign Language Skills Registry under section 1596b of this title, or (B) who otherwise is approved to provide voluntary translation or interpretation services for national se-

1 curity purposes, as determined by the Secretary of De-
2 fense.”.

3 **SEC. 1065. REWARDS FOR ASSISTANCE IN COMBATING**
4 **TERRORISM.**

5 (a) **AUTHORITY.**—Chapter 3 of title 10, United States
6 Code, is amended by inserting after section 127a the following
7 new section:

8 **“§ 127b. Assistance in combating terrorism: re-**
9 **wards**

10 “(a) **AUTHORITY.**—The Secretary of Defense may pay a
11 monetary amount, or provide a payment-in-kind, to a person as
12 a reward for providing United States Government personnel
13 with information or nonlethal assistance that is beneficial to—

14 “(1) an operation or activity of the armed forces con-
15 ducted outside the United States against international ter-
16 rorism; or

17 “(2) force protection of the armed forces.

18 “(b) **LIMITATION.**—The amount or value of a reward pro-
19 vided under this section may not exceed \$200,000.

20 “(c) **DELEGATION OF AUTHORITY.**—(1) The authority of
21 the Secretary of Defense under subsection (a) may be delegated
22 only—

23 “(A) to the Deputy Secretary of Defense and an
24 Under Secretary of Defense, without further redelegation;
25 and

26 “(B) to the commander of a combatant command, but
27 only for a reward in an amount or with a value not in ex-
28 cess of \$50,000.

29 “(2) A commander of a combatant command to whom au-
30 thority to provide rewards under this section is delegated under
31 paragraph (1) may further delegate that authority, but only for
32 a reward in an amount or with a value not in excess of \$2,500,
33 except that such a delegation may be made to the commander’s
34 deputy commander without regard to such limitation.

35 “(d) **COORDINATION.**—(1) The Secretary of Defense shall
36 prescribe policies and procedures for the offering and making
37 of rewards under this section and otherwise for administering

1 the authority under this section. Such policies and procedures
2 shall be prescribed in consultation with the Secretary of State
3 and the Attorney General and shall ensure that the making of
4 a reward under this section does not duplicate or interfere with
5 the payment of a reward authorized by the Secretary of State
6 or the Attorney General.

7 “(2) The Secretary of Defense shall consult with the Sec-
8 retary of State regarding the making of any reward under this
9 section in an amount or with a value in excess of \$100,000.

10 “(e) PERSONS NOT ELIGIBLE.—The following persons are
11 not eligible to receive a reward under this section:

12 “(1) A citizen of the United States.

13 “(2) An officer or employee of the United States.

14 “(3) An employee of a contractor of the United States.

15 “(f) ANNUAL REPORT.—(1) Not later than December 1 of
16 each year, the Secretary of Defense shall submit to the Com-
17 mittees on Armed Services of the Senate and the House of
18 Representatives a report on the administration of the rewards
19 program under this section during the preceding fiscal year.

20 “(2) Each report for a fiscal year under this subsection
21 shall include the following:

22 “(A) Information on the total amount expended during
23 that fiscal year to carry out the rewards program under
24 this section during that fiscal year.

25 “(B) Specification of the amount, if any, expended
26 during that fiscal year to publicize the availability of re-
27 wards under this section.

28 “(C) With respect to each reward provided during that
29 fiscal year—

30 “(i) the amount or value of the reward and wheth-
31 er the reward was provided as a monetary payment or
32 in some other form;

33 “(ii) the recipient of the reward; and

34 “(iii) a description of the information or assistance
35 for which the reward was paid, together with an assess-
36 ment of the significance and benefit of the information
37 or assistance.

1 “(3) The Secretary may submit the report in classified
2 form if the Secretary determines that it is necessary to do so.

3 “(g) DETERMINATIONS BY THE SECRETARY.—A deter-
4 mination by the Secretary under this section is final and con-
5 clusive and is not subject to judicial review.”.

6 (b) CLERICAL AMENDMENT.—The table of sections at the
7 beginning of such chapter is amended by inserting after the
8 item relating to section 127a the following new item:

“127b. Assistance in combating terrorism: rewards.”.

9 **SEC. 1066. PROVISION OF SPACE AND SERVICES TO**
10 **MILITARY WELFARE SOCIETIES.**

11 (a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—
12 Chapter 152 of title 10, United States Code, is amended by
13 adding at the end the following new section:

14 **“§ 2566. Space and services: provision to military**
15 **welfare societies**

16 “(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—
17 The Secretary of a military department may provide, without
18 charge, space and services under the jurisdiction of that Sec-
19 retary to a military welfare society.

20 “(b) DEFINITIONS.—In this section:

21 “(1) The term ‘military welfare society’ means the fol-
22 lowing:

23 “(A) The Army Emergency Relief Society.

24 “(B) The Navy-Marine Corps Relief Society.

25 “(C) The Air Force Aid Society, Inc.

26 “(2) The term ‘services’ includes lighting, heating,
27 cooling, electricity, office furniture, office machines and
28 equipment, telephone and other information technology
29 services (including installation of lines and equipment,
30 connectivity, and other associated services), and security
31 systems (including installation and other associated ex-
32 penses).”.

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

“2566. Space and services: provision to military welfare societies.”.

4 **SEC. 1067. PREVENTION AND MITIGATION OF CORRO-**
5 **SION OF MILITARY EQUIPMENT AND INFRA-**
6 **STRUCTURE.**

7 (a) IN GENERAL.—(1) Chapter 131 of title 10, United
8 States Code, is amended by adding at the end the following
9 new section:

10 **“§ 2228. Military equipment and infrastructure:**
11 **prevention and mitigation of corrosion**

12 “(a) DESIGNATION OF RESPONSIBLE OFFICIAL OR ORGA-
13 NIZATION.—The Secretary of Defense shall designate an officer
14 or employee of the Department of Defense, or a standing board
15 or committee of the Department of Defense, as the senior offi-
16 cial or organization responsible in the Department to the Sec-
17 retary of Defense (after the Under Secretary of Defense for Ac-
18 quisition, Technology, and Logistics) for the prevention and
19 mitigation of corrosion of the military equipment and infra-
20 structure of the Department.

21 “(b) DUTIES.—(1) The official or organization designated
22 under subsection (a) shall oversee and coordinate efforts
23 throughout the Department of Defense to prevent and mitigate
24 corrosion of the military equipment and infrastructure of the
25 Department. The duties under this paragraph shall include the
26 duties specified in paragraphs (2) through (5).

27 “(2) The designated official or organization shall develop
28 and recommend any policy guidance on the prevention and
29 mitigation of corrosion to be issued by the Secretary of De-
30 fense.

31 “(3) The designated official or organization shall review
32 the programs and funding levels proposed by the Secretary of
33 each military department during the annual internal Depart-
34 ment of Defense budget review process as those programs and
35 funding proposals relate to programs and funding for the pre-
36 vention and mitigation of corrosion and shall submit to the Sec-

1 retary of Defense recommendations regarding those programs
2 and proposed funding levels.

3 “(4) The designated official or organization shall provide
4 oversight and coordination of the efforts within the Department
5 of Defense to prevent or mitigate corrosion during—

6 “(A) the design, acquisition, and maintenance of mili-
7 tary equipment; and

8 “(B) the design, construction, and maintenance of in-
9 frastructure.

10 “(5) The designated official or organization shall monitor
11 acquisition practices within the Department of Defense—

12 “(A) to ensure that the use of corrosion prevention
13 technologies and the application of corrosion prevention
14 treatments are fully considered during research and devel-
15 opment in the acquisition process; and

16 “(B) to ensure that, to the extent determined appro-
17 priate for each acquisition program, such technologies and
18 treatments are incorporated into that program, particularly
19 during the engineering and design phases of the acquisition
20 process.

21 “(c) LONG-TERM STRATEGY.—(1) The Secretary of De-
22 fense shall develop and implement a long-term strategy to re-
23 duce corrosion and the effects of corrosion on the military
24 equipment and infrastructure of the Department of Defense.

25 “(2) The strategy under paragraph (1) shall include the
26 following:

27 “(A) Expansion of the emphasis on corrosion preven-
28 tion and mitigation within the Department of Defense to
29 include coverage of infrastructure.

30 “(B) Application uniformly throughout the Depart-
31 ment of Defense of requirements and criteria for the test-
32 ing and certification of new corrosion-prevention tech-
33 nologies for equipment and infrastructure with similar
34 characteristics, similar missions, or similar operating envi-
35 ronments.

36 “(C) Implementation of programs, including sup-
37 porting databases, to ensure that a focused and coordinated

1 approach is taken throughout the Department of Defense
2 to collect, review, validate, and distribute information on
3 proven methods and products that are relevant to the pre-
4 ventation of corrosion of military equipment and infrastruc-
5 ture.

6 “(D) Establishment of a coordinated research and de-
7 velopment program for the prevention and mitigation of
8 corrosion for new and existing military equipment and in-
9 frastructure that includes a plan to transition new corro-
10 sion prevention technologies into operational systems.

11 “(3) The strategy shall include, for the matters specified
12 in paragraph (2), the following:

13 “(A) Policy guidance.

14 “(B) Performance measures and milestones.

15 “(C) An assessment of the necessary personnel and
16 funding necessary to accomplish the long-term strategy.

17 “(d) DEFINITIONS.—In this section:

18 “(1) The term ‘corrosion’ means the deterioration of
19 a material or its properties due to a reaction of that mate-
20 rial with its chemical environment.

21 “(2) The term ‘military equipment’ includes all weap-
22 on systems, weapon platforms, vehicles, and munitions of
23 the Department of Defense, and the components of such
24 items.

25 “(3) The term ‘infrastructure’ includes all buildings,
26 structures, airfields, port facilities, surface and subterra-
27 nean utility systems, heating and cooling systems, fuel
28 tanks, pavements, and bridges.”.

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

“2228. Military equipment and infrastructure: prevention and mitigation of
corrosion.”.

31 (b) DEADLINE FOR DESIGNATION OF RESPONSIBLE OFFI-
32 CIAL OR ORGANIZATION.—The Secretary of Defense shall des-
33 ignate an officer, employee, or standing board or committee of
34 the Department of Defense under subsection (a) of section
35 2228 of title 10, United States Code, as added by subsection

1 (a), not later than 90 days after the date of the enactment of
2 this Act.

3 (c) INTERIM REPORT.—When the President submits the
4 budget for fiscal year 2004 to Congress pursuant to section
5 1105(a) of title 31, United States Code, the Secretary of De-
6 fense shall submit to Congress a report regarding the actions
7 taken to that date under section 2228 of title 10, United States
8 Code, as added by subsection (a). That report shall include the
9 following:

10 (1) A description of the organizational structure for
11 the personnel carrying out the responsibilities of the official
12 or organization designated under subsection (a) of that sec-
13 tion with respect to the prevention and mitigation of corro-
14 sion.

15 (2) An outline for the long-term strategy for preven-
16 tion and mitigation of corrosion required by subsection (c)
17 of that section and milestones for development of that
18 strategy.

19 (d) DEADLINE FOR LONG-TERM STRATEGY.—The Sec-
20 retary of Defense shall submit to Congress a report setting
21 forth the long-term strategy required under subsection (c) of
22 section 2228 of title 10, United States Code, as added by sub-
23 section (a), not later than one year after the date of the enact-
24 ment of this Act.

25 (e) GAO REVIEW.—The Comptroller General shall mon-
26 itor the implementation of the long-term strategy required
27 under subsection (c) of section 2228 of title 10, United States
28 Code, as added by subsection (a), and, not later than 18
29 months after the date of the enactment of this Act, shall sub-
30 mit to Congress an assessment of the extent to which that
31 strategy has been implemented.

32 **SEC. 1068. TRANSFER OF HISTORIC DF-9E PANTHER**
33 **AIRCRAFT TO WOMEN AIRFORCE SERVICE**
34 **PILOTS MUSEUM.**

35 (a) AUTHORITY TO CONVEY.—The Secretary of the Navy
36 may convey, without consideration, to the Women Airforce
37 Service Pilots Museum in Quartzsite, Arizona (in this section

1 referred to as the “W.A.S.P. Museum”), all right, title, and in-
2 terest of the United States in and to a DF–9E Panther aircraft
3 (Bureau Number 125316). The conveyance shall be made by
4 means of a conditional deed of gift.

5 (b) **CONDITION OF AIRCRAFT.**—The aircraft shall be con-
6 veyed under subsection (a) in its current unflyable, “as is” con-
7 dition. The Secretary is not required to repair or alter the con-
8 dition of the aircraft before conveying ownership of the aircraft.

9 (c) **REVERTER UPON BREACH OF CONDITIONS.**—The Sec-
10 retary shall include in the instrument of conveyance of the air-
11 craft under subsection (a) the following conditions:

12 (1) The W.A.S.P. Museum may not convey any owner-
13 ship interest in, or transfer possession of, the aircraft to
14 any other party without the prior approval of the Secretary.

15 (2) If the Secretary determines at any time that the
16 W.A.S.P. Museum has conveyed an ownership interest in,
17 or transferred possession of, the aircraft to any other party
18 without the prior approval of the Secretary, all right, title,
19 and interest in and to the aircraft, including any repair or
20 alteration of the aircraft, shall revert to the United States,
21 and the United States shall have the right of immediate
22 possession of the aircraft.

23 (d) **CONVEYANCE AT NO COST TO THE UNITED**
24 **STATES.**—The conveyance of the aircraft under subsection (a)
25 shall be made at no cost to the United States. Any costs associ-
26 ated with the conveyance, costs of determining compliance with
27 subsection (b), and costs of operation and maintenance of the
28 aircraft conveyed shall be borne by the W.A.S.P. Museum.

29 (e) **ADDITIONAL TERMS AND CONDITIONS.**—The Sec-
30 retary may require such additional terms and conditions in con-
31 nection with a conveyance under this section as the Secretary
32 considers appropriate to protect the interests of the United
33 States.

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1 **SEC. 1069. INCREASE IN AMOUNT AUTHORIZED TO BE**
2 **EXPENDED FOR DEPARTMENT OF DEFENSE**
3 **PROGRAM TO COMMEMORATE 50TH ANNI-**
4 **VERSARY OF THE KOREAN WAR.**

5 Section 1083(f)(2) of the National Defense Authorization
6 Act for Fiscal Year 1998 (10 U.S.C. 113 note) is amended by
7 striking “\$7,000,000” and inserting “\$10,000,000”.

1 **TITLE XI—DEPARTMENT OF**
2 **DEFENSE CIVILIAN PERSONNEL**

Sec. 1101. Eligibility of Department of Defense nonappropriated fund employees for long-term care insurance.

Sec. 1102. Extension of Department of Defense authority to make lump-sum severance payments.

Sec. 1103. Continuation of Federal Employee Health Benefits Program eligibility.

Sec. 1104. Certification for Department of Defense professional accounting positions.

3 **SEC. 1101. ELIGIBILITY OF DEPARTMENT OF DEFENSE**
4 **NONAPPROPRIATED FUND EMPLOYEES FOR**
5 **LONG-TERM CARE INSURANCE.**

6 (a) IN GENERAL.—Section 9001(1) of title 5, United
7 States Code, is amended—

8 (1) in subparagraph (B), by striking “and”;

9 (2) in subparagraph (C), by striking the comma at the
10 end and inserting “; and”; and

11 (3) by inserting after subparagraph (C) the following
12 new subparagraph:

13 “(D) an employee of a nonappropriated fund in-
14 strumentality of the Department of Defense described
15 in section 2105(c).”.

16 (b) DISCRETIONARY AUTHORITY.—Section 9002 of such
17 title is amended—

18 (1) by redesignating subsections (b), (c), (d), and (e)
19 as subsections (c), (d), (e), and (f), respectively; and

20 (2) by inserting after subsection (a) the following new
21 subsection (b):

22 “(b) DISCRETIONARY AUTHORITY REGARDING NON-
23 APPROPRIATED FUND INSTRUMENTALITIES.—The Secretary of
24 Defense may determine that a nonappropriated fund instru-
25 mentality of the Department of Defense is covered under this
26 chapter or is covered under an alternative long-term care insur-
27 ance program.”.

1 **SEC. 1102. EXTENSION OF DEPARTMENT OF DEFENSE**
2 **AUTHORITY TO MAKE LUMP-SUM SEVER-**
3 **ANCE PAYMENTS.**

4 (a) IN GENERAL.—Section 5595(i)(4) of title 5, United
5 States Code, is amended by striking “2003” and inserting
6 “2006”.

7 (b) REPORT.—Not later than one year after the date of
8 the enactment of this Act, the President shall submit to the
9 Committees on Armed Services and on Governmental Affairs of
10 the Senate and the Committees on Armed Services and on Gov-
11 ernment Reform of the House of Representatives a report, in-
12 cluding recommendations, on whether the authority under sec-
13 tion 5595(i) of title 5, United States Code, should be made per-
14 manent or expanded to be made Governmentwide.

15 **SEC. 1103. CONTINUATION OF FEDERAL EMPLOYEE**
16 **HEALTH BENEFITS PROGRAM ELIGIBILITY.**

17 Paragraph (4)(B) of section 8905a(d) of title 5, United
18 States Code, is amended—

19 (1) in clause (i), by striking “2003” and inserting
20 “2006”; and

21 (2) in clause (ii)—

22 (A) by striking “2004” and inserting “2007”; and

23 (B) by striking “2003” and inserting “2006”.

24 **SEC. 1104. CERTIFICATION FOR DEPARTMENT OF DE-**
25 **FENSE PROFESSIONAL ACCOUNTING POSI-**
26 **TIONS.**

27 (a) IN GENERAL.—(1) Chapter 81 of title 10, United
28 States Code, is amended by adding at the end the following
29 new section:

30 **“§ 1599d. Professional accounting positions: au-**
31 **thority to prescribe certification and cre-**
32 **dential standards**

33 “(a) AUTHORITY TO PRESCRIBE PROFESSIONAL CERTIFI-
34 CATION STANDARDS.—The Secretary of Defense may prescribe
35 professional certification and credential standards for profes-
36 sional accounting positions within the Department of Defense.
37 Any such standard shall be prescribed as a Department of De-
38 fense regulation.

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1 “(b) WAIVER AUTHORITY.—The Secretary may waive any
2 standard prescribed under subsection (a) whenever the Sec-
3 retary determines such a waiver to be appropriate.

4 “(c) APPLICABILITY.—A standard prescribed under sub-
5 section (a) shall not apply to any person employed by the De-
6 partment of Defense before the standard is prescribed.

7 “(d) REPORT.—The Secretary of Defense shall submit to
8 Congress a report on the Secretary’s plans to provide training
9 to appropriate Department of Defense personnel to meet any
10 new professional and credential standards prescribed under
11 subsection (a). Such report shall be prepared in conjunction
12 with the Director of the Office of Personnel Management. Such
13 a report shall be submitted not later than one year after the
14 effective date of any regulations, or any revision to regulations,
15 prescribed pursuant to subsection (a).

16 “(e) DEFINITION.—In this section, the term ‘professional
17 accounting position’ means a position or group of positions in
18 the GS–510, GS–511, and GS–505 series that involves profes-
19 sional accounting work.”.

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

“1599d. Professional accounting positions: authority to prescribe certifi-
cation and credential standards.”.

22 (b) EFFECTIVE DATE.—Standards established pursuant to
23 section 1599d of title 10, United States Code, as added by sub-
24 section (a), may take effect no sooner than 120 days after the
25 date of the enactment of this Act.

1 **TITLE XII—MATTERS RELATING TO**
 2 **OTHER NATIONS**

- Sec. 1201. Authority to provide administrative services and support for coalition liaison officers.
- Sec. 1202. Authority to pay for certain travel of defense personnel of countries participating in NATO Partnership for Peace program.
- Sec. 1203. Limitation on funding for Joint Data Exchange Center in Moscow.
- Sec. 1204. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
- Sec. 1205. Comprehensive annual report to Congress on coordination and integration of all United States nonproliferation activities.
- Sec. 1206. Report requirement regarding Russian proliferation to Iran and other countries of proliferation concern.
- Sec. 1207. Monitoring of implementation of 1979 agreement between the United States and China on cooperation in science and technology.
- Sec. 1208. Extension of certain counterproliferation activities and programs.
- Sec. 1209. Semiannual report by Director of Central Intelligence on contributions by foreign persons to efforts by countries of proliferation concern to obtain weapons of mass destruction and their delivery systems.
- Sec. 1210. Report on feasibility and advisability of senior officer exchanges between the Armed Forces of the United States and the military forces of Taiwan.
- Sec. 1211. Report on United States force structure in the Pacific.

3 **SEC. 1201. AUTHORITY TO PROVIDE ADMINISTRATIVE**
 4 **SERVICES AND SUPPORT FOR COALITION LI-**
 5 **AIISON OFFICERS.**

6 (a) **AUTHORITY.**—(1) Chapter 53 of title 10, United
 7 States Code, is amended by inserting after section 1051 the fol-
 8 lowing new section:

9 **“§ 1051a. Coalition liaison officers: administrative**
 10 **services and support; travel, subsistence,**
 11 **and other personal expenses**

12 “(a) **AUTHORITY.**—The Secretary of Defense may provide
 13 administrative services and support for the performance of du-
 14 ties by a liaison officer of another nation involved in a coalition
 15 with the United States while the liaison officer is assigned tem-
 16 porarily to the headquarters of a combatant command, compo-
 17 nent command, or subordinate operational command of the
 18 United States in connection with the planning for, or conduct
 19 of, a coalition operation.

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1 “(b) TRAVEL AND SUBSISTENCE EXPENSES.—(1) The
2 Secretary may pay the expenses specified in paragraph (2) of
3 a liaison officer of a developing country in connection with the
4 assignment of that officer to the headquarters of a combatant
5 command as described in subsection (a), if the assignment is
6 requested by the commander of the combatant command.

7 “(2) Expenses of a liaison officer that may be paid under
8 paragraph (1) in connection with an assignment described in
9 that paragraph are the following:

10 “(A) Travel and subsistence expenses.

11 “(B) Personal expenses directly necessary to carry out
12 the duties of that officer in connection with that assign-
13 ment.

14 “(c) REIMBURSEMENT.—To the extent that the Secretary
15 determines appropriate, the Secretary may provide the services
16 and support authorized by subsection (a) and the expenses au-
17 thorized by subsection (b) with or without reimbursement from
18 (or on behalf of) the recipients.

19 “(d) DEFINITIONS.—In this section:

20 “(1) The term ‘administrative services and support’
21 includes base or installation support services, office space,
22 utilities, copying services, fire and police protection, and
23 computer support.

24 “(2) The term ‘coalition’ means an ad hoc arrange-
25 ment between or among the United States and one or more
26 other nations for common action.

27 “(e) EXPIRATION OF AUTHORITY.—The authority under
28 this section shall expire on September 30, 2005.”.

29 (2) The table of sections at the beginning of such chapter
30 is amended by inserting after the item relating to section 1051
31 the following new item:

“1051a. Coalition liaison officers: administrative services and support; trav-
el, subsistence, and other personal expenses.”.

32 (b) GAO REPORT.—Not later than March 1, 2005, the
33 Comptroller General shall submit to the Committees on Armed
34 Services of the Senate and House of Representatives a report
35 providing an assessment of the implementation of section

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1 1051a of title 10, United States Code, as added by subsection
2 (a). The assessment shall include the following:

3 (1) A description of the benefits to coalition operations
4 of the authority provided by that section.

5 (2) A statement of the cost to the Department of De-
6 fense of the use of the authority provided by that section.

7 (3) A summary of activities carried out under the au-
8 thority provided by that section, including (A) the number
9 of liaison officers for whom administrative services and
10 support or expenses were provided under that authority
11 and their countries of origin, and (B) the type of services,
12 support, and expenses provided.

13 **SEC. 1202. AUTHORITY TO PAY FOR CERTAIN TRAVEL OF**
14 **DEFENSE PERSONNEL OF COUNTRIES PAR-**
15 **TICIPATING IN NATO PARTNERSHIP FOR**
16 **PEACE PROGRAM.**

17 (a) **AUTHORITY FOR USE OF FUNDS.**—Section 1051(b) of
18 title 10, United States Code, is amended—

19 (1) in paragraph (1), by striking “paragraph (2)” and
20 inserting “paragraphs (2) and (3)”;

21 (2) by redesignating paragraph (3) as paragraph (4);
22 and

23 (3) by inserting after paragraph (2) the following new
24 paragraph (3):

25 “(3) In the case of defense personnel of a developing coun-
26 try that is not a member of the North Atlantic Treaty Organi-
27 zation and that is participating in the Partnership for Peace
28 program of the North Atlantic Treaty Organization (NATO),
29 expenses authorized to be paid under subsection (a) may be
30 paid in connection with travel of personnel to the territory of
31 any of the countries participating in the Partnership for Peace
32 program or the territory of any NATO member country.”.

33 (b) **EFFECTIVE DATE.**—The amendments made by sub-
34 section (a) shall apply only with respect to travel performed on
35 or after the date of the enactment of this Act.

1 **SEC. 1203. LIMITATION ON FUNDING FOR JOINT DATA**
2 **EXCHANGE CENTER IN MOSCOW.**

3 (a) **LIMITATION.**—Not more than 50 percent of the funds
4 made available to the Department of Defense for fiscal year
5 2003 for activities associated with the Joint Data Exchange
6 Center in Moscow, Russia, may be obligated or expended for
7 any such activity until—

8 (1) the United States and the Russian Federation
9 enter into a cost-sharing agreement as described in sub-
10 section (d) of section 1231 of the Floyd D. Spence Na-
11 tional Defense Authorization Act for Fiscal Year 2001 (as
12 enacted into law by Public Law 106-398; 114 Stat.
13 1654A-329);

14 (2) the United States and the Russian Federation
15 enter into an agreement or agreements exempting the
16 United States and any United States person from Russian
17 taxes, and from liability under Russian laws, with respect
18 to activities associated with the Joint Data Exchange Cen-
19 ter;

20 (3) the Secretary of Defense submits to the Committee
21 on Armed Services of the Senate and the Committee on
22 Armed Services of the House of Representatives a copy of
23 each agreement referred to in paragraphs (1) and (2); and

24 (4) a period of 30 days has expired after the date of
25 the final submission under paragraph (3).

26 (b) **JOINT DATA EXCHANGE CENTER.**—For purposes of
27 this section, the term “Joint Data Exchange Center” means
28 the United States-Russian Federation joint center for the ex-
29 change of data to provide early warning of launches of ballistic
30 missiles and for notification of such launches that is provided
31 for in a joint United States-Russian Federation memorandum
32 of agreement signed in Moscow in June 2000.

33 **SEC. 1204. SUPPORT OF UNITED NATIONS-SPONSORED**
34 **EFFORTS TO INSPECT AND MONITOR IRAQI**
35 **WEAPONS ACTIVITIES.**

36 (a) **LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL**
37 **YEAR 2003.**—The total amount of the assistance for fiscal year

1 2003 that is provided by the Secretary of Defense under sec-
2 tion 1505 of the Weapons of Mass Destruction Control Act of
3 1992 (22 U.S.C. 5859a) as activities of the Department of De-
4 fense in support of activities under that Act may not exceed
5 \$15,000,000.

6 (b) EXTENSION OF AUTHORITY TO PROVIDE ASSIST-
7 ANCE.—Subsection (f) of section 1505 of the Weapons of Mass
8 Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended
9 by striking “2002” and inserting “2003”.

10 **SEC. 1205. COMPREHENSIVE ANNUAL REPORT TO CON-**
11 **GRESS ON COORDINATION AND INTEGRA-**
12 **TION OF ALL UNITED STATES NON-**
13 **PROLIFERATION ACTIVITIES.**

14 Section 1205 of the National Defense Authorization Act
15 for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1247)
16 is amended by adding at the end the following new subsection:

17 “(d) ANNUAL REPORT ON IMPLEMENTATION OF PLAN.—
18 (1) Not later than January 31, 2003, and each year thereafter,
19 the President shall submit to Congress a report on the imple-
20 mentation of the plan required by subsection (a) during the
21 preceding year.

22 “(2) Each report under paragraph (1) shall include—

23 “(A) a discussion of progress made during the year
24 covered by such report in the matters of the plan required
25 by subsection (a);

26 “(B) a discussion of consultations with foreign na-
27 tions, and in particular the Russian Federation, during
28 such year on joint programs to implement the plan;

29 “(C) a discussion of cooperation, coordination, and in-
30 tegration during such year in the implementation of the
31 plan among the various departments and agencies of the
32 United States Government, as well as private entities that
33 share objectives similar to the objectives of the plan; and

34 “(D) any recommendations that the President con-
35 siders appropriate regarding modifications to law or regula-
36 tions, or to the administration or organization of any Fed-
37 eral department or agency, in order to improve the effec-

1 tiveness of any programs carried out during such year in
2 the implementation of the plan.”.

3 **SEC. 1206. REPORT REQUIREMENT REGARDING RUS-**
4 **SIAN PROLIFERATION TO IRAN AND OTHER**
5 **COUNTRIES OF PROLIFERATION CONCERN.**

6 (a) REPORT REQUIREMENT.—Not later than March 15 of
7 2003 through 2009, the President shall submit to Congress a
8 report (in unclassified and classified form as necessary) de-
9 scribing in detail Russian proliferation of weapons of mass de-
10 struction and ballistic missile goods, technology, expertise, and
11 information, and of dual-use items that may contribute to the
12 development of weapons of mass destruction and ballistic mis-
13 siles, to Iran and to other countries of proliferation concern
14 during the year preceding the year in which the report is sub-
15 mitted. The report shall include a detailed description of the
16 following, for the year covered by the report:

17 (1) The number, type, and quality of direct and dual-
18 use weapons of mass destruction and ballistic missile goods,
19 technology, expertise, and information transferred.

20 (2) The form, location, and manner in which such
21 transfers took place.

22 (3) The contribution that such transfers could make to
23 the recipient countries’ weapons of mass destruction and
24 ballistic missile programs, and an estimate of how soon
25 such countries will test, possess, and deploy weapons of
26 mass destruction and ballistic missiles.

27 (4) The impact and consequences that such transfers
28 have, and could have over the next 10 years—

29 (A) on United States national security;

30 (B) on United States military forces deployed in
31 the region to which such transfers are being made;

32 (C) on United States allies, friends, and interests
33 in that region; and

34 (D) on the military capabilities of the country re-
35 ceiving such transfers from Russia.

36 (5) The policy and strategy that the President intends
37 to employ to halt Russian proliferation, the policy tools

1 that the President intends to use to carry out that policy
2 and strategy, the rationale for employing such tools, and
3 the timeline by which the President expects to see material
4 progress in ending Russian proliferation of direct and dual-
5 use weapons of mass destruction and missile goods, tech-
6 nology, expertise, and information.

7 (b) DEFINITION.—In this section, the term “country of
8 proliferation concern” means any country identified by the Di-
9 rector of Central Intelligence as having engaged in the acqui-
10 sition of dual-use and other technology useful for the develop-
11 ment or production of weapons of mass destruction (including
12 nuclear weapons, chemical weapons, and biological weapons) or
13 advanced conventional munitions—

14 (1) in the most recent report under section 721 of the
15 Combatting Proliferation of Weapons of Mass Destruction
16 Act of 1996 (title VII of Public Law 104–293; 50 U.S.C.
17 2366); or

18 (2) in any successor report on the acquisition by for-
19 eign countries of dual-use and other technology useful for
20 the development or production of weapons of mass destruc-
21 tion.

22 **SEC. 1207. MONITORING OF IMPLEMENTATION OF 1979**
23 **AGREEMENT BETWEEN THE UNITED STATES**
24 **AND CHINA ON COOPERATION IN SCIENCE**
25 **AND TECHNOLOGY.**

26 (a) IN GENERAL.—The Secretary of State shall—

27 (1) monitor the implementation of the Agreement
28 specified in subsection (c);

29 (2) keep a systematic account of the protocols to the
30 Agreement;

31 (3) coordinate the activities of all agencies of the
32 United States Government that carry out cooperative ac-
33 tivities under the Agreement; and

34 (4) ensure that all activities conducted under the
35 Agreement comply with applicable laws and regulations
36 concerning the transfer of militarily sensitive technologies
37 and dual-use technologies.

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1 (b) RESPONSIBILITIES OF THE OFFICE OF SCIENCE AND
2 TECHNOLOGY COOPERATION.—Except as otherwise provided by
3 the Secretary of State, the functions of the Secretary under
4 this section shall be carried out through the Director of the Of-
5 fice of Science and Technology Cooperation of the Department
6 of State.

7 (c) AGREEMENT DEFINED.—For purposes of this section,
8 the term “Agreement” means the agreement between the
9 United States and the People’s Republic of China known as the
10 “Agreement between the Government of the United States of
11 America and the Government of the People’s Republic of China
12 on Cooperation in Science and Technology”, signed in Wash-
13 ington on January 31, 1979, and its protocols.

14 (d) BIENNIAL REPORT TO CONGRESS.—(1) Not later than
15 April 1 of each even-numbered year, the Secretary of State
16 shall submit to Congress a report on the implementation of the
17 Agreement and on activities under the Agreement. Each such
18 report shall be submitted in both classified and unclassified
19 form, as necessary.

20 (2) Each report under this subsection shall provide an
21 evaluation of the benefits of the Agreement to the economy, to
22 the military, and to the industrial base of the People’s Republic
23 of China and shall include the following:

24 (A) An accounting of all activities conducted under the
25 Agreement since the previous report (or, in the case of the
26 first report, since the Agreement was entered into) and a
27 projection of activities to be undertaken under the Agree-
28 ment during the next two years.

29 (B) An estimate of the costs to the United States to
30 administer the Agreement during the period covered by the
31 report.

32 (C) An assessment of how the Agreement has influ-
33 enced the foreign and domestic policies of the People’s Re-
34 public of China and the policy of the People’s Republic of
35 China toward scientific and technological cooperation with
36 the United States.

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1 (D) An analysis by the Director of Central Intelligence
2 of the involvement of military specialists, weapons special-
3 ists, and intelligence specialists of the People’s Republic of
4 China in the activities of the Joint Commission established
5 under the Agreement and in other activities conducted
6 under the Agreement.

7 (E) A determination by the Secretary of Defense, de-
8 veloped with the assistance of the Director of Central Intel-
9 ligence, of the extent to which the activities conducted
10 under the Agreement have enhanced the military and de-
11 fense industrial base of the People’s Republic of China, and
12 an assessment of the effect that projected activities under
13 the Agreement for the next two years, including the trans-
14 fer of technology and know-how, could have on the eco-
15 nomic and military capabilities of the People’s Republic of
16 China.

17 (F) An assessment by the Inspector General of the
18 Department of Commerce of—

19 (i) the extent to which programs or activities car-
20 ried out under the Agreement provide access to tech-
21 nology, information, or know-how that could enhance
22 military capabilities of the People’s Republic of China;
23 and

24 (ii) the extent to which those programs or activi-
25 ties are carried out in compliance with export control
26 laws and regulations of the United States, especially
27 those laws and regulations governing so-called “deemed
28 exports”.

29 (G) Any recommendations of the Secretary of State,
30 Secretary of Defense, or Director of Central Intelligence for
31 improving the monitoring of the activities of the Joint
32 Commission established under the Agreement.

33 (3) The Secretary of State shall prepare each report under
34 this subsection in consultation with the Secretary of Defense,
35 the Secretary of Energy, the Director of Central Intelligence,
36 the Director of the Federal Bureau of Investigation, and the
37 Director of the National Science Foundation.

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1 (e) INTERAGENCY WORKING GROUP.—The President shall
2 establish an interagency working group to oversee the imple-
3 mentation of the Agreement by departments and agencies of
4 the United States. The working group shall consist of rep-
5 resentatives of such departments, agencies, and offices of the
6 executive branch as the President considers appropriate. The
7 working group shall perform the following functions:

8 (1) Assisting the Secretary of State and other appro-
9 priate officials in setting standards under the Agreement
10 for science and technology transfers between the United
11 States and the People’s Republic of China.

12 (2) Monitoring ongoing programs and activities under
13 the Agreement and recommending future programs and ac-
14 tivities under the Agreement.

15 (3) Developing a comprehensive database of all gov-
16 ernment-to-government programs and United States Gov-
17 ernment-funded programs under the Agreement.

18 (4) Coordinating activities under the Agreement be-
19 tween United States Government agencies, including ele-
20 ments of the intelligence community, as appropriate.

21 **SEC. 1208. EXTENSION OF CERTAIN**
22 **COUNTERPROLIFERATION ACTIVITIES AND**
23 **PROGRAMS.**

24 (a) EXTENSION OF INTERAGENCY COUNTER-
25 PROLIFERATION PROGRAM REVIEW COMMITTEE.—Section
26 1605(f) of the National Defense Authorization Act for Fiscal
27 Year 1994 (22 U.S.C. 2751 note) is amended by striking “Sep-
28 tember 30, 2004” and inserting “September 30, 2008”.

29 (b) LATER DEADLINE FOR SUBMISSION OF ANNUAL RE-
30 PORT.—Subsection (a) of section 1503 of the National Defense
31 Authorization Act for Fiscal Year 1995 (22 U.S.C. 2751 note)
32 is amended by striking “February 1 of each year” and insert-
33 ing “May 1 each year”.

34 (c) ADDITIONAL MATTERS TO BE INCLUDED IN ANNUAL
35 REPORT.—Subsection (b) of such section is amended by adding
36 at the end the following new paragraph:

1 “(8) A discussion of the limitations and impediments
2 to the biological weapons counterproliferation efforts of the
3 Department of Defense (including legal, policy, and re-
4 source constraints) and recommendations for the removal
5 or mitigation of such impediments and for ways to make
6 such efforts more effective.”.

7 (d) TECHNICAL AMENDMENT TO REFLECT CHANGE IN
8 POSITION TITLE.—Section 1605(a)(4) of the National Defense
9 Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note)
10 is amended by striking “Under Secretary of Defense for Acqui-
11 sition and Technology” in the first sentence and inserting
12 “Under Secretary of Defense for Acquisition, Technology, and
13 Logisitics”.

14 **SEC. 1209. SEMIANNUAL REPORT BY DIRECTOR OF CEN-**
15 **TRAL INTELLIGENCE ON CONTRIBUTIONS**
16 **BY FOREIGN PERSONS TO EFFORTS BY**
17 **COUNTRIES OF PROLIFERATION CONCERN**
18 **TO OBTAIN WEAPONS OF MASS DESTRUC-**
19 **TION AND THEIR DELIVERY SYSTEMS.**

20 (a) CONTENT OF SEMIANNUAL REPORT.—The Combatting
21 Proliferation of Weapons of Mass Destruction Act of 1996
22 (title VII of Public Law 104–293) is amended by inserting
23 after section 721 (50 U.S.C. 2366) the following new section:

24 **“SEC. 722. SEMIANNUAL REPORT ON CONTRIBUTIONS**
25 **OF FOREIGN PERSONS TO WEAPONS OF**
26 **MASS DESTRUCTION AND DELIVERY SYS-**
27 **TEMS EFFORTS OF COUNTRIES OF PRO-**
28 **LIFERATION CONCERN.**

29 “(a) REPORTS.—The Director of Central Intelligence shall
30 submit to Congress a semiannual report identifying each for-
31 eign person that, during the period covered by the report, made
32 a material contribution to the research, development, produc-
33 tion, or acquisition by a country of proliferation concern of—

34 “(1) weapons of mass destruction (including nuclear
35 weapons, chemical weapons, or biological weapons); or

36 “(2) ballistic or cruise missile systems.

37 “(b) PERIOD OF SEMIANNUAL REPORTS.—Semiannual re-
38 ports under subsection (a) shall be submitted as follows:

1 “(1) One semiannual report shall cover the first six
2 months of the calendar year and shall be submitted not
3 later than January 1 of the following year.

4 “(2) The other semiannual report shall cover the sec-
5 ond six months of the calendar year and shall be submitted
6 not later than July 1 of the following year.

7 “(c) FORM OF REPORTS.—(1) A report under subsection
8 (a) may be submitted in classified form, in whole or in part,
9 if the Director of Central Intelligence determines that submittal
10 in that form is advisable.

11 “(2) Any portion of a report under subsection (a) that is
12 submitted in classified form shall be accompanied by an unclas-
13 sified summary of such portion.

14 “(d) DEFINITIONS.—In this section:

15 “(1) The term ‘foreign person’ means any of the fol-
16 lowing:

17 “(A) A natural person who is not a citizen of the
18 United States.

19 “(B) A corporation, business association, partner-
20 ship, society, trust, or other nongovernmental entity,
21 organization, or group that is organized under the laws
22 of a foreign country or has its principal place of busi-
23 ness in a foreign country.

24 “(C) Any foreign government or foreign govern-
25 mental entity operating as a business enterprise or in
26 any other capacity.

27 “(D) Any successor, subunit, or subsidiary of any
28 entity described in subparagraph (B) or (C).

29 “(2) The term ‘country of proliferation concern’ means
30 any country identified by the Director of Central Intel-
31 ligence as having engaged in the acquisition of dual-use
32 and other technology useful for the development or produc-
33 tion of weapons of mass destruction (including nuclear
34 weapons, chemical weapons, and biological weapons) or ad-
35 vanced conventional munitions—

36 “(A) in the most recent report under section 721;

37 or

1 “(B) in any successor report on the acquisition by
2 foreign countries of dual-use and other technology use-
3 ful for the development or production of weapons of
4 mass destruction.”.

5 (b) EFFECTIVE DATE.—Section 722 of the Combatting
6 Proliferation of Weapons of Mass Destruction Act of 1996, as
7 added by subsection (a), shall take effect with the report with
8 respect to the first six months of 2003 required to be submitted
9 under that section not later than January 1, 2004.

10 **SEC. 1210. REPORT ON FEASIBILITY AND ADVISABILITY**
11 **OF SENIOR OFFICER EXCHANGES BETWEEN**
12 **THE ARMED FORCES OF THE UNITED**
13 **STATES AND THE MILITARY FORCES OF TAI-**
14 **WAN.**

15 (a) PRESIDENTIAL REPORT.—Not later than 180 days
16 after the date of the enactment of this Act, the President shall
17 submit to Congress a report on—

18 (1) the feasibility and advisability of conducting com-
19 bined operational training with, and exchanges of general
20 and flag officers between, the Armed Forces of the United
21 States and the military forces of Taiwan; and

22 (2) the progress being made in meeting United States
23 commitments to the security of Taiwan.

24 (b) CLASSIFICATION OF REPORT.—The report required by
25 this section shall be submitted in unclassified form and, as nec-
26 essary, in classified form.

27 **SEC. 1211. REPORT ON UNITED STATES FORCE STRUC-**
28 **TURE IN THE PACIFIC.**

29 (a) SECRETARY OF DEFENSE REPORT.—Not later than
30 180 days after the date of the enactment of this Act, the Sec-
31 retary of Defense shall submit to Congress a report on the
32 plans of the Department of Defense to maintain adequate
33 United States force structure in the Pacific, including any ef-
34 forts (1) to augment current basing arrangements, and (2) to
35 implement the recommendations from the most recent Quad-
36 rennial Defense Review to improve United States military capa-
37 bilities in the Pacific.

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1 (b) CLASSIFICATION OF REPORT.—The report required by
2 this section shall be submitted in unclassified form and, as nec-
3 essary, in classified form.

1 (2) For strategic nuclear arms elimination in Ukraine,
2 \$6,500,000.

3 (3) For nuclear weapons transportation security in
4 Russia, \$19,700,000.

5 (4) For nuclear weapons storage security in Russia,
6 \$40,000,000.

7 (5) For activities designated as Other Assessments/Ad-
8 ministrative Support, \$14,700,000.

9 (6) For defense and military contacts, \$18,900,000.

10 (7) For weapons of mass destruction infrastructure
11 elimination activities in Kazakhstan, \$9,000,000.

12 (8) For weapons of mass destruction infrastructure
13 elimination activities in Ukraine, \$8,800,000.

14 (9) For chemical weapons destruction in Russia,
15 \$50,000,000.

16 (10) For biological weapons proliferation prevention in
17 the former Soviet Union, \$55,000,000.

18 (11) For weapons of mass destruction proliferation
19 prevention in the States of the former Soviet Union,
20 \$40,000,000.

21 (b) ADDITIONAL FUNDS AUTHORIZED FOR CERTAIN PUR-
22 POSES.—Of the funds authorized to be appropriated to the De-
23 partment of Defense for fiscal year 2003 in section 301(23) for
24 Cooperative Threat Reduction programs, \$83,600,000 may be
25 obligated for any of the purposes specified in paragraphs (1)
26 through (4) and (9) of subsection (a) in addition to the
27 amounts specifically authorized in such paragraphs.

28 (c) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS
29 FOR OTHER PURPOSES.—No fiscal year 2003 Cooperative
30 Threat Reduction funds may be obligated or expended for a
31 purpose other than a purpose listed in paragraphs (1) through
32 (11) of subsection (a) until 30 days after the date that the Sec-
33 retary of Defense submits to Congress a report on the purpose
34 for which the funds will be obligated or expended and the
35 amount of funds to be obligated or expended. Nothing in the
36 preceding sentence shall be construed as authorizing the obliga-
37 tion or expenditure of fiscal year 2003 Cooperative Threat Re-

1 duction funds for a purpose for which the obligation or expend-
2 iture of such funds is specifically prohibited under this title or
3 any other provision of law.

4 (d) LIMITED AUTHORITY TO VARY INDIVIDUAL
5 AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case
6 in which the Secretary of Defense determines that it is nec-
7 essary to do so in the national interest, the Secretary may obli-
8 gate amounts appropriated for fiscal year 2003 for a purpose
9 listed in any of the paragraphs in subsection (a) in excess of
10 the specific amount authorized for that purpose.

11 (2) An obligation of funds for a purpose stated in any of
12 the paragraphs in subsection (a) in excess of the specific
13 amount authorized for such purpose may be made using the
14 authority provided in paragraph (1) only after—

15 (A) the Secretary submits to Congress notification of
16 the intent to do so together with a complete discussion of
17 the justification for doing so; and

18 (B) 15 days have elapsed following the date of the no-
19 tification.

20 (3) The Secretary may not, under the authority provided
21 in paragraph (1), obligate amounts for a purpose stated in any
22 of paragraphs (5) through (10) of subsection (a) in excess of
23 125 percent of the specific amount authorized for such purpose.

24 (4) In this section, the term “specific amount authorized”
25 means, with respect to a purpose listed in any paragraph in
26 subsection (a)—

27 (A) the amount specifically authorized for that pur-
28 pose in subsection (a), plus

29 (B) in the case of a purpose listed in paragraph (1),
30 (2), (3), (4), or (9) of subsection (a), any amount obligated
31 under subsection (b) for that purpose.

32 **SEC. 1303. PROHIBITION AGAINST USE OF FUNDS UNTIL**
33 **SUBMISSION OF REPORTS.**

34 Not more than 50 percent of fiscal year 2003 Cooperative
35 Threat Reduction funds may be obligated or expended until 30
36 days after the date of the submission of—

1 (1) the report required to be submitted in fiscal year
2 2002 under section 1308(a) of the Floyd D. Spence Na-
3 tional Defense Authorization Act for Fiscal Year 2001 (as
4 enacted into law by Public Law 106–398; 114 Stat.
5 1654A–341); and

6 (2) the update for the multiyear plan required to be
7 submitted for fiscal year 2001 under section 1205 of the
8 National Defense Authorization Act for Fiscal Year 1995
9 (Public Law 103–337; 22 U.S.C. 5952 note).

10 **SEC. 1304. REPORT ON USE OF REVENUE GENERATED**
11 **BY ACTIVITIES CARRIED OUT UNDER COOP-**
12 **ERATIVE THREAT REDUCTION PROGRAMS.**

13 (a) **ADDITIONAL REPORT REQUIREMENTS.**—Section
14 1308(e) of the Floyd D. Spence National Defense Authoriza-
15 tion Act for Fiscal Year 2001 (as enacted into law by Public
16 Law 106–398; 114 Stat. 1654A–341) is amended by inserting
17 at the end the following new paragraphs:

18 “(6) To the maximum extent practicable, a description
19 of how revenue generated by activities carried out under
20 Cooperative Threat Reduction programs in recipient States
21 is being utilized, monitored, and accounted for.

22 “(7) A description of the defense and military activi-
23 ties carried out under Cooperative Threat Reduction pro-
24 grams during the fiscal year ending in the year preceding
25 the year of the report, including—

26 “(A) the amounts obligated or expended for such
27 activities;

28 “(B) the purposes, goals, and objectives for which
29 such amounts were obligated and expended;

30 “(C) a description of the activities carried out, in-
31 cluding the forms of assistance provided, and the jus-
32 tification for each form of assistance provided;

33 “(D) the success of each activity, including the
34 goals and objectives achieved for each;

35 “(E) a description of participation by private sec-
36 tor entities in the United States in carrying out such

1 activities, and the participation of any other Federal
2 department or agency in such activities; and

3 “(F) any other information that the Secretary
4 considers relevant to provide a complete description of
5 the operation and success of activities carried out
6 under Cooperative Threat Reduction programs.”.

7 (b) EFFECTIVE DATE.—Paragraphs (6) and (7) of section
8 1308(c) of such Act, as added by subsection (a), shall apply be-
9 ginning with the report submitted under that section in 2004.

10 **SEC. 1305. PROHIBITION AGAINST USE OF FUNDS FOR**
11 **SECOND WING OF FISSILE MATERIAL STOR-**
12 **AGE FACILITY.**

13 No funds authorized to be appropriated for Cooperative
14 Threat Reduction programs for any fiscal year may be used for
15 the design, planning, or construction of a second wing for a
16 storage facility for Russian fissile material.

17 **SEC. 1306. LIMITED WAIVER OF RESTRICTIONS ON USE**
18 **OF FUNDS FOR THREAT REDUCTION IN**
19 **STATES OF THE FORMER SOVIET UNION.**

20 (a) AUTHORITY TO WAIVE RESTRICTIONS AND ELIGI-
21 BILITY REQUIREMENTS.—If the President submits the certifi-
22 cation and report described in subsection (b) with respect to an
23 independent state of the former Soviet Union for a fiscal
24 year—

25 (1) the restrictions in subsection (d) of section 1203
26 of the Cooperative Threat Reduction Act of 1993 (22
27 U.S.C. 5952) shall cease to apply, and funds may be obli-
28 gated and expended under that section for assistance, to
29 that state during that fiscal year; and

30 (2) funds may be obligated and expended during that
31 fiscal year under section 502 of the FREEDOM Support
32 Act (22 U.S.C. 5852) for assistance or other programs and
33 activities for that state even if that state has not met one
34 or more of the requirements for eligibility under para-
35 graphs (1) through (4) of that section.

36 (b) CERTIFICATION AND REPORT.—(1) The certification
37 and report referred to in subsection (a) are a written certifi-
38 cation submitted by the President to Congress that the waiver

1 of the restrictions and requirements described in paragraphs
2 (1) and (2) of that subsection during such fiscal year is impor-
3 tant to the national security interests of the United States, to-
4 gether with a report containing the following:

5 (A) A description of the activity or activities that pre-
6 vent the President from certifying that the state is com-
7 mitted to the matters set forth in the provisions of law
8 specified in paragraphs (1) and (2) of subsection (a) in
9 such fiscal year.

10 (B) An explanation of why the waiver is important to
11 the national security interests of the United States.

12 (C) A description of the strategy, plan, or policy of the
13 President for promoting the commitment of the state to,
14 and compliance by the state with, such matters, notwith-
15 standing the waiver.

16 (2) The matter included in the report under paragraph (1)
17 shall be submitted in unclassified form, but may include a clas-
18 sified annex.

19 (c) FISCAL YEARS COVERED.—The authority under sub-
20 section (a) shall apply only with respect to fiscal years 2003,
21 2004, and 2005.

22 (d) EXPIRATION OF AUTHORITY.—The authority under
23 subsection (a) shall expire on September 30, 2005.

24 (e) ADMINISTRATION OF RESTRICTIONS ON ASSIST-
25 ANCE.—Subsection (d) of section 1203 of the Cooperative
26 Threat Reduction Act of 1993 (title XII of Public Law 103-
27 160; 107 Stat. 1778; 22 U.S.C. 5952) is amended—

28 (1) by striking “any year” and inserting “any fiscal
29 year”; and

30 (2) by striking “that year” and inserting “such fiscal
31 year”.

TITLE XIV—HOMELAND SECURITY

Sec. 1401. Transfer of technology items and equipment in support of homeland security.

Sec. 1402. Comprehensive plan for improving the preparedness of military installations for terrorist incidents.

Sec. 1403. Additional Weapons of Mass Destruction Civil Support Teams.

Sec. 1404. Report on the role of the Department of Defense in supporting homeland security.

Sec. 1405. Sense of Congress on Department of Defense assistance to local first responders.

SEC. 1401. TRANSFER OF TECHNOLOGY ITEMS AND EQUIPMENT IN SUPPORT OF HOMELAND SECURITY.

(a) RESPONSIBLE SENIOR OFFICIAL.—The Secretary of Defense shall designate a senior official of the Department of Defense to coordinate all Department of Defense efforts to identify, evaluate, deploy, and transfer to Federal, State, and local first responders technology items and equipment in support of homeland security.

(b) DUTIES.—The official designated pursuant to subsection (a) shall—

(1) identify technology items and equipment developed or being developed by Department of Defense components that have the potential to enhance public safety and improve homeland security;

(2) cooperate with appropriate Federal Government officials outside the Department of Defense to evaluate whether such technology items and equipment would be useful to first responders;

(3) facilitate the timely transfer, through identification of appropriate private sector manufacturers, of appropriate technology items and equipment to Federal, State, and local first responders, in coordination with appropriate Federal Government officials outside the Department of Defense;

(4) identify and eliminate redundant and unnecessary research efforts within the Department of Defense with respect to technologies to be deployed to first responders;

1 (5) expedite the advancement of high priority Depart-
2 ment of Defense projects from research through implemen-
3 tation of initial manufacturing; and

4 (6) participate in outreach programs established by
5 appropriate Federal Government officials outside the De-
6 partment of Defense to communicate with first responders
7 and to facilitate awareness of available technology items
8 and equipment to support responses to crises.

9 (c) SUPPORT AGREEMENT.—The official designated pursu-
10 ant to subsection (a) shall enter into an appropriate agreement
11 with a nongovernment entity for such entity to assist the offi-
12 cial designated under subsection (a) in carrying out that offi-
13 cial’s duties under this section. Any such agreement shall be
14 entered into using competitive procedures in compliance with
15 applicable requirements of law and regulation.

16 (d) REPORT.—Not later than 180 days after the date of
17 the enactment of this Act, the Secretary of Defense shall sub-
18 mit to the congressional defense committees a report on the ac-
19 tions taken to carry out this section. The report shall include
20 the following:

21 (1) Identification of the senior official designated pur-
22 suant to subsection (a).

23 (2) A summary of the actions taken or planned to be
24 taken to implement subsection (b), including a schedule for
25 planned actions.

26 (3) An initial list of technology items and equipment
27 identified pursuant to subsection (b)(1), together with a
28 summary of any program schedule for the development, de-
29 ployment, or transfer of such items and equipment.

30 (4) A description of any agreement entered into pursu-
31 ant to subsection (c).

32 **SEC. 1402. COMPREHENSIVE PLAN FOR IMPROVING THE**
33 **PREPAREDNESS OF MILITARY INSTALLA-**
34 **TIONS FOR TERRORIST INCIDENTS.**

35 (a) COMPREHENSIVE PLAN.—The Secretary of Defense
36 shall develop a comprehensive plan for improving the prepared-
37 ness of military installations for preventing and responding to

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1 terrorist attacks, including attacks involving the use or threat
2 of use of weapons of mass destruction.

3 (b) PREPAREDNESS STRATEGY.—The plan under sub-
4 section (a) shall include a preparedness strategy that includes
5 each of the following:

6 (1) Identification of long-term goals and objectives for
7 improving the preparedness of military installations for pre-
8 venting and responding to terrorist attacks.

9 (2) Identification of budget and other resource re-
10 quirements necessary to achieve those goals and objectives.

11 (3) Identification of factors beyond the control of the
12 Secretary that could impede the achievement of those goals
13 and objectives.

14 (4) A discussion of the extent to which local, regional,
15 or national military response capabilities are to be devel-
16 oped, integrated, and used.

17 (5) A discussion of how the Secretary will coordinate
18 the capabilities referred to in paragraph (4) with local, re-
19 gional, or national civilian and other military capabilities.

20 (c) PERFORMANCE PLAN.—The plan under subsection (a)
21 shall include a performance plan that includes each of the fol-
22 lowing:

23 (1) A reasonable schedule, with milestones, for achiev-
24 ing the goals and objectives of the strategy under sub-
25 section (b).

26 (2) Performance criteria for measuring progress in
27 achieving those goals and objectives.

28 (3) A description of the process, together with a dis-
29 cussion of the resources, necessary to achieve those goals
30 and objectives.

31 (4) A description of the process for evaluating results
32 in achieving those goals and objectives.

33 (d) SUBMITTAL TO CONGRESS.—The Secretary shall sub-
34 mit the comprehensive plan developed under subsection (a) to
35 the Committee on Armed Services of the Senate and the Com-
36 mittee on Armed Services of the House of Representatives not
37 later than 180 days after the date of the enactment of this Act.

1 (e) COMPTROLLER GENERAL REVIEW AND REPORT.—Not
2 later than 60 days after the date on which the Secretary sub-
3 mits the comprehensive plan under subsection (a), the Comp-
4 troller General shall review the plan and submit to the commit-
5 tees referred to in subsection (d) the Comptroller General’s as-
6 sessment of the plan.

7 (f) ANNUAL REPORT.—(1) In each of 2004, 2005, and
8 2006, the Secretary of Defense shall include a report on the
9 comprehensive plan developed under subsection (a) with the
10 materials that the Secretary submits to Congress in support of
11 the budget submitted by the President that year pursuant to
12 section 1105(a) of title 31, United States Code.

13 (2) Each such report shall include—

14 (A) a discussion of any revision that the Secretary has
15 made in the comprehensive plan developed under subsection
16 (a) since the last report under this subsection or, in the
17 case of the first such report, since the plan was submitted
18 under subsection (d); and

19 (B) an assessment of the progress made in achieving
20 the goals and objectives of the strategy set forth in the
21 plan.

22 (3) If the Secretary includes in the report for 2004 or
23 2005 under this subsection a declaration that the goals and ob-
24 jectives of the preparedness strategy set forth in the com-
25 prehensive plan have been achieved, no further report is re-
26 quired under this subsection.

27 **SEC. 1403. ADDITIONAL WEAPONS OF MASS DESTRUC-**
28 **TION CIVIL SUPPORT TEAMS.**

29 (a) ESTABLISHMENT OF ADDITIONAL TEAMS.—The Sec-
30 retary of Defense shall—

31 (1) establish 23 additional teams designated as Weap-
32 ons of Mass Destruction Civil Support Teams, for a total
33 of 55 such teams; and

34 (2) ensure that of such 55 teams, there is at least one
35 team established in each State and territory.

36 (b) PLAN.—Not later than 180 days after the date of the
37 enactment of this Act, the Secretary shall submit to Congress

1 a plan, in furtherance of subsection (a), for establishing at
2 least one Weapons of Mass Destruction Civil Support Team in
3 each State and territory that does not have such a team as of
4 the date of the enactment of this Act. The plan shall include
5 the following:

6 (1) A schedule and budget for manning, training, and
7 equipping the new teams as rapidly as is possible without
8 jeopardizing the attainment of full effectiveness by the new
9 teams.

10 (2) A discussion of whether the mission of the Weap-
11 ons of Mass Destruction Civil Support Teams should be ex-
12 panded and, if so, how.

13 (c) DEFINITIONS.—For purposes of this section:

14 (1) The term “Weapons of Mass Destruction Civil
15 Support Team” means a team of members of the reserve
16 components of the Armed Forces that is established under
17 section 12310(c) of title 10, United States Code, in support
18 of emergency preparedness programs to prepare for or to
19 respond to any emergency involving the use of a weapon of
20 mass destruction.

21 (2) The term “State and territory” means each of the
22 several States, the District of Columbia, Puerto Rico,
23 Guam, and the Virgin Islands.

24 **SEC. 1404. REPORT ON THE ROLE OF THE DEPARTMENT**
25 **OF DEFENSE IN SUPPORTING HOMELAND**
26 **SECURITY.**

27 (a) REPORT REQUIRED.—Not later than March 1, 2003,
28 the Secretary of Defense shall submit to the congressional de-
29 fense committees a report on Department of Defense respon-
30 sibilities, mission, and plans for military support of homeland
31 security.

32 (b) CONTENTS OF REPORT.—The report shall include, at
33 a minimum, a discussion of the following:

34 (1) The Department of Defense definition of its home-
35 land security mission, particularly with respect to how it re-
36 lates to providing military support to civil authorities, man-
37 aging the consequences of terrorist attacks, and homeland

1 defense, and the actions the Department is taking to imple-
2 ment the homeland security mission as so defined.

3 (2) Changes in the roles, missions, responsibilities, or-
4 ganization, and capabilities of the following organizations
5 in order to conduct their homeland security support mis-
6 sion, and the reasons for such changes:

7 (A) The Office of the Secretary of Defense.

8 (B) The Army, Navy, Air Force, and Marine
9 Corps.

10 (C) The Army National Guard and the Air Na-
11 tional Guard.

12 (D) The combatant commands of the Department
13 of Defense.

14 (3) The relationship between the Department of De-
15 fense, including its combatant commands, and the following
16 with regard to homeland security:

17 (A) Other departments and agencies of the Fed-
18 eral Government.

19 (B) State and local governments.

20 (C) The National Guard and Reserve components.

21 (4) The current capability of the Department of De-
22 fense to respond to terrorist attacks employing chemical,
23 biological, radiological, nuclear, high explosive or
24 cyberterrorism weapons against personnel and critical in-
25 frastructure of the Department, including identification of
26 the goals of the Department for being fully capable of re-
27 sponding to such attacks, current deficiencies in that capa-
28 bility, the resources required to achieve that capability, and
29 a long-term plan to reach that capability.

30 (5) The roles, missions, and responsibilities of the in-
31 telligence components of the Department of Defense in sup-
32 port of its homeland security mission, including the policies
33 and plans for—

34 (A) collecting and analyzing information related to
35 homeland security;

36 (B) sharing that information with other agencies
37 of the Federal Government; and

1 (C) preparing threat and risk assessments and
2 issuing warnings.

3 (6) A discussion of plans of the Department of De-
4 fense for training, exercising, and preparing to perform its
5 homeland security mission, including—

6 (A) individual and collective training for civilian
7 and military personnel of the Department involved in
8 homeland security;

9 (B) integrated training with other agencies of the
10 Federal Government, and with State and local govern-
11 ments, as appropriate;

12 (C) interagency exercises and simulations; and

13 (D) the development of a permanent “terrorist op-
14 posing force” capable of challenging the Department’s
15 plans, policies, and capabilities during training events
16 and exercises.

17 (7) A discussion of how the Department of Defense bi-
18 ological defense research program supports its homeland
19 security mission.

20 (8) A discussion of the efforts by the Department of
21 Defense to develop, either within the Department or
22 through contracts with private entities, anticyberterrorism
23 technology, including an assessment of whether and how
24 such efforts should be increased.

25 (9) An assessment of the need for and feasibility of
26 developing and fielding Department of Defense regional
27 chemical-biological incident response teams across the
28 United States, including options for providing the resources
29 and personnel necessary for developing and fielding any
30 such teams.

31 (10) A discussion of the Department of Defense plans
32 and efforts to place new emphasis on the unique oper-
33 ational demands associated with homeland security while
34 ensuring that defense of the United States remains the pri-
35 mary mission of the Department of Defense.

1 (11) The resource constraints and legal impediments
2 to implementing any of the activities discussed under para-
3 graphs (1) through (10).

4 **SEC. 1405. SENSE OF CONGRESS ON DEPARTMENT OF**
5 **DEFENSE ASSISTANCE TO LOCAL FIRST RE-**
6 **SPONDERS.**

7 It is the sense of Congress that the Secretary of Defense
8 should, to the extent the Secretary considers appropriate and
9 feasible, provide assistance, in accordance with otherwise appli-
10 cable provisions of law, to entities that are local first respond-
11 ers for domestic terrorist incidents in order to assist those enti-
12 ties in improving their capabilities to respond to such incidents.

1 **TITLE XV—AUTHORIZATION OF AP-**
2 **PROPRIATIONS FOR THE WAR ON**
3 **TERRORISM**

Sec. 1501. Authorization of appropriations for continued operations for the war on terrorism.

Sec. 1502. Mobilization and personnel.

Sec. 1503. Operations.

Sec. 1504. Equipment replacement and enhancement.

Sec. 1505. Classified activities.

Sec. 1506. Procurement of munitions.

Sec. 1507. Discretionary restoration of authorizations of appropriations reduced for management efficiencies.

Sec. 1508. General provisions applicable to transfers.

4 **SEC. 1501. AUTHORIZATION OF APPROPRIATIONS FOR**
5 **CONTINUED OPERATIONS FOR THE WAR ON**
6 **TERRORISM.**

7 In addition to any other amounts authorized to be appro-
8 priated by this Act, there is hereby authorized to be appro-
9 priated for the Department of Defense for fiscal year 2003,
10 subject to subsection (b), \$10,000,000,000 only for the conduct
11 of Operation Noble Eagle and Operation Enduring Freedom in
12 continuation of the war on terrorism in accordance with the
13 purposes stated in section 2(a) of the Authorization for Use of
14 Military Force (Public Law 107-40; 50 U.S.C. 1541 note).

15 **SEC. 1502. MOBILIZATION AND PERSONNEL.**

16 Of the amount authorized to be appropriated in section
17 1501, \$2,550,000,000 shall be available only for transfer (sub-
18 ject to sections 1507 and 1508) to fiscal year 2003 military
19 personnel accounts of the Department of Defense for the pur-
20 pose of providing for the personnel and personnel support costs
21 of the members of the Armed Forces who are participating in
22 Operation Noble Eagle or Operation Enduring Freedom in con-
23 tinuation of the war on terrorism in accordance with the pur-
24 poses referred to in section 1501(a).

25 **SEC. 1503. OPERATIONS.**

26 Of the amount authorized to be appropriated in section
27 1501, \$4,270,000,000 shall be available only for transfer (sub-
28 ject to sections 1507 and 1508) to fiscal year 2003 operation
29 and maintenance accounts and working-capital funds of the De-
30 partment of Defense for operating costs of the conduct of Op-

1 eration Noble Eagle and Operation Enduring Freedom in con-
2 tinuation of the war on terrorism in accordance with the pur-
3 poses referred to in section 1501(a).

4 **SEC. 1504. EQUIPMENT REPLACEMENT AND ENHANCE-**
5 **MENT.**

6 Of the amount authorized to be appropriated in section
7 1501, \$1,000,000,000 shall be available only for transfer (sub-
8 ject to sections 1507 and 1508) to fiscal year 2003 procure-
9 ment and research, development, test, and evaluation accounts
10 of the Department of Defense for—

11 (1) emergency replacement of equipment and muni-
12 tions lost or expended in operations conducted as part of
13 Operation Noble Eagle or Operation Enduring Freedom in
14 continuation of the war on terrorism in accordance with the
15 purposes referred to in section 1501(a); or

16 (2) enhancement of critical military capabilities nec-
17 essary to carry out operations as part of those Operations
18 in continuation of the war on terrorism in accordance with
19 those purposes.

20 **SEC. 1505. CLASSIFIED ACTIVITIES.**

21 Of the amount authorized to be appropriated in section
22 1501, \$1,980,000,000 shall be available only for unspecified in-
23 telligence and classified activities carried out in support of Op-
24 eration Noble Eagle or Operation Enduring Freedom in con-
25 tinuation of the war on terrorism in accordance with the pur-
26 poses referred to in section 1501(a), and only by transfer (sub-
27 ject to sections 1507 and 1508) to fiscal year 2003 accounts
28 of the Department of Defense in amounts as follows:

29 (1) To procurement accounts, \$1,618,200,000.

30 (2) To operation and maintenance accounts,
31 \$301,600,000.

32 (3) To research, development, test, and evaluation ac-
33 counts, \$60,200,000.

34 **SEC. 1506. PROCUREMENT OF MUNITIONS.**

35 Of the amount authorized to be appropriated in section
36 1501, \$200,000,000 shall be available only for the procurement
37 of munitions for the support of Operation Noble Eagle or Oper-

1 ation Enduring Freedom in continuation of the war on ter-
2 rorism in accordance with the purposes referred to in section
3 1501(a), and only by transfer (subject to sections 1507 and
4 1508) to fiscal year 2003 procurement accounts of the Depart-
5 ment of Defense in amounts as follows:

6 (1) To accounts of the Army for the procurement of
7 ammunition \$94,000,000.

8 (2) To accounts of the Navy for the procurement of
9 weapons, \$35,000,000.

10 (3) To accounts of the Navy and Marine Corps for the
11 procurement of ammunition, \$25,000,000.

12 (4) To accounts of the Air Force for the procurement
13 of ammunition, \$40,000,000.

14 (5) To Defense-wide procurement accounts for special
15 operations forces, \$6,000,000.

16 **SEC. 1507. DISCRETIONARY RESTORATION OF AUTHOR-**
17 **IZATIONS OF APPROPRIATIONS REDUCED**
18 **FOR MANAGEMENT EFFICIENCIES.**

19 (a) TRANSFER AUTHORITY.—(1) The Secretary of De-
20 fense may, subject to section 1508, transfer up to a total of
21 \$1,000,000,000 of the amount authorized to be appropriated
22 by section 1501 to Department of Defense accounts under ti-
23 tles I, II, and III that are reduced for savings described in
24 paragraph (2) if and to the extent that the Secretary deter-
25 mines that such savings are not achievable.

26 (2) The savings referred to in paragraph (1) are savings
27 that are to be achieved from—

28 (A) improved management of Department of Defense
29 contracts for the procurement of services; and

30 (B) the deferral of expenditures on financial manage-
31 ment systems.

32 (b) RELATIONSHIP TO OTHER TITLE XV TRANSFER AU-
33 THORITIES.—The total amount transferred under sections
34 1502 through 1506 and under section 1507 may not exceed the
35 total amount authorized to be appropriated by section 1501.

1 **SEC. 1508. GENERAL PROVISIONS APPLICABLE TO**
2 **TRANSFERS.**

3 (a) MERGER OF TRANSFERRED AMOUNTS.—Amounts
4 transferred pursuant to this title shall be merged with, and
5 shall be available for the same purposes and the same period
6 as, the account to which transferred.

7 (b) CONGRESSIONAL NOTICE-AND-WAIT REQUIREMENT.—
8 A transfer may not be made under section 1502, 1503, 1504,
9 1505, 1506, or 1507 until the Secretary of Defense has sub-
10 mitted a notice in writing to the congressional defense commit-
11 tees of the proposed transfer and a period of 15 days has
12 elapsed after the date such notice is received. Any such notice
13 shall include specification of the amount of the proposed trans-
14 fer, the account to which the transfer is to be made, and the
15 purpose of the transfer.

16 (c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—
17 The transfer authorities provided in this title are in addition
18 to any other transfer authority available to the Secretary of
19 Defense under any provision of any other title of this Act or
20 under any other provision of law.

21-1

1 **DIVISION B—MILITARY**
 2 **CONSTRUCTION AUTHORIZATIONS**

3 **SEC. 2001. SHORT TITLE.**

4 This division may be cited as the “Military Construction
 5 Authorization Act for Fiscal Year 2003”.

6 **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.

Sec. 2105. Modification of authority to carry out certain fiscal year 2002
 projects.

Sec. 2106. Modification of authority to carry out certain fiscal year 2001
 project.

7 **SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND**
 8 **LAND ACQUISITION PROJECTS.**

9 (a) INSIDE THE UNITED STATES.—Using amounts appro-
 10 priated pursuant to the authorization of appropriations in sec-
 11 tion 2104(a)(1), the Secretary of the Army may acquire real
 12 property and carry out military construction projects for the in-
 13 stallations and locations inside the United States, and in the
 14 amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	\$1,900,000
	Fort Rucker	\$15,808,000
Alaska	Redstone Arsenal	\$1,950,000
	Fort Greely	\$2,700,000
	Fort Richardson	\$20,011,000
Arizona	Fort Wainwright	\$139,906,000
	Fort Huachuca	\$10,400,000
	Yuma Proving Ground	\$4,500,000
California	Fort Irwin	\$2,522,000
Colorado	Fort Carson	\$9,698,000
District of Columbia ...	Walter Reed Army Medical Center	\$13,794,000
Georgia	Fort Benning	\$86,250,000
	Fort Stewart/Hunter Army Air Field	\$26,000,000
Hawaii	Schofield Barracks	\$191,000,000
Kansas	Fort Leavenworth	\$7,979,000
	Fort Riley	\$81,095,000
Kentucky	Blue Grass Army Depot ...	\$5,500,000
	Fort Campbell	\$106,300,000
	Fort Knox	\$5,873,000
Louisiana	Fort Polk	\$37,620,000
Maryland	Fort Detrick	\$22,500,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Massachusetts	Natick Research, Development, and Engineering Center	\$4,100,000
Missouri	Fort Leonard Wood	\$24,993,000
New Jersey	Picatinny Arsenal	\$7,500,000
New York	Fort Drum	\$18,300,000
	United States Military Academy, West Point	\$4,991,000
North Carolina	Fort Bragg	\$99,632,000
Oklahoma	Fort Sill	\$39,652,000
Pennsylvania	Letterkenny Army Depot	\$1,550,000
South Carolina	Fort Jackson	\$3,051,000
Texas	Fort Bliss	\$5,200,000
	Fort Hood	\$83,061,000
Virginia	Fort Eustis	\$4,133,000
	Fort Lee	\$7,103,000
Washington	Fort Lewis	\$56,195,000
	Yakima Training Center	\$3,000,000
	Total	\$1,155,767,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts ap-
 2 propriated pursuant to the authorization of appropriations in
 3 section 2104(a)(2), the Secretary of the Army may acquire real
 4 property and carry out military construction projects for the in-
 5 stallations and locations outside the United States, and in the
 6 amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	Supreme Headquarters, Allied Powers Europe	\$13,600,000
Germany	Area Support Group, Bamberg.	\$17,200,000
	Campbell Barracks	\$8,300,000
	Coleman Barracks	\$1,350,000
	Darmstadt	\$3,500,000
	Grafenwoehr	\$69,866,000
	Landstuhl	\$2,400,000
	Mannheim	\$42,000,000
	Schweinfurt	\$2,000,000
Italy	Vicenza	\$34,700,000
Korea	Camp Carroll	\$20,000,000
	Camp Castle	\$6,800,000
	Camp Hovey	\$25,000,000
	Camp Humphreys	\$36,000,000
	Camp Henry	\$10,200,000
	Camp Tango	\$12,600,000
	K16 Airfield	\$40,000,000
Qatar	Qatar	\$8,600,000
	Total	\$354,116,000

7 (c) UNSPECIFIED WORLDWIDE.—Using amounts appro-
 8 priated pursuant to the authorization of appropriations in sec-

1 tion 2104(a)(3), the Secretary of the Army may acquire real
 2 property and carry out military construction projects for the in-
 3 stallation and location, and in the amount, set forth in the fol-
 4 lowing table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Unspecified Worldwide	\$4,000,000

5 **SEC. 2102. FAMILY HOUSING.**

6 (a) CONSTRUCTION AND ACQUISITION.—Using amounts
 7 appropriated pursuant to the authorization of appropriations in
 8 section 2104(a)(6)(A), the Secretary of the Army may con-
 9 struct or acquire family housing units (including land acquisi-
 10 tion and supporting facilities) at the installations, for the pur-
 11 poses, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or loca- tion	Purpose	Amount
Alaska	Fort Wainwright	38 Units	\$17,752,000
Arizona	Yuma Proving Ground ..	33 Units	\$6,100,000
Korea	Yongsan	10 Units	\$3,100,000
	Total:		\$26,952,000

12 (b) PLANNING AND DESIGN.—Using amounts appro-
 13 priated pursuant to the authorization of appropriations in sec-
 14 tion 2104(a)(6)(A), the Secretary of the Army may carry out
 15 architectural and engineering services and construction design
 16 activities with respect to the construction or improvement of
 17 family housing units in an amount not to exceed \$15,653,000.

18 **SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUS-**
 19 **ING UNITS.**

20 Subject to section 2825 of title 10, United States Code,
 21 and using amounts appropriated pursuant to the authorization
 22 of appropriations in section 2104(a)(6)(A), the Secretary of the
 23 Army may improve existing military family housing units in an
 24 amount not to exceed \$239,751,000.

25 **SEC. 2104. AUTHORIZATION OF APPROPRIATIONS,**
 26 **ARMY.**

27 (a) IN GENERAL.—Funds are hereby authorized to be ap-
 28 propriated for fiscal years beginning after September 30, 2002,

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1 for military construction, land acquisition, and military family
2 housing functions of the Department of the Army in the total
3 amount of \$3,104,176,000, as follows:

4 (1) For military construction projects inside the
5 United States authorized by section 2101(a),
6 \$949,567,000.

7 (2) For military construction projects outside the
8 United States authorized by section 2101(b),
9 \$354,116,000.

10 (3) For military construction projects at unspecified
11 worldwide locations authorized by section 2101(c),
12 \$4,000,000.

13 (4) For unspecified minor construction projects au-
14 thorized by section 2805 of title 10, United States Code,
15 \$21,550,000.

16 (5) For architectural and engineering services and
17 construction design under section 2807 of title 10, United
18 States Code, \$160,313,000.

19 (6) For military family housing functions:

20 (A) For construction and acquisition, planning
21 and design, and improvement of military family hous-
22 ing and facilities, \$282,356,000.

23 (B) For support of military family housing (in-
24 cluding the functions described in section 2833 of title
25 10, United States Code), \$1,117,274,000.

26 (7) For the construction of phase 2 of Saddle Access
27 Road, Pohakoula Training Facility, Hawaii, authorized by
28 section 2101(a) of the Military Construction Authorization
29 Act for Fiscal Year 2001 (division B of the Floyd D.
30 Spence National Defense Authorization Act for Fiscal Year
31 2001, as enacted into law by Public Law 106-398; 114
32 Stat. 1654A-389), \$13,000,000.

33 (8) For the construction of phase 3 of a barracks com-
34 plex, Butner Road, at Fort Bragg, North Carolina, author-
35 ized by section 2101(a) of the Military Construction Au-
36 thorization Act for Fiscal Year 2001 (division B of the
37 Floyd D. Spence National Defense Authorization Act for

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1 Fiscal Year 2001, as enacted into law by Public Law 106–
2 398; 114 Stat. 1654A–389), \$50,000,000.

3 (9) For the construction of phase 2 of a barracks com-
4 plex, D Street, at Fort Richardson, Alaska, authorized by
5 section 2101(a) of the Military Construction Authorization
6 Act for Fiscal Year 2002 (division B of Public Law 107–
7 107; 115 Stat. 1280), \$21,000,000.

8 (10) For the construction of phase 2 of a barracks
9 complex, Nelson Boulevard, at Fort Carson, Colorado, au-
10 thorized by section 2101(a) of the Military Construction
11 Authorization Act for Fiscal Year 2002 (division B of Pub-
12 lic Law 107–107; 115 Stat. 1280), as amended by section
13 2105 of this Act, \$42,000,000.

14 (11) For the construction of phase 2 of a basic combat
15 trainee complex at Fort Jackson, South Carolina, author-
16 ized by section 2101(a) of the Military Construction Au-
17 thorization Act for Fiscal Year 2002 (division B of Public
18 Law 107–107; 115 Stat. 1280), as amended by section
19 2105 of this Act, \$39,000,000.

20 (12) For the construction of phase 2 of a barracks
21 complex, 17th and B Streets, at Fort Lewis, Washington,
22 authorized by section 2101(a) of the Military Construction
23 Authorization Act for Fiscal Year 2002 (division B of Pub-
24 lic Law 107–107; 115 Stat. 1280), \$50,000,000.

25 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
26 PROJECTS.—Notwithstanding the cost variations authorized by
27 section 2853 of title 10, United States Code, and any other
28 cost variation authorized by law, the total cost of all projects
29 carried out under section 2101 of this Act may not exceed—

30 (1) the total amount authorized to be appropriated
31 under paragraphs (1), (2), and (3) of subsection (a);

32 (2) \$18,000,000 (the balance of the amount author-
33 ized under section 2101(a) for construction of a barracks
34 complex, Main Post, at Fort Benning, Georgia);

35 (3) \$100,000,000 (the balance of the amount author-
36 ized under section 2101(a) for construction of a barracks
37 complex, Capron Avenue, at Schofield Barracks, Hawaii);

21-6

1 (4) \$13,200,000 (the balance of the amount author-
2 ized under section 2101(a) for construction of a combined
3 arms collective training facility at Fort Riley, Kansas);

4 (5) \$50,000,000 (the balance of the amount author-
5 ized under section 2101(a) for construction of a barracks
6 complex, Range Road, at Fort Campbell, Kentucky); and

7 (6) \$25,000,000 (the balance of the amount author-
8 ized under section 2101(a) for construction of a consoli-
9 dated maintenance complex at Fort Sill, Oklahoma).

10 (c) ADJUSTMENTS.—The total amount authorized to be
11 appropriated pursuant to paragraphs (1) through (12) of sub-
12 section (a) is the sum of the amounts authorized to be appro-
13 priated in such paragraphs, reduced by the following:

14 (1) \$18,596,000, which represents savings resulting
15 from adjustments to foreign currency exchange rates for
16 military construction, military family housing construction,
17 and military family housing support outside the United
18 States.

19 (2) \$29,350,000, which represents savings resulting
20 from adjustments in the accounting of civilian personnel
21 benefits.

22 (3) \$16,740,000, which represents savings resulting
23 from reductions in supervision, inspection, and overhead
24 costs.

25 (4) \$18,000,000, which represents savings resulting
26 from lower-than-expected inflation.

27 **SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY**
28 **OUT CERTAIN FISCAL YEAR 2002 PROJECTS.**

29 (a) MODIFICATION.—The table in section 2101(a) of the
30 Military Construction Authorization Act for Fiscal Year 2002
31 (division B of Public Law 107-107; 115 Stat. 1281) is
32 amended—

33 (1) in the item relating to Fort Carson, Colorado, by
34 striking “\$66,000,000” in the amount column and insert-
35 ing “\$67,000,000”; and

21-7

1 (2) in the item relating to Fort Jackson, South Caro-
2 lina, by striking “\$65,650,000” in the amount column and
3 inserting “\$68,650,000”.

4 (b) CONFORMING AMENDMENTS.—Section 2104(b) of that
5 Act (115 Stat. 1284) is amended—

6 (1) in paragraph (3), by striking “\$41,000,000” and
7 inserting “\$42,000,000”; and

8 (2) in paragraph (4), by striking “\$36,000,000” and
9 inserting “\$39,000,000”.

10 **SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY**
11 **OUT CERTAIN FISCAL YEAR 2001 PROJECT.**

12 The table in section 2101(b) of the Military Construction
13 Authorization Act for Fiscal Year 2001 (division B of the
14 Floyd D. Spence National Defense Authorization Act for Fiscal
15 Year 2001, as enacted into law by Public Law 106-398; 114
16 Stat. 1654A-390) is amended by striking “Camp Page” in the
17 installation or location column and inserting “Camp Stanley”.

1

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 2002 projects.

2 **SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND**
 3 **LAND ACQUISITION PROJECTS.**

4 (a) INSIDE THE UNITED STATES.—Using amounts appro-
 5 priated pursuant to the authorization of appropriations in sec-
 6 tion 2204(a)(1), the Secretary of the Navy may acquire real
 7 property and carry out military construction projects for the in-
 8 stallations and locations inside the United States, and in the
 9 amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	\$3,000,000
California	Auxiliary Landing Field, San Diego (San Clemente Island) ..	\$6,150,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	\$39,470,000
	Marine Corps Air Station, Camp Pendleton	\$11,930,000
	Marine Corps Air Station, Miramar	\$12,210,000
	Marine Corps Base, Camp Pendleton	\$84,040,000
	Marine Corps Logistics Base, Barstow	\$4,450,000
	Naval Air Station, Lemoore	\$35,855,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	\$6,760,000
	Naval Air Warfare Center, China Lake	\$10,100,000
	Naval Construction Training Center, Port Hueneme	\$10,170,000
	Naval Post Graduate School, Monterey	\$9,020,000
	Naval Station, San Diego	\$12,210,000
Connecticut	Naval Submarine Base, New London	\$7,880,000
District of Columbia	Marine Corps Barracks	\$3,700,000
	Naval District, Washington	\$2,690,000
Florida	Naval Air Station, Jacksonville ...	\$13,342,000
	Naval Air Station, Pensacola	\$990,000
	Naval School Explosive Ordnance Detachment, Eglin	\$6,350,000
	Naval Station, Mayport	\$1,900,000
	Naval Surface Warfare Center Coastal Systems Station, Panama City	\$10,700,000
Georgia	Naval Submarine Base, Kings Bay.	\$1,580,000

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Navy: Inside the United States—Continued

State	Installation or location	Amount
Hawaii	Marine Corps Base	\$9,500,000
	Naval Shipyard, Pearl Harbor	\$18,500,000
	Naval Station, Pearl Harbor	\$34,090,000
Illinois	Naval Training Center, Great Lakes.	\$83,190,000
Indiana	Naval Surface Warfare Center, Crane	\$11,610,000
Maine	Naval Air Station, Brunswick	\$9,830,000
	Naval Shipyard, Kittery-Portsmouth.	\$15,200,000
Maryland	Naval Air Facility, Andrews Air Force Base	\$9,680,000
	Naval Surface Warfare Center, Carderock Division	\$12,900,000
	United States Naval Academy	\$1,800,000
Mississippi	Naval Air Station, Meridian	\$2,850,000
	Naval Construction Battalion Center, Gulfport	\$5,460,000
New Jersey	Naval Station, Pascagoula	\$25,305,000
	Naval Air Warfare Center, Lakehurst.	\$5,200,000
North Carolina	Naval Weapons Station, Earle	\$5,600,000
	Marine Corps Air Station, Cherry Point.	\$6,040,000
	Marine Corps Air Station, New River.	\$6,920,000
	Marine Corps Base, Camp Lejeune.	\$9,570,000
Rhode Island	Naval Station, Newport	\$15,900,000
South Carolina	Marine Corps Air Station, Beaufort	\$13,700,000
	Marine Corps Recruit Depot, Parris Island	\$10,490,000
	Naval Weapons Station, Charleston	\$5,740,000
Texas	Naval Air Station, Corpus Christi	\$7,150,000
	Naval Station, Ingleside	\$5,000,000
	Naval Air Station, Kingsville	\$6,210,000
Virginia	Marine Corps Combat Development Command, Quantico	\$24,864,000
	Naval Air Station Oceana	\$16,490,000
	Naval Amphibious Base, Little Creek.	\$9,770,000
	Naval Shipyard, Norfolk, Portsmouth.	\$36,470,000
	Naval Station, Norfolk	\$168,965,000
	Naval Support Activity, Norfolk	\$2,260,000
	Naval Surface Warfare Center, Dahlgren	\$15,830,000
	Naval Weapons Station, Yorktown.	\$15,020,000
Washington	Naval Air Station, Whidbey Island.	\$17,580,000
	Naval Magazine, Indian Island ...	\$4,030,000
	Naval Station, Bremerton	\$45,870,000
	Naval Submarine Base, Bangor ..	\$22,310,000
	Naval Undersea Warfare Center, Keyport	\$7,500,000
	Puget Sound Naval Shipyard, Bremerton	\$57,132,000
	Strategic Weapons Facility, Bangor.	\$7,340,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
Various Locations ..	Host Nation Infrastructure	\$1,000,000
	Total	\$1,084,363,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts ap-
 2 propriated pursuant to the authorization of appropriations in
 3 section 2204(a)(2), the Secretary of the Navy may acquire real
 4 property and carry out military construction projects for the lo-
 5 cations outside the United States, and in the amounts, set
 6 forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	\$25,970,000
Cuba	Naval Station, Guantanamo Bay	\$4,280,000
Diego Garcia	Diego Garcia, Naval Support Fa- cility	\$11,090,000
Greece	Naval Support Activity, Joint Headquarters Command, Larissa	\$6,800,000
Guam	Commander, United States Naval Forces, Guam	\$13,400,000
Iceland	Naval Air Station, Keflavik	\$14,920,000
Italy	Naval Air Station, Sigonella	\$55,660,000
Spain	Naval Station, Rota	\$18,700,000
	Total	\$150,820,000

7 **SEC. 2202. FAMILY HOUSING.**

8 (a) CONSTRUCTION AND ACQUISITION.—Using amounts
 9 appropriated pursuant to the authorization of appropriations in
 10 section 2204(a)(5)(A), the Secretary of the Navy may construct
 11 or acquire family housing units (including land acquisition and
 12 supporting facilities) at the installations, for the purposes, and
 13 in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or loca- tion	Purpose	Amount
California	Naval Air Station, Lemoore	178 Units	\$40,981,000
	Twentynine Palms	76 Units	\$19,425,000
Connecticut	Naval Submarine Base, New London	100 Units	\$24,415,000
Florida	Naval Station, Mayport	1 Unit	\$329,000
Hawaii	Marine Corps Base, Kaneohe Bay	65 Units	\$24,797,000
Maine	Naval Air Station, Brunswick	22 Units	\$5,000,000

Navy: Family Housing—Continued

State or Country	Installation or location	Purpose	Amount
Mississippi	Naval Air Station, Meridian	56 Units	\$9,755,000
North Carolina	Marine Corps Base, Camp Lejeune	317 Units	\$43,650,000
Virginia	Marine Corps Base, Quantico	290 Units	\$41,843,000
United Kingdom	Joint Maritime Facility, St. Mawgan	62 Units	\$18,524,000
		Total	\$228,719,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
 2 priated pursuant to the authorization of appropriation in sec-
 3 tion 2204(a)(5)(A), the Secretary of the Navy may carry out
 4 architectural and engineering services and construction design
 5 activities with respect to the construction or improvement of
 6 military family housing units in an amount not to exceed
 7 \$11,281,000.

8 **SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUS-**
 9 **ING UNITS.**

10 Subject to section 2825 of title 10, United States Code,
 11 and using amounts appropriated pursuant to the authorization
 12 of appropriations in section 2204(a)(5)(A), the Secretary of the
 13 Navy may improve existing military family housing units in an
 14 amount not to exceed \$139,468,000.

15 **SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.**

16 (a) IN GENERAL.—Funds are hereby authorized to be ap-
 17 propriated for fiscal years beginning after September 30, 2002,
 18 for military construction, land acquisition, and military family
 19 housing functions of the Department of the Navy in the total
 20 amount of \$2,576,381,000, as follows:

21 (1) For military construction projects inside the
 22 United States authorized by section 2201(a),
 23 \$1,025,598,000.

24 (2) For military construction projects outside the
 25 United States authorized by section 2201(b),
 26 \$148,250,000.

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1 (3) For unspecified minor construction projects au-
2 thorized by section 2805 of title 10, United States Code,
3 \$26,187,000.

4 (4) For architectural and engineering services and
5 construction design under section 2807 of title 10, United
6 States Code, \$95,570,000.

7 (5) For military family housing functions:

8 (A) For construction and acquisition, planning
9 and design, and improvement of military family hous-
10 ing and facilities, \$379,468,000.

11 (B) For support of military family housing (in-
12 cluding functions described in section 2833 of title 10,
13 United States Code), \$867,788,000.

14 (6) For replacement of a pier at Naval Station, Nor-
15 folk, Virginia, authorized by section 2201(a) of the Military
16 Construction Authorization Act for Fiscal Year 2002 (divi-
17 sion B of Public Law 107–107; 115 Stat. 1287), as amend-
18 ed by section 2205 of this Act, \$33,520,000.

19 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
20 PROJECTS.—Notwithstanding the cost variations authorized by
21 section 2853 of title 10, United States Code, and any other
22 cost variation authorized by law, the total cost of all projects
23 carried out under section 2201 of this Act may not exceed—

24 (1) the total amount authorized to be appropriated
25 under paragraphs (1) and (2) of subsection (a);

26 (2) \$10,645,000 (the balance of the amount author-
27 ized under section 2201(a) for a bachelors enlisted quarters
28 shipboard ashore, Naval Station, Pascagoula, Mississippi);

29 (3) \$48,120,000 (the balance of the amount author-
30 ized under section 2201(a) for a bachelors enlisted quarters
31 shipboard ashore, Naval Station, Norfolk, Virginia); and

32 (4) \$2,570,000 (the balance of the amount authorized
33 under section 2201(b) for a quality of life support facility,
34 Naval Air Station Sigonella, Italy).

35 (c) ADJUSTMENTS.—The total amount authorized to be
36 appropriated pursuant to paragraphs (1) through (6) of sub-

1 section (a) is the sum of the amounts authorized to be appro-
2 priated in such paragraphs, reduced by the following:

3 (1) \$3,992,000, which represents savings resulting
4 from adjustments to foreign currency exchange rates for
5 military construction, military family housing construction,
6 and military family housing support outside the United
7 States.

8 (2) \$10,470,000, which represents savings resulting
9 from adjustments in the accounting of civilian personnel
10 benefits.

11 (3) \$15,017,000, which represents savings resulting
12 from reductions in supervision, inspection, and overhead
13 costs.

14 (4) \$14,000,000, which represents savings resulting
15 from lower-than-expected inflation.

16 **SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY**
17 **OUT CERTAIN FISCAL YEAR 2002 PROJECTS.**

18 (a) MILITARY CONSTRUCTION PROJECT AT NAVAL STA-
19 TION, NORFOLK, VIRGINIA.—The table in section 2201(a) of
20 the Military Construction Authorization Act for Fiscal Year
21 2002 (division B of Public Law 107–107; 115 Stat. 1286) is
22 amended—

23 (1) in the item relating to Naval Station, Norfolk, Vir-
24 ginia, by striking “\$139,270,000” in the amount column
25 and inserting “\$139,550,000”; and

26 (2) by striking the amount identified as the total in
27 the amount column and inserting “\$1,059,030,000”.

28 (b) MILITARY FAMILY HOUSING AT QUANTICO, VIR-
29 GINIA.—The table in section 2202(a) of that Act (115 Stat.
30 1288) is amended in the item relating to Marine Corps Combat
31 Development Command, Quantico, Virginia, by striking “60
32 Units” in the purpose column and inserting “39 Units”.

33 (c) CONFORMING AMENDMENT.—Section 2204(b)(2) of
34 that Act (115 Stat. 1289) is amended by striking
35 “\$33,240,000” and inserting “\$33,520,000”.

1

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.
- Sec. 2304. Authorization of appropriations, Air Force.
- Sec. 2305. Authority for use of military construction funds for construction of public road near Aviano Air Base, Italy, to replace road closed for force protection purposes.

2

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

3

4

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

5

6

7

8

9

Air Force: Inside the United States

State	Installation or location	Amount
Alaska	Clear Air Station	\$14,400,000
	Eielson Air Force Base	\$41,100,000
Arizona	Davis-Monthan Air Force Base.	\$19,270,000
	Luke Air Force Base	\$13,000,000
Arkansas	Little Rock Air Force Base	\$25,600,000
California	Beale Air Force Base	\$11,740,000
	Travis Air Force Base	\$33,469,000
Colorado	Vandenberg Air Force Base ...	\$10,500,000
	Buckley Air National Guard Base.	\$17,700,000
	Peterson Air Force Base	\$5,500,000
	Schriever Air Force Base	\$5,700,000
District of Columbia	United States Air Force Academy.	\$4,200,000
	Bolling Air Force Base	\$5,000,000
	Florida	Avon Park Air Force Range ..
Georgia	Elgin Air Force Base	\$4,250,000
	Hurlburt Field	\$15,000,000
	MacDill Air Force Base	\$20,000,000
	Robins Air Force Base	\$29,400,000
Hawaii	Hickam Air Force Base	\$1,350,000
Kansas	McConnell Air Force Base	\$7,500,000
Louisiana	Barksdale Air Force Base	\$22,900,000
Maryland	Andrews Air Force Base	\$9,600,000
Massachusetts	Hanscom Air Force Base	\$7,700,000
Mississippi	Keesler Air Force Base	\$22,000,000
Nebraska	Offutt Air Force Base	\$11,000,000
Nevada	Nellis Air Force Base	\$56,850,000
New Jersey	McGuire Air Force Base	\$29,831,000
New Mexico	Cannon Air Force Base	\$4,650,000
	Holloman Air Force Base	\$4,650,000
	Kirtland Air Force Base	\$21,900,000
North Carolina	Pope Air Force Base	\$9,700,000
North Dakota	Minot Air Force Base	\$5,000,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Ohio	Wright-Patterson Air Force Base.	\$25,000,000
Oklahoma	Altus Air Force Base	\$14,800,000
	Vance Air Force Base	\$4,800,000
South Carolina	Shaw Air Force Base	\$6,800,000
South Dakota	Ellsworth Air Force Base	\$13,200,000
Texas	Goodfellow Air Force Base	\$10,600,000
	Lackland Air Force Base	\$37,300,000
	Lackland Air Force Base (Camp Bullis)	\$10,000,000
	Laughlin Air Force Base	\$8,000,000
	Sheppard Air Force Base	\$16,000,000
Utah	Hill Air Force Base	\$14,500,000
Virginia	Langley Air Force Base	\$70,940,000
	Total	\$724,400,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts ap-
 2 propriated pursuant to the authorization of appropriations in
 3 section 2304(a)(2), the Secretary of the Air Force may acquire
 4 real property and carry out military construction projects for
 5 the installations and locations outside the United States, and
 6 in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Diego Garcia	Diego Garcia	\$17,100,000
Germany	Ramstein Air Force Base	\$71,783,000
Guam	Andersen Air Force Base	\$31,000,000
Italy	Aviano Air Force Base	\$6,600,000
Japan	Kadena Air Force Base	\$6,000,000
Korea	Osan Air Base	\$15,100,000
Spain	Naval Station, Rota	\$31,818,000
Turkey	Incirlik Air Force Base	\$1,550,000
United Kingdom	Royal Air Force, Fairford	\$19,000,000
	Royal Air Force, Lakenheath	\$13,400,000
Wake Island	Wake Island	\$24,900,000
	Total	\$238,251,000

7 (c) UNSPECIFIED WORLDWIDE.—Using amounts appro-
 8 priated pursuant to the authorization of appropriations in sec-
 9 tion 2304(a)(3), the Secretary of the Air Force may acquire
 10 real property and carry out military construction projects for
 11 the installation and location, and in the amount, set forth in
 12 the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide ..	Classified Location	\$24,993,000
	Total	\$24,993,000

1 **SEC. 2302. FAMILY HOUSING.**

2 (a) CONSTRUCTION AND ACQUISITION.—Using amounts
 3 appropriated pursuant to the authorization of appropriations in
 4 section 2304(a)(6)(A), the Secretary of the Air Force may con-
 5 struct or acquire family housing units (including land acquisi-
 6 tion and supporting facilities) at the installations, for the pur-
 7 poses, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or loca- tion	Purpose	Amount
Arizona	Luke Air Force Base	140 Units	\$18,954,000
California	Travis Air Force Base ..	110 Units	\$24,320,000
Colorado	Peterson Air Force Base	2 Units	\$959,000
	United States Air Force Academy	71 Units	\$12,424,000
Delaware	Dover Air Force Base ...	112 Units	\$19,615,000
Florida	Eglin Air Force Base	Housing Of- fice.	\$597,000
	Eglin Air Force Base	134 Units	\$15,906,000
	MacDill Air Force Base	96 Units	\$18,086,000
Hawaii	Hickam Air Force Base	96 Units	\$29,050,000
Idaho	Mountain Home Air Force Base	95 Units	\$24,392,000
Kansas	McConnell Air Force Base	Housing Mainte- nance Fa- cility	\$1,514,000
Maryland	Andrews Air Force Base	53 Units	\$9,838,000
	Andrews Air Force Base	52 Units	\$8,807,000
Mississippi	Columbus Air Force Base	Housing Of- fice.	\$412,000
	Keesler Air Force Base	117 Units	\$16,505,000
Missouri	Whiteman Air Force Base	97 Units	\$17,107,000
Montana	Malmstrom Air Force Base	18 Units	\$4,717,000
New Mexico	Holloman Air Force Base	101 Units	\$20,161,000
North Carolina	Pope Air Force Base	Housing Mainte- nance Fa- cility	\$991,000
	Seymour Johnson Air Force Base	126 Units	\$18,615,000
North Dakota	Grand Forks Air Force Base	150 Units	\$30,140,000
	Minot Air Force Base ...	112 Units	\$21,428,000
	Minot Air Force Base ...	102 Units	\$20,315,000
Oklahoma	Vance Air Force Base ...	59 Units	\$11,423,000

Air Force: Family Housing—Continued

State or Country	Installation or location	Purpose	Amount
South Dakota	Ellsworth Air Force Base	Housing Maintenance Facility	\$447,000
	Ellsworth Air Force Base	22 Units	\$4,794,000
Texas	Dyess Air Force Base ...	85 Units	\$14,824,000
	Randolph Air Force Base	Housing Maintenance Facility	\$447,000
	Randolph Air Force Base	112 Units ...	\$14,311,000
Virginia	Langley Air Force Base	Housing Office	\$1,193,000
Germany	Ramstein Air Force Base	19 Units	\$8,534,000
Korea	Osan Air Base	113 Units ...	\$35,705,000
	Osan Air Base	Housing Supply Warehouse	\$834,000
United Kingdom	Royal Air Force, Lakenheath	Housing Office and Maintenance Facility	\$2,203,000
	Total		\$429,568,000

1 (b) PLANNING AND DESIGN.—Using amounts appro-
 2 priated pursuant to the authorization of appropriations in sec-
 3 tion 2304(a)(6)(A), the Secretary of the Air Force may carry
 4 out architectural and engineering services and construction de-
 5 sign activities with respect to the construction or improvement
 6 of military family housing units in an amount not to exceed
 7 \$34,188,000.

8 **SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUS-**
 9 **ING UNITS.**

10 Subject to section 2825 of title 10, United States Code,
 11 and using amounts appropriated pursuant to the authorization
 12 of appropriations in section 2304(a)(6)(A), the Secretary of the
 13 Air Force may improve existing military family housing units
 14 in an amount not to exceed \$226,068,000.

1 **SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR**
2 **FORCE.**

3 (a) IN GENERAL.—Funds are hereby authorized to be ap-
4 propriated for fiscal years beginning after September 30, 2002,
5 for military construction, land acquisition, and military family
6 housing functions of the Department of the Air Force in the
7 total amount of \$2,633,738,000, as follows:

8 (1) For military construction projects inside the
9 United States authorized by section 2301(a),
10 \$717,300,000.

11 (2) For military construction projects outside the
12 United States authorized by section 2301(b),
13 \$238,251,000.

14 (3) For military construction projects at unspecified
15 worldwide locations authorized by section 2301(c),
16 \$24,993,000.

17 (4) For unspecified minor construction projects au-
18 thorized by section 2805 of title 10, United States Code,
19 \$11,500,000.

20 (5) For architectural and engineering services and
21 construction design under section 2807 of title 10, United
22 States Code, \$82,820,000.

23 (6) For military housing functions:

24 (A) For construction and acquisition, planning
25 and design, and improvement of military family hous-
26 ing and facilities, \$689,824,000.

27 (B) For support of military family housing (in-
28 cluding functions described in section 2833 of title 10,
29 United States Code), \$869,050,000.

30 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
31 PROJECTS.—Notwithstanding the cost variations authorized by
32 section 2853 of title 10, United States Code, and any other
33 cost variation authorized by law, the total cost of all projects
34 carried out under section 2301 of this Act may not exceed—

35 (1) the total amount authorized to be appropriated
36 under paragraphs (1), (2) and (3) of subsection (a); and

1 (2) \$7,100,000 (the balance of the amount authorized
2 under section 2301(a) for construction of a consolidated
3 base engineer complex at Altus Air Force Base, Okla-
4 homa).

5 (c) ADJUSTMENTS.—The total amount authorized to be
6 appropriated pursuant to paragraphs (1) through (6) of sub-
7 section (a) is the sum of the amounts authorized to be appro-
8 priated in such paragraphs, reduced by the following:

9 (1) \$19,063,000, which represents savings resulting
10 from adjustments to foreign currency exchange rates for
11 military construction, military family housing construction,
12 and military family housing support outside the United
13 States.

14 (2) \$15,306,000, which represents savings resulting
15 from reductions in supervision, inspection, and overhead
16 costs.

17 (3) \$16,000,000, which represents savings resulting
18 from lower-than-expected inflation.

19 **SEC. 2305. AUTHORITY FOR USE OF MILITARY CON-**
20 **STRUCTION FUNDS FOR CONSTRUCTION OF**
21 **PUBLIC ROAD NEAR AVIANO AIR BASE,**
22 **ITALY, TO REPLACE ROAD CLOSED FOR**
23 **FORCE PROTECTION PURPOSES.**

24 (a) AUTHORITY TO USE FUNDS.—Using amounts author-
25 ized to be appropriated by section 2304(a)(2), the Secretary of
26 the Air Force may carry out a project to provide a public road,
27 and associated improvements, to replace a public road adjacent
28 to Aviano Air Base, Italy, that has been closed for force protec-
29 tion purposes.

30 (b) SCOPE OF AUTHORITY.—(1) The authority of the Sec-
31 retary to carry out the project referred to in subsection (a)
32 shall include authority as follows:

33 (A) To acquire property for the project for transfer to
34 a host nation authority.

35 (B) To provide funds to a host nation authority to ac-
36 quire property for the project.

37 (C) To make a contribution to a host nation authority
38 for purposes of carrying out the project.

1 (D) To provide vehicle and pedestrian access to land-
2 owners affected by the project.

3 (2) The acquisition of property using the authority in sub-
4 paragraph (A) or (B) of paragraph (1) may be made regardless
5 of whether or not ownership of such property will vest in the
6 United States.

7 (c) INAPPLICABILITY OF CERTAIN REAL PROPERTY MAN-
8 AGEMENT REQUIREMENT.—Section 2672(a)(1)(B) of title 10,
9 United States Code, shall not apply with respect to any acqui-
10 sition of interests in land for purposes of the project authorized
11 by subsection (a).

1 **TITLE XXIV—DEFENSE AGENCIES**

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.

Sec. 2402. Improvements to military family housing units.

Sec. 2403. Energy conservation projects.

Sec. 2404. Authorization of appropriations, Defense Agencies.

Sec. 2405. Modification of authority to carry out certain fiscal year 2000 project.

Sec. 2406. Modification of authority to carry out certain fiscal year 1999 project.

Sec. 2407. Modification of authority to carry out certain fiscal year 1997 project.

2 **SEC. 2401. AUTHORIZED DEFENSE AGENCIES CON-**
 3 **STRUCTION AND LAND ACQUISITION**
 4 **PROJECTS.**

5 (a) INSIDE THE UNITED STATES.—Using amounts appro-
 6 priated pursuant to the authorization of appropriations in sec-
 7 tion 2404(a)(1), the Secretary of Defense may acquire real
 8 property and carry out military construction projects for the in-
 9 stallations and locations inside the United States, and in the
 10 amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitariza- tion	Pine Bluff, Arkansas	\$18,937,000
Defense Intelligence Agency	Bolling Air Force Base, Dis- trict of Columbia	\$111,958,000
Defense Logistics Agen- cy	Defense Supply Center, Rich- mond, Virginia	\$5,500,000
	Naval Air Station, New Orle- ans, Louisiana	\$9,500,000
	Travis Air Force Base, Cali- fornia	\$16,000,000
Defense Threat Reduc- tion Agency	Fort Belvoir, Virginia	\$76,388,000
Department of Defense Dependents Schools ...	Fort Bragg, North Carolina ..	\$2,036,000
	Fort Jackson, South Carolina	\$2,506,000
	Marine Corps Base, Camp Lejeune, North Carolina	\$12,138,000
	Marine Corps Base, Quantico, Virginia	\$1,418,000
	United States Military Acad- emy, West Point, New York	\$4,347,000
Joint Chiefs of Staff	Peterson Air Force Base, Col- orado.	\$25,000,000
Missile Defense Agency	Kauai, Hawaii	\$23,400,000
National Security Agen- cy	Fort Meade, Maryland	\$4,484,000

[Title XXIV—Def. Agencies MilCon]

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Defense Agencies: Inside the United States—Continued

Agency	Installation or location	Amount
Special Operations Command	Dam Neck, Virginia	\$3,900,000
	Fort Bragg, North Carolina ..	\$30,800,000
	Hurlburt Field, Florida	\$11,100,000
	Naval Amphibious Base, Little Creek, Virginia	\$14,300,000
	Stennis Space Center, Mississippi.	\$5,000,000
TRICARE Management Activity	Elmendorf Air Force Base, Alaska	\$10,400,000
	Hickam Air Force Base, Hawaii.	\$2,700,000
Washington Headquarters Services	District of Columbia	\$2,500,000
	Total	\$394,312,000

1 (b) OUTSIDE THE UNITED STATES.—Using amounts ap-
 2 propriated pursuant to the authorization of appropriations in
 3 section 2404(a)(2), the Secretary of Defense may acquire real
 4 property and carry out military construction projects for the in-
 5 stallations and locations outside the United States, and in the
 6 amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	Andersen Air Force Base, Guam.	\$17,586,000
	Naval Forces Marianas Islands, Guam	\$6,000,000
	Naval Station, Rota, Spain	\$23,400,000
	Royal Air Force, Fairford, United Kingdom	\$17,000,000
	Yokota Air Base, Japan	\$23,000,000
Department of Defense Dependents Schools ...	Kaiserslautern, Germany	\$957,000
	Lajes Field, Azores, Portugal	\$1,192,000
	Seoul, Korea	\$31,683,000
	Supreme Headquarters, Allied Powers Europe, Belgium	\$1,573,000
	Spangdahlem Air Base, Germany	\$997,000
	Vicenza, Italy	\$2,117,000
TRICARE Management Activity	Naval Support Activity, Naples, Italy	\$41,449,000
	Spangdahlem Air Base, Germany	\$39,629,000
	Total	\$206,583,000

1 **SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUS-**
2 **ING UNITS.**

3 Subject to section 2825 of title 10, United States Code,
4 and using amounts appropriated pursuant to the authorization
5 of appropriations in section 2404(a)(8)(A), the Secretary of
6 Defense may improve existing military family housing units in
7 an amount not to exceed \$5,480,000.

8 **SEC. 2403. ENERGY CONSERVATION PROJECTS.**

9 Using amounts appropriated pursuant to the authorization
10 of appropriations in section 2404(a)(6), the Secretary of De-
11 fense may carry out energy conservation projects under section
12 2865 of title 10, United States Code, in the amount of
13 \$34,531,000.

14 **SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DE-**
15 **FENSE AGENCIES.**

16 (a) IN GENERAL.—Funds are hereby authorized to be ap-
17 propriated for fiscal years beginning after September 30, 2002,
18 for military construction, land acquisition, and military family
19 housing functions of the Department of Defense (other than
20 the military departments) in the total amount of
21 \$1,434,795,000, as follows:

22 (1) For military construction projects inside the
23 United States authorized by section 2401(a),
24 \$357,712,000.

25 (2) For military construction projects outside the
26 United States authorized by section 2401(b),
27 \$206,583,000.

28 (3) For unspecified minor construction projects under
29 section 2805 of title 10, United States Code, \$16,293,000.

30 (4) For contingency construction projects of the Sec-
31 retary of Defense under section 2804 of title 10, United
32 States Code, \$10,000,000.

33 (5) For architectural and engineering services and
34 construction design under section 2807 of title 10, United
35 States Code, \$45,532,000.

36 (6) For energy conservation projects authorized by
37 section 2403, \$34,531,000.

1 (7) For base closure and realignment activities as au-
2 thorized by the Defense Base Closure and Realignment Act
3 of 1990 (part A of title XXIX of Public Law 101-510; 10
4 U.S.C. 2687 note), \$565,138,000.

5 (8) For military family housing functions:

6 (A) For improvement of military family housing
7 and facilities, \$5,480,000.

8 (B) For support of military family housing (in-
9 cluding functions described in section 2833 of title 10,
10 United States Code), \$42,432,000.

11 (C) For credit to the Department of Defense Fam-
12 ily Housing Improvement Fund established by section
13 2883(a)(1) of title 10, United States Code, \$2,000,000.

14 (9) For payment of a claim against the Hospital Re-
15 placement project at Elmendorf Air Force Base, Alaska,
16 \$10,400,000.

17 (10) For the construction of phase 4 of an ammuni-
18 tion demilitarization facility at Pueblo Chemical Activity,
19 Colorado, authorized by section 2401(a) of the Military
20 Construction Authorization Act for Fiscal Year 1997 (divi-
21 sion B of Public Law 104-201; 110 Stat. 2775), as amend-
22 ed by section 2406 of the Military Construction Authoriza-
23 tion Act for Fiscal Year 2000 (division B of Public Law
24 106-65; 113 Stat. 839) and section 2407 of this Act,
25 \$38,000,000.

26 (11) For the construction of phase 5 of an ammuni-
27 tion demilitarization facility at Newport Army Depot, Indi-
28 ana, authorized by section 2401(a) of the Military Con-
29 struction Authorization Act for Fiscal Year 1999 (division
30 B of Public Law 105-261; 112 Stat. 2193), as amended
31 by section 2406 of this Act, \$61,494,000.

32 (12) For the construction of phase 5 of an ammuni-
33 tion demilitarization facility at Aberdeen Proving Ground,
34 Maryland, authorized by section 2401(a) of the Military
35 Construction Authorization Act for Fiscal Year 1999 (divi-
36 sion B of Public Law 105-261; 112 Stat. 2193), as amend-
37 ed by section 2406 of the Military Construction Authoriza-

1 tion Act for Fiscal Year 2002 (division B of Public Law
2 107–107; 115 Stat. 1299), \$20,600,000.

3 (13) For the construction of phase 3 of an ammuni-
4 tion demilitarization facility at Blue Grass Army Depot,
5 Kentucky, authorized by section 2401(a) of the Military
6 Construction Authorization Act for Fiscal Year 2000 (divi-
7 sion B of Public Law 106–65; 113 Stat. 835), as amended
8 by section 2405 of the Military Construction Authorization
9 Act for Fiscal Year 2002 (division B of Public Law 107–
10 107; 115 Stat. 1298) and section 2405 of this Act,
11 \$10,300,000.

12 (14) For the construction of phase 3 of an ammuni-
13 tion demilitarization support facility at Blue Grass Army
14 Depot, Kentucky, authorized by section 2401(a) of the
15 Military Construction Authorization Act for Fiscal Year
16 2000 (division B of Public Law 106–65; 113 Stat. 835),
17 \$8,300,000.

18 (b) LIMITATION ON TOTAL COST OF CONSTRUCTION
19 PROJECTS.—Notwithstanding the cost variations authorized by
20 section 2853 of title 10, United States Code, and any other
21 cost variation authorized by law, the total cost of all projects
22 carried out under section 2401 of this Act may not exceed—

23 (1) the total amount authorized to be appropriated
24 under paragraphs (1) and (2) of subsection (a); and

25 (2) \$26,200,000 (the balance of the amount author-
26 ized under section 2401(a) for the construction of the De-
27 fense Threat Reduction Center, Fort Belvoir, Virginia).

28 (c) ADJUSTMENTS.—The total amount authorized to be
29 appropriated pursuant to paragraphs (1) through (14) of sub-
30 section (a) is the sum of the amounts authorized to be appro-
31 priated in such paragraphs, reduced by the following:

32 (1) \$2,976,000, which represents savings resulting
33 from adjustments to foreign currency exchange rates for
34 military construction, military family housing construction,
35 and military family housing support outside the United
36 States.

1 (2) \$37,000, which represents savings resulting from
2 adjustments in the accounting of civilian personnel benefits.

3 (3) \$7,414,000, which represents savings resulting
4 from reductions in supervision, inspection, and overhead
5 costs.

6 (4) \$7,000,000, which represents savings resulting
7 from lower-than-expected inflation.

8 **SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY**
9 **OUT CERTAIN FISCAL YEAR 2000 PROJECT.**

10 (a) MODIFICATION.—The table in section 2401(a) of the
11 Military Construction Authorization Act for Fiscal Year 2000
12 (division B of Public Law 106–65; 113 Stat. 835), as amended
13 by section 2405 of the Military Construction Authorization Act
14 for Fiscal Year 2002 (division B of Public Law 107–107; 115
15 Stat. 1298), is further amended—

16 (1) under the agency heading relating to Chemical De-
17 militarization, in the item relating to Blue Grass Army
18 Depot, Kentucky, by striking “\$254,030,000” in the
19 amount column and inserting “\$290,325,000”; and

20 (2) by striking the amount identified as the total in
21 the amount column and inserting “\$748,245,000”.

22 (b) CONFORMING AMENDMENT.—Section 2405(b)(3) of
23 the Military Construction Authorization Act for Fiscal Year
24 2000 (113 Stat. 839), as so amended, is further amended by
25 striking “\$231,230,000” and inserting “\$267,525,000”.

26 **SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY**
27 **OUT CERTAIN FISCAL YEAR 1999 PROJECT.**

28 (a) MODIFICATION.—The table in section 2401(a) of the
29 Military Construction Authorization Act for Fiscal Year 1999
30 (division B of Public Law 105–261; 112 Stat. 2193), as
31 amended by section 2406 of the Military Construction Author-
32 ization Act for Fiscal Year 2002 (division B of Public Law
33 107–107; 115 Stat. 1299), is further amended—

34 (1) under the agency heading relating to Chemical De-
35 militarization, in the item relating to Newport Army Depot,
36 Indiana, by striking “\$191,550,000” in the amount column
37 and inserting “\$293,853,000”; and

1 (2) by striking the amount identified as the total in
2 the amount column and inserting “\$829,919,000”.

3 (b) CONFORMING AMENDMENT.—Section 2404(b)(2) of
4 the Military Construction Authorization Act for Fiscal Year
5 1999 (112 Stat. 2196) is amended by striking “\$162,050,000”
6 and inserting “\$264,353,000”.

7 **SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY**
8 **OUT CERTAIN FISCAL YEAR 1997 PROJECT.**

9 (a) MODIFICATION.—The table in section 2401(a) of the
10 Military Construction Authorization Act for Fiscal Year 1997
11 (division B of Public Law 104–201; 110 Stat. 2775), as
12 amended by section 2406 of the Military Construction Author-
13 ization Act for Fiscal Year 2000 (division B of Public Law
14 106–65; 113 Stat. 839), is further amended—

15 (1) under the agency heading relating to Chemical De-
16 militarization Program, in the item relating to Pueblo
17 Chemical Activity, Colorado, by striking “\$203,500,000” in
18 the amount column and inserting “\$261,000,000”; and

19 (2) by striking the amount identified as the total in
20 the amount column and inserting “\$607,454,000”.

21 (b) CONFORMING AMENDMENT.—Section 2406(b)(2) of
22 the Military Construction Authorization Act for Fiscal Year
23 1997 (110 Stat. 2779), as so amended, is further amended by
24 striking “\$203,500,000” and inserting “\$261,000,000”.

1 **TITLE XXV—NORTH ATLANTIC**
2 **TREATY ORGANIZATION SECURITY**
3 **INVESTMENT PROGRAM**

Sec. 2501. Authorized NATO construction and land acquisition projects.

Sec. 2502. Authorization of appropriations, NATO.

4 **SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND**
5 **LAND ACQUISITION PROJECTS.**

6 The Secretary of Defense may make contributions for the
7 North Atlantic Treaty Organization Security Investment pro-
8 gram as provided in section 2806 of title 10, United States
9 Code, in an amount not to exceed the sum of the amount au-
10 thorized to be appropriated for this purpose in section 2502
11 and the amount collected from the North Atlantic Treaty Orga-
12 nization as a result of construction previously financed by the
13 United States.

14 **SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.**

15 (a) IN GENERAL.—Funds are hereby authorized to be ap-
16 propriated for fiscal years beginning after September 30, 2002,
17 for contributions by the Secretary of Defense under section
18 2806 of title 10, United States Code, for the share of the
19 United States of the cost of projects for the North Atlantic
20 Treaty Organization Security Investment program authorized
21 by section 2501, in the amount of \$168,200,000.

22 (b) ADJUSTMENT.—The total amount authorized to be ap-
23 propriated pursuant to subsection (a) is the amount specified
24 in such subsection, reduced by \$1,000,000, which represents
25 savings resulting from lower-than-expected inflation.

1 **TITLE XXVI—GUARD AND RESERVE**
2 **FORCES FACILITIES**

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.

3 **SEC. 2601. AUTHORIZED GUARD AND RESERVE CON-**
4 **STRUCTION AND LAND ACQUISITION**
5 **PROJECTS.**

6 (a) IN GENERAL.—There are authorized to be appro-
7 priated for fiscal years beginning after September 30, 2002, for
8 the costs of acquisition, architectural and engineering services,
9 and construction of facilities for the Guard and Reserve Forces,
10 and for contributions therefor, under chapter 1803 of title 10,
11 United States Code (including the cost of acquisition of land
12 for those facilities), the following amounts:

13 (1) For the Department of the Army—

14 (A) for the Army National Guard of the United
15 States, \$237,236,000; and

16 (B) for the Army Reserve, \$99,399,000.

17 (2) For the Department of the Navy, for the Naval
18 and Marine Corps Reserve, \$75,801,000.

19 (3) For the Department of the Air Force—

20 (A) for the Air National Guard of the United
21 States, \$204,215,000; and

22 (B) for the Air Force Reserve, \$85,649,000.

23 (b) ADJUSTMENT.—The total amount authorized to be ap-
24 propriated pursuant to subsection (a)(1)(A) is the amount
25 specified in such subsection, reduced by \$1,000,000, which rep-
26 resents savings resulting from lower-than-expected inflation.

[Title XXVII—Expiration and Extension]

27-2

1 subsection (b), as provided in section 2302 or 2601 of that Act,
 2 shall remain in effect until October 1, 2003, or the date of the
 3 enactment of an Act authorizing funds for military construction
 4 for fiscal year 2004, whichever is later.

5 (b) TABLES.—The tables referred to in subsection (a) are
 6 as follows:

Air Force: Extension of 2000 Project Authorizations

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	\$6,000,000
Texas	Lackland Air Force Base	Dormitory	\$5,300,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-Purpose Range Complex—Heavy ..	\$13,500,000

7 **SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CER-**
 8 **TAIN FISCAL YEAR 1999 PROJECTS.**

9 (a) EXTENSION.—Notwithstanding section 2701 of the
 10 Military Construction Authorization Act for Fiscal Year 1999
 11 (division B of Public Law 105-261; 112 Stat. 2199), author-
 12 izations set forth in the table in subsection (b), as provided in
 13 section 2302 of that Act and extended by section 2702 of the
 14 Military Construction Authorization Act for Fiscal Year 2002
 15 (division B of Public Law 107-107; 115 Stat. 1301), shall re-
 16 main in effect until October 1, 2003, or the date of the enact-
 17 ment of an Act authorizing funds for military construction for
 18 fiscal year 2004, whichever is later.

19 (b) TABLE.—The table referred to in subsection (a) is as
 20 follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 Units)	\$8,988,000

[Title XXVII—Expiration and Extension]

27-3

Air Force: Extension of 1999 Project Authorizations—
Continued

State	Installation or location	Project	Amount
Florida	Patrick Air Force Base	Replace Family Housing (46 Units)	\$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 Units)	\$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 Units)	\$5,600,000

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

- Sec. 2801. Lease of military family housing in Korea.
- Sec. 2802. Modification of alternative authority for acquisition and improvement of military housing.
- Sec. 2803. Pilot housing privatization authority for acquisition or construction of military unaccompanied housing.
- Sec. 2804. Repeal of source requirements for family housing construction overseas.
- Sec. 2805. Availability of energy cost savings realized at military installations.

Subtitle B—Real Property and Facilities Administration

- Sec. 2811. Agreements to limit encroachments and other constraints on military training, testing, and operations.
- Sec. 2812. Conveyance of surplus real property for natural resource conservation purposes.
- Sec. 2813. Modification of demonstration program on reduction in long-term facility maintenance costs.
- Sec. 2814. Expanded authority to transfer property at military installations to be closed to persons who construct or provide military family housing.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

- Sec. 2821. Transfer of jurisdiction, Fort McClellan, Alabama, to establish Mountain Longleaf National Wildlife Refuge.
- Sec. 2822. Land conveyances, lands in Alaska no longer required for National Guard purposes.
- Sec. 2823. Land conveyance, Sunflower Army Ammunition Plant, Kansas.
- Sec. 2824. Land conveyances, Bluegrass Army Depot, Richmond, Kentucky.
- Sec. 2825. Land conveyance, Fort Campbell, Kentucky.
- Sec. 2826. Land conveyance, Army Reserve Training Center, Buffalo, Minnesota.
- Sec. 2827. Land conveyance, Fort Monmouth, New Jersey.
- Sec. 2828. Land conveyance, Fort Bliss, Texas.
- Sec. 2829. Land conveyance, Fort Hood, Texas.
- Sec. 2830. Land conveyances, Engineer Proving Ground, Fort Belvoir, Virginia.

PART II—NAVY CONVEYANCES

- Sec. 2831. Land conveyance, Marine Corps Air Station, Miramar, San Diego, California.
- Sec. 2832. Modification of authority for land transfer and conveyance, Naval Security Group Activity, Winter Harbor, Maine.
- Sec. 2833. Land conveyance, Westover Air Reserve Base, Massachusetts.
- Sec. 2834. Land conveyance, Naval Station, Newport, Rhode Island.
- Sec. 2835. Land exchange and boundary adjustments, Marine Corps Base, Quantico, and Prince William Forest Park, Virginia.

PART III—AIR FORCE CONVEYANCES

- Sec. 2841. Modification of land conveyance, Los Angeles Air Force Base, California.
- Sec. 2842. Land exchange, Buckley Air Force Base, Colorado.
- Sec. 2843. Land conveyances, Wendover Air Force Base Auxiliary Field, Nevada.

Subtitle D—Other Matters

- Sec. 2851. Master plan for use of Navy Annex, Arlington, Virginia.
- Sec. 2852. Sale of excess treated water and wastewater treatment capacity, Marine Corps Base, Camp Lejeune, North Carolina.
- Sec. 2853. Conveyance of real property, Adak Naval Complex, Alaska, and related land conveyances.
- Sec. 2854. Special requirement for adding military installation to closure list.

1 **Subtitle A—Military Construction**
 2 **Program and Military Family Housing**
 3 **Changes**

4 **SEC. 2801. LEASE OF MILITARY FAMILY HOUSING IN**
 5 **KOREA.**

6 (a) INCREASE IN NUMBER OF UNITS AUTHORIZED FOR
 7 LEASE AT CURRENT MAXIMUM AMOUNT.—Paragraph (3) of
 8 section 2828(e) of title 10, United States Code, is amended by
 9 striking “800 units” and inserting “1,175 units”.

10 (b) AUTHORITY TO LEASE ADDITIONAL NUMBER OF
 11 UNITS AT INCREASED MAXIMUM AMOUNT.—That section is
 12 further amended—

13 (1) by redesignating paragraphs (4) and (5) as para-
 14 graphs (5) and (6), respectively;

15 (2) by inserting after paragraph (3) the following new
 16 paragraph (4):

17 “(4) In addition to the units of family housing referred to
 18 in paragraph (1) for which the maximum lease amount is
 19 \$25,000 per unit per year, the Secretary of the Army may lease
 20 not more than 2,400 units of family housing in Korea subject
 21 to a maximum lease amount of \$35,000 per unit per year.”;

22 (3) in paragraph (5), as so redesignated, by striking
 23 “and (3)” and inserting “(3), and (4)”; and

24 (4) in paragraph (6), as so redesignated, by striking
 25 “53,000” and inserting “55,775”.

1 **SEC. 2802. MODIFICATION OF ALTERNATIVE AUTHORITY**
2 **FOR ACQUISITION AND IMPROVEMENT OF**
3 **MILITARY HOUSING.**

4 (a) AUTHORIZED UTILITIES AND SERVICES.—Section
5 2872a(b) of title 10, United States Code, is amended by adding
6 at the end the following new paragraphs:

7 “(11) Firefighting and fire protection services.

8 “(12) Police protection services.”.

9 (b) LEASING OF HOUSING.—(1) Section 2874 of such title
10 is amended—

11 (A) by redesignating subsection (b) as subsection (c);
12 and

13 (B) by striking subsection (a) and inserting the fol-
14 lowing new subsections:

15 “(a) LEASE AUTHORIZED.—The Secretary concerned may
16 enter into contracts for the lease of housing units that the Sec-
17 retary determines are suitable for use as military family hous-
18 ing or military unaccompanied housing.

19 “(b) USE OF LEASED UNITS.—The Secretary concerned
20 shall utilize housing units leased under this section as military
21 family housing or military unaccompanied housing, as appro-
22 priate.”.

23 (2) The heading for such section is amended to read as
24 follows:

25 **“§ 2874. Leasing of housing”.**

26 (3) The table of sections at the beginning of subchapter
27 IV of chapter 169 of such title is amended by striking the item
28 relating to section 2874 and inserting the following new item:

“2874. Leasing of housing.”.

29 (c) REPEAL OF INTERIM LEASE AUTHORITY.—(1) Section
30 2879 of such title is repealed.

31 (2) The table of sections at the beginning of subchapter
32 IV of chapter 169 of such title is amended by striking the item
33 relating to section 2879.

1 **SEC. 2803. PILOT HOUSING PRIVATIZATION AUTHORITY**
2 **FOR ACQUISITION OR CONSTRUCTION OF**
3 **MILITARY UNACCOMPANIED HOUSING.**

4 (a) IN GENERAL.—(1) Subchapter IV of chapter 169 of
5 title 10, United States Code, is amended by inserting after sec-
6 tion 2881 the following new section:

7 **“§ 2881a. Pilot projects for acquisition or construc-**
8 **tion of military unaccompanied housing**

9 “(a) PILOT PROJECTS AUTHORIZED.—The Secretary of
10 the Navy may carry out not more than three pilot projects
11 under the authority of this section or another provision of this
12 subchapter to use the private sector for the acquisition or con-
13 struction of military unaccompanied housing in the United
14 States, including any territory or possession of the United
15 States.

16 “(b) TREATMENT OF HOUSING; ASSIGNMENT OF MEM-
17 BERS.—The Secretary of the Navy may assign members of the
18 armed forces without dependents to housing units acquired or
19 constructed under the pilot projects, and such housing units
20 shall be considered as quarters of the United States or a hous-
21 ing facility under the jurisdiction of the Secretary for purposes
22 of section 403 of title 37.

23 “(c) BASIC ALLOWANCE FOR HOUSING.—(1) The Sec-
24 retary of Defense may prescribe and, under section 403(n) of
25 title 37, pay for members of the armed forces without depend-
26 ents in privatized housing acquired or constructed under the
27 pilot projects higher rates of partial basic allowance for housing
28 than the rates authorized under paragraph (2) of such section.

29 “(2) The partial basic allowance for housing paid for a
30 member at a higher rate under this subsection may be paid di-
31 rectly to the private sector source of the housing to whom the
32 member is obligated to pay rent or other charge for residing
33 in such housing if the private sector source credits the amount
34 so paid against the amount owed by the member for the rent
35 or other charge.

36 “(d) FUNDING.—(1) The Secretary of the Navy shall use
37 the Department of Defense Military Unaccompanied Housing

1 Improvement Fund to carry out activities under the pilot
2 projects.

3 “(2) Subject to 90 days prior notification to the appro-
4 priate committees of Congress, such additional amounts as the
5 Secretary of Defense considers necessary may be transferred to
6 the Department of Defense Military Unaccompanied Housing
7 Improvement Fund from amounts appropriated for construc-
8 tion of military unaccompanied housing in military construction
9 accounts. The amounts so transferred shall be merged with and
10 be available for the same purposes and for the same period of
11 time as amounts appropriated directly to the Fund.

12 “(e) REPORTS.—(1) The Secretary of the Navy shall
13 transmit to the appropriate committees of Congress a report
14 describing—

15 “(A) each contract for the acquisition of military unac-
16 companied housing that the Secretary proposes to solicit
17 under the pilot projects;

18 “(B) each conveyance or lease proposed under section
19 2878 of this title in furtherance of the pilot projects; and

20 “(C) the proposed partial basic allowance for housing
21 rates for each contract as they vary by grade of the mem-
22 ber and how they compare to basic allowance for housing
23 rates for other contracts written under the authority of the
24 pilot programs.

25 “(2) The report shall describe the proposed contract, con-
26 veyance, or lease and the intended method of participation of
27 the United States in the contract, conveyance, or lease and pro-
28 vide a justification of such method of participation. The report
29 shall be submitted not later than 90 days before the date on
30 which the Secretary issues the contract solicitation or offers the
31 conveyance or lease.

32 “(f) EXPIRATION.—Notwithstanding section 2885 of this
33 title, the authority of the Secretary of the Navy to enter into
34 a contract under the pilot programs shall expire September 30,
35 2007. ”.

1 (2) The table of sections at the beginning of such sub-
2 chapter is amended by inserting after the item relating to sec-
3 tion 2881 the following new item:

“2881a. Pilot projects for acquisition or construction of military unaccom-
panied housing.”.

4 (b) CONFORMING AMENDMENT.—Section 2871(7) of title
5 10, United States Code, is amended by inserting before the pe-
6 riod at the end the following: “and transient housing intended
7 to be occupied by members of the armed forces on temporary
8 duty”.

9 **SEC. 2804. REPEAL OF SOURCE REQUIREMENTS FOR**
10 **FAMILY HOUSING CONSTRUCTION OVER-**
11 **SEAS.**

12 Section 803 of the Military Construction Authorization
13 Act, 1984 (Public Law 98–115; 10 U.S.C. 2821 note) is re-
14 pealed.

15 **SEC. 2805. AVAILABILITY OF ENERGY COST SAVINGS RE-**
16 **ALIZED AT MILITARY INSTALLATIONS.**

17 Section 2865(b) of title 10, United States Code, is amend-
18 ed by striking “through the end of the fiscal year following the
19 fiscal year for which the funds were appropriated” and insert-
20 ing “until expended”.

21 **Subtitle B—Real Property and**
22 **Facilities Administration**

23 **SEC. 2811. AGREEMENTS TO LIMIT ENCROACHMENTS**
24 **AND OTHER CONSTRAINTS ON MILITARY**
25 **TRAINING, TESTING, AND OPERATIONS.**

26 (a) IN GENERAL.—Chapter 159 of title 10, United States
27 Code, is amended by inserting after section 2684 the following
28 new section:

29 **“§ 2684a. Agreements to limit encroachments and**
30 **other constraints on military training,**
31 **testing, and operations**

32 “(a) AGREEMENTS AUTHORIZED.—The Secretary of De-
33 fense or the Secretary of a military department may enter into
34 an agreement with an eligible entity described in subsection (b)
35 to address the use or development of real property in the vicin-
36 ity of a military installation for purposes of—

1 “(1) limiting any development or use of the property
2 that would be incompatible with the mission of the installa-
3 tion; or

4 “(2) preserving habitat on the property in a manner
5 that—

6 “(A) is compatible with environmental require-
7 ments; and

8 “(B) may eliminate or relieve current or antici-
9 pated environmental restrictions that would or might
10 otherwise restrict, impede, or otherwise interfere,
11 whether directly or indirectly, with current or antici-
12 pated military training, testing, or operations on the in-
13 stallation.

14 “(b) ELIGIBLE ENTITIES.—An agreement under this sec-
15 tion may be entered into with any of the following:

16 “(1) A State or political subdivision of a State.

17 “(2) A private entity that has as its stated principal
18 organizational purpose or goal the conservation, restora-
19 tion, or preservation of land and natural resources, or a
20 similar purpose or goal, as determined by the Secretary
21 concerned.

22 “(c) INAPPLICABILITY OF CERTAIN CONTRACT REQUIRE-
23 MENTS.—Chapter 63 of title 31 shall not apply to any agree-
24 ment entered into under this section.

25 “(d) ACQUISITION AND ACCEPTANCE OF PROPERTY AND
26 INTERESTS.—(1) An agreement with an eligible entity under
27 this section may provide for—

28 “(A) the acquisition by the entity of all right, title,
29 and interest in and to any real property, or any lesser in-
30 terest in the property, as may be appropriate for purposes
31 of this section; and

32 “(B) the sharing by the United States and the entity
33 of the acquisition costs.

34 “(2) Property or interests may not be acquired pursuant
35 to the agreement unless the owner of the property or interests
36 consents to the acquisition.

1 “(3) The agreement shall require the entity to transfer to
2 the United States, upon the request of the Secretary concerned,
3 all or a portion of the property or interest acquired under the
4 agreement or a lesser interest therein. The Secretary shall limit
5 such transfer request to the minimum property or interests
6 necessary to ensure that the property concerned is developed
7 and used in a manner appropriate for purposes of this section.

8 “(4) The Secretary concerned may accept on behalf of the
9 United States any property or interest to be transferred to the
10 United States under the agreement.

11 “(5) For purposes of the acceptance of property or inter-
12 ests under the agreement, the Secretary concerned may accept
13 an appraisal or title documents prepared or adopted by a non-
14 Federal entity as satisfying the applicable requirements of sec-
15 tion 301 of the Uniform Relocation Assistance and Real Prop-
16 erty Acquisition Policies Act of 1970 (42 U.S.C. 4651) or sec-
17 tion 3111 of title 40, if the Secretary concerned finds that the
18 appraisal or title documents substantially comply with the re-
19 quirements.

20 “(e) ACQUISITION OF WATER RIGHTS.—The authority of
21 the Secretary concerned to enter into an agreement under this
22 section for the acquisition of real property (or an interest there-
23 in) includes the authority to support the purchase of water
24 rights from any available source when necessary to support or
25 protect the mission of a military installation.

26 “(f) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
27 retary concerned may require such additional terms and condi-
28 tions in an agreement under this section as the Secretary con-
29 siders appropriate to protect the interests of the United States.

30 “(g) FUNDING.—(1) Except as provided in paragraph (2),
31 funds authorized to be appropriated for operation and mainte-
32 nance of the Army, Navy, Marine Corps, Air Force, or De-
33 fense-wide activities may be used to enter into agreements
34 under this section.

35 “(2) In the case of a military installation operated pri-
36 marily with funds authorized to be appropriated for research,
37 development, test, and evaluation, funds authorized to be ap-

1 appropriated for the Army, Navy, Marine Corps, Air Force, or
 2 Defense-wide activities for research, development, test, and
 3 evaluation may be used to enter into agreements under this
 4 section with respect to the installation.

5 “(h) DEFINITIONS.—In this section:

6 “(1) The term ‘Secretary concerned’ means the Sec-
 7 retary of Defense or the Secretary of a military depart-
 8 ment.

9 “(2) The term ‘State’ includes the District of Colum-
 10 bia, the Commonwealth of Puerto Rico, the Commonwealth
 11 of the Northern Marianas, and the territories and posses-
 12 sions of the United States.”.

13 (b) CLERICAL AMENDMENT.—The table of sections at the
 14 beginning of such chapter is amended by inserting after the
 15 item relating to section 2684 the following new item:

“2684a. Agreements to limit encroachments and other constraints on mili-
 tary training, testing, and operations.”.

16 **SEC. 2812. CONVEYANCE OF SURPLUS REAL PROPERTY**
 17 **FOR NATURAL RESOURCE CONSERVATION**
 18 **PURPOSES.**

19 (a) CONVEYANCE AUTHORITY.—(1) Chapter 159 of title
 20 10, United States Code, is amended by inserting after section
 21 2694 the following new section:

22 **“§ 2694a. Conveyance of surplus real property for**
 23 **natural resource conservation**

24 “(a) AUTHORITY TO CONVEY.—The Secretary of a mili-
 25 tary department may convey to an eligible entity described in
 26 subsection (b) any surplus real property that—

27 “(1) is under the administrative control of the Sec-
 28 retary;

29 “(2) is suitable and desirable for conservation pur-
 30 poses;

31 “(3) has been made available for public benefit trans-
 32 fer for a sufficient period of time to potential claimants;
 33 and

34 “(4) is not subject to a pending request for transfer
 35 to another Federal agency or for conveyance to any other

1 qualified recipient for public benefit transfer under the real
2 property disposal processes and authorities under subtitle I
3 of title 40.

4 “(b) ELIGIBLE ENTITIES.—The conveyance of surplus real
5 property under this section may be made to any of the fol-
6 lowing:

7 “(1) A State or political subdivision of a State.

8 “(2) A nonprofit organization that exists for the pri-
9 mary purpose of conservation of natural resources on real
10 property.

11 “(c) REVISIONARY INTEREST AND OTHER DEED RE-
12 QUIREMENTS.—(1) The deed of conveyance of any surplus real
13 property conveyed under this section shall require the property
14 to be used and maintained for the conservation of natural re-
15 sources in perpetuity. If the Secretary concerned determines at
16 any time that the property is not being used or maintained for
17 such purpose, then, at the option of the Secretary, all or any
18 portion of the property shall revert to the United States.

19 “(2) The deed of conveyance may permit the recipient of
20 the property—

21 “(A) to convey the property to another eligible entity,
22 subject to the approval of the Secretary concerned and sub-
23 ject to the same covenants and terms and conditions as
24 provided in the deed from the United States; and

25 “(B) to conduct incidental revenue-producing activities
26 on the property that are compatible with the use of the
27 property for conservation purposes.

28 “(3) The deed of conveyance may contain such additional
29 terms, reservations, restrictions, and conditions as the Sec-
30 retary concerned considers appropriate to protect the interests
31 of the United States.

32 “(d) RELEASE OF COVENANTS.—With the concurrence of
33 the Secretary of Interior, the Secretary concerned may grant
34 a release from a covenant included in the deed of conveyance
35 of real property conveyed under this section, subject to the con-
36 dition that the recipient of the property pay the fair market
37 value, as determined by the Secretary concerned, of the prop-

1 erty at the time of the release of the covenant. The Secretary
2 concerned may reduce the amount required to be paid under
3 this subsection to account for the value of the natural resource
4 conservation benefit that has accrued to the United States dur-
5 ing the period the covenant was in effect, if the benefit was not
6 taken into account in determining the original consideration for
7 the conveyance.

8 “(e) CONGRESSIONAL NOTIFICATION.—The Secretary con-
9 cerned may not approve of the reconveyance of real property
10 under subsection (c) or grant the release of a covenant under
11 subsection (d) until the Secretary notifies the appropriate com-
12 mittees of Congress of the proposed reconveyance or release
13 and a period of 21 days elapses from the date the notification
14 is received by the committees.

15 “(f) LIMITATIONS.—The conveyance of real property
16 under this section shall not be used as a condition of allowing
17 any defense activity under any Federal, State, or local permit-
18 ting or review process. The Secretary concerned may make the
19 conveyance, with the restrictions specified in subsection (c), to
20 establish a mitigation bank, but only if the establishment of the
21 mitigation bank does not occur in order to satisfy any condition
22 for permitting military activity under a Federal, State, or local
23 permitting or review process.

24 “(g) CONSIDERATION.—In fixing the consideration for the
25 conveyance of real property under this section, or in deter-
26 mining the amount of any reduction of the amount to be paid
27 for the release of a covenant under subsection (d), the Sec-
28 retary concerned shall take into consideration any benefit that
29 has accrued or may accrue to the United States from the use
30 of such property for the conservation of natural resources.

31 “(h) RELATION TO OTHER CONVEYANCE AUTHORITIES.—
32 (1) The Secretary concerned may not make a conveyance under
33 this section of any real property to be disposed of under a base
34 closure law in a manner that is inconsistent with the require-
35 ments and conditions of the base closure law.

36 “(2) In the case of real property on Guam, the Secretary
37 concerned may not make a conveyance under this section unless

1 the Government of Guam has been first afforded the oppor-
2 tunity to acquire the real property as authorized by section 1
3 of Public Law 106–504 (114 Stat. 2309).

4 “(i) DEFINITIONS.—In this section:

5 “(1) The term ‘appropriate committees of Congress’
6 has the meaning given such term in section 2801 of this
7 title.

8 “(2) The term ‘base closure law’ means the following:

9 “(A) Section 2687 of this title.

10 “(B) Title II of the Defense Authorization Amend-
11 ments and Base Closure and Realignment Act of 1988
12 (10 U.S.C. 2687 note).

13 “(C) The Defense Base Closure and Realignment
14 Act of 1990 (part A of title XXIX of Public Law 101–
15 510; 10 U.S.C. 2687 note).

16 “(D) Any other similar authority for the closure or
17 realignment of military installations that is enacted
18 after the date of the enactment of the Bob Stump Na-
19 tional Defense Authorization Act for Fiscal Year 2003.

20 “(3) The term ‘Secretary concerned’ means the Sec-
21 retary of a military department.

22 “(4) The term ‘State’ includes the District of Colum-
23 bia, the Commonwealth of Puerto Rico, the Commonwealth
24 of the Northern Marianas, and the territories and posses-
25 sions of the United States.”.

26 (2) The table of sections at the beginning of such chapter
27 is amended by inserting after the item relating to section 2694
28 the following new item:

“2694a. Conveyance of surplus real property for natural resource conserva-
tion.”.

29 (b) ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE
30 EXPENSES.—Section 2695(b) of such title is amended by add-
31 ing at the end the following new paragraph:

32 “(5) The conveyance of real property under section
33 2694a of this title.”.

1 (c) AGREEMENTS WITH NONPROFIT NATURAL RESOURCE
2 CONSERVATION ORGANIZATIONS.—Section 2701(d) of such
3 title is amended—

4 (1) in the subsection heading, by striking “AGENCIES”
5 and inserting “ENTITIES”;

6 (2) in paragraph (1)—

7 (A) by striking “with any State or local govern-
8 ment agency, or with any Indian tribe,” and inserting
9 “any State or local government agency, any Indian
10 tribe, or any nonprofit conservation organization”; and

11 (B) by striking “the agency” and inserting “the
12 agency, Indian tribe, or organization”; and

13 (3) by striking paragraph (4), as redesignated by sec-
14 tion 311(2) of this Act, and inserting the following new
15 paragraph:

16 “(4) DEFINITIONS.—In this subsection:

17 “(A) The term ‘Indian tribe’ has the meaning
18 given such term in section 101(36) of CERCLA (42
19 U.S.C. 9601(36)).

20 “(B) The term ‘nonprofit conservation organiza-
21 tion’ means any non-governmental nonprofit organiza-
22 tion whose primary purpose is conservation of open
23 space or natural resources.”.

24 **SEC. 2813. MODIFICATION OF DEMONSTRATION PRO-**
25 **GRAM ON REDUCTION IN LONG-TERM FACIL-**
26 **ITY MAINTENANCE COSTS.**

27 (a) ADMINISTRATOR OF PROGRAM.—Subsection (a) of sec-
28 tion 2814 of the Military Construction Authorization Act for
29 Fiscal Year 2002 (division B of Public Law 107–107; 115
30 Stat. 1310; 10 U.S.C. 2809 note) is amended by striking “Sec-
31 retary of the Army” and inserting “Secretary of Defense or the
32 Secretary of a military department”.

33 (b) CONTRACTS.—Subsection (b) of such section is amend-
34 ed to read as follows:

35 “(b) CONTRACTS.—(1) Not more than 12 contracts per
36 military department may contain requirements referred to in
37 subsection (a) for the purpose of the demonstration program.

1 “(2) The demonstration program may only cover contracts
2 entered into on or after the date of the enactment of the Bob
3 Stump National Defense Authorization Act for Fiscal Year
4 2003, except that the Secretary of the Army shall treat any
5 contract containing requirements referred to in subsection (a)
6 that was entered into under the authority in such subsection
7 between that date and December 28, 2001, as a contract for
8 the purpose of the demonstration program.”.

9 (c) REPORTING REQUIREMENTS.—Subsection (d) of such
10 section is amended by striking “Secretary of the Army” and in-
11 sserting “Secretary of Defense”.

12 (d) FUNDING.—(1) Subsection (f) of such section is
13 amended by striking “the Army” and inserting “the military
14 departments or defense-wide”.

15 (2) The amendment made by paragraph (1) shall not af-
16 fect the availability for the purpose of the demonstration pro-
17 gram under section 2814 of the Military Construction Author-
18 ization Act for Fiscal Year 2002, as amended by this section,
19 of any amounts authorized to be appropriated before the date
20 of the enactment of this Act for the Army for military con-
21 struction that have been obligated for the demonstration pro-
22 gram, but not expended, as of that date.

23 **SEC. 2814. EXPANDED AUTHORITY TO TRANSFER PROP-**
24 **ERTY AT MILITARY INSTALLATIONS TO BE**
25 **CLOSED TO PERSONS WHO CONSTRUCT OR**
26 **PROVIDE MILITARY FAMILY HOUSING.**

27 (a) 1988 LAW.—Section 204(e)(1) of the Defense Author-
28 ization Amendments and Base Closure and Realignment Act
29 (Public Law 100–526; 10 U.S.C. 2687 note) is amended by
30 striking the last sentence.

31 (b) 1990 LAW.—Section 2905(f)(1) of the Defense Base
32 Closure and Realignment Act of 1990 (part A of title XXIX
33 of Public Law 101–510; 10 U.S.C. 2687 note) is amended by
34 striking the last sentence.

Subtitle C—Land Conveyances**PART I—ARMY CONVEYANCES****SEC. 2821. TRANSFER OF JURISDICTION, FORT MCCLELLAN, ALABAMA, TO ESTABLISH MOUNTAIN LONGLEAF NATIONAL WILDLIFE REFUGE.**

(a) TRANSFER REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Army shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior a parcel of real property at Fort McClellan, Alabama, consisting of approximately 7,600 acres, which is described as the “acquisition area” in a memorandum of agreement between the Secretaries numbered 1448–40181–00–K–014.

(b) ESTABLISHMENT AND MANAGEMENT OF REFUGE.—

(1) The Secretary of the Interior shall establish on the real property transferred under subsection (a) the Mountain Longleaf National Wildlife Refuge to enhance, manage, and protect the unique mountain longleaf pine ecosystem on the property.

(2) The Secretary of Interior shall manage the Mountain Longleaf National Wildlife Refuge in a manner that—

(A) conserves and enhances populations of fish, wildlife, and plants in the Refuge, including migratory birds and species that are threatened or endangered, with particular emphasis on the protection of the mountain longleaf pine plant ecosystem;

(B) protects and enhances the quality of aquatic habitat in the Refuge;

(C) provides, in coordination with the Alabama Department of Conservation and Natural Resources, the public with recreational opportunities, including hunting, fishing, wildlife observation, and photography;

(D) provides opportunities for scientific research and education on land use and environmental law; and

(E) is consistent with environmental restoration efforts conducted by the Secretary of the Army on the Refuge or on lands adjacent to the Refuge.

1 (c) ENVIRONMENTAL RESTORATION.—(1) The Secretary
2 of the Army shall continue to be responsible for unexploded
3 ordnance, discarded military munitions, and munitions con-
4 stituents on the real property transferred under subsection (a)
5 and shall continue to follow a remediation process in accord-
6 ance with the Comprehensive Environmental Response, Com-
7 pensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

8 (2) The Secretary of the Army shall appropriately factor
9 the management directives for the Mountain Longleaf National
10 Wildlife Refuge, as described in subsection (b), into the remedy
11 selection process for the property transferred under subsection
12 (a).

13 (d) RELATION TO OTHER ENVIRONMENTAL LAWS.—Noth-
14 ing in this section shall relieve, and no action taken under this
15 section may relieve, the Secretary of the Army or the Secretary
16 of the Interior, or any other person from any liability or other
17 obligation under the Comprehensive Environmental Response,
18 Compensation, and Liability Act of 1980, the Resource Con-
19 servation and Recovery Act of 1976 (42 U.S.C. 6901 et seq.),
20 or any other Federal or State law.

21 (e) ASSISTANCE.—The Secretary of the Army may provide
22 up to \$500,000 from the funds in the Base Realignment and
23 Closure Account 1990 to the Secretary of Interior to facilitate
24 the establishment of the Mountain Longleaf National Wildlife
25 Refuge and to support environmental research at the Refuge
26 during the first two years of the operation of the Refuge.

27 **SEC. 2822. LAND CONVEYANCES, LANDS IN ALASKA NO**
28 **LONGER REQUIRED FOR NATIONAL GUARD**
29 **PURPOSES.**

30 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
31 Army may convey to an eligible entity described in subsection
32 (b) all right, title, and interest of the United States in and to
33 any parcel of real property, including any improvements there-
34 on, in the State of Alaska described in subsection (c) if the
35 Secretary determines the conveyance would be in the public in-
36 terest.

1 (b) ELIGIBLE RECIPIENTS.—The following entities shall
2 be eligible to receive real property under subsection (a):

3 (1) The State of Alaska.

4 (2) A governmental entity in the State of Alaska.

5 (3) A Native Corporation (as defined in section 3 of
6 the Alaska Native Claims Settlement Act (43 U.S.C.
7 1602)).

8 (4) The Metlakatla Indian Community.

9 (c) COVERED PROPERTY.—Subsection (a) applies to real
10 property located in the State of Alaska that—

11 (1) is under the jurisdiction of the Department of the
12 Army and, before December 2, 1980, was under such juris-
13 diction for the use of the Alaska National Guard;

14 (2) is located in a unit of the National Wildlife Refuge
15 System designated in the Alaska National Interest Lands
16 Conservation Act (Public Law 96–487; 16 U.S.C. 668dd
17 note);

18 (3) is excess to the needs of the Alaska National
19 Guard and the Department of Defense; and

20 (4) the Secretary determines that—

21 (A) the anticipated cost to the United States of re-
22 taining the property exceeds the value of such property;

23 or

24 (B) the condition of the property makes it unsuit-
25 able for retention by the United States.

26 (d) CONSIDERATION.—The conveyance of real property
27 under this section shall, at the election of the Secretary, be for
28 no consideration or for consideration in an amount determined
29 by the Secretary to be appropriate under the circumstances.

30 (e) USE OF CONSIDERATION.—If consideration is received
31 for the conveyance of real property under subsection (a), the
32 Secretary may use the amounts received, in such amounts as
33 are provided in appropriations Acts, to pay for—

34 (1) the cost of a survey described in subsection (f)
35 with respect to the property;

36 (2) the cost of carrying out any environmental assess-
37 ment, study, or analysis, and any remediation, that may be

1 required under Federal law, or is considered appropriate by
2 the Secretary, in connection with the property or the con-
3 veyance of the property; and

4 (3) any other costs incurred by the Secretary in con-
5 veying the property.

6 (f) DESCRIPTION OF PROPERTY.—The exact acreage and
7 legal description of any real property to be conveyed under sub-
8 section (a) shall be determined by a survey satisfactory to the
9 Secretary.

10 (g) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
11 retary may require such additional terms and conditions in con-
12 nection with a conveyance of real property under this section
13 as the Secretary considers appropriate to protect the interests
14 of the United States.

15 **SEC. 2823. LAND CONVEYANCE, SUNFLOWER ARMY AM-**
16 **MUNITION PLANT, KANSAS.**

17 (a) CONVEYANCE AUTHORIZED.—The Administrator of
18 General Services may convey to the Johnson County Park and
19 Recreation District, Kansas (in this section referred to as the
20 “District”), all right, title, and interest of the United States in
21 and to a parcel of real property, including any improvements
22 thereon, at the Sunflower Army Ammunition Plant in the State
23 of Kansas consisting of approximately 2,000 acres.

24 (b) BASIS OF CONVEYANCE.—The conveyance under this
25 section shall be made in a manner consistent with section
26 550(e) of title 40, United States Code, for the purpose of per-
27 mitting the District to use the conveyed property for public rec-
28 reational purposes.

29 (c) DESCRIPTION OF PROPERTY.—The exact acreage, loca-
30 tion, and legal description of the real property to be conveyed
31 under subsection (a) shall be determined by a survey satisfac-
32 tory to the Administrator. The cost of such legal description,
33 survey, or both shall be borne by the District.

34 (d) ADDITIONAL TERMS AND CONDITIONS.—The Adminis-
35 trator may require such additional terms and conditions in con-
36 nection with the conveyance under subsection (a) as the Admin-

1 istrator considers appropriate to protect the interests of the
2 United States.

3 (e) APPLICATION OF SECTION.—If the Administrator and
4 the District reach an agreement regarding the conveyance of
5 the property described in subsection (a) before January 31,
6 2003, the authority provided by this section shall not take ef-
7 fect.

8 **SEC. 2824. LAND CONVEYANCES, BLUEGRASS ARMY**
9 **DEPOT, RICHMOND, KENTUCKY.**

10 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
11 Army may convey, without consideration, to Madison County,
12 Kentucky (in this section referred to as the “County”), all
13 right, title, and interest of the United States in and to the fol-
14 lowing parcels of real property, including any improvements
15 thereon, at the Bluegrass Army Depot, Richmond, Kentucky:

16 (1) A parcel consisting of approximately 10 acres.

17 (2) A parcel consisting of approximately 3 acres, in-
18 cluding the building known as Quarters 29.

19 (b) CONDITIONS OF CONVEYANCE.—(1) The Secretary
20 may not convey the parcel of real property referred to in sub-
21 section (a)(1) unless the County agrees to use the property to
22 facilitate the construction of a veterans’ center on the property
23 by the State of Kentucky and the Secretary determines that
24 the State has appropriated adequate funds for the construction
25 of the veterans’ center.

26 (2) The Secretary may not convey the parcel of real prop-
27 erty referred to in subsection (a)(2) unless the County agrees
28 to utilize the property for historical preservation and education
29 purposes.

30 (c) REVERSIONARY INTEREST.—(1) At the end of the
31 seven-year period beginning on the date on which the Secretary
32 makes the conveyance of the parcel of real property referred to
33 in subsection (a)(1), if the Secretary determines that a vet-
34 erans’ center is not in operation on the conveyed real property,
35 then, at the option of the Secretary, all right, title, and interest
36 in and to the property, including any improvements thereon,

1 shall revert to the United States, and the United States shall
2 have the right of immediate entry onto the property.

3 (2) If the Secretary determines at any time that the parcel
4 of real property referred to in subsection (a)(2) has ceased to
5 be utilized for the purposes specified in subsection (b)(2), then,
6 at the option of the Secretary, all right, title, and interest in
7 and to the property shall revert to the United States, and the
8 United States shall have the right of immediate entry onto the
9 property.

10 (3) Any determination of the Secretary under this sub-
11 section shall be made on the record after an opportunity for a
12 hearing.

13 (d) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
14 The Secretary may require the County to reimburse the Sec-
15 retary for the costs incurred by the Secretary to carry out the
16 conveyances under subsection (a), including survey costs, costs
17 related to environmental documentation (other than the envi-
18 ronmental baseline survey), and other administrative costs re-
19 lated to the conveyance.

20 (2) The Secretary shall require the County to reimburse
21 the Secretary for any excess costs incurred by the Secretary for
22 any environmental assessment, study, or analysis, or for any
23 other excess costs incurred by the Secretary, in connection with
24 the conveyances, if the excess costs were incurred as a result
25 of a request by the County. In this paragraph, the term “excess
26 costs” means costs in excess of those costs considered reason-
27 able and necessary by the Secretary to comply with existing law
28 to make the conveyances.

29 (3) Any reimbursement received under this subsection
30 shall be credited to the fund or account that was used to cover
31 the costs incurred by the Secretary in carrying out the convey-
32 ances. Amounts so credited shall be merged with amounts in
33 such fund or account, and shall be available for the same pur-
34 poses, and subject to the same conditions and limitations, as
35 amounts in such fund or account.

36 (e) DESCRIPTION OF PROPERTY.—The exact acreage and
37 legal description of the real property to be conveyed under sub-

1 section (a) shall be determined by a survey satisfactory to the
2 Secretary. The cost of the survey shall be borne by the County.

3 (f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary
4 may require such additional terms and conditions in connection
5 with the conveyances under subsection (a) as the Secretary con-
6 siders appropriate to protect the interests of the United States.

7 **SEC. 2825. LAND CONVEYANCE, FORT CAMPBELL, KEN-**
8 **TUCKY.**

9 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
10 Army may convey, without consideration, to the City of Hop-
11 kinsville, Kentucky (in this section referred to as the “City”),
12 all right, title, and interest of the United States in and to a
13 parcel of real property at Fort Campbell, Kentucky, consisting
14 of approximately 50 acres and containing an abandoned rail-
15 road spur for the purpose of permitting the City to use the
16 property for storm water management, recreation, transpor-
17 tation, and other public purposes.

18 (b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
19 The Secretary may require the City to reimburse the Secretary
20 for the costs incurred by the Secretary to carry out the convey-
21 ance under subsection (a), including survey costs, costs related
22 to environmental documentation (other than the environmental
23 baseline survey), and other administrative costs related to the
24 conveyance.

25 (2) The Secretary shall require the City to reimburse the
26 Secretary for any excess costs incurred by the Secretary for
27 any environmental assessment, study, or analysis, or for any
28 other excess costs incurred by the Secretary, in connection with
29 the conveyance, if the excess costs were incurred as a result of
30 a request by the City. In this paragraph, the term “excess
31 costs” means costs in excess of those costs considered reason-
32 able and necessary by the Secretary to comply with existing law
33 to make the conveyance.

34 (3) Any reimbursement received under this subsection
35 shall be credited to the fund or account that was used to cover
36 the costs incurred by the Secretary in carrying out the convey-
37 ance. Amounts so credited shall be merged with amounts in

1 such fund or account, and shall be available for the same pur-
2 poses, and subject to the same conditions and limitations, as
3 amounts in such fund or account.

4 (c) DESCRIPTION OF PROPERTY.—The acreage of the real
5 property to be conveyed under subsection (a) has been deter-
6 mined by the Secretary through a legal description outlining
7 such acreage. No further survey of the property is required be-
8 fore the conveyance is made.

9 (d) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
10 retary may require such additional terms and conditions in con-
11 nection with the conveyance under subsection (a) as the Sec-
12 retary considers appropriate to protect the interests of the
13 United States.

14 **SEC. 2826. LAND CONVEYANCE, ARMY RESERVE TRAIN-**
15 **ING CENTER, BUFFALO, MINNESOTA.**

16 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
17 Army may convey, without consideration, to the Buffalo Inde-
18 pendent School District 877 of Buffalo, Minnesota (in this sec-
19 tion referred to as the “School District”), all right, title, and
20 interest of the United States in and to a parcel of real prop-
21 erty, including improvements thereon, that is located at 800
22 8th Street, N.E., in Buffalo, Minnesota, and contains a former
23 Army Reserve Training Center, which is being used by the
24 School District as the site of the Phoenix Learning Center.

25 (b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
26 The Secretary may require the School District to reimburse the
27 Secretary for the costs incurred by the Secretary to carry out
28 the conveyance under subsection (a), including survey costs,
29 costs related to environmental documentation (other than the
30 environmental baseline survey), and other administrative costs
31 related to the conveyance.

32 (2) The Secretary shall require the School District to re-
33 imburse the Secretary for any excess costs incurred by the Sec-
34 retary for any environmental assessment, study, or analysis, or
35 for any other excess costs incurred by the Secretary, in connec-
36 tion with the conveyance, if the excess costs were incurred as
37 a result of a request by the School District. In this paragraph,

1 the term “excess costs” means costs in excess of those costs
2 considered reasonable and necessary by the Secretary to comply
3 with existing law to make the conveyance.

4 (3) Any reimbursement received under this subsection
5 shall be credited to the fund or account that was used to cover
6 the costs incurred by the Secretary in carrying out the convey-
7 ance. Amounts so credited shall be merged with amounts in
8 such fund or account, and shall be available for the same pur-
9 poses, and subject to the same conditions and limitations, as
10 amounts in such fund or account.

11 (c) DESCRIPTION OF PROPERTY.—The exact acreage and
12 legal description of the real property to be conveyed under sub-
13 section (a) shall be determined by a survey satisfactory to the
14 Secretary. The cost of the survey shall be borne by the School
15 District.

16 (d) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
17 retary may require such additional terms and conditions in con-
18 nection with the conveyance under subsection (a) as the Sec-
19 retary considers appropriate to protect the interests of the
20 United States.

21 **SEC. 2827. LAND CONVEYANCE, FORT MONMOUTH, NEW**
22 **JERSEY.**

23 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
24 Army may convey by sale all right, title, and interest of the
25 United States in and to a parcel of real property, consisting of
26 approximately 63.95 acres of military family housing known as
27 Howard Commons, that comprises a portion of Fort Mon-
28 mouth, New Jersey.

29 (b) COMPETITIVE BID REQUIREMENT.—The Secretary
30 shall use competitive procedures for the sale authorized by sub-
31 section (a).

32 (c) CONSIDERATION.—(1) As consideration for the convey-
33 ance authorized by subsection (a), the recipient shall provide
34 the United States, whether by cash payment, in-kind contribu-
35 tion, or a combination thereof, an amount that is not less than
36 the fair market value, as determined by the Secretary, of the
37 property conveyed under such subsection.

1 (2) In-kind consideration under paragraph (1) may include
2 the construction of replacement military family housing or the
3 rehabilitation of existing military family housing at Fort Mon-
4 mouth, New Jersey, as agreed upon by the Secretary.

5 (3) If the value of in-kind consideration to be provided
6 under this subsection exceeds \$1,500,000, the Secretary may
7 not accept such consideration until after the end of the 21-day
8 period beginning on the date the Secretary notifies the congress-
9 sional defense committees of the decision of the Secretary to
10 accept in-kind consideration in excess of that amount.

11 (4) Any proceeds received by the Secretary under this sub-
12 section and not used to construct or rehabilitate such military
13 family housing shall be deposited in the special account in the
14 Treasury established pursuant to section 572(b) of title 40,
15 United States Code.

16 (d) EFFECT OF TRANSFER OF ADMINISTRATIVE JURIS-
17 DICTION.—If the real property authorized to be conveyed by
18 this section is transferred to the administrative jurisdiction of
19 the Administrator of General Services, the Administrator, rather
20 than the Secretary, shall have the authority to convey such
21 property under this section.

22 (e) DESCRIPTION OF PARCEL.—The exact acreage and
23 legal description of the parcel to be conveyed under subsection
24 (a) shall be determined by a survey that is satisfactory to the
25 Secretary. The cost of the survey shall be borne by the recipi-
26 ent of the parcel.

27 (f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary
28 may require such additional terms and conditions in connection
29 with the conveyance under subsection (a) as the Secretary con-
30 siders appropriate to protect the interests of the United States.

31 **SEC. 2828. LAND CONVEYANCE, FORT BLISS, TEXAS.**

32 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
33 Army may convey, without consideration, to the County of El
34 Paso, Texas (in this section referred to as the “County”), all
35 right, title, and interest of the United States in and to a parcel
36 of real property, including improvements thereon, consisting of
37 approximately 44 acres at Fort Bliss, Texas, for the purpose

1 of facilitating the construction by the State of Texas of a nurs-
2 ing home for veterans of the Armed Forces.

3 (b) REVERSIONARY INTEREST.—(1) At the end of the
4 seven-year period beginning on the date on which the Secretary
5 makes the conveyance under subsection (a), if the Secretary de-
6 termines that a nursing home for veterans is not in operation
7 on the conveyed real property, then, at the option of the
8 Secretary—

9 (A) all right, title, and interest in and to the property,
10 including any improvements thereon, shall revert to the
11 United States; and

12 (B) the United States shall have the right of imme-
13 diate entry onto the property.

14 (2) Any determination of the Secretary under this sub-
15 section shall be made on the record after an opportunity for a
16 hearing.

17 (c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
18 The Secretary may require the County to reimburse the Sec-
19 retary for the costs incurred by the Secretary to carry out the
20 conveyance under subsection (a), including survey costs, costs
21 related to environmental documentation (other than the envi-
22 ronmental baseline survey), and other administrative costs re-
23 lated to the conveyance.

24 (2) The Secretary shall require the County to reimburse
25 the Secretary for any excess costs incurred by the Secretary for
26 any environmental assessment, study, or analysis, or for any
27 other excess costs incurred by the Secretary, in connection with
28 the conveyance, if the excess costs were incurred as a result of
29 a request by the County. In this paragraph, the term “excess
30 costs” means costs in excess of those costs considered reason-
31 able and necessary by the Secretary to comply with existing law
32 to make the conveyance.

33 (3) Any reimbursement received under this subsection
34 shall be credited to the fund or account that was used to cover
35 the costs incurred by the Secretary in carrying out the convey-
36 ance. Amounts so credited shall be merged with amounts in
37 such fund or account, and shall be available for the same pur-

1 poses, and subject to the same conditions and limitations, as
2 amounts in such fund or account.

3 (d) DESCRIPTION OF PROPERTY.—The exact acreage and
4 legal description of the real property to be conveyed under sub-
5 section (a) shall be determined by a survey satisfactory to the
6 Secretary. The cost of the survey shall be borne by the County.

7 (e) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
8 retary may require such additional terms and conditions in con-
9 nection with the conveyance under subsection (a) as the Sec-
10 retary considers appropriate to protect the interests of the
11 United States.

12 **SEC. 2829. LAND CONVEYANCE, FORT HOOD, TEXAS.**

13 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
14 Army may convey, without consideration, to the Veterans Land
15 Board of the State of Texas (in this section referred to as the
16 “Board”) all right, title, and interest of the United States in
17 and to a parcel of real property, including any improvements
18 thereon, consisting of approximately 174 acres at Fort Hood,
19 Texas, for the purpose of permitting the Board to establish a
20 State-run cemetery for veterans of the Armed Forces.

21 (b) REVERSIONARY INTEREST.—(1) At the end of the
22 seven-year period beginning on the date on which the Secretary
23 makes the conveyance under subsection (a), if the Secretary de-
24 termines that a cemetery for veterans is not in operation on the
25 conveyed real property, then, at the option of the Secretary—

26 (A) all right, title, and interest in and to the property,
27 including any improvements thereon, shall revert to the
28 United States; and

29 (B) the United States shall have the right of imme-
30 diate entry onto the property.

31 (2) Any determination of the Secretary under this sub-
32 section shall be made on the record after an opportunity for a
33 hearing.

34 (c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
35 The Secretary may require the Board to reimburse the Sec-
36 retary for the costs incurred by the Secretary to carry out the
37 conveyance under subsection (a), including survey costs, costs

1 related to environmental documentation (other than the envi-
2 ronmental baseline survey), and other administrative costs re-
3 lated to the conveyance.

4 (2) The Secretary shall require the Board to reimburse the
5 Secretary for any excess costs incurred by the Secretary for
6 any environmental assessment, study, or analysis, or for any
7 other excess costs incurred by the Secretary, in connection with
8 the conveyance, if the excess costs were incurred as a result of
9 a request by the Board. In this paragraph, the term “excess
10 costs” means costs in excess of those costs considered reason-
11 able and necessary by the Secretary to comply with existing law
12 to make the conveyance.

13 (3) Any reimbursement received under this subsection
14 shall be credited to the fund or account that was used to cover
15 the costs incurred by the Secretary in carrying out the convey-
16 ance. Amounts so credited shall be merged with amounts in
17 such fund or account, and shall be available for the same pur-
18 poses, and subject to the same conditions and limitations, as
19 amounts in such fund or account.

20 (d) DESCRIPTION OF PROPERTY.—The exact acreage and
21 legal description of the real property to be conveyed under sub-
22 section (a) shall be determined by a survey satisfactory to the
23 Secretary. The cost of the survey shall be borne by the Board.

24 (e) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
25 retary may require such additional terms and conditions in con-
26 nection with the conveyance under subsection (a) as the Sec-
27 retary considers appropriate to protect the interests of the
28 United States.

29 **SEC. 2830. LAND CONVEYANCES, ENGINEER PROVING**
30 **GROUND, FORT BELVOIR, VIRGINIA.**

31 (a) CONVEYANCE TO FAIRFAX COUNTY, VIRGINIA, AU-
32 THORIZED.—(1) The Secretary of the Army may convey, with-
33 out consideration, to Fairfax County, Virginia, all right, title,
34 and interest of the United States in and to a parcel of real
35 property, including any improvements thereon, consisting of ap-
36 proximately 135 acres, located in the northwest portion of the
37 Engineer Proving Ground at Fort Belvoir, Virginia, in order to

1 permit the County to use such property for park and rec-
2 reational purposes.

3 (2) The parcel of real property authorized to be conveyed
4 by paragraph (1) is generally described as that portion of the
5 Engineer Proving Ground located west of Accotink Creek, east
6 of the Fairfax County Parkway, and north of Cissna Road to
7 the northern boundary, but excludes a parcel of land consisting
8 of approximately 15 acres located in the southeast corner of
9 such portion of the Engineer Proving Ground.

10 (3) The land excluded under paragraph (2) from the par-
11 cel of real property authorized to be conveyed by paragraph (1)
12 shall be reserved for an access road to be constructed in the
13 future.

14 (b) CONVEYANCE OF BALANCE OF PROPERTY AUTHOR-
15 IZED.—The Secretary may convey to any competitively selected
16 grantee all right, title, and interest of the United States in and
17 to the real property, including any improvements thereon, at
18 the Engineering Proving Ground not conveyed under the au-
19 thority in subsection (a).

20 (c) CONSIDERATION.—(1) As consideration for the convey-
21 ance authorized by subsection (b), the grantee shall provide the
22 United States, whether by cash payment, in-kind contribution,
23 or a combination thereof, an amount that is not less than the
24 fair market value, as determined by the Secretary, of the prop-
25 erty conveyed under such subsection.

26 (2) In-kind consideration under paragraph (1) may include
27 the maintenance, improvement, alteration, repair, remodeling,
28 restoration (including environmental restoration), or construc-
29 tion of facilities for the Department of the Army at Fort
30 Belvoir or at any other site or sites designated by the Sec-
31 retary.

32 (3) If in-kind consideration under paragraph (1) includes
33 the construction of facilities, the grantee shall also convey to
34 the United States—

35 (A) title to such facilities, free of all liens and other
36 encumbrances; and

1 (B) if the United States does not have fee simple title
2 to the land underlying such facilities, convey to the United
3 States all right, title, and interest in and to such lands not
4 held by the United States.

5 (4) If the value of in-kind consideration to be provided
6 under paragraph (1) exceeds \$1,500,000, the Secretary may
7 not accept such consideration until after the end of the 21-day
8 period beginning on the date the Secretary notifies the congress-
9 sional defense committees of the decision of the Secretary to
10 accept in-kind consideration in excess of that amount.

11 (5) The Secretary shall deposit any cash received as con-
12 sideration under this subsection in the special account estab-
13 lished pursuant to section 572(b) of title 40, United States
14 Code.

15 (d) EFFECT OF TRANSFER OF ADMINISTRATIVE JURIS-
16 DICTION.—If all or a portion of the real property authorized to
17 be conveyed by this section is transferred to the administrative
18 jurisdiction of the Administrator of General Services, the Ad-
19 ministrator, rather than the Secretary of the Army, shall have
20 the authority to convey such property under this section.

21 (e) REPEAL OF SUPERSEDED AUTHORITY.—Section 2821
22 of the Military Construction Authorization Act for Fiscal Years
23 1990 and 1991 (division B of Public Law 101–189; 103 Stat.
24 1658), as amended by section 2854 of the Military Construc-
25 tion Authorization Act for Fiscal Year 1996 (division B of
26 Public Law 104–106; 110 Stat. 568), is repealed.

27 (f) DESCRIPTION OF PROPERTY.—The exact acreage and
28 legal description of the real property to be conveyed under sub-
29 sections (a) and (b) shall be determined by surveys satisfactory
30 to the Secretary. The cost of each such survey shall be borne
31 by the grantee.

32 (g) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
33 retary may require such additional terms and conditions in con-
34 nection with the conveyances under subsections (a) and (b) as
35 the Secretary considers appropriate to protect the interests of
36 the United States.

PART II—NAVY CONVEYANCES**SEC. 2831. LAND CONVEYANCE, MARINE CORPS AIR STATION, MIRAMAR, SAN DIEGO, CALIFORNIA.**

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the ENPEX Corporation, Incorporated (in this section referred to as the “Corporation”), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, at Marine Corps Air Station, Miramar, San Diego, California, consisting of approximately 60 acres and appurtenant easements and any other necessary interests in real property for the purpose of permitting the Corporation to use the property for the production of electric power and related ancillary activities.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Corporation shall—

(A) convey to the United States all right, title, and interest of the Corporation in and to a parcel of real property in the San Diego area that is suitable for military family housing, as determined by the Secretary; and

(B) if the parcel conveyed under subparagraph (A) does not contain housing units suitable for use as military family housing, design and construct such military family housing units and supporting facilities as the Secretary considers appropriate.

(2) The total combined value of the real property and military family housing conveyed by the Corporation under this subsection shall be at least equal to the fair market value of the real property conveyed to the Secretary under subsection (a), including any severance costs arising from any diminution of the value or utility of other property at Marine Corps Air Station, Miramar, attributable to the prospective future use of the property conveyed under subsection (a).

(3) The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and the fair market value of the consideration to be provided under this subsection. Such determinations shall be final.

1 (c) REVERSIONARY INTEREST.—(1) Subject to paragraph
2 (2), if the Secretary determines at any time that the property
3 conveyed under subsection (a) is not being used in accordance
4 with the purpose of the conveyance specified in such subsection,
5 all right, title, and interest in and to the property, including
6 any improvements thereon, shall revert, at the option of the
7 Secretary, to the United States, and the United States shall
8 have the right of immediate entry onto the property. Any deter-
9 mination of the Secretary under this subsection shall be made
10 on the record after an opportunity for a hearing.

11 (2) If Marine Corps Air Station, Miramar, is no longer
12 used as a Federal aviation facility, paragraph (1) shall no
13 longer apply, and the Secretary shall release, without consider-
14 ation, the reversionary interest retained by the United States
15 under such paragraph.

16 (d) ADMINISTRATIVE EXPENSES.—(1) The Corporation
17 shall make funds available to the Secretary to cover costs to
18 be incurred by the Secretary, or reimburse the Secretary for
19 costs incurred, to carry out the conveyance under subsection
20 (a), including survey costs, costs related to environmental docu-
21 mentation, and other administrative costs related to the convey-
22 ance. This paragraph does not apply to costs associated with
23 the removal of explosive ordnance from the parcel and environ-
24 mental remediation of the parcel.

25 (2) Section 2695(c) of title 10 United States Code, shall
26 apply to any amount received under paragraph (1). If the
27 amounts received in advance under such paragraph exceed the
28 costs actually incurred by the Secretary, the Secretary shall re-
29 fund the excess amount to the Corporation.

30 (e) DESCRIPTIONS OF PROPERTY.—The exact acreage and
31 legal descriptions of the real property to be conveyed by the
32 Secretary under subsection (a) and the property to be conveyed
33 by the Corporation under subsection (b) shall be determined by
34 a survey satisfactory to the Secretary.

35 (f) EXEMPTIONS.—Section 2696 of title 10, United States
36 Code, does not apply to the conveyance authorized by sub-

1 section (a), and the authority to make the conveyance shall not
2 be considered to render the property excess or underutilized.

3 (g) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
4 retary may require such additional terms and conditions in con-
5 nection with the conveyances authorized by this section as the
6 Secretary considers appropriate to protect the interests of the
7 United States.

8 **SEC. 2832. MODIFICATION OF AUTHORITY FOR LAND**
9 **TRANSFER AND CONVEYANCE, NAVAL SECU-**
10 **RITY GROUP ACTIVITY, WINTER HARBOR,**
11 **MAINE.**

12 (a) MODIFICATION OF CONVEYANCE AUTHORITY FOR
13 COREA AND WINTER HARBOR PROPERTIES.—Subsection (b) of
14 section 2845 of the Military Construction Authorization Act for
15 Fiscal Year 2002 (division B of Public Law 107–107; 115
16 Stat. 1319) is amended to read as follows:

17 “(b) CONVEYANCE AND TRANSFER OF COREA AND WIN-
18 TER HARBOR PROPERTIES AUTHORIZED.—(1) The Secretary
19 of the Navy may convey, without consideration, to the State of
20 Maine, any political subdivision of the State of Maine, or any
21 tax-supported agency in the State of Maine, all right, title, and
22 interest of the United States in and to parcels of real property,
23 including any improvements thereon and appurtenances there-
24 to, comprising the former facilities of the Naval Security Group
25 Activity, Winter Harbor, Maine, as follows:

26 “(A) The parcel consisting of approximately 50 acres
27 known as the Corea Operations Site.

28 “(B) Three parcels consisting of approximately 23
29 acres and comprising family housing facilities.

30 “(2) The Secretary of the Navy may transfer to the ad-
31 ministrative jurisdiction of the Secretary of the Interior a par-
32 cel of real property consisting of approximately 404 acres at
33 the former Naval Security Group Activity, which is the balance
34 of the real property comprising the Corea Operations Site. The
35 Secretary of the Interior shall administer the property trans-
36 ferred under this paragraph as part of the National Wildlife
37 Refuge System.”.

1 (b) EXEMPTION OF MODIFIED CONVEYANCES FROM FED-
2 ERAL SCREENING REQUIREMENT.—Such section is further
3 amended—

4 (1) by redesignating subsections (g) and (h) as sub-
5 sections (h) and (i), respectively; and

6 (2) by inserting after subsection (f) the following new
7 subsection (g):

8 “(g) EXEMPTION FROM FEDERAL SCREENING.—Any con-
9 veyance authorized by subsection (b)(1) is exempt from the re-
10 quirement to screen the property concerned for further Federal
11 use pursuant to section 2696 of title 10, United States Code.”.

12 (c) CONFORMING AMENDMENTS.—Subsections (c), (d),
13 (e), (f), (h) (as redesignated), and (i) (as redesignated) of such
14 section are amended by striking “subsection (b)” each place it
15 appears and inserting “subsection (b)(1)”.

16 **SEC. 2833. LAND CONVEYANCE, WESTOVER AIR RE-**
17 **SERVE BASE, MASSACHUSETTS.**

18 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
19 Navy may convey, without consideration, to the City of Chic-
20 opee, Massachusetts (in this section referred to as the “City”),
21 all right, title, and interest of the United States in and to a
22 parcel of real property, including 133 housing units and other
23 improvements thereon, consisting of approximately 30.38 acres
24 located at Westover Air Reserve Base in Chicopee, Massachu-
25 setts, for the purpose of permitting the City to use the property
26 for economic development and other public purposes.

27 (b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
28 The Secretary may require the City to reimburse the Secretary
29 for the costs incurred by the Secretary to carry out the convey-
30 ance under subsection (a), including survey costs, costs related
31 to environmental documentation (other than the environmental
32 baseline survey), and other administrative costs related to the
33 conveyance.

34 (2) The Secretary shall require the City to reimburse the
35 Secretary for any excess costs incurred by the Secretary for
36 any environmental assessment, study, or analysis, or for any
37 other excess costs incurred by the Secretary, in connection with

1 the conveyance, if the excess costs were incurred as a result of
2 a request by the City. In this paragraph, the term “excess
3 costs” means costs in excess of those costs considered reason-
4 able and necessary by the Secretary to comply with existing law
5 to make the conveyance.

6 (3) Any reimbursement received under this subsection
7 shall be credited to the fund or account that was used to cover
8 the costs incurred by the Secretary in carrying out the convey-
9 ance. Amounts so credited shall be merged with amounts in
10 such fund or account, and shall be available for the same pur-
11 poses, and subject to the same conditions and limitations, as
12 amounts in such fund or account.

13 (c) DESCRIPTION OF PROPERTY.—The exact acreage and
14 legal description of the real property to be conveyed under sub-
15 section (a) shall be determined by a survey satisfactory to the
16 Secretary.

17 (d) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
18 retary may require such additional terms and conditions in con-
19 nection with the conveyance under subsection (a) as the Sec-
20 retary considers appropriate to protect the interests of the
21 United States.

22 **SEC. 2834. LAND CONVEYANCE, NAVAL STATION, NEW-**
23 **PORT, RHODE ISLAND.**

24 (a) CONVEYANCE AUTHORIZED.—The Secretary of the
25 Navy may convey to the State of Rhode Island, or any political
26 subdivision thereof, any or all right, title, and interest of the
27 United States in and to a parcel of real property, together with
28 improvements thereon, consisting of approximately 34 acres lo-
29 cated in Melville, Rhode Island, and known as the Melville Ma-
30 rina site.

31 (b) CONSIDERATION.—(1) As consideration for the convey-
32 ance of real property under subsection (a), the conveyee shall
33 pay the United States an amount equal to the fair market
34 value of the real property, as determined by the Secretary
35 based on an appraisal of the real property acceptable to the
36 Secretary.

1 (2) The consideration received under paragraph (1) shall
2 be deposited in the account established pursuant to section
3 572(b) of title 40, United States Code, and shall be available
4 as provided for in that section.

5 (c) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1)
6 The Secretary may require the conveyee of the real property
7 under subsection (a) to reimburse the Secretary for any costs
8 incurred by the Secretary in carrying out the conveyance.

9 (2) Any reimbursement for costs that is received under
10 paragraph (1) shall be credited to the fund or account pro-
11 viding funds for such costs. Amounts so credited shall be
12 merged with amounts in such fund or account, and shall be
13 available for the same purposes, and subject to the same condi-
14 tions and limitations, as amounts in such fund or account.

15 (d) DESCRIPTION OF PROPERTY.—The exact acreage and
16 legal description of the real property to be conveyed under sub-
17 section (a) shall be determined by a survey satisfactory to the
18 Secretary.

19 (e) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
20 retary may require such additional terms and conditions in con-
21 nection with the conveyance under subsection (a) as the Sec-
22 retary considers appropriate to protect the interests of the
23 United States.

24 **SEC. 2835. LAND EXCHANGE AND BOUNDARY ADJUST-**
25 **MENTS, MARINE CORPS BASE, QUANTICO,**
26 **AND PRINCE WILLIAM FOREST PARK, VIR-**
27 **GINIA.**

28 (a) LAND EXCHANGE.—Administrative jurisdiction over
29 certain lands at Prince William Forest Park, Virginia, and at
30 the Marine Corps Base, Quantico, Virginia, shall be adjusted
31 through the following actions:

32 (1) The Secretary of the Navy shall transfer, without
33 reimbursement, to the administrative jurisdiction of the
34 Secretary of the Interior approximately 352 acres of land,
35 depicted as “Lands Transferred from Department of the
36 Navy to Department of the Interior” on the map entitled
37 “Boundary Adjustments Between Prince William Forest

1 Park and Marine Corps Base, Quantico”, numbered 860/
2 80283, and dated May 1, 2002.

3 (2) The Secretary of the Interior shall transfer, with-
4 out reimbursement, to the administrative jurisdiction of the
5 Secretary of the Navy approximately 3,398 acres of land,
6 depicted as “Lands Transferred from Department of the
7 Interior to Department of the Navy” on the map described
8 in paragraph (1).

9 (b) RETENTION OF CERTAIN LAND.—The Secretary of the
10 Interior shall continue to administer approximately 1,346 acres
11 of land, depicted as “Lands Retained by Department of the In-
12 terior” on the map described in subsection (a)(1). Effective on
13 the date of the enactment of this Act, the special use permit
14 dated March 16, 1972, which provides for the use of part of
15 this land by the Marine Corps, shall no longer be in effect.

16 (c) SUBSEQUENT DISPOSAL OF LAND.—(1) If any of the
17 land described in subsection (a)(1) or (b) is determined to be
18 excess to the needs of the Department of the Interior, the Sec-
19 retary of the Interior shall offer to transfer, without reimburse-
20 ment, administrative jurisdiction over the land to the Secretary
21 of the Navy.

22 (2) If any of the land described in subsection (a)(2) is de-
23 termined to be excess to the needs of the Department of the
24 Navy, the Secretary of the Navy shall offer to transfer, without
25 reimbursement, administrative jurisdiction over the land to the
26 Secretary of the Interior.

27 (3) If an offer made under this subsection is not accepted
28 within 90 days, the land covered by the offer may be disposed
29 of in accordance with the laws and regulations governing the
30 disposal of excess property.

31 (d) BOUNDARY MODIFICATION AND ADMINISTRATION.—

32 (1) The boundaries of Prince William Forest Park and the Ma-
33 rine Corps Base, Quantico, shall be modified to reflect the land
34 exchanges or disposals made under this section.

35 (2) Land transferred to the Secretary of the Interior
36 under subsection (a)(1) or retained under subsection (b) shall

1 be administered as part of Prince William Forest Park in ac-
2 cordance with applicable laws and regulations.

3 (e) AVAILABILITY OF MAP.—The map described in sub-
4 section (a)(1) shall be on file and available for public inspection
5 in the appropriate offices of the National Park Service, Depart-
6 ment of the Interior.

7 (f) CONFORMING AMENDMENTS.—The Act of June 22,
8 1948 (Chapter 596; 62 Stat. 571), is amended—

9 (1) by striking the first section and inserting the fol-
10 lowing new section:

11 **“SECTION 1. PRINCE WILLIAM FOREST PARK, VIRGINIA.**

12 “Chopawamsic Park, which was established in 1933 as
13 Chopawamsic Recreational Demonstration Area, shall be known
14 as ‘Prince William Forest Park.’”;

15 (2) in section 2—

16 (A) by striking “That all” and inserting “All”;
17 and

18 (B) by striking “the Chopawamsic Park” and in-
19 serting “Prince William Forest Park”; and

20 (3) in section 3—

21 (A) by striking “That the Secretary of the Interior
22 and the Secretary of the Navy be, and they are hereby”
23 and inserting “The Secretary of the Interior is”; and

24 (B) by striking “the Chopawamsic Park” both
25 places it appears and inserting “Prince William Forest
26 Park”.

27 **PART III—AIR FORCE CONVEYANCES**

28 **SEC. 2841. MODIFICATION OF LAND CONVEYANCE, LOS**
29 **ANGELES AIR FORCE BASE, CALIFORNIA.**

30 Section 2861(c) of the Floyd D. Spence National Defense
31 Authorization Act for Fiscal Year 2001 (as enacted into law by
32 Public Law 106–398; 114 Stat. 1654A–433) is amended in the
33 first sentence by striking “10 years” and inserting “30 years”.

34 **SEC. 2842. LAND EXCHANGE, BUCKLEY AIR FORCE BASE,**
35 **COLORADO.**

36 (a) EXCHANGE AUTHORIZED.—For the purpose of facili-
37 tating the acquisition of real property suitable for the construc-

1 tion of military family housing for Buckley Air Force Base,
2 Colorado, the Secretary of the Air Force may convey to the
3 State of Colorado (in this section referred to as the “State”)
4 all right, title, and interest of the United States in and to a
5 parcel of real property, including improvements thereon, con-
6 sisting of all or part of the Watkins Communications Site in
7 Arapahoe County, Colorado.

8 (b) CONSIDERATION.—(1) As consideration for the convey-
9 ance authorized by subsection (a) the State shall convey to the
10 United States all right, title, and interest of the State in and
11 to a parcel of real property, including improvements thereon,
12 consisting of approximately 41 acres that is owned by the State
13 and is contiguous to Buckley Air Force Base, Colorado.

14 (2) The Secretary shall have jurisdiction over the real
15 property conveyed under paragraph (1).

16 (3) Upon conveyance to the United States under para-
17 graph (1), the real property conveyed under that paragraph is
18 withdrawn from all forms of appropriation under the general
19 land laws, including the mining laws and mineral and geo-
20 thermal leasing laws.

21 (c) DESCRIPTION OF PROPERTY.—The exact acreage and
22 legal description of the parcels of real property to be conveyed
23 under this section shall be determined by surveys satisfactory
24 to the Secretary.

25 (d) ADDITIONAL TERMS AND CONDITIONS.—The Sec-
26 retary may require such additional terms and conditions in con-
27 nection with the conveyances under this section as the Sec-
28 retary considers appropriate to protect the interests of the
29 United States.

30 **SEC. 2843. LAND CONVEYANCES, WENDOVER AIR FORCE**
31 **BASE AUXILIARY FIELD, NEVADA.**

32 (a) CONVEYANCES AUTHORIZED TO WEST WENDOVER,
33 NEVADA.—(1) The Secretary of the Interior may convey, with-
34 out consideration, to the City of West Wendover, Nevada, all
35 right, title, and interest of the United States in and to the fol-
36 lowing:

1 (A) The lands at Wendover Air Force Base Auxiliary
2 Field, Nevada, identified in Easement No. AFMC–HL–2–
3 00–334 that are determined by the Secretary of the Air
4 Force to be no longer required.

5 (B) The lands at Wendover Air Force Base Auxiliary
6 Field identified for disposition on the map entitled “West
7 Wendover, Nevada–Excess”, dated January 5, 2001, that
8 are determined by the Secretary of the Air Force to be no
9 longer required.

10 (2) The purposes of the conveyances under this subsection
11 are—

12 (A) to permit the establishment and maintenance of
13 runway protection zones; and

14 (B) to provide for the development of an industrial
15 park and related infrastructure.

16 (3) The map referred to in paragraph (1)(B) shall be on
17 file and available for public inspection in the offices of the Di-
18 rector of the Bureau of Land Management and the Elko Dis-
19 trict Office of the Bureau of Land Management.

20 (b) CONVEYANCE AUTHORIZED TO TOOELE COUNTY,
21 UTAH.—(1) The Secretary of the Interior may convey, without
22 consideration, to Tooele County, Utah, all right, title, and in-
23 terest of the United States in and to the lands at Wendover
24 Air Force Base Auxiliary Field identified in Easement No.
25 AFMC–HL–2–00–318 that are determined by the Secretary of
26 the Air Force to be no longer required.

27 (2) The purpose of the conveyance under this subsection
28 is to permit the establishment and maintenance of runway pro-
29 tection zones and an aircraft accident potential protection zone
30 as necessitated by continued military aircraft operations at the
31 Utah Test and Training Range.

32 (c) PHASED CONVEYANCES.—The land conveyances au-
33 thorized by subsections (a) and (b) may be conducted in
34 phases. To the extent practicable, the first phase of the convey-
35 ances should involve at least 3,000 acres.

36 (d) MANAGEMENT OF CONVEYED LANDS.—The lands con-
37 veyed under subsections (a) and (b) shall be managed by the

1 City of West Wendover, Nevada, City of Wendover, Utah,
2 Tooele County, Utah, and Elko County, Nevada—

3 (1) in accordance with the provisions of an Interlocal
4 Memorandum of Agreement entered into between the Cities
5 of West Wendover, Nevada, and Wendover, Utah, Tooele
6 County, Utah, and Elko County, Nevada, providing for the
7 coordinated management and development of the lands for
8 the economic benefit of both communities; and

9 (2) in a manner that is consistent with such provisions
10 of the easements referred to subsections (a) and (b) that,
11 as jointly determined by the Secretary of the Air Force and
12 Secretary of the Interior, remain applicable and relevant to
13 the operation and management of the lands following con-
14 veyance and are consistent with the provisions of this sec-
15 tion.

16 (e) **ADDITIONAL TERMS AND CONDITIONS.**—The Sec-
17 retary of the Air Force and the Secretary of the Interior may
18 jointly require such additional terms and conditions in connec-
19 tion with the conveyances authorized by subsections (a) and (b)
20 as the Secretaries consider appropriate to protect the interests
21 of the United States.

22 **Subtitle D—Other Matters**

23 **SEC. 2851. MASTER PLAN FOR USE OF NAVY ANNEX, AR-** 24 **LINGTON, VIRGINIA.**

25 (a) **MODIFICATION OF AUTHORITY FOR TRANSFER FROM**
26 **NAVY ANNEX.**—Section 2881 of the Military Construction Au-
27 thorization Act for Fiscal Year 2000 (113 Stat. 879) is
28 amended—

29 (1) in subsection (b)(2), as amended by section
30 2863(f) of the Military Construction Authorization Act for
31 Fiscal Year 2002 (division B of Public Law 107–107; 115
32 Stat. 1332), by striking “as a site for—” and all that fol-
33 lows and inserting “as a site for such other memorials or
34 museums that the Secretary considers compatible with Ar-
35 lington National Cemetery and the Air Force Memorial.”;
36 and

37 (2) in subsection (d)—

1 (A) in paragraph (2), by striking “the rec-
2 ommendation (if any) of the Commission on the Na-
3 tional Military Museum to use a portion of the Navy
4 Annex property as the site for the National Military
5 Museum” and inserting “the use of the acres reserved
6 under subsection (b)(2) for a memorial or museum”;
7 and

8 (B) in paragraph (4), by striking “the date on
9 which the Commission on the National Military Mu-
10 seum submits to Congress its report under section
11 2903” and inserting “the date of the enactment of the
12 Bob Stump National Defense Authorization Act for
13 Fiscal Year 2003”.

14 (b) CONSTRUCTION OF AMENDMENTS.—The amendments
15 made by subsection (a) may not be construed to delay the es-
16 tablishment of the United States Air Force Memorial author-
17 ized by section 2863 of the Military Construction Authorization
18 Act for Fiscal Year 2002 (division B of Public Law 107–107;
19 115 Stat. 1330).

20 **SEC. 2852. SALE OF EXCESS TREATED WATER AND**
21 **WASTEWATER TREATMENT CAPACITY, MA-**
22 **RINE CORPS BASE, CAMP LEJEUNE, NORTH**
23 **CAROLINA.**

24 (a) SALE AUTHORIZED.—The Secretary of the Navy may
25 provide to Onslow County, North Carolina, or any authority or
26 political subdivision organized under the laws of North Carolina
27 to provide public water or sewage services in Onslow County (in
28 this section referred to as the “County”), treated water and
29 wastewater treatment services from facilities at Marine Corps
30 Base, Camp Lejeune, North Carolina, if the Secretary deter-
31 mines that the provision of these utility services is in the public
32 interest and will not interfere with current or future operations
33 at Camp Lejeune.

34 (b) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Sec-
35 tion 2686 of title 10, United States Code, shall not apply to
36 the provision of public water or sewage services authorized by
37 subsection (a).

1 (c) CONSIDERATION.—As consideration for the receipt of
2 public water or sewage services under subsection (a), the Coun-
3 ty shall pay to the Secretary an amount (in cash or in kind)
4 equal to the fair market value of the services. Amounts received
5 in cash shall be credited to the base operation and maintenance
6 accounts of Camp Lejeune.

7 (d) EXPANSION.—The Secretary may make minor expan-
8 sions and extensions and permit connections to the public water
9 or sewage systems of the County in order to furnish the serv-
10 ices authorized under subsection (a). The Secretary shall re-
11 strict the provision of services to the County to those areas in
12 the County where residential development would be compatible
13 with current and future operations at Camp Lejeune.

14 (e) ADMINISTRATIVE EXPENSES.—(1) The Secretary may
15 require the County to reimburse the Secretary for the costs in-
16 curred by the Secretary to provide public water or sewage serv-
17 ices to the County under subsection (a).

18 (2) Section 2695(c) of title 10 United States Code, shall
19 apply to any amount received under this subsection.

20 (f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary
21 may require such additional terms and conditions in connection
22 with the provision of public water or sewage services under this
23 section as the Secretary considers appropriate to protect the in-
24 terests of the United States.

25 **SEC. 2853. CONVEYANCE OF REAL PROPERTY, ADAK**
26 **NAVAL COMPLEX, ALASKA, AND RELATED**
27 **LAND CONVEYANCES.**

28 Section 6 of the Act entitled “An Act to ratify an agree-
29 ment between The Aleut Corporation and the United States of
30 America to exchange land rights received under the Alaska Na-
31 tive Claims Settlement Act for certain land interests on Adak
32 Island, and for other purposes.”, approved October 11, 2002
33 (Public Law 107–239), is amended by adding at the end the
34 following new subsection:

35 “(f) For purposes of section 21(c) of the Alaska Native
36 Claims Settlement Act (43 U.S.C. 1620(c)), all property re-
37 ceived by the Aleut Corporation under this Act shall be given

1 a tax basis equal to fair value on the date of the transfer. Fair
2 value shall be determined by replacement cost appraisal.”.

3 **SEC. 2854. SPECIAL REQUIREMENT FOR ADDING MILI-**
4 **TARY INSTALLATION TO CLOSURE LIST.**

5 Section 2914(d) of the Defense Base Closure and Realign-
6 ment Act of 1990 (part A of title XXIX of Public Law 101–
7 510; 10 U.S.C. 2687 note), as added by section 3003 of the
8 Military Construction Authorization Act for Fiscal Year 2002
9 (division B of Public Law 107–107; 155 Stat, 1346), is
10 amended—

11 (1) by redesignating paragraph (5) as paragraph (6);
12 and

13 (2) by inserting after paragraph (4) the following new
14 paragraph (5):

15 “(5) SITE VISIT.—In the report required under section
16 2903(d)(2)(A) that is to be transmitted under paragraph
17 (1), the Commission may not recommend the closure of a
18 military installation not recommended for closure by the
19 Secretary under subsection (a) unless at least two members
20 of the Commission visit the installation before the date of
21 the transmittal of the report.”.

1 **DIVISION C—DEPARTMENT OF EN-**
2 **ERGY NATIONAL SECURITY AU-**
3 **THORIZATIONS AND OTHER AU-**
4 **THORIZATIONS**
5 **TITLE XXXI—DEPARTMENT OF EN-**
6 **ERGY NATIONAL SECURITY PRO-**
7 **GRAMS**

Subtitle A—National Security Programs Authorizations

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

**Subtitle B—Program Authorizations, Restrictions, and
Limitations**

- Sec. 3141. Annual assessments and reports to the President and Congress regarding the condition of the United States nuclear weapons stockpile.
- Sec. 3142. Plans for achieving enhanced readiness posture for resumption by the United States of underground nuclear weapons tests.
- Sec. 3143. Requirements for specific request for new or modified nuclear weapons.
- Sec. 3144. Database to track notification and resolution phases of Significant Finding Investigations.
- Sec. 3145. Defense environmental management cleanup reform program.
- Sec. 3146. Limitation on obligation of funds for Robust Nuclear Earth Penetrator program pending submission of report.

Subtitle C—Proliferation Matters

- Sec. 3151. Transfer to National Nuclear Security Administration of Department of Defense's Cooperative Threat Reduction program relating to elimination of weapons grade plutonium production in Russia.
- Sec. 3152. Repeal of requirement for reports on obligation of funds for programs on fissile materials in Russia.
- Sec. 3153. Expansion of annual reports on status of nuclear materials protection, control, and accounting programs.
- Sec. 3154. Testing of preparedness for emergencies involving nuclear, radiological, chemical, or biological weapons.
- Sec. 3155. Cooperative program on research, development, and demonstration of technology regarding nuclear or radiological terrorism.
- Sec. 3156. Matters relating to the International Materials Protection, Control, and Accounting program of the Department of Energy.
- Sec. 3157. Accelerated disposition of highly enriched uranium.
- Sec. 3158. Strengthened international security for nuclear materials and security of nuclear operations.
- Sec. 3159. Export control programs.
- Sec. 3160. Plan for accelerated return of weapons-usable nuclear materials.
- Sec. 3161. Sense of Congress on amendment of Convention on Physical Protection of Nuclear Materials.

Sec. 3162. Sense of Congress on program to secure stockpiles of highly enriched uranium and plutonium.

Subtitle D—Other Matters

- Sec. 3171. Indemnification of Department of Energy contractors.
- Sec.MSec. 3172. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.
- Sec. 3173. Worker health and safety rules for Department of Energy nuclear facilities.
- Sec. 3174. Extension of authority to appoint certain scientific, engineering, and technical personnel.
- Sec. 3175. One-year extension of panel to assess the reliability, safety, and security of the United States nuclear stockpile.
- Sec. 3176. Report on status of environmental management initiatives to accelerate the reduction of environmental risks and challenges posed by the legacy of the Cold War.

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

- Sec. 3181. Findings.
- Sec. 3182. Disposition of weapons-usable plutonium at Savannah River Site.
- Sec. 3183. Study of facilities for storage of plutonium and plutonium materials at Savannah River Site.

Subtitle A—National Security Programs Authorizations

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 2003 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of \$8,038,490,000, to be allocated as follows:

- 11 (1) For weapons activities, \$5,901,641,000.
- 12 (2) For defense nuclear nonproliferation activities,
- 13 \$1,104,130,000.

31-3

1 (3) For naval reactors, \$706,790,000.

2 (4) For the Office of the Administrator for Nuclear
3 Security, \$325,929,000.

4 (b) AUTHORIZATION OF NEW PLANT PROJECTS.—From
5 funds referred to in subsection (a) that are available for car-
6 rying out plant projects, the Secretary of Energy may carry out
7 new plant projects as follows:

8 (1) For weapons activities, the following new plant
9 projects:

10 Project 03-D-101, Sandia underground reactor
11 facility (SURF), Sandia National Laboratories, Albu-
12 querque, New Mexico, \$2,000,000.

13 Project 03-D-103, project engineering and design,
14 various locations, \$17,039,000.

15 Project 03-D-121, gas transfer capacity expan-
16 sion, Kansas City Plant, Kansas City, Missouri,
17 \$4,000,000.

18 Project 03-D-122, prototype purification facility,
19 Y-12 plant, Oak Ridge, Tennessee, \$20,800,000.

20 Project 03-D-123, special nuclear materials re-
21 qualification, Pantex plant, Amarillo, Texas,
22 \$3,000,000.

23 (2) For naval reactors, the following new plant project:

24 Project 03-D-201, cleanroom technology facility,
25 Bettis Atomic Power Laboratory, West Mifflin, Penn-
26 sylvania, \$7,200,000.

27 **SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.**

28 (a) AUTHORIZATION OF APPROPRIATIONS.—Funds are
29 hereby authorized to be appropriated to the Department of En-
30 ergy for fiscal year 2003 for environmental management activi-
31 ties in carrying out programs necessary for national security in
32 the amount of \$6,759,846,000, to be allocated as follows:

33 (1) For defense environmental restoration and waste
34 management, \$4,510,133,000.

35 (2) For defense environmental management cleanup
36 reform in carrying out environmental restoration and waste

1 management activities necessary for national security pro-
2 grams, \$982,000,000.

3 (3) For defense facilities closure projects,
4 \$1,109,314,000.

5 (4) For defense environmental management privatiza-
6 tion, \$158,399,000.

7 (b) AUTHORIZATION OF NEW PLANT PROJECTS.—From
8 funds referred to in subsection (a) that are available for car-
9 rying out plant projects, the Secretary of Energy may carry out
10 new plant projects as follows:

11 (1) For environmental restoration and waste manage-
12 ment activities, the following new plant project:

13 Project 03-D-403, immobilized high-level waste
14 interim storage facility, Richland, Washington,
15 \$6,363,000.

16 (2) For defense environmental management cleanup
17 reform, the following new plant project:

18 Project 03-D-414, project engineering and design,
19 various locations, \$8,800,000.

20 **SEC. 3103. OTHER DEFENSE ACTIVITIES.**

21 Funds are hereby authorized to be appropriated to the De-
22 partment of Energy for fiscal year 2003 for other defense ac-
23 tivities in carrying out programs necessary for national security
24 in the amount of \$462,664,000.

25 **SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.**

26 Funds are hereby authorized to be appropriated to the De-
27 partment of Energy for fiscal year 2003 for defense nuclear
28 waste disposal for payment to the Nuclear Waste Fund estab-
29 lished in section 302(c) of the Nuclear Waste Policy Act of
30 1982 (42 U.S.C. 10222(c)) in the amount of \$315,000,000.

1 **Subtitle B—Program Authorizations,**
2 **Restrictions, and Limitations**

3 **SEC. 3141. ANNUAL ASSESSMENTS AND REPORTS TO**
4 **THE PRESIDENT AND CONGRESS REGARD-**
5 **ING THE CONDITION OF THE UNITED**
6 **STATES NUCLEAR WEAPONS STOCKPILE.**

7 (a) ANNUAL ASSESSMENTS REQUIRED.—For each nuclear
8 weapon type in the stockpile of the United States, each official
9 specified in subsection (b) on an annual basis shall, to the ex-
10 tent such official is directly responsible for the safety, reli-
11 ability, performance, or military effectiveness of that nuclear
12 weapon type, complete an assessment of the safety, reliability,
13 performance, or military effectiveness (as the case may be) of
14 that nuclear weapon type.

15 (b) COVERED OFFICIALS.—The officials referred to in
16 subsection (a) are the following:

17 (1) The head of each national security laboratory.

18 (2) The commander of the United States Strategic
19 Command.

20 (c) USE OF TEAMS OF EXPERTS FOR ASSESSMENTS.—
21 The head of each national security laboratory shall establish
22 and use one or more teams of experts, known as “red teams”,
23 to assist in the assessments required by subsection (a). Each
24 such team shall include experts from both of the other national
25 security laboratories. Each such team for a national security
26 laboratory shall—

27 (1) review the matters covered by the assessments
28 under subsection (a) performed by the head of that labora-
29 tory;

30 (2) subject such matters to challenge; and

31 (3) submit the results of such review and challenge,
32 together with the findings and recommendations of such
33 team with respect to such review and challenge, to the head
34 of that laboratory.

35 (d) REPORT ON ASSESSMENTS.—Not later than December
36 1 of each year, each official specified in subsection (b) shall
37 submit to the Secretary concerned, and to the Nuclear Weap-

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1 ons Council, a report on the assessments that such official was
2 required by subsection (a) to complete. The report shall include
3 the following:

4 (1) The results of each such assessment.

5 (2)(A) Such official's determination as to whether or
6 not one or more underground nuclear tests are necessary
7 to resolve any issues identified in the assessments and, if
8 so—

9 (i) an identification of the specific underground
10 nuclear tests that are necessary to resolve such issues;
11 and

12 (ii) a discussion of why options other than an un-
13 derground nuclear test are not available or would not
14 resolve such issues.

15 (B) An identification of the specific underground nu-
16 clear tests which, while not necessary, might have value in
17 resolving any such issues and a discussion of the antici-
18 pated value of conducting such tests.

19 (C) Such official's determination as to the readiness of
20 the United States to conduct the underground nuclear tests
21 identified under subparagraphs (A)(i) and (B), if directed
22 by the President to do so.

23 (3) In the case of a report submitted by the head of
24 a national security laboratory—

25 (A) a concise statement regarding the adequacy of
26 the science-based tools and methods being used to de-
27 termine the matters covered by the assessments;

28 (B) a concise statement regarding the adequacy of
29 the tools and methods employed by the manufacturing
30 infrastructure required by section 3137 of the National
31 Defense Authorization Act for Fiscal Year 1996 (42
32 U.S.C. 2121 note) to identify and fix any inadequacy
33 with respect to the matters covered by the assessments;
34 and

35 (C) a concise summary of the findings and rec-
36 ommendations of any teams under subsection (c) that

1 relate to the assessments, together with a discussion of
2 those findings and recommendations.

3 (4) In the case of a report submitted by the Com-
4 mander of the United States Strategic Command, a discus-
5 sion of the relative merits of other nuclear weapon types (if
6 any), or compensatory measures (if any) that could be
7 taken, that could enable accomplishment of the missions of
8 the nuclear weapon types to which the assessments relate,
9 should such assessments identify any deficiency with re-
10 spect to such nuclear weapon types.

11 (5) An identification and discussion of any matter hav-
12 ing an adverse effect on the capability of the official sub-
13 mitting the report to accurately determine the matters cov-
14 ered by the assessments.

15 (e) SUBMITTALS TO THE PRESIDENT AND CONGRESS.—
16 (1) Not later than March 1 of each year, the Secretary of De-
17 fense and the Secretary of Energy shall submit to the
18 President—

19 (A) each report, without change, submitted to either
20 Secretary under subsection (d) during the preceding year;

21 (B) any comments that the Secretaries individually or
22 jointly consider appropriate with respect to each such re-
23 port;

24 (C) the conclusions that the Secretaries individually or
25 jointly reach as to the safety, reliability, performance, and
26 military effectiveness of the nuclear weapons stockpile of
27 the United States; and

28 (D) any other information that the Secretaries individ-
29 ually or jointly consider appropriate.

30 (2) Not later than March 15 of each year, the President
31 shall forward to Congress the matters received by the President
32 under paragraph (1) for that year, together with any comments
33 the President considers appropriate.

34 (f) CLASSIFIED FORM.—Each submittal under subsection
35 (e) shall be in classified form only, with the classification level
36 required for each portion of such submittal marked appro-
37 priately.

1 (g) DEFINITIONS.—In this section:

2 (1) The term “national security laboratory” has the
3 meaning given such term in section 3281 of the National
4 Nuclear Security Administration Act (50 U.S.C. 2471).

5 (2) The term “Secretary concerned” means—

6 (A) the Secretary of Energy, with respect to mat-
7 ters concerning the Department of Energy; and

8 (B) the Secretary of Defense, with respect to mat-
9 ters concerning the Department of Defense.

10 (h) FIRST SUBMISSIONS.—(1) The first submissions made
11 under subsection (d) shall be the submissions required to be
12 made in 2003.

13 (2) The first submissions made under subsection (e) shall
14 be the submissions required to be made in 2004.

15 **SEC. 3142. PLANS FOR ACHIEVING ENHANCED READI-**
16 **NESS POSTURE FOR RESUMPTION BY THE**
17 **UNITED STATES OF UNDERGROUND NU-**
18 **CLEAR WEAPONS TESTS.**

19 (a) PLANS REQUIRED.—The Secretary of Energy, in con-
20 sultation with the Administrator for Nuclear Security, shall
21 prepare plans for achieving, not later than one year after the
22 date on which the plans are submitted under subsection (c),
23 readiness postures of six months, 12 months, 18 months, and
24 24 months for resumption by the United States of underground
25 nuclear weapons tests.

26 (b) READINESS POSTURE.—For purposes of this section,
27 a readiness posture of a specified number of months for re-
28 sumption by the United States of underground nuclear weapons
29 tests is achieved when the Department of Energy has the capa-
30 bility to resume such tests, if directed by the President to re-
31 sume such tests, not later than the specified number of months
32 after the date on which the President so directs.

33 (c) REPORT.—The Secretary shall include with the budget
34 justification materials submitted to Congress in support of the
35 Department of Energy budget for fiscal year 2004 (as sub-
36 mitted with the budget of the President under section 1105(a))

1 of title 31, United States Code) a report on the plans required
2 by subsection (a). The report shall include—

3 (1) an assessment of the current readiness posture for
4 resumption by the United States of underground nuclear
5 weapons tests;

6 (2) the plans required by subsection (a) and, for each
7 such plan, the estimated cost for implementing such plan
8 and an estimate of the annual cost of maintaining the read-
9 iness posture to which the plan relates; and

10 (3) the recommendation of the Secretary, developed in
11 consultation with the Secretary of Defense, as to the opti-
12 mal readiness posture for resumption by the United States
13 of underground nuclear weapons tests, including the basis
14 for that recommendation.

15 **SEC. 3143. REQUIREMENTS FOR SPECIFIC REQUEST FOR**
16 **NEW OR MODIFIED NUCLEAR WEAPONS.**

17 (a) REQUIREMENT FOR REQUEST FOR FUNDS FOR DE-
18 VELOPMENT.—(1) In any fiscal year after fiscal year 2002 in
19 which the Secretary of Energy plans to carry out activities de-
20 scribed in paragraph (2) relating to the development of a new
21 nuclear weapon or modified nuclear weapon, the Secretary shall
22 specifically request funds for such activities in the budget of
23 the President for that fiscal year under section 1105(a) of title
24 31, United States Code.

25 (2) The activities described in this paragraph are as fol-
26 lows:

27 (A) The conduct, or provision for conduct, of research
28 and development which could lead to the production of a
29 new nuclear weapon by the United States.

30 (B) The conduct, or provision for conduct, of engineer-
31 ing or manufacturing to carry out the production of a new
32 nuclear weapon by the United States.

33 (C) The conduct, or provision for conduct, of research
34 and development which could lead to the production of a
35 modified nuclear weapon by the United States.

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1 (D) The conduct, or provision for conduct, of engineer-
2 ing or manufacturing to carry out the production of a
3 modified nuclear weapon by the United States.

4 (b) BUDGET REQUEST FORMAT.—The Secretary shall in-
5 clude in a request for funds under subsection (a) the following:

6 (1) In the case of funds for activities described in sub-
7 paragraph (A) or (C) of subsection (a)(2), a single dedi-
8 cated line item for all such activities for new nuclear weap-
9 ons or modified nuclear weapons that are in phase 1, 2, or
10 2A or phase 6.1, 6.2, or 6.2A (as the case may be), or any
11 concept work prior to phase 1 or 6.1 (as the case may be),
12 of the nuclear weapons acquisition process.

13 (2) In the case of funds for activities described in sub-
14 paragraph (B) or (D) of subsection (a)(2), a dedicated line
15 item for each such activity for a new nuclear weapon or
16 modified nuclear weapon that is in phase 3 or higher or
17 phase 6.3 or higher (as the case may be) of the nuclear
18 weapons acquisition process.

19 (c) EXCEPTION.—Subsection (a) shall not apply to funds
20 for purposes of conducting, or providing for the conduct of, re-
21 search and development, or manufacturing and engineering, de-
22 termined by the Secretary to be necessary—

23 (1) for the nuclear weapons life extension program;

24 (2) to modify an existing nuclear weapon solely to ad-
25 dress safety or reliability concerns; or

26 (3) to address proliferation concerns.

27 (d) DEFINITIONS.—In this section:

28 (1) The term “life extension program” means the pro-
29 gram to repair or replace non-nuclear components, or to
30 modify the pit or canned subassembly, of nuclear weapons
31 that are in the nuclear weapons stockpile on the date of the
32 enactment of this Act in order to assure that such nuclear
33 weapons retain the ability to meet the military require-
34 ments applicable to such nuclear weapons when first placed
35 in the nuclear weapons stockpile.

1 (2) The term “modified nuclear weapon” means a nu-
2 clear weapon that contains a pit or canned subassembly, ei-
3 ther of which—

4 (A) is in the nuclear weapons stockpile as of the
5 date of the enactment of this Act; and

6 (B) is being modified in order to meet a military
7 requirement that is other than the military require-
8 ments applicable to such nuclear weapon when first
9 placed in the nuclear weapons stockpile.

10 (3) The term “new nuclear weapon” means a nuclear
11 weapon that contains a pit or canned subassembly, either
12 of which is neither—

13 (A) in the nuclear weapons stockpile on the date
14 of the enactment of this Act; nor

15 (B) in production as of that date.

16 **SEC. 3144. DATABASE TO TRACK NOTIFICATION AND**
17 **RESOLUTION PHASES OF SIGNIFICANT FIND-**
18 **ING INVESTIGATIONS.**

19 (a) AVAILABILITY OF FUNDS FOR DATABASE.—Amounts
20 authorized to be appropriated by section 3101(a)(1) for the
21 National Nuclear Security Administration for weapons activi-
22 ties shall be available to the Deputy Administrator for Nuclear
23 Security for Defense Programs for the development and imple-
24 mentation of a database for all national security laboratories to
25 track the notification and resolution phases of Significant Find-
26 ing Investigations (SFIs). The purpose of the database is to fa-
27 cilitate the monitoring of the progress and accountability of the
28 national security laboratories in Significant Finding Investiga-
29 tions.

30 (b) IMPLEMENTATION DEADLINE.—The database required
31 by subsection (a) shall be implemented not later than Sep-
32 tember 30, 2003.

33 (c) NATIONAL SECURITY LABORATORY DEFINED.—In this
34 section, the term “national security laboratory” has the mean-
35 ing given that term in section 3281(1) of the National Nuclear
36 Security Administration Act (title XXXII of Public Law 106–
37 65; 113 Stat. 968; 50 U.S.C. 2471(1)).

1 **SEC. 3145. DEFENSE ENVIRONMENTAL MANAGEMENT**
2 **CLEANUP REFORM PROGRAM.**

3 (a) PROGRAM REQUIRED.—From funds made available
4 pursuant to section 3102(a)(2) for defense environmental man-
5 agement cleanup reform, the Secretary of Energy shall carry
6 out a program to reform DOE environmental management ac-
7 tivities. In carrying out the program, the Secretary shall allo-
8 cate, to each site for which the Secretary has submitted to the
9 congressional defense committees a site performance manage-
10 ment plan, the amount of those funds that such plan requires.

11 (b) TRANSFER AND MERGER OF FUNDS.—(1) Funds so
12 allocated shall, notwithstanding section 3624, be transferred to
13 the account for DOE environmental management activities and,
14 subject to paragraph (2) and subsection (c), shall be merged
15 with and be available for the same purposes and for the same
16 period as the funds available in such account. The authority
17 provided by section 3629 shall apply to funds so transferred.

18 (2) No funds so allocated may be obligated or expended
19 until 30 days after the Secretary submits to the congressional
20 defense committees a description of the activities to be carried
21 out at each site to which funds are so allocated.

22 (c) LIMITATION ON USE OF ALL MERGED FUNDS.—Upon
23 a transfer and merger of funds under subsection (b), all funds
24 in the merged account that are available with respect to the
25 site may be used only to carry out the site performance man-
26 agement plan for the site.

27 (d) SITE PERFORMANCE MANAGEMENT PLAN DE-
28 FINED.—For purposes of this section, a site performance man-
29 agement plan for a site is a plan, agreed to by the applicable
30 Federal and State agencies with regulatory jurisdiction with re-
31 spect to the site, for the performance of activities to accelerate
32 the reduction of environmental risk in connection with, and to
33 accelerate the environmental cleanup of, the site.

34 (e) DOE ENVIRONMENTAL MANAGEMENT ACTIVITIES DE-
35 FINED.—For purposes of this section, the term “DOE environ-
36 mental management activities” means environmental restora-
37 tion and waste management activities of the Department of

1 Energy in carrying out programs necessary for national secu-
2 rity.

3 **SEC. 3146. LIMITATION ON OBLIGATION OF FUNDS FOR**
4 **ROBUST NUCLEAR EARTH PENETRATOR**
5 **PROGRAM PENDING SUBMISSION OF RE-**
6 **PORT.**

7 (a) REPORT-AND-WAIT REQUIREMENT.—None of the
8 funds made available to the Secretary of Energy for fiscal year
9 2003 for the Robust Nuclear Earth Penetrator program may
10 be obligated until—

11 (1) the Secretary of Defense submits to the Commit-
12 tees on Armed Services of the Senate and House of Rep-
13 resentatives a report described in subsection (b); and

14 (2) a period of 30 days has passed after such report
15 is received by those committees.

16 (b) REPORT.—A report under subsection (a)(1) is a report
17 on the Robust Nuclear Earth Penetrator program, prepared by
18 the Secretary of Defense in consultation with the Secretary of
19 Energy, that sets forth the following:

20 (1) The military requirements for the Robust Nuclear
21 Earth Penetrator.

22 (2) The nuclear weapons employment policy regarding
23 the Robust Nuclear Earth Penetrator.

24 (3) A detailed description of the categories or types of
25 targets that the Robust Nuclear Earth Penetrator is de-
26 signed to hold at risk.

27 (4) An assessment of the ability of conventional weap-
28 ons to defeat the same categories and types of targets as
29 are described pursuant to paragraph (3).

30 **Subtitle C—Proliferation Matters**

31 **SEC. 3151. TRANSFER TO NATIONAL NUCLEAR SECU-**
32 **RITY ADMINISTRATION OF DEPARTMENT OF**
33 **DEFENSE'S COOPERATIVE THREAT REDUC-**
34 **TION PROGRAM RELATING TO ELIMINATION**
35 **OF WEAPONS GRADE PLUTONIUM PRODUC-**
36 **TION IN RUSSIA.**

37 (a) TRANSFER OF PROGRAM.—There are hereby trans-
38 ferred to the Administrator for Nuclear Security the following:

1 (1) The program, within the Cooperative Threat Re-
2 duction program of the Department of Defense, relating to
3 the elimination of weapons grade plutonium production in
4 Russia.

5 (2) All functions, powers, duties, and activities of that
6 program performed before the date of the enactment of this
7 Act by the Department of Defense.

8 (b) TRANSFER OF ASSETS.—(1) Notwithstanding any re-
9 striction or limitation in law on the availability of Cooperative
10 Threat Reduction funds specified in paragraph (2), so much of
11 the property, records, and unexpended balances of appropri-
12 ations, allocations, and other funds employed, used, held, avail-
13 able, or to be made available in connection with the program
14 transferred by subsection (a) are transferred to the Adminis-
15 trator for use in connection with the program transferred.

16 (2) The Cooperative Threat Reduction funds specified in
17 this paragraph are the following:

18 (A) Fiscal year 2002 Cooperative Threat Reduction
19 funds, as specified in section 1301(b) of the National De-
20 fense Authorization Act for Fiscal Year 2002 (Public Law
21 107–107; 115 Stat. 1254; 22 U.S.C. 5952 note).

22 (B) Fiscal year 2001 Cooperative Threat Reduction
23 funds, as specified in section 1301(b) of the Floyd D.
24 Spence National Defense Authorization Act for Fiscal Year
25 2001 (as enacted into law by Public Law 106–398; 114
26 Stat. 1654A–339; 22 U.S.C. 5959 note).

27 (C) Fiscal year 2000 Cooperative Threat Reduction
28 funds, as specified in section 1301(b) of the National De-
29 fense Authorization Act for Fiscal Year 2000 (Public Law
30 106–65; 113 Stat. 792; 22 U.S.C. 5952 note).

31 (c) AVAILABILITY OF TRANSFERRED FUNDS.—(1) Not-
32 withstanding any restriction or limitation in law on the avail-
33 ability of Cooperative Threat Reduction funds specified in sub-
34 section (b)(2), the Cooperative Threat Reduction funds trans-
35 ferred under subsection (b) for the program referred to in sub-
36 section (a) shall be available for activities as follows:

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1 (A) To design and construct, refurbish, or both, fossil
2 fuel energy plants in Russia that provide alternative
3 sources of energy to the energy plants in Russia that
4 produce weapons grade plutonium.

5 (B) To carry out limited safety upgrades of not more
6 than three energy plants in Russia that produce weapons
7 grade plutonium, provided that such upgrades do not ex-
8 tend the life of those plants.

9 (2) Amounts available under paragraph (1) for activities
10 referred to in that paragraph shall remain available for obliga-
11 tion for three fiscal years.

12 (d) LIMITATION.—(1) Of the amounts authorized to be ap-
13 propriated by this title or any other Act for the program re-
14 ferred to in subsection (a), the Administrator for Nuclear Secu-
15 rity may not obligate any funds for construction, or obligate or
16 expend more than \$100,000,000 for that program, until 30
17 days after the later of—

18 (A) the date on which the Administrator submits to
19 the congressional defense committees, the Committee on
20 International Relations of the House of Representatives,
21 and the Committee on Foreign Relations of the Senate, a
22 copy of an agreement or agreements entered into between
23 the United States Government and the Government of the
24 Russian Federation to shut down the three plutonium-pro-
25 ducing reactors in Russia as specified under paragraph (2);
26 and

27 (B) the date on which the Administrator submits to
28 the committees specified in subparagraph (A) a report on
29 a plan to achieve international participation in the program
30 referred to in subsection (a), including cost sharing.

31 (2) The agreement (or agreements) under paragraph
32 (1)(A) shall contain—

33 (A) a commitment to shut down the three plutonium-
34 producing reactors;

35 (B) the date on which each such reactor will be shut
36 down;

1 (C) a schedule and milestones for each such reactor to
2 complete the shutdown of such reactor by the date specified
3 under subparagraph (B);

4 (D) a schedule and milestones for refurbishment or
5 construction of fossil fuel energy plants to be undertaken
6 by the Government of the Russian Federation in support
7 of the program;

8 (E) an arrangement for access to sites and facilities
9 necessary to meet such schedules and milestones;

10 (F) an arrangement for audit and examination proce-
11 dures in order to evaluate progress in meeting such sched-
12 ules and milestones; and

13 (G) any cost sharing arrangements between the United
14 States Government and the Government of the Russian
15 Federation in undertaking activities under such agreement
16 (or agreements).

17 **SEC. 3152. REPEAL OF REQUIREMENT FOR REPORTS ON**
18 **OBLIGATION OF FUNDS FOR PROGRAMS ON**
19 **FISSILE MATERIALS IN RUSSIA.**

20 Section 3131 of the National Defense Authorization Act
21 for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617; 22
22 U.S.C. 5952 note) is amended—

23 (1) in subsection (a), by striking “(a) AUTHORITY.—
24 ”; and

25 (2) by striking subsection (b).

26 **SEC. 3153. EXPANSION OF ANNUAL REPORTS ON STATUS**
27 **OF NUCLEAR MATERIALS PROTECTION, CON-**
28 **TROL, AND ACCOUNTING PROGRAMS.**

29 (a) COVERED PROGRAMS.—Subsection (a) of section 3171
30 of the Floyd D. Spence National Defense Authorization Act for
31 Fiscal Year 2001 (as enacted into law by Public Law 106–398;
32 114 Stat. 1654A–475; 22 U.S.C. 5952 note) is amended by
33 striking “Russia that” and inserting “countries where such ma-
34 terials”.

35 (b) REPORT CONTENTS.—Subsection (b) of that section is
36 amended—

37 (1) in paragraph (1) by inserting “in each country
38 covered by subsection (a)” after “locations,”;

31-17

1 (2) in paragraph (2), by striking “in Russia” and in-
2 serting “in each such country”;

3 (3) in paragraph (3), by inserting “in each such coun-
4 try” after “subsection (a)”; and

5 (4) in paragraph (5), by striking “by total amount and
6 by amount per fiscal year” and inserting “by total amount
7 per country and by amount per fiscal year per country”.

8 **SEC. 3154. TESTING OF PREPAREDNESS FOR EMER-**
9 **GENCIES INVOLVING NUCLEAR, RADIO-**
10 **LOGICAL, CHEMICAL, OR BIOLOGICAL WEAP-**
11 **ONS.**

12 (a) EXTENSION OF TESTING.—Section 1415 of the De-
13 fense Against Weapons of Mass Destruction Act of 1996 (title
14 XIV of Public Law 104-201; 110 Stat. 2720; 50 U.S.C. 2315)
15 is amended—

16 (1) in subsection (a)(2), by striking “of five successive
17 fiscal years beginning with fiscal year 1997” and inserting
18 “of fiscal years 1997 through 2013”; and

19 (2) in subsection (b)(2), by striking “of five successive
20 fiscal years beginning with fiscal year 1997” and inserting
21 “of fiscal years 1997 through 2013”.

22 (b) CONSTRUCTION OF EXTENSION WITH DESIGNATION
23 OF ATTORNEY GENERAL AS LEAD OFFICIAL.—The amend-
24 ments made by subsection (a) may not be construed as modi-
25 fying the designation of the President titled “Designation of
26 the Attorney General as the Lead Official for the Emergency
27 Response Assistance Program Under Sections 1412 and 1415
28 of the National Defense Authorization Act for Fiscal Year
29 1997”, dated April 6, 2000, designating the Attorney General
30 to assume programmatic and funding responsibilities for the
31 Emergency Response Assistance Program under sections 1412
32 and 1415 of the Defense Against Weapons of Mass Destruction
33 Act of 1996 (title XIV of the National Defense Authorization
34 Act for Fiscal Year 1997).

1 **SEC. 3155. COOPERATIVE PROGRAM ON RESEARCH, DE-**
2 **VELOPMENT, AND DEMONSTRATION OF**
3 **TECHNOLOGY REGARDING NUCLEAR OR RA-**
4 **DIOLOGICAL TERRORISM.**

5 (a) PROGRAM REQUIRED.—The Administrator for Nuclear
6 Security shall carry out with the Russian Federation a coopera-
7 tive program on the research, development, and demonstration
8 of technologies for protection from and response to nuclear or
9 radiological terrorism.

10 (b) PROGRAM ELEMENTS.—In carrying out the program
11 required by subsection (a), the Administrator shall—

12 (1) conduct research and development of technology
13 for protection from nuclear or radiological terrorism, in-
14 cluding technology for the detection, identification, assess-
15 ment, control, and disposition of radiological materials that
16 could be used for nuclear terrorism; and

17 (2) provide, where feasible, for the demonstration to
18 other countries of technologies or methodologies on matters
19 relating to nuclear or radiological terrorism, including—

20 (A) the demonstration of technologies developed
21 under the program to respond to nuclear or radiological
22 terrorism;

23 (B) the demonstration of technologies developed
24 under the program for the disposal of radioactive mate-
25 rials;

26 (C) the demonstration of methodologies developed
27 under the program for use in evaluating the radio-
28 logical threat of radiological sources identified as not
29 under current accounting programs in the audit report
30 of the Inspector General of the Department of Energy
31 titled “Accounting for Sealed Sources of Nuclear Mate-
32 rial Provided to Foreign Countries” (DOE/IG-0546);

33 (D) in coordination with the Nuclear Regulatory
34 Commission, the demonstration of methodologies devel-
35 oped under the program to facilitate the development
36 of a regulatory framework for licensing and controlling
37 radioactive sources; and

31-19

1 (E) in coordination with the Office of Environ-
2 ment, Safety, and Health of the Department of En-
3 ergy, the demonstration of methodologies developed
4 under the program to facilitate development of con-
5 sistent criteria for screening international transfers of
6 radiological materials.

7 (c) CONSULTATION.—In carrying out activities in accord-
8 ance with subsection (b)(2), the Administrator shall consult
9 with—

10 (1) the Secretary of Defense, Secretary of State, and
11 Secretary of Commerce; and

12 (2) the International Atomic Energy Agency.

13 (d) AMOUNT FOR ACTIVITIES.—Of the amount authorized
14 to be appropriated by section 3101(a)(2) for the Department
15 of Energy for the National Nuclear Security Administration for
16 defense nuclear nonproliferation, up to \$15,000,000 may be
17 available for carrying out this section.

18 **SEC. 3156. MATTERS RELATING TO THE INTERNATIONAL**
19 **MATERIALS PROTECTION, CONTROL, AND**
20 **ACCOUNTING PROGRAM OF THE DEPART-**
21 **MENT OF ENERGY.**

22 (a) RADIOLOGICAL DISPERSAL DEVICE MATERIALS PRO-
23 TECTION, CONTROL, AND ACCOUNTING.—The Secretary of En-
24 ergy may establish within the International Materials Protec-
25 tion, Control, and Accounting program of the Department of
26 Energy a program on the protection, control, and accounting
27 of materials usable in radiological dispersal devices. In estab-
28 lishing such program, the Secretary shall—

29 (1) identify the sites and radiological materials to be
30 covered by such program;

31 (2) carry out a risk assessment of such radiological
32 materials; and

33 (3) identify and establish the costs of and schedules
34 for such program.

35 (b) REVISED FOCUS FOR MATERIALS PROTECTION, CON-
36 TROL, AND ACCOUNTING PROGRAM OF RUSSIAN FEDERA-
37 TION.—(1) The Secretary of Energy shall work cooperatively

1 with the Russian Federation to develop, as soon as practicable
2 but not later than January 1, 2013, a sustainable nuclear ma-
3 terials protection, control, and accounting system for the nu-
4 clear materials of the Russian Federation that is supported
5 solely by the Russian Federation.

6 (2) The Secretary shall work with the Russian Federation
7 to identify various alternatives to provide the United States
8 adequate transparency in the nuclear materials protection, con-
9 trol, and accounting program of the Russian Federation to as-
10 sure that such program is meeting applicable goals for nuclear
11 materials protection, control, and accounting.

12 (c) AMOUNT FOR ACTIVITIES.—Of the amount authorized
13 to be appropriated by section 3101(a)(2) for the Department
14 of Energy for the National Nuclear Security Administration for
15 defense nuclear nonproliferation, up to \$5,000,000 may be
16 available for carrying out this section.

17 **SEC. 3157. ACCELERATED DISPOSITION OF HIGHLY EN-**
18 **RICHED URANIUM.**

19 (a) PROGRAM ON ACCELERATED DISPOSITION OF HEU
20 AUTHORIZED.—(1) The Secretary of Energy may carry out a
21 program to pursue with the Russian Federation options for
22 blending highly enriched uranium so that the concentration of
23 U–235 in such uranium is below 20 percent.

24 (2) The options pursued under paragraph (1) shall include
25 expansion of the Material Consolidation and Conversion pro-
26 gram of the Department of Energy to include—

27 (A) additional facilities for the blending of highly en-
28 riched uranium; and

29 (B) additional centralized secure storage facilities for
30 highly enriched uranium designated for blending.

31 (3) Any site selected for the storage of uranium or blended
32 material under paragraph (2)(B) shall undergo complete mate-
33 rials protection, control, and accounting upgrades before the
34 commencement of the storage of uranium or blended material
35 at such site under the program.

36 (b) CONSTRUCTION WITH HEU DISPOSITION AGREE-
37 MENT.—Nothing in this section may be construed as termi-

1 nating, modifying, or otherwise affecting requirements for the
2 disposition of highly enriched uranium under the Agreement
3 Between the Government of the United States of America and
4 the Government of the Russian Federation Concerning the Dis-
5 position of Highly Enriched Uranium Extracted from Nuclear
6 Weapons, signed at Washington on February 18, 1993.

7 (c) LIMITATION ON RELEASE FOR SALE OF BLENDED
8 URANIUM.—Uranium blended under this section may not be re-
9 leased for sale until the earlier of—

10 (1) January 1, 2014; or

11 (2) the date on which the Secretary certifies that such
12 uranium can be absorbed into the global market without
13 undue disruption to the uranium mining, conversion, and
14 enrichment industry in the United States.

15 (d) AMOUNT FOR ACTIVITIES.—Of the amount to be ap-
16 propriated by section 3101(a)(2) for the Department of Energy
17 for the National Nuclear Security Administration for defense
18 nuclear nonproliferation, up to \$10,000,000 may be available
19 for carrying out this section.

20 **SEC. 3158. STRENGTHENED INTERNATIONAL SECURITY**
21 **FOR NUCLEAR MATERIALS AND SECURITY**
22 **OF NUCLEAR OPERATIONS.**

23 (a) REPORT ON OPTIONS FOR INTERNATIONAL PROGRAM
24 TO STRENGTHEN SECURITY.—(1) Not later than 270 days
25 after the date of the enactment of this Act, the Secretary of
26 Energy shall submit to Congress a report on options for an
27 international program to develop strengthened security for nu-
28 clear reactors and associated materials outside the United
29 States.

30 (2) In evaluating options for purposes of the report, the
31 Secretary shall consult with the Nuclear Regulatory Commis-
32 sion and the International Atomic Energy Agency on the feasi-
33 bility and advisability of actions to reduce the risks associated
34 with terrorist attacks on nuclear reactors outside the United
35 States.

36 (b) JOINT PROGRAMS WITH RUSSIA ON PROLIFERATION-
37 RESISTANT NUCLEAR ENERGY TECHNOLOGIES.—(1) The Sec-

1 retary shall pursue with the Ministry of Atomic Energy of the
2 Russian Federation joint programs between the United States
3 and the Russian Federation on the development of prolifera-
4 tion-resistant nuclear energy technologies, including advanced
5 fuel cycles.

6 (2) Of the amount authorized to be appropriated by sec-
7 tion 3101(a)(2) for the Department of Energy for the National
8 Nuclear Security Administration for defense nuclear non-
9 proliferation, up to \$10,000,000 may be available for carrying
10 out the joint programs referred to in paragraph (1).

11 (c) ASSISTANCE REGARDING HOSTILE INSIDERS.—The
12 Secretary may, utilizing appropriate expertise of the Depart-
13 ment of Energy and the Nuclear Regulatory Commission, pro-
14 vide technical assistance to nuclear reactor facilities outside the
15 United States with respect to the interdiction of hostile insiders
16 at such facilities in order to prevent incidents arising from the
17 disablement of the vital systems of such facilities.

18 **SEC. 3159. EXPORT CONTROL PROGRAMS.**

19 (a) AUTHORITY TO PURSUE OPTIONS FOR STRENGTH-
20 ENING EXPORT CONTROL PROGRAMS.—The Secretary of En-
21 ergy, in coordination with the Secretary of State, may pursue
22 in the region of the former Soviet Union and other regions of
23 concern options for accelerating programs that assist the coun-
24 tries in such regions in improving their domestic export control
25 programs for materials, technologies, and expertise relevant to
26 the construction or use of a nuclear or radiological dispersal de-
27 vice.

28 (b) AMOUNT FOR ACTIVITIES.—Of the amount authorized
29 to be appropriated by section 3101(a)(2) for the Department
30 of Energy for the National Nuclear Security Administration for
31 defense nuclear nonproliferation, up to \$5,000,000 may be
32 available for carrying out this section.

33 **SEC. 3160. PLAN FOR ACCELERATED RETURN OF WEAP-**
34 **ONS-USABLE NUCLEAR MATERIALS.**

35 (a) PLAN FOR ACCELERATED RETURN.—The Secretary of
36 Energy shall work with the Russian Federation to develop a
37 plan to accelerate the return to Russia of all weapons-usable

1 nuclear materials located in research reactors and other facili-
2 ties outside Russia that were supplied by the former Soviet
3 Union.

4 (b) FUNDING AND SCHEDULES.—As part of the plan
5 under subsection (a), the Secretary shall identify the funding
6 and schedules required to assist the research reactors and fa-
7 cilities referred to in that subsection in—

8 (1) transferring highly enriched uranium to Russia;
9 and

10 (2) upgrading the materials protection, control, and
11 accounting procedures at such research reactors and facili-
12 ties until the weapons-usable nuclear materials in such re-
13 actors and facilities are returned in accordance with that
14 subsection.

15 (c) COORDINATION.—The provision of assistance under
16 subsection (b) shall be closely coordinated with the Inter-
17 national Atomic Energy Agency.

18 **SEC. 3161. SENSE OF CONGRESS ON AMENDMENT OF**
19 **CONVENTION ON PHYSICAL PROTECTION OF**
20 **NUCLEAR MATERIALS.**

21 (a) SENSE OF CONGRESS.—It is the sense of Congress
22 that the President should encourage amendment of the Con-
23 vention on the Physical Protection of Nuclear Materials in order
24 to provide that the Convention shall—

25 (1) apply to both the domestic and international use
26 and transport of nuclear materials;

27 (2) incorporate fundamental practices for the physical
28 protection of such materials; and

29 (3) address protection against sabotage involving nu-
30 clear materials.

31 (b) CONVENTION ON THE PHYSICAL PROTECTION OF NU-
32 CLEAR MATERIAL DEFINED.—In this section, the term “Con-
33 vention on the Physical Protection of Nuclear Materials”
34 means the Convention on the Physical Protection of Nuclear
35 Materials, With Annex, done at Vienna on October 26, 1979.

1 **SEC. 3162. SENSE OF CONGRESS ON PROGRAM TO SE-**
2 **CURE STOCKPILES OF HIGHLY ENRICHED**
3 **URANIUM AND PLUTONIUM.**

4 It is the sense of Congress that the Secretary of Energy
5 should, in consultation with the Secretary of State and Sec-
6 retary of Defense, develop a comprehensive program of activi-
7 ties to encourage all countries with nuclear materials to adhere
8 to, or to adopt standards equivalent to, the International Atom-
9 ic Energy Agency standard on The Physical Protection of Nu-
10 clear Material and Nuclear Facilities (INFCIRC/225/Rev.4),
11 relating to the security of stockpiles of highly enriched uranium
12 (HEU) and plutonium (Pu).

13 **Subtitle D—Other Matters**

14 **SEC. 3171. INDEMNIFICATION OF DEPARTMENT OF EN-**
15 **ERGY CONTRACTORS.**

16 Section 170 d.(1)(A) of the Atomic Energy Act of 1954
17 (42 U.S.C. 2210(d)(1)(A)) is amended by striking “until Au-
18 gust 1, 2002,” and inserting “until December 31, 2004,”.

19 **SEC. 3172. SUPPORT FOR PUBLIC EDUCATION IN THE VI-**
20 **CINITY OF LOS ALAMOS NATIONAL LABORA-**
21 **TORY, NEW MEXICO.**

22 (a) SUPPORT FOR FISCAL YEAR 2003.—From amounts
23 authorized to be appropriated to the Secretary of Energy by
24 this title, \$6,900,000 shall be available for payment by the Sec-
25 retary for fiscal year 2003 to the Los Alamos National Labora-
26 tory Foundation, a not-for-profit foundation chartered as de-
27 scribed in section 3167(a) of the National Defense Authoriza-
28 tion Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat.
29 2052).

30 (b) USE OF FUNDS.—The foundation referred to in sub-
31 section (a) shall—

32 (1) utilize funds provided under this section as a con-
33 tribution to the endowment fund for the foundation; and

34 (2) use the income generated from investments in the
35 endowment fund that are attributable to the payment made
36 under this section to fund programs to support the edu-
37 cational needs of children in the public schools in the vicin-
38 ity of Los Alamos National Laboratory, New Mexico.

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1 (c) REPEAL OF SUPERSEDED AUTHORITY AND MODIFICA-
2 TION OF AUTHORITY TO EXTEND CONTRACT.—(1) Subsection
3 (b) of section 3136 of the National Defense Authorization Act
4 for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368)
5 is amended to read as follows:

6 “(b) SUPPORT FOR FISCAL YEARS 2003 THROUGH
7 2005.—Subject to the availability of appropriations, the Sec-
8 retary may provide for a contract extension through fiscal year
9 2005 similar to the contract extension referred to in subsection
10 (a)(2).”.

11 (2) The amendment made by paragraph (1) shall take ef-
12 fect on October 1, 2002.

13 (d) REPORT.—(1) The Secretary of Energy, in consulta-
14 tion with the Administrator for Nuclear Security, shall conduct
15 a study of options for funding the contract extension author-
16 ized by subsection (b) of such section 3136 (as amended by
17 subsection (c)) other than through annual appropriations. The
18 study should also include options for providing cost of living
19 adjustments to teachers in the public schools in the vicinity of
20 Los Alamos National Laboratory, New Mexico, other than
21 through such contract extension.

22 (2) Not later than December 31, 2003, the Secretary shall
23 submit to the congressional defense committees a report on the
24 study conducted under paragraph (1). The report shall set
25 forth the findings and conclusions of the study, together with
26 any recommendations as a result of the study.

27 **SEC. 3173. WORKER HEALTH AND SAFETY RULES FOR**
28 **DEPARTMENT OF ENERGY NUCLEAR FACILI-**
29 **TIES.**

30 (a) WORKER HEALTH AND SAFETY RULES.—The Atomic
31 Energy Act of 1954 is amended by inserting after section 234B
32 (42 U.S.C. 2282b) the following new section:

33 **“SEC. 234C. WORKER HEALTH AND SAFETY RULES FOR**
34 **DEPARTMENT OF ENERGY NUCLEAR FACILI-**
35 **TIES.**

36 “a. REGULATIONS REQUIRED.—

37 “(1) IN GENERAL.—The Secretary shall promulgate
38 regulations for industrial and construction health and safe-

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1 ty at Department of Energy facilities that are operated by
2 contractors covered by agreements of indemnification under
3 section 170 d. of the Atomic Energy Act of 1954, after
4 public notice and opportunity for comment under section
5 553 of title 5, United States Code (commonly known as the
6 ‘Administrative Procedure Act’). Such regulations shall,
7 subject to paragraph (3), provide a level of protection for
8 workers at such facilities that is substantially equivalent to
9 the level of protection currently provided to such workers
10 at such facilities.

11 “(2) APPLICABILITY.—The regulations promulgated
12 under paragraph (1) shall not apply to any facility that is
13 a component of, or any activity conducted under, the Naval
14 Nuclear Propulsion Program provided for under Executive
15 Order No. 12344, dated February 1, 1982 (42 U.S.C.
16 7158 note) (as in force pursuant to section 1634 of the De-
17 partment of Defense Authorization Act, 1985 (Public Law
18 98–525; 42 U.S.C. 7158 note)).

19 “(3) FLEXIBILITY.—In promulgating the regulations
20 under paragraph (1), the Secretary shall include
21 flexibility—

22 “(A) to tailor implementation of such regulations
23 to reflect activities and hazards associated with a par-
24 ticular work environment;

25 “(B) to take into account special circumstances at
26 a facility that is, or is expected to be, permanently
27 closed and that is expected to be demolished, or title
28 to which is expected to be transferred to another entity
29 for reuse; and

30 “(C) to achieve national security missions of the
31 Department of Energy in an efficient and timely man-
32 ner.

33 “(4) NO EFFECT ON HEALTH AND SAFETY ENFORCE-
34 MENT.—This subsection does not diminish or otherwise af-
35 fect the enforcement or the application of any other law,
36 regulation, order, or contractual obligation relating to
37 worker health and safety.

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1 “b. CIVIL PENALTIES.—

2 “(1) IN GENERAL.—A person (or any subcontractor or
3 supplier of the person) who has entered into an agreement
4 of indemnification under section 170 d. (or any subcon-
5 tractor or supplier of the person) that violates (or is the
6 employer of a person that violates) any regulation promul-
7 gated under subsection a. shall be subject to a civil penalty
8 of not more than \$70,000 for each such violation.

9 “(2) CONTINUING VIOLATIONS.—If any violation
10 under this subsection is a continuing violation, each day of
11 the violation shall constitute a separate violation for the
12 purpose of computing the civil penalty under paragraph
13 (1).

14 “c. CONTRACT PENALTIES.—

15 “(1) IN GENERAL.—The Secretary shall include in
16 each contract with a contractor of the Department who has
17 entered into an agreement of indemnification under section
18 170 d. provisions that provide an appropriate reduction in
19 the fees or amounts paid to the contractor under the con-
20 tract in the event of a violation by the contractor or con-
21 tractor employee of any regulation promulgated under sub-
22 section a.

23 “(2) CONTENTS.—The provisions shall specify various
24 degrees of violations and the amount of the reduction at-
25 tributable to each degree of violation.

26 “d. COORDINATION OF PENALTIES.—

27 “(1) CHOICE OF PENALTIES.—For any violation by a
28 person of a regulation promulgated under subsection a., the
29 Secretary shall pursue either civil penalties under sub-
30 section b. or contract penalties under subsection c., but not
31 both.

32 “(2) MAXIMUM AMOUNT.—In the case of an entity de-
33 scribed in subsection d. of section 234A, the total amount
34 of civil penalties under subsection b. and contract penalties
35 under subsection c. in a fiscal year may not exceed the
36 total amount of fees paid by the Department of Energy to
37 that entity in that fiscal year.

1 (2) in subsection (g), by striking “three years” and all
2 that follows through the period at the end and inserting
3 “April 1, 2003.”; and

4 (3) by adding at the end the following new subsection:
5 “(i) FOLLOW-UP REPORT.—Not later than February 1,
6 2003, the panel shall submit to the Committee on Armed Serv-
7 ices of the Senate and the Committee on Armed Services of the
8 House of Representatives a follow-up report assessing progress
9 toward meeting the expectations set forth by the panel for the
10 United States stockpile stewardship program, and making rec-
11 ommendations for corrective legislative action where progress
12 has been unsatisfactory.”.

13 **SEC. 3176. REPORT ON STATUS OF ENVIRONMENTAL**
14 **MANAGEMENT INITIATIVES TO ACCELERATE**
15 **THE REDUCTION OF ENVIRONMENTAL RISKS**
16 **AND CHALLENGES POSED BY THE LEGACY**
17 **OF THE COLD WAR.**

18 (a) REPORT REQUIRED.—The Secretary of Energy shall
19 prepare a report on the status of those environmental manage-
20 ment initiatives specified in subsection (c) that are being un-
21 dertaken to accelerate the reduction of the environmental risks
22 and challenges that, as a result of the legacy of the Cold War,
23 are faced by the Department of Energy, contractors of the De-
24 partment, and applicable Federal and State agencies with regu-
25 latory jurisdiction.

26 (b) CONTENTS.—The report shall include the following
27 matters:

28 (1) A discussion of the progress made in reducing
29 such risks and challenges in each of the following areas:

30 (A) Acquisition strategy and contract manage-
31 ment.

32 (B) Regulatory agreements.

33 (C) Interim storage and final disposal of high-level
34 waste, spent nuclear fuel, transuranic waste, and low-
35 level waste.

36 (D) Closure and transfer of environmental remedi-
37 ation sites.

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1 (E) Achievements in innovation by contractors of
2 the Department with respect to accelerated risk reduc-
3 tion and cleanup.

4 (F) Consolidation of special nuclear materials and
5 improvements in safeguards and security.

6 (2) An assessment of the progress made in stream-
7 lining risk reduction processes of the environmental man-
8 agement program of the Department.

9 (3) An assessment of the progress made in improving
10 the responsiveness and effectiveness of the environmental
11 management program of the Department.

12 (4) Any proposals for legislation that the Secretary
13 considers necessary to carry out such initiatives, including
14 the justification for each such proposal.

15 (c) INITIATIVES COVERED.—The environmental manage-
16 ment initiatives referred to in subsection (a) are the initiatives
17 arising out of the report titled “Top-to-Bottom Review of the
18 Environmental Management Program” and dated February 4,
19 2002, with respect to the environmental restoration and waste
20 management activities of the Department of Energy in carrying
21 out programs necessary for national security.

22 (d) SUBMISSION OF REPORT.—On the date on which the
23 budget justification materials in support of the Department of
24 Energy budget for fiscal year 2004 (as submitted with the
25 budget of the President under section 1105(a) of title 31,
26 United States Code) are submitted to Congress, the Secretary
27 shall submit to the congressional defense committees the report
28 required by subsection (a).

29 **Subtitle E—Disposition of Weapons-**
30 **Usable Plutonium at Savannah**
31 **River, South Carolina**

32 **SEC. 3181. FINDINGS.**

33 Congress makes the following findings:

34 (1) In September 2000, the United States and the
35 Russian Federation signed a Plutonium Management and

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1 Disposition Agreement by which each agreed to dispose of
2 34 metric tons of weapons-grade plutonium.

3 (2) The agreement with Russia is a significant step to-
4 ward safeguarding nuclear materials and preventing their
5 diversion to rogue states and terrorists.

6 (3) The Department of Energy plans to dispose of 34
7 metric tons of weapons-grade plutonium in the United
8 States before the end of 2019 by converting the plutonium
9 to a mixed-oxide fuel to be used in commercial nuclear
10 power reactors.

11 (4) The Department has formulated a plan for imple-
12 menting the agreement with Russia through construction of
13 a mixed-oxide fuel fabrication facility, the so-called MOX
14 facility, and a pit disassembly and conversion facility at the
15 Savannah River Site, Aiken, South Carolina.

16 (5) The United States and the State of South Carolina
17 have a compelling interest in the safe, proper, and efficient
18 operation of the plutonium disposition facilities at the Sa-
19 vannah River Site. The MOX facility will also be economi-
20 cally beneficial to the State of South Carolina, and that
21 economic benefit will not be fully realized unless the MOX
22 facility is built.

23 (6) The State of South Carolina desires to ensure that
24 all plutonium transferred to the State of South Carolina is
25 stored safely; that the full benefits of the MOX facility are
26 realized as soon as possible; and, specifically, that all de-
27 fense plutonium or defense plutonium materials transferred
28 to the Savannah River Site either be processed or be re-
29 moved expeditiously.

30 **SEC. 3182. DISPOSITION OF WEAPONS-USABLE PLUTO-**
31 **NIUM AT SAVANNAH RIVER SITE.**

32 (a) PLAN FOR CONSTRUCTION AND OPERATION OF MOX
33 FACILITY.—(1) Not later than February 1, 2003, the Secretary
34 of Energy shall submit to Congress a plan for the construction
35 and operation of the MOX facility at the Savannah River Site,
36 Aiken, South Carolina.

37 (2) The plan under paragraph (1) shall include—

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1 (A) a schedule for construction and operations so as
2 to achieve, as of January 1, 2009, and thereafter, the MOX
3 production objective, and to produce 1 metric ton of mixed-
4 oxide fuel by December 31, 2009; and

5 (B) a schedule of operations of the MOX facility de-
6 signed so that 34 metric tons of defense plutonium and de-
7 fense plutonium materials at the Savannah River Site will
8 be processed into mixed-oxide fuel by January 1, 2019.

9 (3)(A) Not later than February 15 each year, beginning
10 in 2004 and continuing for as long as the MOX facility is in
11 use, the Secretary shall submit to Congress a report on the im-
12 plementation of the plan required by paragraph (1).

13 (B) Each report under subparagraph (A) for years before
14 2010 shall include—

15 (i) an assessment of compliance with the schedules in-
16 cluded with the plan under paragraph (2); and

17 (ii) a certification by the Secretary whether or not the
18 MOX production objective can be met by January 2009.

19 (C) Each report under subparagraph (A) for years after
20 2009 shall—

21 (i) address whether the MOX production objective has
22 been met; and

23 (ii) assess progress toward meeting the obligations of
24 the United States under the Plutonium Management and
25 Disposition Agreement.

26 (D) Each report under subparagraph (A) for years after
27 2017 shall also include an assessment of compliance with the
28 MOX production objective and, if not in compliance, the plan
29 of the Secretary for achieving one of the following:

30 (i) Compliance with such objective.

31 (ii) Removal of all remaining defense plutonium and
32 defense plutonium materials from the State of South Caro-
33 lina.

34 (b) CORRECTIVE ACTIONS.—(1) If a report under sub-
35 section (a)(3) indicates that construction or operation of the
36 MOX facility is behind the applicable schedule under subsection
37 (a)(2) by 12 months or more, the Secretary shall submit to

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1 Congress, not later than August 15 of the year in which such
2 report is submitted, a plan for corrective actions to be imple-
3 mented by the Secretary to ensure that the MOX facility
4 project is capable of meeting the MOX production objective by
5 January 1, 2009.

6 (2) If a plan is submitted under paragraph (1) in any year
7 after 2008, the plan shall include corrective actions to be imple-
8 mented by the Secretary to ensure that the MOX production
9 objective is met.

10 (3) Any plan for corrective actions under paragraph (1) or
11 (2) shall include established milestones under such plan for
12 achieving compliance with the MOX production objective.

13 (4) If, before January 1, 2009, the Secretary determines
14 that there is a substantial and material risk that the MOX pro-
15 duction objective will not be achieved by 2009 because of a fail-
16 ure to achieve milestones set forth in the most recent corrective
17 action plan under this subsection, the Secretary shall suspend
18 further transfers of defense plutonium and defense plutonium
19 materials to be processed by the MOX facility until such risk
20 is addressed and the Secretary certifies that the MOX produc-
21 tion objective can be met by 2009.

22 (5) If, after January 1, 2009, the Secretary determines
23 that the MOX production objective has not been achieved be-
24 cause of a failure to achieve milestones set forth in the most
25 recent corrective action plan under this subsection, the Sec-
26 retary shall suspend further transfers of defense plutonium and
27 defense plutonium materials to be processed by the MOX facil-
28 ity until the Secretary certifies that the MOX production objec-
29 tive can be met.

30 (6)(A) Upon making a determination under paragraph (4)
31 or (5), the Secretary shall submit to Congress a report on the
32 options for removing from the State of South Carolina an
33 amount of defense plutonium or defense plutonium materials
34 equal to the amount of defense plutonium or defense plutonium
35 materials transferred to the State of South Carolina after April
36 15, 2002.

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1 (B) Each report under subparagraph (A) shall include an
2 analysis of each option set forth in the report, including the
3 cost and schedule for implementation of such option, and any
4 requirements under the National Environmental Policy Act of
5 1969 (42 U.S.C. 4321 et seq.) relating to consideration or se-
6 lection of such option.

7 (C) Upon submittal of a report under paragraph (A), the
8 Secretary shall commence any analysis that may be required
9 under the National Environmental Policy Act of 1969 in order
10 to select among the options set forth in the report.

11 (c) CONTINGENT REQUIREMENT FOR REMOVAL OF PLU-
12 TONIUM AND MATERIALS FROM SAVANNAH RIVER SITE.—If
13 the MOX production objective is not achieved as of January 1,
14 2009, the Secretary shall, consistent with the National Envi-
15 ronmental Policy Act of 1969 and other applicable laws, remove
16 from the State of South Carolina, for storage or disposal
17 elsewhere—

18 (1) not later than January 1, 2011, not less than 1
19 metric ton of defense plutonium or defense plutonium ma-
20 terials; and

21 (2) not later than January 1, 2017, an amount of de-
22 fense plutonium or defense plutonium materials equal to
23 the amount of defense plutonium or defense plutonium ma-
24 terials transferred to the Savannah River Site between
25 April 15, 2002 and January 1, 2017, but not processed by
26 the MOX facility.

27 (d) ECONOMIC AND IMPACT ASSISTANCE.—(1) If the
28 MOX production objective is not achieved as of January 1,
29 2011, the Secretary shall, from funds available to the Sec-
30 retary, pay to the State of South Carolina each year beginning
31 on or after that date through 2016 for economic and impact
32 assistance an amount equal to \$1,000,000 per day, not to ex-
33 ceed \$100,000,000 per year, until the later of—

34 (A) the date on which the MOX production objective
35 is achieved in such year; or

31–35

1 (B) the date on which the Secretary has removed from
2 the State of South Carolina in such year at least 1 metric
3 ton of defense plutonium or defense plutonium materials.

4 (2)(A) If, as of January 1, 2017, the MOX facility has not
5 processed mixed-oxide fuel from defense plutonium and defense
6 plutonium materials in the amount of not less than—

7 (i) one metric ton, in each of any two consecutive cal-
8 endar years; and

9 (ii) three metric tons total,

10 the Secretary shall, from funds available to the Secretary, pay
11 to the State of South Carolina for economic and impact assist-
12 ance an amount equal to \$1,000,000 per day, not to exceed
13 \$100,000,000 per year, until the removal by the Secretary from
14 the State of South Carolina of an amount of defense plutonium
15 or defense plutonium materials equal to the amount of defense
16 plutonium or defense plutonium materials transferred to the
17 Savannah River Site between April 15, 2002, and January 1,
18 2017, but not processed by the MOX facility.

19 (B) Nothing in this paragraph may be construed to termi-
20 nate, supersede, or otherwise affect any other requirements of
21 this section.

22 (3) If the State of South Carolina obtains an injunction
23 that prohibits the Department from taking any action nec-
24 essary for the Department to meet any deadline specified by
25 this subsection, that deadline shall be extended for a period of
26 time equal to the period of time during which the injunction
27 is in effect.

28 (e) FAILURE TO COMPLETE PLANNED DISPOSITION PRO-
29 GRAM.—If on July 1 each year beginning in 2020 and con-
30 tinuing for as long as the MOX facility is in use, less than 34
31 metric tons of defense plutonium or defense plutonium mate-
32 rials have been processed by the MOX facility, the Secretary
33 shall submit to Congress a plan for—

34 (1) completing the processing of 34 metric tons of de-
35 fense plutonium and defense plutonium material by the
36 MOX facility; or

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1 (2) removing from the State of South Carolina an
2 amount of defense plutonium or defense plutonium mate-
3 rials equal to the amount of defense plutonium or defense
4 plutonium materials transferred to the Savannah River Site
5 after April 15, 2002, but not processed by the MOX facil-
6 ity.

7 (f) REMOVAL OF MIXED-OXIDE FUEL UPON COMPLETION
8 OF OPERATIONS OF MOX FACILITY.—If, one year after the
9 date on which operation of the MOX facility permanently
10 ceases, any mixed-oxide fuel remains at the Savannah River
11 Site, the Secretary shall submit to Congress—

12 (1) a report on when such fuel will be transferred for
13 use in commercial nuclear reactors; or

14 (2) a plan for removing such fuel from the State of
15 South Carolina.

16 (g) DEFINITIONS.—In this section:

17 (1) MOX PRODUCTION OBJECTIVE.—The term “MOX
18 production objective” means production at the MOX facil-
19 ity of mixed-oxide fuel from defense plutonium and defense
20 plutonium materials at an average rate equivalent to not
21 less than one metric ton of mixed-oxide fuel per year. The
22 average rate shall be determined by measuring production
23 at the MOX facility from the date the facility is declared
24 operational to the Nuclear Regulatory Commission through
25 the date of assessment.

26 (2) MOX FACILITY.—The term “MOX facility” means
27 the mixed-oxide fuel fabrication facility at the Savannah
28 River Site, Aiken, South Carolina.

29 (3) DEFENSE PLUTONIUM; DEFENSE PLUTONIUM MA-
30 TERIALS.—The terms “defense plutonium” and “defense
31 plutonium materials” mean weapons-usable plutonium.

32 **SEC. 3183. STUDY OF FACILITIES FOR STORAGE OF PLU-**
33 **TONIUM AND PLUTONIUM MATERIALS AT SA-**
34 **VANNAH RIVER SITE.**

35 (a) STUDY.—The Defense Nuclear Facilities Safety Board
36 shall conduct a study of the adequacy of the K-Area Materials
37 Storage facility (KAMS), and related support facilities such as

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1 Building 235–F, at the Savannah River Site, Aiken, South
2 Carolina, for the storage of defense plutonium and defense plu-
3 tonium materials in connection with the disposition program
4 provided in section 3182 and in connection with the amended
5 Record of Decision of the Department of Energy for fissile ma-
6 terials disposition.

7 (b) REPORT.—Not later than one year after the date of
8 the enactment of this Act, the Defense Nuclear Facilities Safe-
9 ty Board shall submit to Congress and the Secretary of Energy
10 a report on the study conducted under subsection (a).

11 (c) REPORT ELEMENTS.—The report under subsection (b)
12 shall—

13 (1) address—

14 (A) the suitability of KAMS and related support
15 facilities for monitoring and observing any defense plu-
16 tonium or defense plutonium materials stored in
17 KAMS;

18 (B) the adequacy of the provisions made by the
19 Department for remote monitoring of such defense plu-
20 tonium and defense plutonium materials by way of sen-
21 sors and for handling of retrieval of such defense pluto-
22 nium and defense plutonium materials; and

23 (C) the adequacy of KAMS should such defense
24 plutonium and defense plutonium materials continue to
25 be stored at KAMS after 2019; and

26 (2) include such proposals as the Defense Nuclear Fa-
27 cilities Safety Board considers appropriate to enhance the
28 safety, reliability, and functionality of KAMS.

29 (d) REPORTS ON ACTIONS ON PROPOSALS.—Not later
30 than 6 months after the date on which the report under sub-
31 section (b) is submitted to Congress, and every year thereafter,
32 the Secretary and the Board shall each submit to Congress a
33 report on the actions taken by the Secretary in response to the
34 proposals, if any, included in the report.

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1 **TITLE XXXII—DEFENSE NUCLEAR**
2 **FACILITIES SAFETY BOARD**

Sec. 3201. Authorization.

3 **SEC. 3201. AUTHORIZATION.**

4 There are authorized to be appropriated for fiscal year
5 2003, \$19,000,000 for the operation of the Defense Nuclear
6 Facilities Safety Board under chapter 21 of the Atomic Energy
7 Act of 1954 (42 U.S.C. 2286 et seq.).

1 **TITLE XXXIII—NATIONAL DEFENSE**
2 **STOCKPILE**

Sec. 3301. Authorized uses of National Defense Stockpile funds.

3 **SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE**
4 **STOCKPILE FUNDS.**

5 (a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal
6 year 2003, the National Defense Stockpile Manager may obli-
7 gate up to \$76,400,000 of the funds in the National Defense
8 Stockpile Transaction Fund established under subsection (a) of
9 section 9 of the Strategic and Critical Materials Stock Piling
10 Act (50 U.S.C. 98h) for the authorized uses of such funds
11 under subsection (b)(2) of such section, including the disposal
12 of hazardous materials that are environmentally sensitive.

13 (b) ADDITIONAL OBLIGATIONS.—The National Defense
14 Stockpile Manager may obligate amounts in excess of the
15 amount specified in subsection (a) if the National Defense
16 Stockpile Manager notifies Congress that extraordinary or
17 emergency conditions necessitate the additional obligations. The
18 National Defense Stockpile Manager may make the additional
19 obligations described in the notification after the end of the 45-
20 day period beginning on the date on which Congress receives
21 the notification.

22 (c) LIMITATIONS.—The authorities provided by this sec-
23 tion shall be subject to such limitations as may be provided in
24 appropriations Acts.

1 **TITLE XXXIV—NAVAL PETROLEUM**
2 **RESERVES**

Sec. 3401. Authorization of appropriations.

3 **SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) AMOUNT.—There are hereby authorized to be appro-
5 priated to the Secretary of Energy \$21,069,000 for fiscal year
6 2003 for the purpose of carrying out activities under chapter
7 641 of title 10, United States Code, relating to the naval petro-
8 leum reserves.

9 (b) PERIOD OF AVAILABILITY.—Funds appropriated pur-
10 suant to the authorization of appropriations in subsection (a)
11 shall remain available until expended.

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**TITLE XXXV—MARITIME
ADMINISTRATION**

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Sec. 3501. Authorization of appropriations for fiscal year 2003.

Sec. 3502. Authority to convey vessel USS SPHINX (ARL-24).

Sec. 3503. Independent analysis of title XI insurance guarantee applications.

Sec. 3504. Preparation as artificial reefs and scrapping of obsolete vessels.

**SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR
FISCAL YEAR 2003.**

Funds are hereby authorized to be appropriated for fiscal year 2003, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, \$93,132,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), \$54,126,000, of which—

(A) \$50,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) \$4,126,000 is for administrative expenses related to loan guarantee commitments under the program.

(3) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92-402 (as amended by this title), \$20,000,000.

**SEC. 3502. AUTHORITY TO CONVEY VESSEL USS SPHINX
(ARL-24).**

(a) IN GENERAL.—Notwithstanding any other law, the Secretary of Transportation may convey the right, title, and interest of the United States Government in and to the vessel USS SPHINX (ARL-24), to the Dunkirk Historical Lighthouse and Veterans Park Museum (a not-for-profit corporation,

1 in this section referred to as the “recipient”) for use as a mili-
2 tary museum, if—

3 (1) the recipient agrees to use the vessel as a non-
4 profit military museum;

5 (2) the vessel is not used for commercial transpor-
6 tation purposes;

7 (3) the recipient agrees to make the vessel available to
8 the Government when the Secretary requires use of the ves-
9 sel by the Government;

10 (4) the recipient agrees that when the recipient no
11 longer requires the vessel for use as a military museum—

12 (A) the recipient will, at the discretion of the Sec-
13 retary, reconvey the vessel to the Government in good
14 condition except for ordinary wear and tear; or

15 (B) if the Board of Trustees of the recipient has
16 decided to dissolve the recipient according to the laws
17 of the State of New York, then—

18 (i) the recipient shall distribute the vessel, as
19 an asset of the recipient, to a person that has been
20 determined exempt from taxation under the provi-
21 sions of section 501(c)(3) of the Internal Revenue
22 Code, or to the Federal Government or a State or
23 local government for a public purpose; and

24 (ii) the vessel shall be disposed of by a court
25 of competent jurisdiction of the county in which the
26 principal office of the recipient is located, for such
27 purposes as the court shall determine, or to such
28 organizations as the court shall determine are orga-
29 nized exclusively for public purposes;

30 (5) the recipient agrees to hold the Government harm-
31 less for any claims arising from exposure to asbestos, poly-
32 chlorinated biphenyls, or lead paint after conveyance of the
33 vessel, except for claims arising from use by the Govern-
34 ment under paragraph (3) or (4); and

35 (6) the recipient has available, for use to restore the
36 vessel, in the form of cash, liquid assets, or a written loan
37 commitment, financial resources of at least \$100,000.

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1 (b) DELIVERY OF VESSEL.—If a conveyance is made
2 under this section, the Secretary shall deliver the vessel at the
3 place where the vessel is located on the date of enactment of
4 this Act, in its present condition, and without cost to the Gov-
5 ernment.

6 (c) OTHER UNNEEDED EQUIPMENT.—The Secretary may
7 also convey any unneeded equipment from other vessels in the
8 National Defense Reserve Fleet in order to restore the USS
9 SPHINX (ARL-24) to museum quality.

10 (d) RETENTION OF VESSEL IN NDRF.—The Secretary
11 shall retain in the National Defense Reserve Fleet the vessel
12 authorized to be conveyed under subsection (a), until the earlier
13 of—

14 (1) 2 years after the date of the enactment of this Act;

15 or

16 (2) the date of conveyance of the vessel under sub-
17 section (a).

18 **SEC. 3503. INDEPENDENT ANALYSIS OF TITLE XI INSUR-**
19 **ANCE GUARANTEE APPLICATIONS.**

20 Section 1104A of the Merchant Marine Act, 1936 (46
21 App. U.S.C. 1274) is amended—

22 (1) by adding at the end of subsection (d) the fol-
23 lowing:

24 “(4) The Secretary may obtain independent analysis of an
25 application for a guarantee or commitment to guarantee under
26 this title.”; and

27 (2) in subsection (f) by inserting “(including for ob-
28 taining independent analysis under subsection (d)(4))”
29 after “applications for a guarantee”.

30 **SEC. 3504. PREPARATION AS ARTIFICIAL REEFS AND**
31 **SCRAPPING OF OBSOLETE VESSELS.**

32 (a) FINANCIAL ASSISTANCE TO STATES FOR PREPARA-
33 TION OF TRANSFERRED OBSOLETE SHIPS FOR USE AS ARTIFI-
34 CIAL REEFS.—(1) Public Law 92-402 (16 U.S.C. 1220 et seq.)
35 is amended—

36 (A) by redesignating section 7 as section 8; and

1 (B) by inserting after section 6 the following new sec-
2 tion 7:

3 **“SEC. 7. FINANCIAL ASSISTANCE TO STATE TO PREPARE**
4 **TRANSFERRED SHIP.**

5 “(a) ASSISTANCE AUTHORIZED.—The Secretary, subject
6 to the availability of appropriations, may provide, to any State
7 to which an obsolete ship is transferred under this Act, finan-
8 cial assistance to prepare the ship for use as an artificial reef,
9 including for—

10 “(1) environmental remediation;

11 “(2) towing; and

12 “(3) sinking.

13 “(b) AMOUNT OF ASSISTANCE.—The Secretary shall de-
14 termine the amount of assistance under this section with re-
15 spect to an obsolete ship based on—

16 “(1) the total amount available for providing assist-
17 ance under this section;

18 “(2) the benefit achieved by providing assistance for
19 that ship; and

20 “(3) the cost effectiveness of disposing of the ship by
21 transfer under this Act and provision of assistance under
22 this section, compared to other disposal options for that
23 ship.

24 “(c) TERMS AND CONDITIONS.—The Secretary—

25 “(1) shall require a State seeking assistance under
26 this section to provide cost data and other information de-
27 termined by the Secretary to be necessary to justify and
28 document the assistance; and

29 “(2) may require a State receiving such assistance to
30 comply with terms and conditions necessary to protect the
31 environment and the interests of the United States.”.

32 (2) Section 4(4) of such Act (16 U.S.C. 1220a(4)) is
33 amended by inserting “(except for any financial assistance pro-
34 vided under section 7)” after “at no cost to the Government”.

35 (b) ENVIRONMENTAL BEST MANAGEMENT PRACTICES
36 FOR PREPARING VESSELS FOR USE AS ARTIFICIAL REEFS.—

37 (1) Not later than September 30, 2003, the Secretary of

1 Transportation, acting through the Maritime Administration,
2 and the Administrator of the Environmental Protection Agency
3 shall jointly develop environmental best management practices
4 to be used in the preparation of vessels for use as artificial
5 reefs.

6 (2) The environmental best management practices under
7 paragraph (1) shall be developed in consultation with the heads
8 of other Federal agencies, and State agencies, having an inter-
9 est in the use of vessels as artificial reefs.

10 (3) The environmental best management practices under
11 paragraph (1) shall—

12 (A) include practices for the preparation of vessels for
13 use as artificial reefs to ensure that vessels so prepared will
14 be environmentally sound in their use as artificial reefs;

15 (B) ensure that such practices are consistent nation-
16 wide;

17 (C) establish baselines for estimating the costs associ-
18 ated with the preparation of vessels for use as artificial
19 reefs; and

20 (D) include mechanisms to enhance the utility of the
21 Artificial Reefing Program of the Maritime Administration
22 as an option for the disposal of obsolete vessels.

23 (4) The environmental best management practices devel-
24 oped under paragraph (1) shall serve as national guidelines to
25 be used by Federal agencies for the preparation of vessels for
26 use as artificial reefs.

27 (5) The Secretary of Transportation shall submit to Con-
28 gress a report on the environmental best management practices
29 developed under paragraph (1) through the existing ship dis-
30 posal reporting requirements in section 3502 of Floyd D.
31 Spence National Defense Authorization Act for Fiscal Year
32 2001 (as enacted into law by Public Law 106–398; 1654A–
33 492). The report shall describe such practices, and may include
34 such other matters as the Secretary considers appropriate.

35 (c) PILOT PROGRAM ON EXPORT OF OBSOLETE VESSELS
36 FOR DISMANTLEMENT AND RECYCLING.—(1)(A) The Secretary
37 of Transportation, Secretary of State, and Administrator of the

1 Environmental Protection Agency shall jointly carry out one or
2 more pilot programs through the Maritime Administration to
3 explore the feasibility and advisability of various alternatives
4 for exporting obsolete vessels in the National Defense Reserve
5 Fleet for purposes of the dismantlement and recycling of such
6 vessels.

7 (B) The pilot programs shall be carried out in accordance
8 with applicable provisions of law and regulations.

9 (2)(A) The pilot programs under paragraph (1) shall be
10 carried out during fiscal year 2003.

11 (B) The pilot programs shall include a total of not more
12 than four vessels.

13 (C) The authority provided by this subsection is in addi-
14 tion to any other authority available to Maritime Administra-
15 tion for exporting obsolete vessels in the National Defense Re-
16 serve Fleet.

17 (3) Activities under the pilot programs under paragraph
18 (1) shall include the following:

19 (A) Exploration of the feasibility and advisability of a
20 variety of alternatives (developed for purposes of the pilot
21 programs) for exporting obsolete vessels in the National
22 Defense Reserve Fleet for purposes of the dismantlement
23 and recycling of such vessels.

24 (B) Response by the Maritime Administration to pro-
25 posals from the international ship recycling industry for in-
26 novative and cost-effective disposal solutions for obsolete
27 vessels in the National Defense Reserve Fleet, including an
28 evaluation of the feasibility and advisability of such pro-
29 posals.

30 (C) Demonstration of the extent to which the cost-ef-
31 fective dismantlement or recycling of obsolete vessels in the
32 National Defense Reserve Fleet can be accomplished
33 abroad in manner that appropriately addresses concerns re-
34 garding worker health and safety and the environment.

35 (D) Opportunities to transfer abroad processes, meth-
36 odologies, and technologies for ship dismantlement and re-
37 cycling in order to support the pilot programs and to im-

1 prove international practices and standards for ship dis-
2 mantlement and recycling.

3 (E) Exploration of cooperative efforts with foreign
4 governments (under a global action program on ship recy-
5 cling or other program) in order to foster economically and
6 environmentally sound ship recycling abroad.

7 (4) The Secretary of Transportation shall submit to Con-
8 gress a report on the pilot programs under paragraph (1)
9 through the existing ship disposal reporting requirements in
10 section 3502 of Floyd D. Spence National Defense Authoriza-
11 tion Act for Fiscal Year 2001. The report shall include a de-
12 scription of the activities under the pilot programs, and such
13 recommendations for further legislative or administrative action
14 as the Secretary considers appropriate.

15 (d) CONSTRUCTION.—Nothing in this section shall be con-
16 strued to establish a preference for the reefing or export of ob-
17 solete vessels in the National Defense Reserve Fleet over other
18 alternatives available to the Secretary for the scrapping of such
19 vessels under section 3502(d)(3) of the Floyd D. Spence Na-
20 tional Defense Authorization Act for Fiscal Year 2001.

36–1

1 **TITLE XXXVI—ATOMIC ENERGY**
2 **DEFENSE PROVISIONS**

Sec. 3601. Short title.

Subtitle A—[Reserved]

**Subtitle B—Department of Energy National Security
Authorizations General Provisions**

Sec. 3620. Definitions.

Sec. 3621. Reprogramming.

Sec. 3622. Minor construction projects.

Sec. 3623. Limits on construction projects.

Sec. 3624. Fund transfer authority.

Sec. 3625. Conceptual and construction design.

Sec. 3626. Authority for emergency planning, design, and construction activities.

Sec. 3627. Scope of authority to carry out plant projects.

Sec. 3628. Availability of funds.

Sec. 3629. Transfer of defense environmental management funds.

Sec. 3630. Transfer of weapons activities funds.

Sec. 3631. Funds available for all national security programs of the Department of Energy.

3 **SEC. 3601. SHORT TITLE.**

4 This title may be cited as the “Atomic Energy Defense
5 Act”.

6 **Subtitle A—[Reserved]**

7 **Subtitle B—Department of Energy**
8 **National Security Authorizations**
9 **General Provisions**

10 **SEC. 3620. DEFINITIONS.**

11 In this subtitle:

12 (1) The term “DOE national security authorization”
13 means an authorization of appropriations for activities of
14 the Department of Energy in carrying out programs necessary
15 for national security.

16 (2) The term “congressional defense committees”
17 means—

18 (A) the Committee on Armed Services and the
19 Committee on Appropriations of the Senate; and

20 (B) the Committee on Armed Services and the
21 Committee on Appropriations of the House of Representatives.
22

1 (3) The term “minor construction threshold” means
2 \$5,000,000.

3 **SEC. 3621. REPROGRAMMING.**

4 (a) IN GENERAL.—Except as provided in subsection (b)
5 and in sections 3629 and 3630, the Secretary of Energy may
6 not use amounts appropriated pursuant to a DOE national se-
7 curity authorization for a program—

8 (1) in amounts that exceed, in a fiscal year—

9 (A) 115 percent of the amount authorized for that
10 program by that authorization for that fiscal year; or

11 (B) \$5,000,000 more than the amount authorized
12 for that program by that authorization for that fiscal
13 year; or

14 (2) which has not been presented to, or requested of,
15 Congress.

16 (b) EXCEPTION WHERE NOTICE-AND-WAIT GIVEN.—An
17 action described in subsection (a) may be taken if—

18 (1) the Secretary submits to the congressional defense
19 committees a report referred to in subsection (c) with re-
20 spect to such action; and

21 (2) a period of 30 days has elapsed after the date on
22 which such committees receive the report.

23 (c) REPORT.—The report referred to in subsection (a) is
24 a report containing a full and complete statement of the action
25 proposed to be taken and the facts and circumstances relied
26 upon in support of the proposed action.

27 (d) COMPUTATION OF DAYS.—In the computation of the
28 30-day period under subsection (b), there shall be excluded any
29 day on which either House of Congress is not in session be-
30 cause of an adjournment of more than three days to a day cer-
31 tain.

32 (e) LIMITATIONS.—

33 (1) TOTAL AMOUNT OBLIGATED.—In no event may the
34 total amount of funds obligated pursuant to a DOE na-
35 tional security authorization for a fiscal year exceed the
36 total amount authorized to be appropriated by that author-
37 ization for that fiscal year.

1 (2) PROHIBITED ITEMS.—Funds appropriated pursu-
2 ant to a DOE national security authorization may not be
3 used for an item for which Congress has specifically denied
4 funds.

5 **SEC. 3622. MINOR CONSTRUCTION PROJECTS.**

6 (a) AUTHORITY.—Using operation and maintenance funds
7 or facilities and infrastructure funds authorized by a DOE na-
8 tional security authorization, the Secretary of Energy may
9 carry out minor construction projects.

10 (b) ANNUAL REPORT.—The Secretary shall submit to the
11 congressional defense committees on an annual basis a report
12 on each exercise of the authority in subsection (a) during the
13 preceding fiscal year. Each report shall provide a brief descrip-
14 tion of each minor construction project covered by the report.

15 (c) COST VARIATION REPORTS TO CONGRESSIONAL COM-
16 MITTEES.—If, at any time during the construction of any
17 minor construction project authorized by a DOE national secu-
18 rity authorization, the estimated cost of the project is revised
19 and the revised cost of the project exceeds the minor construc-
20 tion threshold, the Secretary shall immediately submit to the
21 congressional defense committees a report explaining the rea-
22 sons for the cost variation.

23 (d) MINOR CONSTRUCTION PROJECT DEFINED.—In this
24 section, the term “minor construction project” means any plant
25 project not specifically authorized by law for which the ap-
26 proved total estimated cost does not exceed the minor construc-
27 tion threshold.

28 **SEC. 3623. LIMITS ON CONSTRUCTION PROJECTS.**

29 (a) CONSTRUCTION COST CEILING.—Except as provided
30 in subsection (b), construction on a construction project which
31 is in support of national security programs of the Department
32 of Energy and was authorized by a DOE national security au-
33 thorization may not be started, and additional obligations in
34 connection with the project above the total estimated cost may
35 not be incurred, whenever the current estimated cost of the
36 construction project exceeds by more than 25 percent the high-
37 er of—

- 1 (1) the amount authorized for the project; or
2 (2) the amount of the total estimated cost for the
3 project as shown in the most recent budget justification
4 data submitted to Congress.

5 (b) EXCEPTION WHERE NOTICE-AND-WAIT GIVEN.—An
6 action described in subsection (a) may be taken if—

- 7 (1) the Secretary of Energy has submitted to the con-
8 gressional defense committees a report on the actions and
9 the circumstances making such action necessary; and
10 (2) a period of 30 days has elapsed after the date on
11 which the report is received by the committees.

12 (c) COMPUTATION OF DAYS.—In the computation of the
13 30-day period under subsection (b), there shall be excluded any
14 day on which either House of Congress is not in session be-
15 cause of an adjournment of more than three days to a day cer-
16 tain.

17 (d) EXCEPTION FOR MINOR PROJECTS.—Subsection (a)
18 does not apply to a construction project with a current esti-
19 mated cost of less than the minor construction threshold.

20 **SEC. 3624. FUND TRANSFER AUTHORITY.**

21 (a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Sec-
22 retary of Energy may transfer funds authorized to be appro-
23 priated to the Department of Energy pursuant to a DOE na-
24 tional security authorization to other Federal agencies for the
25 performance of work for which the funds were authorized.
26 Funds so transferred may be merged with and be available for
27 the same purposes and for the same time period as the author-
28 izations of the Federal agency to which the amounts are trans-
29 ferred.

30 (b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—

- 31 (1) TRANSFERS PERMITTED.—Subject to paragraph
32 (2), the Secretary of Energy may transfer funds authorized
33 to be appropriated to the Department of Energy pursuant
34 to a DOE national security authorization to any other
35 DOE national security authorization. Amounts of author-
36 izations so transferred may be merged with and be avail-

1 able for the same purposes and for the same period as the
2 authorization to which the amounts are transferred.

3 (2) MAXIMUM AMOUNTS.—Not more than 5 percent of
4 any such authorization may be transferred to another au-
5 thorization under paragraph (1). No such authorization
6 may be increased or decreased by more than 5 percent by
7 a transfer under such paragraph.

8 (c) LIMITATIONS.—The authority provided by this sub-
9 section to transfer authorizations—

10 (1) may be used only to provide funds for items relat-
11 ing to activities necessary for national security programs
12 that have a higher priority than the items from which the
13 funds are transferred; and

14 (2) may not be used to provide funds for an item for
15 which Congress has specifically denied funds.

16 (d) NOTICE TO CONGRESS.—The Secretary of Energy
17 shall promptly notify the congressional defense committees of
18 any transfer of funds to or from any DOE national security au-
19 thorization.

20 **SEC. 3625. CONCEPTUAL AND CONSTRUCTION DESIGN.**

21 (a) CONCEPTUAL DESIGN.—

22 (1) REQUIREMENT.—Subject to paragraph (2) and ex-
23 cept as provided in paragraph (3), before submitting to
24 Congress a request for funds for a construction project that
25 is in support of a national security program of the Depart-
26 ment of Energy, the Secretary of Energy shall complete a
27 conceptual design for that project.

28 (2) REQUESTS FOR CONCEPTUAL DESIGN FUNDS.—If
29 the estimated cost of completing a conceptual design for a
30 construction project exceeds \$3,000,000, the Secretary
31 shall submit to Congress a request for funds for the con-
32 ceptual design before submitting a request for funds for the
33 construction project.

34 (3) EXCEPTIONS.—The requirement in paragraph (1)
35 does not apply to a request for funds—

36–6

1 (A) for a construction project the total estimated
2 cost of which is less than the minor construction
3 threshold; or

4 (B) for emergency planning, design, and construc-
5 tion activities under section 3626.

6 (b) CONSTRUCTION DESIGN.—

7 (1) AUTHORITY.—Within the amounts authorized by a
8 DOE national security authorization, the Secretary may
9 carry out construction design (including architectural and
10 engineering services) in connection with any proposed con-
11 struction project if the total estimated cost for such design
12 does not exceed \$600,000.

13 (2) LIMITATION ON AVAILABILITY OF FUNDS FOR CER-
14 TAIN PROJECTS.—If the total estimated cost for construc-
15 tion design in connection with any construction project ex-
16 ceeds \$600,000, funds for that design must be specifically
17 authorized by law.

18 **SEC. 3626. AUTHORITY FOR EMERGENCY PLANNING, DE-**
19 **SIGN, AND CONSTRUCTION ACTIVITIES.**

20 (a) AUTHORITY.—The Secretary of Energy may use any
21 funds available to the Department of Energy pursuant to a
22 DOE national security authorization, including funds author-
23 ized to be appropriated for advance planning, engineering, and
24 construction design, and for plant projects, to perform plan-
25 ning, design, and construction activities for any Department of
26 Energy national security program construction project that, as
27 determined by the Secretary, must proceed expeditiously in
28 order to protect public health and safety, to meet the needs of
29 national defense, or to protect property.

30 (b) LIMITATION.—The Secretary may not exercise the au-
31 thority under subsection (a) in the case of a construction
32 project until the Secretary has submitted to the congressional
33 defense committees a report on the activities that the Secretary
34 intends to carry out under this section and the circumstances
35 making those activities necessary.

1 (c) SPECIFIC AUTHORITY.—The requirement of section
2 3625(b)(2) does not apply to emergency planning, design, and
3 construction activities conducted under this section.

4 **SEC. 3627. SCOPE OF AUTHORITY TO CARRY OUT PLANT**
5 **PROJECTS.**

6 In carrying out programs necessary for national security,
7 the authority of the Secretary of Energy to carry out plant
8 projects includes authority for maintenance, restoration, plan-
9 ning, construction, acquisition, modification of facilities, and
10 the continuation of projects authorized in prior years, and land
11 acquisition related thereto.

12 **SEC. 3628. AVAILABILITY OF FUNDS.**

13 (a) IN GENERAL.—Except as provided in subsection (b),
14 amounts appropriated pursuant to a DOE national security au-
15 thorization for operation and maintenance or for plant projects
16 may, when so specified in an appropriations Act, remain avail-
17 able until expended.

18 (b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—
19 Amounts appropriated for program direction pursuant to a
20 DOE national security athorization for a fiscal year shall re-
21 main available to be obligated only until the end of that fiscal
22 year.

23 **SEC. 3629. TRANSFER OF DEFENSE ENVIRONMENTAL**
24 **MANAGEMENT FUNDS.**

25 (a) TRANSFER AUTHORITY FOR DEFENSE ENVIRON-
26 MENTAL MANAGEMENT FUNDS.—The Secretary of Energy
27 shall provide the manager of each field office of the Depart-
28 ment of Energy with the authority to transfer defense environ-
29 mental management funds from a program or project under the
30 jurisdiction of that office to another such program or project.

31 (b) LIMITATIONS.—

32 (1) NUMBER OF TRANSFERS.—Not more than one
33 transfer may be made to or from any program or project
34 under subsection (a) in a fiscal year.

35 (2) AMOUNTS TRANSFERRED.—The amount trans-
36 ferred to or from a program or project in any one transfer
37 under subsection (a) may not exceed \$5,000,000.

1 (3) DETERMINATION REQUIRED.—A transfer may not
2 be carried out by a manager of a field office under sub-
3 section (a) unless the manager determines that the transfer
4 is necessary—

5 (A) to address a risk to health, safety, or the envi-
6 ronment; or

7 (B) to assure the most efficient use of defense en-
8 vironmental management funds at the field office.

9 (4) IMPERMISSIBLE USES.—Funds transferred pursu-
10 ant to subsection (a) may not be used for an item for which
11 Congress has specifically denied funds or for a new pro-
12 gram or project that has not been authorized by Congress.

13 (c) EXEMPTION FROM REPROGRAMMING REQUIRE-
14 MENTS.—The requirements of section 3621 shall not apply to
15 transfers of funds pursuant to subsection (a).

16 (d) NOTIFICATION.—The Secretary, acting through the
17 Assistant Secretary of Energy for Environmental Management,
18 shall notify Congress of any transfer of funds pursuant to sub-
19 section (a) not later than 30 days after such transfer occurs.

20 (e) DEFINITIONS.—In this section:

21 (1) The term “program or project” means, with re-
22 spect to a field office of the Department of Energy, a pro-
23 gram or project that is for environmental restoration or
24 waste management activities necessary for national security
25 programs of the Department, that is being carried out by
26 that office, and for which defense environmental manage-
27 ment funds have been authorized and appropriated.

28 (2) The term “defense environmental management
29 funds” means funds appropriated to the Department of
30 Energy pursuant to an authorization for carrying out envi-
31 ronmental restoration and waste management activities
32 necessary for national security programs.

33 **SEC. 3630. TRANSFER OF WEAPONS ACTIVITIES FUNDS.**

34 (a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES
35 FUNDS.—The Secretary of Energy shall provide the manager
36 of each field office of the Department of Energy with the au-
37 thority to transfer weapons activities funds from a program or

1 project under the jurisdiction of that office to another such
2 program or project.

3 (b) LIMITATIONS.—

4 (1) NUMBER OF TRANSFERS.—Not more than one
5 transfer may be made to or from any program or project
6 under subsection (a) in a fiscal year.

7 (2) AMOUNTS TRANSFERRED.—The amount trans-
8 ferred to or from a program or project in any one transfer
9 under subsection (a) may not exceed \$5,000,000.

10 (3) DETERMINATION REQUIRED.—A transfer may not
11 be carried out by a manager of a field office under sub-
12 section (a) unless the manager determines that the
13 transfer—

14 (A) is necessary to address a risk to health, safety,
15 or the environment; or

16 (B) will result in cost savings and efficiencies.

17 (4) LIMITATION.—A transfer may not be carried out
18 by a manager of a field office under subsection (a) to cover
19 a cost overrun or scheduling delay for any program or
20 project.

21 (5) IMPERMISSIBLE USES.—Funds transferred pursu-
22 ant to subsection (a) may not be used for an item for which
23 Congress has specifically denied funds or for a new pro-
24 gram or project that has not been authorized by Congress.

25 (c) EXEMPTION FROM REPROGRAMMING REQUIRE-
26 MENTS.—The requirements of section 3621 shall not apply to
27 transfers of funds pursuant to subsection (a).

28 (d) NOTIFICATION.—The Secretary, acting through the
29 Administrator for Nuclear Security, shall notify Congress of
30 any transfer of funds pursuant to subsection (a) not later than
31 30 days after such transfer occurs.

32 (e) DEFINITIONS.—In this section:

33 (1) The term “program or project” means, with re-
34 spect to a field office of the Department of Energy, a pro-
35 gram or project that is for weapons activities necessary for
36 national security programs of the Department, that is

1 being carried out by that office, and for which weapons ac-
2 tivities funds have been authorized and appropriated.

3 (2) The term “weapons activities funds” means funds
4 appropriated to the Department of Energy pursuant to an
5 authorization for carrying out weapons activities necessary
6 for national security programs.

7 **SEC. 3631. FUNDS AVAILABLE FOR ALL NATIONAL SECU-**
8 **RITY PROGRAMS OF THE DEPARTMENT OF**
9 **ENERGY.**

10 Subject to the provisions of appropriation Acts and section
11 3621, amounts appropriated pursuant to a DOE national secu-
12 rity authorization for management and support activities and
13 for general plant projects are available for use, when necessary,
14 in connection with all national security programs of the De-
15 partment of Energy.

And the House agree to the same.