Union Calendar No. 53

108TH CONGRESS
1ST SESSION

H. R. 1588

[Report No. 108–106]

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2003

Mr. HUNTER (for himself and Mr. SKELTON) (both by request) introduced the following bill; which was referred to the Committee on Armed Services

MAY 16, 2003

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on April 3, 2003]

A BILL

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

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Defense Authorization Act for Fiscal Year 2004".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

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

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

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

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Sec. 102. Navy and Marine Corps.
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Sec. 315. Requirements for restoration advisory boards and exemption from Federal Advisory Committee Act.

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Sec. 318. Military readiness and marine mammal protection.
Sec. 319. Limitation on Department of Defense responsibility for civilian water consumption impacts related to Fort Huachuca, Arizona.
Sec. 320. Construction of wetland crossings, Camp Shelby Combined Arms Maneuver Area, Camp Shelby, Mississippi.

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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

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

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

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

(1) For aircraft, $2,194,585,000.

(2) For missiles, $1,594,662,000.

(3) For weapons and tracked combat vehicles, $2,197,404,000.

(4) For ammunition, $1,428,966,000.

(5) For other procurement, $4,321,496,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Navy as follows:

(1) For aircraft, $9,050,048,000.

(2) For weapons, including missiles and torpedoes, $2,529,821,000.

(3) For ammunition, $963,355,000.

(4) For shipbuilding and conversion, $11,472,384,000.

(5) For other procurement, $4,614,892,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Marine Corps in the amount of $1,154,299,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Air Force as follows:

(1) For aircraft, $12,604,451,000.

(2) For ammunition, $1,324,725,000.

(3) For missiles, $4,348,039,000.

(4) For other procurement, $11,376,059,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2004 for Defense-wide procurement in the amount of $3,734,821,000.

Subtitle B—Army Programs

SEC. 111. STRYKER VEHICLE PROGRAM.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 101 for procurement for the Army

for fiscal year 2004 that are available for the Stryker vehicle program, not more than $655,000,000 may be obligated until—

(1) the Secretary of the Army has submitted to the Deputy Secretary of Defense the report specified in subsection (b);

(2) the Secretary of Defense has submitted to the congressional defense committees the report and certification referred to in subsection (c); and

(3) a period of 30 days has elapsed after the date of the receipt by those committees of the report and certification under paragraph (2).

(b) SECRETARY OF THE ARMY REPORT.—The report referred to in subsection (a)(1) is the report required to be submitted by the Secretary of the Army to the Deputy Secretary of Defense not later than July 8, 2003, that identifies options for modifications to the equipment and configuration of the Army brigade designated as "Stryker brigades" to assure that those brigades, after incorporating such modifications, provide—

(1) a higher level of combat capability and sustainability;

(2) a capability across a broader spectrum of combat operations; and

(3) a capability to be employed independently of higher-level command formations and support.

(c) SECRETARY OF DEFENSE REPORT AND CERTIFICATION.—The Secretary of Defense shall transmit to the congressional defense committees not later than 30 days after the date of the receipt by the Deputy Secretary of Defense of the report of the Secretary of the Army referred to in subsection (b), the modification options identified by the Secretary of the Army for purposes of that report. The Secretary of Defense shall include any comments that may be applicable to the analysis of the Secretary of the Army's report and shall certify to the committees whether in the Secretary's judgment fielding the fourth Stryker brigade as planned by the Army in a different configuration from the first three such brigades will fulfill the three objectives set forth in subsection (b).

(d) AUTHORIZED USE OF REMAINDER OF FUNDS.—The funds authorized to be appropriated for procurement for the Army for fiscal year 2004 that are available for the Stryker vehicle program and that become available for obligation upon the conditions of subsection (a) being met shall be obligated either—

(1) to develop, procure, and field equipment and capabilities for the fourth Stryker brigade combat team that would accelerate the options for modifica-

tions to enhance Stryker brigades identified in subsection (b); or

(2) for the equipment identified in the fiscal year 2004 budget request to be procured for the fourth Stryker brigade, if the Secretary of Defense, after reviewing the Secretary of Army's report under subsection (b), determines that the current configuration of the fourth Stryker brigade meets the criteria in paragraphs (1) through (3) of subsection (b) and certifies to the congressional defense committees that the equipment identified in the fiscal year 2004 budget request to be procured for the fourth Stryker brigade provides those capabilities.

(e) LIMITATIONS.—(1) In obligating funds in accordance with either paragraph (1) or paragraph (2) of subsection (d), no action may be taken that would delay, hinder, or otherwise disrupt the current production and fielding schedule for the fourth Stryker brigade.

(2) Notwithstanding any other provision of this section, all funds authorized to be appropriated under section 101 for procurement for the Army for fiscal year 2004 that are available for the Stryker vehicle program shall be used exclusively to develop, procure, and field Stryker combat vehicles.

Subtitle C—Navy Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR F/A–18 AIRCRAFT PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2005 program year, for procurement of aircraft in the F/A–18E, F/A–18F, and EA–18G configurations. The total number of aircraft procured through a multiyear contract under this section may not exceed 234.

SEC. 122. MULTIYEAR PROCUREMENT AUTHORITY FOR TACTICAL TOMAHAWK CRUISE MISSILE PROGRAM.

The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of Tactical Tomahawk cruise missiles. The total number of missiles procured through a multiyear contract under this section shall be determined by the Secretary of the Navy, based upon the funds available, but not to exceed 900 in any year.

SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR VIRGINIA CLASS SUBMARINE PROGRAM.

(a) AUTHORITY.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States

Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of seven Virginia-class submarines.

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

(1) the Secretary submits to the congressional defense committees a certification that the Secretary has made each of the findings with respect to such contract specified in subsection (a) of section 2306b of title 10, United States Code; and

(2) a period of 30 days has elapsed after the date of the transmission of such certification.

SEC. 124. MULTIYEAR PROCUREMENT AUTHORITY FOR E–2C AIRCRAFT PROGRAM.

(a) AIRCRAFT.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of four E-2C and four TE–2C aircraft.

(b) ENGINES.—The Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract, beginning with the fiscal year 2004 program year, for procurement of 16 engines for aircraft in the E-2C or TE–2C configuration.

(c) LIMITATION ON TERM OF CONTRACTS.—Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this section may not be for a period in excess of four program years.

SEC. 125. LPD–17 CLASS VESSEL.

If after May 7, 2003, there is enacted an Act making supplemental appropriations for the Department of Defense for fiscal year 2003 that includes appropriation of an amount for procurement of Tomahawk cruise missiles for the Navy, then—

(1) the amount provided in section 102 for procurement of weapons for the Navy is reduced by the amount so appropriated or by $200,000,000, whichever is less, with such reduction to be derived from amounts authorized for procurement of Tomahawk cruise missiles; and

(2) the amount provided in section 102 for shipbuilding and conversion is increased by the amount of the reduction under paragraph (1), with the amount of such increase to be available for advance procurement of long-lead items, including the advance fabrication of components, for one LPD–17 class vessel.

Subtitle D—Air Force Programs

SEC. 131. AIR FORCE AIR REFUELING TRANSFER ACCOUNT.

(a) TRANSFER ACCOUNT.—There is hereby established an account for the Department of the Air Force to be known as the Air Force Air Refueling Transfer Account. Amounts in such account may be used in accordance with subsection (c).

(b) AUTHORIZATION OF APPROPRIATIONS.—Within the amount provided in section 103(1), there is authorized to be appropriated to the Air Force Air Refueling Transfer Account for fiscal year 2004 the amount of $229,200,000.

(c) AUTHORIZED USE OF FUNDS.—Amounts in the Air Force Air Refueling Transfer Account may be used for any of the following purposes, as determined by the Secretary of the Air Force:

(1) Necessary expenses for fiscal year 2004 to prepare for leasing of tanker aircraft under section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284; 10 U.S.C. 2401a note).

(2) Necessary expenses for fiscal year 2004 to prepare for purchase of tanker aircraft for the Air Force.

(3) Retaining in active service (rather than retiring) KC–135E aircraft.

(4) Maintenance of equipment for KC–135 aircraft that was purchased through a depot.

(d) AUTHORIZED TRANSFERS.—Subject to subsections (e) and (f), the Secretary of the Air Force may transfer funds in the Air Force Air Refueling Transfer Account to appropriations of the Air Force available for purposes set forth in subsection (c), including appropriations available for procurement, for research, development, test, and evaluation, for operation and maintenance, and for military personnel (in the case of retaining KC–135E aircraft in active service), in such amounts as the Secretary determines necessary for such purpose.

(e) LIMITATION.—Amounts appropriated to the Air Force Air Refueling Transfer Account pursuant to the authorization of appropriations in subsection (b) may not be used to enter into a lease for tanker aircraft or to enter into a contract for procurement of tanker aircraft.

(f) NOTICE TO CONGRESS.—A transfer of funds under subsection (d) may not be made until—

(1) the Secretary of the Air Force notifies the congressional defense committees in writing of the amount and purpose of the proposed transfer, including each account to which the transfer is to be made; and

(2) a period of 30 days has elapsed after the date on which the notice is received by those committees.

SEC. 132. INCREASE IN NUMBER OF AIRCRAFT AUTHORIZED TO BE PROCURED UNDER MULTIYEAR PROCUREMENT AUTHORITY FOR AIR FORCE C–130J AIRCRAFT PROGRAM.

Section 131(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2475) is amended by striking "40 C–130J aircraft" and inserting "42 C–130J aircraft".

SEC. 133. LIMITATION ON RETIRING C–5 AIRCRAFT.

(a) LIMITATION.—The Secretary of the Air Force may not proceed with a decision to retire C–5A aircraft from the active inventory of the Air Force in any number that which would reduce the total number of such aircraft in the active inventory below 112 until—

(1) the Air Force has modified a C–5A aircraft to the configuration referred to as the Reliability Enhancement and Reengining Program (RERP) configuration, as planned under the C–5 System Development and Demonstration program as of May 1, 2003; and

(2) the Director of Operational Test and Evaluation of the Department of Defense—

(A) conducts an operational evaluation of that aircraft, as so modified; and

(B) provides to the Secretary of Defense and the congressional defense committees an operational assessment.

(b) OPERATIONAL EVALUATION.—An operational evaluation for purposes of paragraph (2)(A) of subsection (a) is an evaluation, conducted during operational testing and evaluation of the aircraft, as so modified, of the performance of the aircraft with respect to reliability, maintainability, and availability and with respect to critical operational issues

(c) OPERATIONAL ASSESSMENT.—An operational assessment for purposes of paragraph (2)(B) of subsection (a) is an operational assessment of the program to modify C–5A aircraft to the configuration referred to in subsection (a)(1) regarding both overall suitability and deficiencies of the program to improve performance of the C–5A aircraft relative to requirements and specifications for reliability, maintainability, and availability of that aircraft as in effect on May 1, 2003.

SEC. 134. LIMITATION ON OBLIGATION OF FUNDS FOR PROCUREMENT OF F/A–22 AIRCRAFT.

(a) LIMITATION.—Of the amount appropriated for fiscal year 2004 for procurement of F/A–22 aircraft,

$136,000,000 may not be obligated until the Under Secretary of Defense for Acquisition, Technology, and Logistics submits to the congressional defense committees the Under Secretary's certification that—

(1) the four primary aircraft designated to participate in the dedicated initial operational test and evaluation program for the F/A–22 aircraft have each been equipped with the version of the avionics software operational flight program that is designated as version 3.1.2 or a later version; and

(2) before the commencement of that dedicated initial operational test and evaluation program, those four aircraft (as so equipped) demonstrate, on average, an avionics software mean time between instability events of at least 20 hours.

(b) CONTINGENCY WAIVER AUTHORITY.—If the Under Secretary notifies the Secretary of Defense that the Under Secretary is unable to make the certification described in subsection (a), the Secretary may waive the limitation under that subsection. Upon making such a waiver—

(1) the Secretary of Defense shall notify the congressional defense committees of the waiver and of the reasons therefor; and

(2) the funds described in subsection (a) may then be obligated, by reason of such waiver, after the

end of the 30-day period beginning on the date on which the Secretary's notification is received by those committees.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

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

(1) For the Army, $9,332,382,000.

(2) For the Navy, $14,343,360,000.

(3) For the Air Force, $20,548,867,000.

(4) For Defense-wide activities, $18,461,046,000, of which $286,661,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2004.—Of the amounts authorized to be appropriated by section 201, $10,893,077,000 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.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. COLLABORATIVE PROGRAM FOR DEVELOPMENT OF ELECTROMAGNETIC GUN TECHNOLOGY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish and carry out a collaborative program for evaluation and demonstration of advanced technologies and concepts for advanced gun systems that use electromagnetic propulsion for direct and indirect fire applications.

(b) DESCRIPTION OF PROGRAM.—The program under subsection (a) shall be carried out collaboratively pursuant to a memorandum of agreement to be entered into among the Secretary of the Army, the Secretary of the Navy, and the Director of the Defense Advanced Research Projects Agency. The program shall include the following activities:

(1) Identification of technical objectives, quantified technical barriers, and enabling technologies associated with development of the objective electro-

magnetic gun systems envisioned to meet the needs of each of the Armed Forces and, in so doing, identification of opportunities for development of components or subsystems common to those envisioned gun systems.

(2) Preparation of a time-based plan for development of electromagnetic gun systems for direct fire applications, indirect fire applications, or both direct and indirect fire applications (in the case of the Army and Marine Corps) and for indirect fire applications (in the case of the Navy), which—

(A) includes the programs currently planned by the Army and by the Navy and demonstrates how the enabling technologies common to such Army and Navy programs are used; and

(B) provides estimated dates for decision points, prototype demonstrations, and transitions of successful cases from the collaborative program under this section to an acquisition program.

(3) For each of the enabling technologies common to the Army and Navy programs, identification of whether lead responsibility for developing that technology should be assigned to the Secretary of the Army, the Secretary of the Navy, or the Director,

with the Director favored in cases in which the technology is highly challenging or high risk, high reward, and with each such Secretary favored in cases in which that Secretary's military department possesses superior expertise or experience with the technology.

(4) Identification of a strategy for the participation of industry in the program.

(c) MATTERS INCLUDED.—The advanced technologies and concepts included under the program may include, but are not limited to, the following:

(1) Advanced electrical power, energy storage, and switching systems.

(2) Electromagnetic launcher materials and construction techniques for long barrel life.

(3) Guidance and control systems for electromagnetically launched projectiles.

(4) Advanced projectiles and other munitions for electromagnetic gun systems.

(5) Hypervelocity terminal effects.

(d) RELATIONSHIP TO SEPARATE PROGRAMS OF MILITARY DEPARTMENTS.—The Secretary of the Army and the Secretary of the Navy shall carry out separate programs for the evaluation and demonstration of advanced technologies and concepts for, and for the further development

and acquisition of, advanced gun systems referred to in subsection (a). Each such Secretary shall incorporate in that Secretary's program the most promising of the technology products matured under the program under subsection (a).

(e) REPORT.—Not later than March 31, 2004, the Secretary of the Army, the Secretary of the Navy, and the Director of the Defense Advanced Research Projects Agency shall jointly submit a report to the congressional defense committees on the implementation of the program under subsection (a). The report shall include the following:

(1) A description of the memorandum of agreement entered into under subsection (b).

(2) The time-based plan required by subsection (b)(2).

(3) A description of the goals and objectives of the program.

(4) Identification of funding required for fiscal year 2004 and for the future years defense program to carry out the program.

(5) A description of a plan for industry participation in the program.

SEC. 212. AUTHORITY TO SELECT CIVILIAN EMPLOYEE OF DEPARTMENT OF DEFENSE AS DIRECTOR OF DEPARTMENT OF DEFENSE TEST RESOURCE MANAGEMENT CENTER.

Section 196(b)(1) of title 10, United States Code, is amended—

(1) in the first sentence, by inserting before the period at the end the following: "or from among senior civilian officials or employees of the Department of Defense who have substantial experience in the field of test and evaluation"; and

(2) in the second sentence, by striking "vice admiral" and inserting "the grade of vice admiral, or, in the case of a civilian official or employee, an equivalent level.".

SEC. 213. DEVELOPMENT OF THE JOINT TACTICAL RADIO SYSTEM.

(a) JOINT PROGRAM OFFICE.—The Secretary of Defense shall designate a single joint program office within the Department of Defense for management of the Joint Tactical Radio System development program. The Secretary shall provide for the head of that office to be selected on a rotating basis from among officers of different Armed Forces.

(b) CONSOLIDATED PROGRAM ELEMENTS.—The Secretary shall provide that all funds for development and pro-

curement of the Joint Tactical Radio System program shall be consolidated under and managed by the head of the joint program office designated under subsection (a).

(c) PROGRAM DEVELOPMENT.—The Secretary shall provide that, subject to the authority, direction, and control of the Secretary, the head of the joint program office designated under subsection (a) shall—

(1) establish and control the performance specifications for the Joint Tactical Radio System;

(2) establish and control the standards for development of the software and equipment for that system;

(3) establish and control the standards for operation of that system; and

(4) develop a single, unified concept of operations for all users of that system.

SEC. 214. FUTURE COMBAT SYSTEMS.

(a) LIMITATION.—None of the funds authorized to be appropriated under section 201(1) for development and demonstration of systems for the Future Combat Systems program may be obligated or expended until 30 days after the Secretary of the Army submits to the congressional defense committees a report on such program. The report shall include the following:

(1) The findings and conclusions of—

(A) the review of the Future Combat Systems program carried out by the independent panel at the direction of the Secretary of Defense; and

(B) the milestone B review of the Future Combat Systems program carried out by the defense acquisition board.

(2) For each of the key performance parameters relating to the Future Combat Systems program, the threshold value at which the utility of the individual systems comprising the Future Combat Systems program become questionable.

(3) For each of the three projects requested under program element 64645A, Armored Systems Modernization, a completed analysis of alternatives.

(b) SEPARATE PROGRAM ELEMENTS.—For fiscal years beginning with 2004, the Secretary of Defense shall ensure that—

(1) each project under the Army's Future Combat Systems program (whether in existence before, on, or after the date of the enactment of this Act) is assigned a separate, dedicated program element; and

(2) before such a program element is assigned to such a project, an analysis of alternatives for such project is completed.

SEC. 215. ARMY PROGRAM TO PURSUE TECHNOLOGIES LEADING TO THE ENHANCED PRODUCTION OF TITANIUM BY THE UNITED STATES.

(a) EFFORTS REQUIRED.—The Secretary of Defense shall—

(1) assess promising technologies leading to the enhanced production of titanium by the United States; and

(2) select, on a competitive basis, the most viable such technologies for research, development, and production.

(b) EXECUTIVE AGENT.—The Secretary of the Army shall serve as executive agent in carrying out subsection (a).

(c) FUNDING.—Of the funds authorized to be appropriated by section 201(1) for research, development, test, and evaluation, Army, for fiscal year 2004, $8,000,000 shall be available in program element 62624A to carry out this section.

SEC. 216. EXTENSION OF REPORTING REQUIREMENT FOR RAH–66 COMANCHE AIRCRAFT PROGRAM.

Section 211 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2479) is amended in subsection (a) by inserting "and fiscal year 2004" after "fiscal year 2003".

SEC. 217. STUDIES OF FLEET PLATFORM ARCHITECTURES FOR THE NAVY.

(a) INDEPENDENT STUDIES.—(1) The Secretary of Defense shall provide for the performance of eight independent studies on alternative future fleet platform architectures for the Navy.

(2) The Secretary shall forward the results of each study to the congressional defense committees not later than March 1, 2004.

(3) Each such study shall be submitted both in unclassified, and to the extent necessary, in classified versions.

(b) ENTITIES TO PERFORM STUDIES.—The Secretary of Defense shall provide for the studies under subsection (a) to be performed as follows:

(1) One shall be performed by the Secretary of the Navy, using Department of the Navy personnel.

(2) Four shall be performed by qualified analytical organizations external to Department of Defense.

(3) Three shall be performed by defense firms, or teams of defense firms, in the private sector.

(c) PERFORMANCE OF STUDIES.—(1) The Secretary of Defense shall require each entity undertaking one of the studies under this section to commit to performing the study independently from the other studies and, in the case of the entities selected under paragraphs (2) and (3) of subsection

(b), independently from the Navy, so as to ensure independent analysis.

(2) In performing a study under this section, the entity performing the study shall consider the following:

(A) The National Security Strategy of the United States.

(B) Potential future threats to the United States and to United States naval forces.

(C) The traditional roles and missions of United States naval forces.

(D) Alternative roles and missions.

(E) The role of evolving technology on future naval forces.

(F) Opportunities for reduced manning and unmanned ships and vehicles in future naval forces.

(3) Each entity performing a study under this section, while cognizant of current overall fleet platform architecture, shall not allow the current features of fleet platform architecture to constrain the analysis for purposes of that study.

(d) NAVAL STUDIES.—Each study under this section shall present one or two possible overall fleet platform architectures. For each such architecture presented, the study shall include the following:

(1) The numbers, kinds, and sizes of vessels, the numbers and types of associated manned and unmanned vehicles, and the basic capabilities of each of those platforms.

(2) Other information needed to understand that architecture in basic form and the supporting analysis.

(e) COSTS.—Within the amount provided in section 201(2), the amount of $1,600,000 is authorized, within Program Element 65154N, for the purposes of this section.

Subtitle C—Ballistic Missile Defense

SEC. 221. ENHANCED FLEXIBILITY FOR BALLISTIC MISSILE DEFENSE SYSTEMS.

(a) FLEXIBILITY FOR SPECIFICATION OF PROGRAM ELEMENTS.—Subsection (a) of section 223 of title 10, United States Code, is amended—

(1) by inserting "BY PRESIDENT" in the subsection heading after "SPECIFIED";

(2) by striking "program elements governing functional areas as follows:" and inserting "such program elements as the President may specify."; and

(3) by striking paragraphs (1) through (6).

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of such section is amended by striking "for each program ele-

ment specified in subsection (a)" and inserting "for a fiscal year for any program element specified for that fiscal year pursuant to subsection (a)".

(2) Subsection (c)(3) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking "each functional area" and all that follows through "subsection (b)," and inserting "each then-current program element for ballistic missile defense systems in effect pursuant to subsection (a) or (b)".

(c) AMENDMENTS RELATING TO CHANGES IN ACQUISITION TERMINOLOGY.—(1) Section 223(b)(2) of title 10, United States Code, is amended by striking "means the development phase whose" and inserting "means the period in the course of an acquisition program during which the".

(2) Subsection (d)(1) of section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1037; 10 U.S.C. 2431 note) is amended by striking ", as added by subsection (b)".

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2004 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, $25,050,587,000.

(2) For the Navy, $27,901,790,000.

(3) For the Marine Corps, $3,517,756,000.

(4) For the Air Force, $25,434,460,000.

(5) For Defense-wide activities, $16,134,047,000.

(6) For the Army Reserve, $1,954,009,000.

(7) For the Naval Reserve, $1,171,921,000.

(8) For the Marine Corps Reserve, $199,452,000.

(9) For the Air Force Reserve, $2,170,188,000.

(10) For the Army National Guard, $4,194,331,000.

(11) For the Air National Guard, $4,404,646,000.

(12) For the United States Court of Appeals for the Armed Forces, $10,333,000.

(13) For Environmental Restoration, Army, $396,018,000.

(14) For Environmental Restoration, Navy, $256,153,000.

(15) For Environmental Restoration, Air Force, $384,307,000.

(16) For Environmental Restoration, Defense-wide, $24,081,000.

(17) For Environmental Restoration, Formerly Used Defense Sites, $212,619,000.

(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $59,000,000.

(19) For Cooperative Threat Reduction programs, $450,800,000.

(20) United States Industrial Base Capabilities Fund, $100,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

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

(1) For the Defense Working Capital Funds, $632,261,000.

(2) For the National Defense Sealift Fund, $1,102,762,000.

(3) For the Defense Commissary Agency Working Capital Fund, $1,089,246,000.

SEC. 303. OTHER DEPARTMENT OF DEFENSE PROGRAMS.

(a) DEFENSE HEALTH PROGRAM.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Defense Health Program, $15,317,063,000, of which—

(1) $14,923,441,000 is for Operation and Maintenance;

(2) $65,796,000 is for Research, Development, Test, and Evaluation; and

(3) $327,826,000 is for Procurement.

(b) CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.—(1) Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Chemical Agents and Munitions Destruction, Defense, $1,580,261,000, of which—

(A) $1,249,168,000 is for Operation and Maintenance;

(B) $251,881,000 is for Research, Development, Test, and Evaluation; and

(C) $79,212,000 is for Procurement.

(2) Amounts authorized to be appropriated under paragraph (1) are authorized for—

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

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

(c) DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE-WIDE.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for Drug Interdiction and Counter-Drug Activities, Defense-wide, $817,371,000.

(d) DEFENSE INSPECTOR GENERAL.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2004 for expenses, not otherwise provided for, for the Office of the Inspector General of the Department of Defense, $162,449,000.

Subtitle B—Environmental Provisions

SEC. 311. REAUTHORIZATION AND MODIFICATION OF TITLE I OF SIKES ACT.

(a) REAUTHORIZATION.—Section 108 of the Sikes Act (16 U.S.C. 670f) is amended by striking "fiscal years 1998 through 2003" each place it appears and inserting "fiscal years 2004 through 2008".

(b) SENSE OF CONGRESS REGARDING SECTION 107.—(1) Congress finds the following:

(A) The Department of Defense maintains over 25,000,000 acres of valuable fish and wildlife habitat on approximately 400 military installations nationwide.

(B) These lands contain a wealth of plant and animal life, vital wetlands for migratory birds, and nearly 300 federally listed threatened species and endangered species.

(C) Increasingly, land surrounding military bases are being developed with residential and commercial infrastructure that fragments fish and wildlife habitat and decreases its ability to support a diversity of species.

(D) Comprehensive conservation plans, such as integrated natural resource management plans under

the Sikes Act (16 U.S.C. 670 et seq.), can ensure that these ecosystem values can be protected and enhanced while allowing these lands to meet the needs of military operations.

(E) Section 107 of the Sikes Act (16 U.S.C. 670e–2) requires sufficient numbers of professionally trained natural resources management personnel and natural resources law enforcement personnel to be available and assigned responsibility to perform tasks necessary to carry out title I of the Sikes Act, including the preparation and implementation of integrated natural resource management plans.

(F) Managerial and policymaking functions performed by Department of Defense on-site professionally trained natural resource management personnel on military installations are appropriate governmental functions.

(G) Professionally trained civilian biologists in permanent Federal Government career managerial positions are essential to oversee fish and wildlife and natural resource conservation programs are essential to the conservation of wildlife species on military land.

(2) It is the sense of Congress that the Secretary of Defense should take whatever steps are necessary to ensure

that section 107 of the Sikes Act (16 U.S.C. 670e–2) is fully implemented consistent with the findings made in paragraph (1).

(c) PILOT PROGRAM FOR INVASIVE SPECIES MANAGEMENT FOR MILITARY INSTALLATIONS.—(1) Section 101(b)(1) of the Sikes Act (16 U.S.C. 670a(b)(1)) is amended by redesignating subparagraphs (D) through (J) in order as subparagraphs (E) through (K), and by inserting after subparagraph (C) the following:

> *"(D) during fiscal years 2004 through 2008, in the case of a plan for a military installation in Guam, management, control, and eradication of invasive species that are not native to the ecosystem of the military installation and the introduction of which cause or may cause harm to military readiness, the environment, the economy, or human health and safety;".*

(2) The amendment made by paragraph (1) shall apply—

(A) to any integrated natural resources management plan prepared for a military installation in Guam under section 101(a)(1) of the Sikes Act (16 U.S.C. 670a(a)(1)) on or after the date of the enactment of this Act; and

(B) to any integrated natural resources management plan prepared for a military installation in Guam under section 101(a)(1) of the Sikes Act (16 U.S.C. 670a(a)(1)) before the date of the enactment of this Act, effective March 1, 2004.

SEC. 312. AUTHORIZATION FOR DEFENSE PARTICIPATION IN WETLAND MITIGATION BANKS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2694a the following new section:

"§ 2694b. Participation in wetland mitigation banks

"(a) AUTHORITY TO PARTICIPATE.—The Secretary of a military department, and the Secretary of Defense with respect to matters concerning a Defense Agency, when engaged in an authorized activity that may or will result in the destruction of, or an adverse impact to, a wetland, may make payments to a wetland mitigation banking program or 'in-lieu-fee' mitigation sponsor approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605; November 28, 1995) or the Federal Guidance on the Use of In-Lieu-Fee Arrangements for Compensatory Mitigation Under Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act (65 Fed. Reg. 66913; November 7, 2000), or any successor administrative guidance.

"(b) ALTERNATIVE TO CREATION OF WETLAND.—Participation in a wetland mitigation banking program or consolidated user site under subsection (a) shall be in lieu of mitigating wetland impacts through the creation of a wetland on Federal property.

"(c) TREATMENT OF PAYMENTS.—Payments made under subsection (a) to a wetland mitigation banking program or consolidated user site may be treated as eligible project costs for military construction.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2694a the following new item:

"2694b. Participation in wetland mitigation banks.".

SEC. 313. INCLUSION OF ENVIRONMENTAL RESPONSE EQUIPMENT AND SERVICES IN NAVY DEFINITIONS OF SALVAGE FACILITIES AND SALVAGE SERVICES.

(a) SALVAGE FACILITIES.—Section 7361 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) SALVAGE FACILITIES DEFINED.—In this section, the term 'salvage facilities' includes equipment and gear utilized to prevent, abate, or minimize damage to the environment in connection with a marine salvage operation.".

(b) SETTLEMENT OF CLAIMS FOR SALVAGE SERVICES.—Section 7363 of such title is amended—

(1) by inserting "(a) AUTHORITY TO SETTLE CLAIM.—" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b) SALVAGE SERVICES DEFINED.—In this section, the term 'salvage services' includes services performed in connection with a marine salvage operation that are intended to prevent, abate, or minimize damage to the environment.".

SEC. 314. CLARIFICATION OF DEPARTMENT OF DEFENSE RESPONSE TO ENVIRONMENTAL EMERGENCIES.

(a) TRANSPORTATION OF HUMANITARIAN RELIEF SUPPLIES TO RESPOND TO ENVIRONMENTAL EMERGENCIES.—Section 402 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) RESPONSE TO ENVIRONMENTAL EMERGENCIES.—The authority of the Secretary of Defense to transport humanitarian relief supplies under this section includes the authority to transport supplies intended for use to respond to, or mitigate the effects of, an event or condition, such

as an oil spill, that threatens serious harm to the environment.".

(b) CONDITIONS ON PROVISION OF TRANSPORTATION.—Subsection (b) of such section is amended—

(1) in paragraph (1)(C), by inserting "or entity" after "people";

(2) in paragraph (1)(E), by inserting "or use" after "distribution"; and

(3) in paragraph (3), by striking "donor to ensure that supplies to be transported under this section" and inserting "entity requesting the transport of supplies under this section to ensure that the supplies".

(c) PROVISION OF DISASTER ASSISTANCE.—Section 404 of such title is amended—

(1) in subsection (a), by inserting "or serious harm to the environment" after "loss of lives"; and

(2) in subsection (c)(2), by inserting "or the environment" after "human lives".

(d) PROVISION OF HUMANITARIAN ASSISTANCE.—Section 2561(a) of such title is amended—

(1) by inserting "(1)" before "To the extent"; and

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

"(2) The authority of the Department of Defense to provide humanitarian assistance under this section includes the authority to transport supplies or provide assistance intended for use to respond to, or mitigate the effects of, an event or condition, such as an oil spill, that threatens serious harm to the environment.".

SEC. 315. REQUIREMENTS FOR RESTORATION ADVISORY BOARDS AND EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT.

(a) MEMBERSHIP AND MEETING REQUIREMENTS FOR RESTORATION ADVISORY BOARDS.—The Secretary of Defense shall amend the regulations required by section 2705(d)(2) of title 10, United States Code, relating to the establishment, characteristics, composition, and funding of restoration advisory boards to ensure that each restoration advisory board complies with the following requirements:

(1) Each restoration advisory board shall be fairly balanced in its membership in terms of the points of view represented and the functions to be performed.

(2) Unless a closed or partially closed meeting is determined to be proper in accordance with one or more of the exceptions listed in the section 552b(c) of title 5, United States Code, each meeting of a restoration advisory board shall be—

(A) held at a reasonable time and in a manner or place reasonably accessible to the public, including individuals with disabilities; and

(B) open to the public.

(3) Timely notice of each meeting of a restoration advisory board shall be published in a local newspaper of general circulation.

(4) Interested persons may appear before or file statements with a restoration advisory board, subject to such reasonable restrictions as the Secretary may prescribe.

(5) Subject to section 552 of title 5, United States Code, the records, reports, minutes, appendixes, working papers, drafts, studies, agenda, or other documents that were made available to, prepared for, or prepared by each restoration advisory board shall be available for public inspection and copying at a single, publicly accessible location, such as a public library or an appropriate office of the military installation for which the restoration advisory board is established, at least until the restoration advisory board is terminated.

(6) Detailed minutes of each meeting of each restoration advisory board shall be kept and shall contain a record of the persons present, a complete and

accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the restoration advisory board. The accuracy of the minutes of a restoration advisory board shall be certified by the chairperson of the board.

(b) FACA EXEMPTION.—Section 2705(d)(2) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(C) The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to a restoration advisory board established under this subsection.".

SEC. 316. REPORT REGARDING IMPACT OF CIVILIAN COMMUNITY ENCROACHMENT AND CERTAIN LEGAL REQUIREMENTS ON MILITARY INSTALLATIONS AND RANGES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on the impact, if any, of the following types of activities at military installations and operational ranges:

(1) Civilian community encroachment on those military installations and ranges whose operational training activities, research, development, test, and evaluation activities, or other operational, test and evaluation, maintenance, storage, disposal, or other

support functions require, or in the future reasonably may require, safety or operational buffer areas. The requirement for such a buffer area may be due to a variety of factors, including air operations, ordnance operations and storage, or other activities that generate or might generate noise, electro-magnetic interference, ordnance arcs, or environmental impacts that require or may require safety or operational buffer areas.

(2) Compliance by the Department of Defense with State Implementation Plans for Air Quality under section 110 of the Clean Air Act (42 U.S.C. 7410).

(3) Compliance by the Department of Defense with the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(b) MATTERS TO BE INCLUDED WITH RESPECT TO CIVILIAN ENCROACHMENTS.—With respect to paragraph (1) of subsection (a), the study shall include the following:

(1) A list of all military installations described in subsection (a)(1) at which civilian community encroachment is occurring.

(2) A description and analysis of the types and degree of such civilian community encroachment at each military installation included on the list.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such civilian community encroachment on operational training activities, research, development, test, and evaluation activities, and other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions performed by military installations included on the list. The analysis shall include the following:

(A) A review of training and test ranges at military installations, including laboratories and technical centers of the military departments, included on the list.

(B) A description and explanation of the trends of such encroachment, as well as consideration of potential future readiness problems resulting from unabated encroachment.

(4) An estimate of the costs associated with current and anticipated partnerships between the Department of Defense and non-Federal entities to create buffer zones to preclude further development around military installations included on the list,

and the costs associated with the conveyance of surplus property around such military installations for purposes of creating buffer zones.

(5) Options and recommendations for possible legislative or budgetary changes necessary to mitigate current and anticipated future civilian community encroachment problems.

(c) MATTERS TO BE INCLUDED WITH RESPECT TO SPECIFIED LAWS.—With respect to paragraphs (2) and (3) of subsection (a), the study shall include the following:

(1) A list of all military installations and other locations at which the Armed Forces are encountering problems related to compliance with the laws specified in such paragraphs.

(2) A description and analysis of the types and degree of compliance problems encountered.

(3) An analysis, including views and estimates of the Secretary of Defense, of the current and potential future impact of such compliance problems on the following functions performed at military installations:

(A) Operational training activities.

(B) Research, development, test, and evaluation activities.

(C) Other significant operational, test and evaluation, maintenance, storage, disposal, or other support functions.

(4) A description and explanation of the trends of such compliance problems, as well as consideration of potential future readiness problems resulting from such compliance problems.

(d) REPORT.—Not later than January 31, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study conducted under subsection (a), including the specific matters required to be addressed by paragraphs (1) through (5) of subsection (b) and paragraphs (1) through (4) of subsection (c).

SEC. 317. MILITARY READINESS AND CONSERVATION OF PROTECTED SPECIES.

(a) DESIGNATION OF CRITICAL HABITAT.—Section 4(a)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(3)) is amended by striking "prudent and determinable" and inserting "necessary".

(b) LIMITATION ON DESIGNATION OF CRITICAL HABITAT.—Section 4(a)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(3)"; and

(3) by adding at the end the following:

"(B)(i) The Secretary shall not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense, or designated for its use, that are subject to an integrated natural resources management plan prepared under section 101 of the Sikes Act (16 U.S.C. 670a), if the Secretary determines that such plan addresses special management considerations or protection (as those terms are used in section 3(5)(A)(i)).

"(ii) Nothing in this paragraph affects the requirement to consult under section 7(a)(2) with respect to an agency action (as that term is defined in that section).

"(iii) Nothing in this paragraph affects the obligation of the Department of Defense to comply with section 9, including the prohibition preventing extinction and taking of endangered species and threatened species.".

(c) CONSIDERATION OF EFFECTS OF DESIGNATION OF CRITICAL HABITAT.—Section 4(b)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(2)) is amended by inserting "the impact on national security," after "the economic impact,".

SEC. 318. MILITARY READINESS AND MARINE MAMMAL PROTECTION.

(a) DEFINITION OF HARASSMENT.—Section 3(18) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(18)) is amended by striking the matter preceding subparagraph (B) and inserting the following:

"(18)(A) The term 'harassment' means—

"(i) any act that injures or has the significant potential to injure a marine mammal or marine mammal stock in the wild; or

"(ii) any act that disturbs or is likely to disturb a marine mammal or marine mammal stock in the wild by causing disruption of natural behavioral patterns, including, but not limited to, migration, surfacing, nursing, breeding, feeding, or sheltering, to a point where such behavioral patterns are abandoned or significantly altered.".

(b) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by inserting after subsection (e) the following:

"(f) EXEMPTION OF ACTIONS NECESSARY FOR NATIONAL DEFENSE.—(1) The Secretary of Defense, after conferring with the Secretary of Commerce, the Secretary of the Interior, or both, as appropriate, may exempt any ac-

tion or category of actions undertaken by the Department of Defense or its components from compliance with any requirement of this Act, if the Secretary determines that it is necessary for national defense.

"(2) An exemption granted under this subsection—

"(A) subject to subparagraph (B), shall be effective for a period specified by the Secretary of Defense; and

"(B) shall not be effective for more than 2 years.

"(3)(A) The Secretary of Defense may issue additional exemptions under this subsection for the same action or category of actions, after—

"(i) conferring with the Secretary of Commerce, the Secretary of the Interior, or both as appropriate; and

"(ii) making a new determination that the additional exemption is necessary for national defense.

"(B) Each additional exemption under this paragraph shall be effective for a period specified by the Secretary of Defense, of not more than 2 years.".

(c) INCIDENTAL TAKINGS OF MARINE MAMMALS IN MILITARY READINESS ACTIVITIES.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)) is amended—

(1) in subparagraph (A)—

(A) by striking "within a specified geographical region";

(B) by striking "within that region of small numbers"; and

(C) by adding at the end the following: "Notwithstanding the preceding sentence, the Secretary is not required to publish notice under this subparagraph with respect to incidental takings while engaged in a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) authorized by the Secretary of Defense, except in the Federal Register.";

(2) in subparagraph (B)—

(A) by striking "within a specified geographical region"; and

(B) by striking "within one or more regions"; and

(3) in subparagraph (D)—

(A) in clause (i)—

(i) by striking "within a specific geographic region";

(ii) by striking "of small numbers"; and

(iii) by striking "within that region"; and

(B) by adding at the end the following:

"(vi) Notwithstanding clause (iii), the Secretary is not required to publish notice under this subparagraph with respect to an authorization under clause (i) of incidental takings while engaged in a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) authorized by the Secretary of Defense, except in the Federal Register.".

SEC. 319. LIMITATION ON DEPARTMENT OF DEFENSE RESPONSIBILITY FOR CIVILIAN WATER CONSUMPTION IMPACTS RELATED TO FORT HUACHUCA, ARIZONA.

(a) RULE OF CONSTRUCTION.—For purposes of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), in the case of Fort Huachuca, Arizona, the Secretary of the Army may be held responsible for water consumption that occurs on that military installation (or outside of that installation but under the direct authority and control of the Secretary). The Secretary of the Army is not responsible for water consumption that occurs outside of Fort Huachuca and is beyond the direct authority and control of the Secretary even though the water is derived from a watershed basin shared by that military installation and the water consumption outside of that installation may impact a critical habitat or endangered species outside the installation.

(b) VOLUNTARY EFFORTS.—Nothing in this section shall prohibit the Secretary of the Army from voluntarily undertaking efforts to mitigate water consumption related to Fort Huachuca.

(c) DEFINITION OF WATER CONSUMPTION.—In this section, the term "water consumption" means the consumption of water, from any source, for human purposes of any kind, including household or industrial use, irrigation, or landscaping.

(d) EFFECTIVE DATE.—This section applies only to Department of Defense actions regarding which consultation or reconsultation under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is first required with regard to Fort Huachuca on or after the date of the enactment of this Act.

SEC. 320. CONSTRUCTION OF WETLAND CROSSINGS, CAMP SHELBY COMBINED ARMS MANEUVER AREA, CAMP SHELBY, MISSISSIPPI.

Amounts authorized to be appropriated by section 301(1) for operation and maintenance for the Army shall be available to the Secretary of the Army to construct wetlands crossings at the Camp Shelby Combined Arms Maneuver Area at Camp Shelby, Mississippi, for the purpose of ensuring that combat arms training performed at that

area is conducted in conformance with the spirit and intent of applicable environmental laws.

Subtitle C—Workplace and Depot Issues

SEC. 321. EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE LIMITATION ON CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

Section 2474(f)(1) of title 10, United States Code, is amended by striking "entered into during fiscal years 2003 through 2006".

SEC. 322. HIGH-PERFORMING ORGANIZATION BUSINESS PROCESS REENGINEERING PILOT PROGRAM.

(a) PILOT PROGRAM.—(1) The Secretary of Defense shall establish a pilot program under which the Secretary of each military department shall administer, or continue the implementation of, high-performing organizations at military installations through the conduct of a Business Process Reengineering initiative.

(2) The implementation and management of a Business Process Reengineering initiative under the pilot program shall be the responsibility of the commander of the military installation at which the Business Process Reengineering initiative is carried out.

(b) ELIGIBLE ORGANIZATIONS.—Two types of organizations are eligible for selection to participate in the pilot program:

(1) Organizations that underwent a Business Process Reengineering initiative within the preceding five years, achieved major performance enhancements under the initiative, and will be able to sustain previous or achieve new performance goals through the continuation of its existing or completed Business Process Reengineering plan.

(2) Organizations that have not undergone or have not successfully completed a Business Process Reengineering initiative, but which propose to achieve, and reasonably could reach, enhanced performance goals through implementation of a Business Process Reengineering initiative.

(c) ADDITIONAL ELIGIBILITY REQUIREMENTS.—(1) To be eligible for selection to participate in the pilot program under subsection (b)(1), an organization described in such subsection must be able to demonstrate the completion of a total organizational assessment that resulted in enhanced performance measures at least comparable to those that might be achieved through competitive sourcing.

(2) To be eligible for selection to participate in the pilot program under subsection (b)(2), an organization described in such subsection must be able to identify—

(A) functions, processes, and measures to be studied under the Business Process Reengineering initiative;

(B) adequate resources for assignment to carry out the Business Process Reengineering initiative; and

(C) labor/management agreements in place to ensure effective implementation of the Business Process Reengineering initiative.

(d) PILOT PROGRAM LIMITATIONS.—The pilot program shall be subject to the following limitations:

(1) Total participants is limited to 15 military installations, with some participants to be drawn from organizations described in subsection (b)(1) and some participants drawn from organizations described in subsection (b)(2).

(2) During the implementation period for the Business Process Reengineering initiative, but not to exceed one year, a participating organization shall not be subject to any Office of Management and Budget Circular A–76 competition or other public-

private competition involving any function covered by the Business Process Reengineering initiative.

(e) EFFECT OF SUCCESSFUL IMPLEMENTATION.—An organization designated as a high-performing organization as a result of successful implementation of a Business Process Reengineering initiative under the pilot program shall be exempt, during the five-year period following such designation, from any Office of Management and Budget Circular A–76 competition or other public-private competition involving any function that was studied under the Business Process Reengineering initiative.

(f) REVIEWS AND REPORTS.—The Secretaries of the military departments shall conduct annual performance reviews of the participating organizations or functions within their respective departments. Reviews and reports shall evaluate organizational performance measures or functional performance measures and determine whether organizations are performing satisfactorily for purposes of continuing participation in the pilot program.

(g) PERFORMANCE MEASURES.—Performance measures should include the following, which shall be measured against organizational baselines determined before participation in the pilot program:

(1) Costs, savings, and overall financial performance of the organization.

(2) Organic knowledge, skills or expertise.

(3) Efficiency and effectiveness of key functions or processes.

(4) Efficiency and effectiveness of the overall organization.

(5) General customer satisfaction.

(h) DEFINITIONS.—In this section

(1) The term "high-performing organization" means an organization whose performance exceeds that of comparable providers, whether public or private.

(2) The term "Business Process Reengineering" refers to an organization's complete and thorough analysis and reengineering of mission and support functions and processes to achieve improvements in performance, including a fundamental reshaping of the way work is done to better support an organization's mission and reduce costs.

SEC. 323. DELAYED IMPLEMENTATION OF REVISED OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-76 BY DEPARTMENT OF DEFENSE PENDING REPORT.

(a) LIMITATION PENDING REPORT.—No studies or competitions may be conducted under the policies and procedures contained in any revisions to Office of Management

and Budget Circular A–76, as the circular exists as of May 1, 2003, for possible contracting out of work being performed, as of such date, by employees of the Department of Defense, until the end of the 45-day period beginning on the date on which the Secretary of Defense submits to Congress a report on the impacts and effects of the revisions.

(b) CONTENT OF REPORT.—The report required by subsection (a) shall contain, at a minimum, specific information regarding the following:

(1) The extent to which the revisions will ensure that employees of the Department of Defense have the opportunity to compete to retain their jobs.

(2) The extent to which the revisions will provide appeal and protest rights to employees of the Department of Defense that are equivalent to those available to contractors.

(3) Identify safeguards in the revisions to ensure that all public-private competitions are fair, appropriate, and comply with requirements of full and open competition.

(4) The plans and strategies of the Department to ensure an appropriate phase-in period for the revisions, as recommended by the Commercial Activities Panel of the Government Accounting Office in its April 2002 report to Congress, including rec-

ommendations for any legislative changes that may be required to ensure a smooth and efficient phase-in period.

(5) The plans and strategies of the Department to collect and analyze data on the costs and quality of work contracted out or retained in-house as a result of a sourcing process conducted under the revised Office of Management and Budget circular A–76.

SEC. 324. NAVAL AVIATION DEPOTS MULTI-TRADES DEMONSTRATION PROJECT.

(a) DEMONSTRATION PROJECT REQUIRED.—In accordance with section 4703 of title 5, United States Code, the Secretary of the Navy shall establish a demonstration project under which three Naval Aviation Depots are given the flexibility to promote by one grade level workers who are certified at the journey level as able to perform multiple trades.

(b) SELECTION REQUIREMENTS.—As a condition on eligibility for selection to participate in the demonstration project, a Naval Aviation Depot shall submit to the Secretary a business case analysis and concept plan—

(1) that, on the basis of the results of analysis of work processes, demonstrate that process improvements would result from the trade combinations pro-

posed to be implemented under the demonstration project; and

(2) that describes the resulting improvements in cost, quality, or schedule.

(c) PARTICIPATING WORKERS.—(1) Actual worker participation in the demonstration project shall be determined through competitive selection. Not more than 15 percent of the wage grade journeyman at a demonstration project location may be selected to participate.

(2) Job descriptions and competency-based training plans must be developed for each worker while in training under the demonstration project and once certified as a multi-trade worker. A certified multi-trade worker who receives a pay grade promotion under the demonstration project must use each new skill during at least 25 percent of the worker's work week.

(d) FUNDING SOURCE.—Amounts appropriated for operation and maintenance of the Naval Aviation Depots selected to participate in the demonstration project shall be used as the source of funds to carry out the demonstration project, including the source of funds for pay increases made under the project.

(e) DURATION.—The demonstration project shall be conducted during fiscal years 2004 through 2006.

(f) REPORT.—Not later than January 15, 2007, the Secretary shall submit a report to Congress describing the results of the demonstration project.

(g) GAO EVALUATION.—The Secretary shall transmit a copy the report to the Comptroller General. Within 90 days after receiving a report, the Comptroller General shall submit to Congress an evaluation of the report.

Subtitle D—Information Technology

SEC. 331. PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT REQUIREMENTS FOR CHIEF INFORMATION OFFICERS OF DEPARTMENT OF DEFENSE.

(a) ACCOUNTABILITY.—Section 2223 of title 10, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (e); and

(2) by inserting after subsection (b) the following new subsection:

"(c) PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT.—In addition to the responsibilities provided for in subsections (a) and (b), the Chief Information Officer of the Department of Defense and the Chief Information Officer of a military department shall—

"(1) encourage the use of performance-based and results-based management in fulfilling the responsibilities provided for in subsections (a) and (b), as applicable;

"(2) evaluate the information resources management practices of the department concerned with respect to the performance and results of the investments made by the department in information technology;

"(3) establish effective and efficient capital planning processes for selecting, managing, and evaluating the results of all of the department's major investments in information systems;

"(4) ensure that any analysis of the missions of the department is adequate and make recommendations, as appropriate, on the department's mission-related processes, administrative processes, and any significant investments in information technology to be used in support of those missions; and

"(5) ensure that information security policies, procedures, and practices are adequate.".

(b) DEFENSE AGENCY RESPONSIBILITIES.—Section 2223 of title 10, United States Code, is further amended by inserting after subsection (c), as added by subsection (a), the following new subsection:

"(d) DEFENSE AGENCIES AND FIELD ACTIVITIES.—The Secretary of Defense shall require the Director of each Defense Agency and Department of Defense Field Activity to ensure that the responsibilities set forth in subsections (b) and (c) for Chief Information Officers of military departments are carried out within the Agency or Field Activity by any officer or employee acting as a chief information officer or carrying out duties similar to a chief information officer.".

Subtitle E—Other Matters

SEC. 341. CATALOGING AND STANDARDIZATION FOR DEFENSE SUPPLY MANAGEMENT.

(a) STANDARDIZATION METHODS.—Section 2451 of title 10, United States Code, is amended to read as follows:

"§ 2451. Defense supply management

"(a) SINGLE CATALOG SYSTEM.—The Secretary of Defense shall adopt, implement and maintain a single catalog system for standardizing supplies for the Department of Defense. The single catalog system shall be used for each supply the Department uses, buys, stocks, or distributes.

"(b) STANDARDIZATION REQUIREMENTS.—To the highest degree practicable, the Secretary of Defense shall—

"(1) adopt and use single commercial standards or voluntary standards, in consultation with industry advisory groups, in order to eliminate overlapping

and duplicate specifications for supplies for the Department of Defense and to reduce the number of sizes and kind of supplies that are generally similar;

"(2) standardize the methods of packing, packaging, and preserving supplies; and

"(3) make efficient use of the services and facilities for inspecting, testing, and accepting supplies.

"(c) CONSULTATION AND COOPERATION.—The Secretary of Defense shall maintain liaison with industry advisory groups to coordinate the development of the supply catalog and the standardization program with the best practices of industry and to obtain the fullest practicable cooperation and participation of industry in developing the supply catalog and the standardization program.".

(b) EQUIPMENT STANDARDIZATION WITH NATO MEMBERS.—Section 2457 of such title is amended by striking subsection (d).

(c) CONFORMING REPEALS.—(1) Chapter 145 of such title is amended by striking sections 2452, 2453, and 2454.

(2) The table of sections at the beginning of such chapter is amended by striking the items related to sections 2452, 2453, and 2454.

SEC. 342. SPACE-AVAILABLE TRANSPORTATION FOR DEPENDENTS OF MEMBERS ASSIGNED TO OVERSEAS DUTY LOCATIONS FOR CONTINUOUS PERIOD IN EXCESS OF ONE YEAR.

(a) IN GENERAL.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2648. Dependents of members assigned to overseas duty locations for continuous period in excess of one year: space-available transportation

"(a) AUTHORITY.—The Secretary of Defense shall authorize travel on Government aircraft on a space-available basis for dependents of members on active duty assigned to duty at an overseas location as described in subsection (b) to the same extent as such travel is authorized for a dependent of a member assigned to that duty location in a permanent change of station status.

"(b) DUTY STATUS COVERED.—Duty at an overseas location described in this subsection is duty for a continuous period in excess of one year that is in a temporary duty status or that is in a permanent duty status without change of station.

"(c) TYPES OF TRANSPORTATION AUTHORIZED.—If authorized for other members at that duty location, travel provided under this section may include (1) travel between

the overseas duty location and the United States and return, and (2) travel between the overseas duty location and another overseas location and return.

"(d) ALASKA AND HAWAII.—For purposes of this section, duty in Alaska or Hawaii shall be considered to be duty at an overseas location.".

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

"2648. Dependents of members assigned to overseas duty locations for continuous period in excess of one year: space-available transportation.".

SEC. 343. PRESERVATION OF AIR FORCE RESERVE WEATHER RECONNAISSANCE MISSION.

The Secretary of Defense shall not disestablish, discontinue, or transfer the weather reconnaissance mission of the Air Force Reserve unless the Secretary determines that another organization or entity can demonstrate that it has the capability to perform the same mission with the same capability as the Air Force Reserve.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

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

(1) The Army, 482,375.

(2) The Navy, 375,700.

(3) The Marine Corps, 175,000.

(4) The Air Force, 361,268.

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

Effective October 1, 2003, section 691(b) of title 10, United States Code, is amended as follows:

(1) ARMY.—Paragraph (1) is amended by striking "480,000" and inserting "482,375".

(2) AIR FORCE.—Paragraph (4) is amended by striking "359,000" and inserting "361,268".

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

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

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

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 85,900.

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

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

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

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

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

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

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

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

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

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

the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 25,386.

(2) The Army Reserve, 14,374.

(3) The Naval Reserve, 14,384.

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

(5) The Air National Guard of the United States, 12,140.

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

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

The minimum number of military technicians (dual status) as of the last day of fiscal year 2004 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army National Guard of the United States, 24,589.

(2) For the Army Reserve, 7,844.

(3) For the Air National Guard of the United States, 22,806.

(4) For the Air Force Reserve, 9,991.

SEC. 414. FISCAL YEAR 2004 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

The number of non-dual status technicians of a reserve component of the Army or the Air Force as of September 30, 2004, may not exceed the following:

(1) For the Army Reserve, 910.

(2) For the Army National Guard of the United States, 1,600.

(3) For the Air Force Reserve, 90.

(4) For the Air National Guard of the United States, 350.

SEC. 415. PERMANENT LIMITATIONS ON NUMBER OF NON-DUAL STATUS TECHNICIANS.

Section 10217(c) of title 10, United States Code, is amended by striking "and Air Force Reserve may not exceed 175" and inserting "may not exceed 595 and by the Air Force Reserve may not exceed 90".

Subtitle C—Authorizations of Appropriations

SEC. 421. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2004 a total of $98,938,511,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2004.

SEC. 422. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2004 from the Armed Forces Retirement Home Trust Fund the sum of $65,279,000 for the operation of the Armed Forces Retirement Home.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—General and Flag Officer Matters

SEC. 501. STANDARDIZATION OF QUALIFICATIONS FOR APPOINTMENT AS SERVICE CHIEF.

(a) CHIEF OF NAVAL OPERATIONS.—Section 5033(a)(1) of title 10, United States Code, is amended by striking "from officers on the active-duty list in the line of the Navy who are eligible to command at sea and who hold the grade of rear admiral or above" and inserting "flag officers of the Navy".

(b) COMMANDANT OF THE MARINE CORPS.—Section 5043(a)(1) of title 10, United States Code, is amended by striking "from officers on the active-duty list of the Marine Corps not below the grade of colonel" and inserting "general officers of the Marine Corps".

Subtitle B—Other Officer Personnel Policy Matters

SEC. 511. REPEAL OF PROHIBITION ON TRANSFER BETWEEN LINE OF THE NAVY AND NAVY STAFF CORPS APPLICABLE TO REGULAR NAVY OFFICERS IN GRADES ABOVE LIEUTENANT COMMANDER.

(a) REPEAL.—Section 5582 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 539 of such title is amended by striking the item relating to section 5582.

SEC. 512. RETENTION OF HEALTH PROFESSIONS OFFICERS TO FULFILL ACTIVE-DUTY SERVICE COMMITMENTS FOLLOWING PROMOTION NONSELECTION.

(a) IN GENERAL.—Section 632 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by inserting "except as provided in paragraph (3) and in subsection (c)," before "be discharged"; and

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

"(c)(1) If a health professions officer described in paragraph (2) is subject to discharge under subsection (a)(1)

and, as of the date on which the officer is to be discharged under that paragraph, the officer has not completed a period of active duty service obligation that the officer incurred under section 2005, 2114, 2123, or 2603 of this title, the officer shall be retained on active duty until completion of such active duty service obligation, and then be discharged under that subsection, unless sooner retired or discharged under another provision of law.

"(2) The Secretary concerned may waive the applicability of paragraph (1) to any officer if the Secretary determines that completion of the active duty service obligation of that officer is not in the best interest of the service.

"(3) This subsection applies to a medical officer or dental officer or an officer appointed in a medical skill other than as a medical officer or dental officer (as defined in regulations prescribed by the Secretary of Defense).".

(b) TECHNICAL AMENDMENTS.—Sections 630(2), 631(a)(3), and 632(a)(3) of such title are amended by striking "clause" and inserting "paragraph".

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply in the case of an officer who as of the date of the enactment of this Act is required to be discharged under section 632(a)(1) of title 10, United States Code, by reason of having failed of selection for promotion to the next higher regular grade a second time.

SEC. 513. INCREASED FLEXIBILITY FOR VOLUNTARY RETIREMENT FOR MILITARY OFFICERS.

(a) IN GENERAL.—Section 1370 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "except as provided in paragraph (2)" and inserting "subject to paragraphs (2) and (3)"; and

(ii) by striking ", for not less than six months";

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

(C) by striking paragraph (2) and inserting the following:

"(2) In order to be eligible for voluntary retirement under this title in a grade below the grade of lieutenant colonel or commander, a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than six months.

"(3)(A) In order to be eligible for voluntary retirement in a grade above major or lieutenant commander and below brigadier general or rear admiral (lower half), a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active

duty in that grade for not less than three years, except that the Secretary of Defense may authorize the Secretary of the military department concerned to reduce such period to a period not less than two years.

"(B) In order to be eligible for voluntary retirement in a grade above colonel or captain, in the case of the Navy, a commissioned officer of the Army, Navy, Air Force, or Marine Corps covered by paragraph (1) must have served on active duty in that grade for not less than one year.

"(C) An officer in a grade above major general or rear admiral may be retired in the highest grade in which the officer served on active duty satisfactorily for not less than one year, upon approval by the Secretary of the military department concerned and concurrence by the Secretary of Defense. The function of the Secretary of Defense under the preceding sentence may only be delegated to a civilian official in the Office of the Secretary of Defense appointed by the President, by and with the advice and consent of the Senate.

"(D) The President may waive subparagraph (A), (B) or (C) in individual cases involving extreme hardship or exceptional or unusual circumstances. The authority of the President under the preceding sentence may not be delegated.";

(2) in subsection (b), by inserting "or whose service on active duty in that grade was not determined to be satisfactory by the Secretary of the military department concerned" after "specified in subsection (a)";

(3) by striking subsection (c); and

(4) by redesignating subsection (d) as subsection (c) and in that subsection—

(A) in paragraph (3)—

(i) in subparagraph (A)—

(I) by inserting "(i)" after "(3)(A)";

(II) by inserting "and below brigadier general or rear admiral (lower half)" after "lieutenant commander";

(III) by inserting ", except that the Secretary of Defense may authorize the Secretary of the military department concerned to reduce such period to a period not less than two years" after "three years"; and

(IV) by adding at the end the following new clauses:

"(ii) In order to be credited with satisfactory service in a grade above colonel or captain, in the case of the Navy,

a person covered by paragraph (1) must have served satisfactorily in that grade (as determined by the Secretary of the military department concerned) as a reserve commissioned officer in active status, or in a retired status on active duty, for not less than one year.

"(iii) An officer covered by paragraph (1) who is in a grade above the grade of major general or rear admiral may be retired in the highest grade in which the officer served satisfactorily for not less than one year, upon approval by the Secretary of the military department concerned and concurrence by the Secretary of Defense. The function of the Secretary of Defense under the preceding sentence may only be delegated to a civilian official in the Office of the Secretary of Defense appointed by the president, by and with the advice and consent of the Senate.";

(ii) in subparagraphs (D) and (E), by striking subparagraph (A)" and inserting "subparagraph (A)(i)"; and

(iii) by striking subparagraph (F); and

(B) by striking paragraphs (5) and (6); and

(5) by striking subsection (e).

(b) CONFORMING AMENDMENTS.—Section 1406(i)(2) of such title is amended—

(1) in the paragraph heading, by striking "MEMBERS" and all that follows through "SATISFACTORILY" and inserting "ENLISTED MEMBERS REDUCED IN GRADE";

(2) by striking "a member" and inserting "an enlisted member";

(3) by striking "1998—" and all that follows through "is reduced in" and inserting "1998, is reduced in";

(4) by striking "; or" and inserting a period; and

(5) by striking subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the determination of the retired grade of members of the Armed Forces retiring on or after the date of the enactment of this Act.

Subtitle C—Reserve Component Matters

SEC. 521. STREAMLINED PROCESS FOR CONTINUATION OF OFFICERS ON THE RESERVE ACTIVE-STATUS LIST.

(a) REPEAL OF REQUIREMENT FOR USE OF SELECTION BOARDS.—Section 14701 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "by a selection board convened under section 14101(b) of this title" and inserting "under regulations prescribed by the Secretary of Defense; and

(B) in paragraph (6), by striking "as a result of the convening of a selection board under section 14101(b) of this title" and inserting "under regulations prescribed under paragraph (1)";

(2) by striking subsections (b) and (c); and

(3) by redesignating subsection (d) as subsection (b).

(b) CONFORMING AMENDMENTS.—(1) Section 14101(b) of such title is amended—

(A) by striking "CONTINUATION BOARDS" and inserting "SELECTIVE EARLY SEPARATION BOARDS";

(B) by striking paragraph (1);

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

(D) by striking the last sentence.

(2) Section 14102(a) of such title is amended by striking "Continuation boards" and inserting "Selection boards convened under section 14101(b) of this title".

(3) Section 14705(b)(1) of such title is amended by striking "continuation board" and inserting "selection board".

SEC. 522. CONSIDERATION OF RESERVE OFFICERS FOR POSITION VACANCY PROMOTIONS IN TIME OF WAR OR NATIONAL EMERGENCY.

(a) PROMOTION CONSIDERATION WHILE ON ACTIVE-DUTY LIST.—(1) Subsection (d) of section 14317 of title 10, United States Code, is amended by striking "If a reserve officer" and inserting "Except as provided in subsection (e), if a reserve officer".

(2) Subsection (e) of such section is amended to read as follows:

"(e) OFFICERS ORDERED TO ACTIVE DUTY IN TIME OF WAR OR NATIONAL EMERGENCY.—(1) A reserve officer who is not on the active-duty list and who is ordered to active duty in time of war or national emergency may, if eligible, be considered for promotion—

"(A) by a mandatory promotion board convened under section 14101(a) of this title or a special selection board convened under section 14502 of this title; or

"(B) in the case of an officer who has been ordered to or is serving on active duty in support of a

contingency operation, by a vacancy promotion board convened under section 14101(a) of this title.

"(2) An officer may not be considered for promotion under this subsection after the end of the two-year period beginning on the date on which the officer is ordered to active duty.

"(3) An officer may not be considered for promotion under this subsection during a period when the operation of this section has been suspended by the President under the provisions of section 123 or 10213 of this title.

"(4) Consideration of an officer for promotion under this subsection shall be under regulations prescribed by the Secretary of the military department concerned.".

(b) CONFORMING AMENDMENT.—Section 14315(a)(1) of such title is amended by striking "as determined by the Secretary concerned, is available" and inserting "under regulations prescribed by the Secretary concerned, has been recommended".

SEC. 523. SIMPLIFICATION OF DETERMINATION OF ANNUAL PARTICIPATION FOR PURPOSES OF READY RESERVE TRAINING REQUIREMENTS.

Subsection (a) of section 10147 of title 10, United States Code, is amended to read as follows:

"(a)(1) Except as provided pursuant to paragraph (2), each person who is enlisted, inducted, or appointed in an

armed force and who becomes a member of the Ready Reserve under any provision of law other than section 513 or 10145(b) of this title shall be required, while in the Ready Reserve, to participate in a combination of drills, training periods, and active duty equivalent to 38 days (exclusive of travel) during each year.

"(2) The Secretary of Defense, and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may prescribe regulations providing specific exceptions for the requirements of paragraph (1).".

SEC. 524. AUTHORITY FOR DELEGATION OF REQUIRED SECRETARIAL SPECIAL FINDING FOR PLACEMENT OF CERTAIN RETIRED MEMBERS IN READY RESERVE.

The last sentence of section 10145(d) of title 10, United States Code, is amended to read as follows: "The authority of the Secretary concerned under the preceding sentence may not be delegated—

"(1) to a civilian officer or employee of the military department concerned below the level of the Assistant Secretary of the military department concerned; or

"(2) to a member of the armed forces below the level of the lieutenant general or vice admiral in an

armed force with responsibility for military personnel policy in that armed force.".

SEC. 525. AUTHORITY TO PROVIDE EXPENSES OF ARMY AND AIR STAFF PERSONNEL AND NATIONAL GUARD BUREAU PERSONNEL ATTENDING NATIONAL CONVENTIONS OF CERTAIN MILITARY ASSOCIATIONS.

(a) AUTHORITY.—Section 107(a)(2) of title 32, United States Code, is amended—

(1) by striking "officers" and inserting "members";

(2) by striking "Army General Staff" and inserting "Army Staff"; and

(3) by striking "National Guard Association of the United States" and inserting ", Enlisted Association of the National Guard of the United States, National Guard Association of the United States,".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply with respect to funds appropriated for a fiscal year before fiscal year 2004.

Subtitle D—Military Education and Training

SEC. 531. AUTHORITY FOR THE MARINE CORPS UNIVERSITY TO AWARD THE DEGREE OF MASTER OF OPERATIONAL STUDIES.

(a) AUTHORITY.—Section 7102 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (b) the following new subsection (c):

"(c) COMMAND AND STAFF COLLEGE OF THE MARINE CORP UNIVERSITY.—Upon the recommendation of the Director and faculty of the Command and Staff College of the Marine Corps University, the President of the Marine Corps University may confer the degree of master of operational studies upon graduates of the Command and Staff College's School of Advanced Warfighting who fulfill the requirements for that degree.".

(b) EFFECTIVE DATE.—The authority to confer the degree of master of operational studies under section 7102(c) of title 10, United States Code (as added by subsection (a)) may not be exercised until the Secretary of Education determines, and certifies to the President of the Marine Corps University, that the requirements established by the Com-

mand and General Staff College of the Marine Corps University for that degree are in accordance with generally applicable requirements for a degree of master of arts. Upon receipt of such a certification, the President of the University shall promptly transmit a copy of the certification to the Committee on Armed Services of the Senate and Committee on Armed Services of the House of Representatives.

SEC. 532. EXPANDED EDUCATIONAL ASSISTANCE AUTHORITY FOR CADETS AND MIDSHIPMEN RECEIVING ROTC SCHOLARSHIPS.

(a) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE ON ACTIVE DUTY.—Section 2107(c) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(3) In the case of a cadet or midshipman eligible to receive financial assistance under paragraph (1) or (2), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for the cadet or midshipman and other expenses required by the educational institution.

"(4) The total amount of financial assistance, including the payment of room and board and other educational expenses, provided to a cadet or midshipman in an academic year under this subsection may not exceed an amount

equal to the amount that could be provided as financial assistance for such cadet or midshipman under paragraph (1) or (2), or other amount determined by the Secretary concerned, without regard to whether room and board and other educational expenses for such cadet or midshipman are paid under paragraph (3).".

"(b) FINANCIAL ASSISTANCE PROGRAM FOR SERVICE IN TROOP PROGRAM UNITS.—Section 2107a(c) of such title is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraphs:

"(2) In the case of a cadet eligible to receive financial assistance under paragraph (1), the Secretary of the military department concerned may, in lieu of all or part of the financial assistance described in paragraph (1), provide financial assistance in the form of room and board expenses for such cadet and other expenses required by the educational institution.

"(3) The total amount of financial assistance, including the payment of room and board and any other educational expenses, provided to a cadet in an academic year under this subsection may not exceed an amount equal to the amount that could be provided as financial assistance for such cadet under paragraph (1), or other amount deter-

mined by the Secretary of the Army, without regard to whether the room and board and other educational expenses for such cadet are paid under paragraph (2).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payment of expenses of cadets and midshipmen of the Senior Reserve Officers' Training Corps program that are due after the date of the enactment of this Act.

SEC. 533. INCREASE IN ALLOCATION OF SCHOLARSHIPS UNDER ARMY RESERVE ROTC SCHOLARSHIP PROGRAM TO STUDENTS AT MILITARY JUNIOR COLLEGES.

Section 2107a(h) of title 10, United States Code, is amended by striking "10" each place it appears and inserting "17".

SEC. 534. INCLUSION OF ACCRUED INTEREST IN AMOUNTS THAT MAY BE REPAID UNDER SELECTED RESERVE CRITICAL SPECIALTIES EDUCATION LOAN REPAYMENT PROGRAM.

Section 16301 of title 10, United States Code, is amended—

(1) in subsection (b), by inserting before the period at the end the following: ", plus the amount of any interest that may accrue during the current year"; and

(2) in subsection (c), by adding at the end the following new sentence: "For the purposes of this section, any interest that has accrued on the loan for periods before the current year shall be considered as within the total loan amount that shall be repaid.".

SEC. 535. AUTHORITY FOR NONSCHOLARSHIP SENIOR ROTC SOPHOMORES TO VOLUNTARILY CONTRACT FOR AND RECEIVE SUBSISTENCE ALLOWANCE.

(a) AUTHORITY FOR ALLOWANCE.—Section 209 of title 37, United States Code, is amended—

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

(2) by inserting after subsection (b) the following new subsection (c):

"(c) NONSCHOLARSHIP SENIOR ROTC MEMBERS NOT IN ADVANCED TRAINING.—A member of the Selected Reserve Officers' Training Corps who has entered into an agreement under section 2103a of title 10 is entitled to a monthly subsistence allowance at a rate prescribed under subsection (a). The allowance may be paid to the member for a maximum of 20 months.".

(b) AUTHORITY TO ACCEPT ENROLLMENT.—(1) Chapter 103 of title 10, United States Code, is amended by inserting after section 2103 the following new section:

"§ 2103a. Students not eligible for advanced training: commitment to military service

"(a) A member of the program who has completed successfully the first year of a four-year Senior Reserve Officers' Training Corps course and who is not eligible for advanced training under section 2104 of this title and is not a cadet or midshipman appointed under section 2107 of this title may—

"(1) contract with the Secretary of the military department concerned, or the Secretary's designated representative, to serve for the period required by the program; and

"(2) agree in writing to accept an appointment, if offered, as a commissioned officer in the Army, Navy, Air Force, or Marine Corps, as the case may be, and to serve in the armed forces for the period prescribed by the Secretary.

"(b) A member of the program may enter into a contract and agreement under this section (and receive a subsistence allowance under section 209(c) of title 37) only if the person—

"(1) is a citizen of the United States;

"(2) enlists in an armed force under the jurisdiction of the Secretary of the military department concerned for the period prescribed by the Secretary; and

"(3) executes a certificate of loyalty in such form as the Secretary of Defense prescribes or take a loyalty oath as prescribed by the Secretary.

"(c) A member of the program who is a minor may enter into a contract under subsection (a)(1) only with the consent of the member's parent or guardian.".

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

"2103a. Students not eligible for advanced training: commitment to military service.".

SEC. 536. APPOINTMENTS TO MILITARY SERVICE ACADEMIES FROM NOMINATIONS MADE BY DELEGATES FROM GUAM, VIRGIN ISLANDS, AND AMERICAN SAMOA.

(a) UNITED STATES MILITARY ACADEMY.—Section 4342(a) of title 10, United States Code, is amended—

(1) in paragraphs (6) and (8), by striking "Two" and inserting "Three"; and

(2) in paragraph (9), by striking "One" and inserting "Two".

(b) UNITED STATES NAVAL ACADEMY.—Section 6954(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking "Two" and inserting "Three"; and

(2) in paragraph (9), by striking "One" and inserting "Two".

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9342(a) of such title is amended—

(1) in paragraphs (6) and (8), by striking "Two" and inserting "Three"; and

(2) in paragraph (9), by striking "One" and inserting "Two".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the nomination of candidates for appointment to the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy for classes entering those academies after the date of the enactment of this Act.

SEC. 537. READMISSION TO SERVICE ACADEMIES OF CERTAIN FORMER CADETS AND MIDSHIPMEN.

(a) INSPECTOR GENERAL REPORT AS BASIS FOR READMISSION.—(1) When a formal report by an Inspector General within the Department of Defense concerning the circumstances of the separation of a cadet or midshipman from one of the service academies contains a specific finding specified in paragraph (2), the Secretary of the military department concerned may use that report as the sole basis for readmission of the former cadet or midshipman to the respective service or service academy.

(2) A finding specified in this paragraph is a finding that substantiates that a former service academy cadet or midshipman, while attending the service academy—

(A) received administrative or punitive action or nonjudicial punishment as a result of reprisal;

(B) resigned in lieu of disciplinary, administrative, or other action that the formal report concludes constituted a threat of reprisal; or

(C) otherwise suffered an injustice that contributed to the resignation of the cadet or midshipman.

(b) READMISSION.—In the case of a formal report by an Inspector General described in subsection (a), the Secretary concerned shall offer the former cadet or midshipman an opportunity for readmission to the service academy from which the former cadet or midshipman resigned, if the former cadet or midshipman is otherwise eligible for such readmission.

(c) APPLICATIONS FOR READMISSION.—A former cadet or midshipman described in a report referred to in subsection (a) may apply for readmission to the service academy on the basis of that report and shall not be required to submit the request for readmission through a board for the correction of military records.

(d) REGULATIONS TO MINIMIZE ADVERSE IMPACT UPON READMISSION.—The Secretary of each military de-

partment shall prescribe regulations for the readmission of a former cadet or midshipman described in subsections (a), with the goal, to the maximum extent practicable, of readmitting the former cadet or midshipman at no loss of the academic or military status held by the former cadet at the time of resignation.

(e) CONSTRUCTION WITH OTHER REMEDIES.—This section does not preempt or supercede any other remedy that may be available to a former cadet or midshipman.

(f) SERVICE ACADEMIES.—In this section, the term "service academy" means the following:

(1) The United States Military Academy.

(2) The United States Naval Academy.

(3) The United States Air Force Academy.

SEC. 538. AUTHORIZATION FOR NAVAL POSTGRADUATE SCHOOL TO PROVIDE INSTRUCTION TO ENLISTED MEMBERS PARTICIPATING IN CERTAIN PROGRAMS.

(a) INSTRUCTION OF ENLISTED MEMBERS.—Subsection (a) of section 7045 of title 10, United States Code, is amended by striking paragraph (2) and inserting the following:

"(2) The Secretary may permit enlisted members of the armed forces to receive instruction at the Naval Postgraduate School for the purpose of attending—

"(A) executive level seminars; or

"(B) the information security scholarship program under chapter 112 of this title.

"(3) In addition to instruction authorized under paragraph (2), the Secretary may, on a space-available basis, permit an enlisted member of any of the armed forces to receive instruction at the Naval Postgraduate School if the member is assigned permanently to the staff of the Naval Postgraduate School or to a nearby command.".

(b) REIMBURSEMENT.—Subsection (b) of such section is amended—

(1) by striking "The Department" and inserting "(1) Except as provided under paragraph (3), the Department ";

(2) by striking "officers" in the first sentence and inserting "members";

(3) by designating the second sentence as paragraph (2) and in that sentence—

(A) by inserting "under subsection (a)(3)" after "permitted";

(B) by inserting "on a space-available basis" after "instruction at the Postgraduate School"; and

(C) by striking "(taking into consideration the admission of enlisted members on a space-available basis)"; and

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

"(3) The Secretary of Defense may prescribe exceptions to the requirements of paragraph (1) with regard to attendance at the Postgraduate School pursuant to chapter 112 of this title.".

SEC. 539. DEFENSE TASK FORCE ON SEXUAL HARASSMENT AND VIOLENCE AT THE MILITARY SERVICE ACADEMIES.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a Department of Defense task force to examine matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy.

(b) RECOMMENDATIONS.—Not later than 12 months after the date on which all members of the task force have been appointed, the task force shall submit to the Secretary of Defense a report recommending ways by which the Department of Defense and the military services may more effectively address matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy. The report shall include

an assessment of, and recommendations (including changes in law) for measures to improve, the following with respect to sexual harassment and violence at those academies:

(1) Victims' safety programs.

(2) Offender accountability.

(3) Effective prevention of sexual harassment and violence.

(4) Collaboration among military organizations with responsibility or jurisdiction with respect to sexual harassment and violence.

(5) Coordination between military and civilian communities, including local support organizations, with respect to sexual harassment and violence.

(6) Coordination between military and civilian communities, including civilian law enforcement relating to acts of sexual harassment and violence.

(7) Data collection and case management and tracking.

(8) Curricula and training, including standard training programs for cadets at the United States Military Academy and midshipmen at the United States Naval Academy and for permanent personnel assigned to those academies.

(9) Responses to sexual harassment and violence at those academies, including standard guidelines.

(10) Other issues identified by the task force relating to sexual harassment and violence at those academies.

(c) METHODOLOGY.—The task force shall consider the findings and recommendations of previous reviews and investigations of sexual harassment and violence conducted for those academies as one of the bases for its assessment.

(d) REPORT.—(1) The task force shall submit to the Secretary of Defense and the Secretaries of the Army and the Navy a report on the activities of the task force and on the activities of the United States Military Academy and the United States Naval Academy to respond to sexual harassment and violence at those academies.

(2) The report shall include the following:

(A) Any barriers to implementation of improvements as a result of those efforts.

(B) Other areas of concern not previously addressed in prior reports.

(C) The findings and conclusions of the task force.

(D) Any recommendations for changes to policy and law as the task force considers appropriate, including whether cases of sexual assault at those academies should be included in the Department of De-

fense database known as the Defense Incident-Based Reporting System.

(3) Within 90 days of receipt of the report under paragraph (1) the Secretary of Defense shall submit the report, together with the Secretary's evaluation of the report, to the Committees on Armed Services of the Senate and House of Representatives.

(e) REPORT ON AIR FORCE ACADEMY.—Simultaneously with the submission of the report under subsection (d)(3), the Secretary of Defense, in coordination with the Secretary of the Air Force, shall submit to the committees specified in that subsection the Secretary's assessment of the effectiveness of corrective actions being taken at the United States Air Force Academy as a result of various investigations conducted at that Academy into matters involving sexual assault and harassment.

(f) COMPOSITION.—(1) The task force shall consist of not more than 14 members, to be appointed by the Secretary of Defense. Members shall be appointed from each of the Army, Navy, Air Force, and Marine Corps, and shall include an equal number of personnel of the Department of Defense (military and civilian) and persons from outside the Department of Defense. Members appointed from outside the Department of Defense may be appointed from other

Federal departments and agencies, from State and local agencies, or from the private sector.

(2) The Secretary shall ensure that the membership of the task force appointed from the Department of Defense includes at least one judge advocate.

(3) In appointing members to the task force, the Secretary may—

(A) consult with the Attorney General regarding a representative from the Office of Violence Against Women of the Department of Justice; and

(B) consult with the Secretary of Health and Human Services regarding a representative from the Women's Health office of the Department of Health and Human Services.

(4) Each member of the task force appointed from outside the Department of Defense shall be an individual who has demonstrated expertise in the area of sexual harassment and violence or shall be appointed from one of the following:

(A) A representative from the Office of Civil Right in the Department of Education.

(B) A representative from the Center for Disease Control.

(C) A sexual assault policy and advocacy organization.

(D) A civilian law enforcement agency.

(E) A judicial policy organization.

(F) A national crime victim policy organization.

(5) The members of the task force shall be appointed not later than 120 days after the date of the enactment of this Act.

(g) CO-CHAIRS OF THE TASK FORCE.—There shall be two co-chairs of the task force. One of the co-chairs shall be designated by the Secretary of the Defense at the time of appointment from among the Department of Defense personnel on the task force. The other co-chair shall be selected from among the members appointed from outside the Department of Defense by those members.

(h) ADMINISTRATIVE SUPPORT.—(1) Each member of the task force who is a member of the Armed Forces or a civilian officer or employee of the United States shall serve without compensation (other than compensation to which entitled as a member of the Armed Forces or an officer or employee of the United States, as the case may be). Other members of the task force shall be appointed in accordance with, and subject to, section 3161 of title 5, United States Code.

(2) The Deputy Under Secretary of Defense for Personnel and Readiness, under the direction of the Under Secretary of Defense for Personnel and Readiness, shall provide oversight of the task force. The Washington Headquarters

Service of the Department of Defense shall provide the task force with personnel, facilities, and other administrative support as necessary for the performance of the task force's duties.

(3) The Deputy Under Secretary shall coordinate with the Secretary of the Army to provide visits of the task force to the United States Military Academy and with the Secretary of the Navy to provide visits of the task force to the United States Naval Academy.

(i) TERMINATION.—The task force shall terminate 90 days after the date on which the report of the task force is submitted to the Committees on Armed Services of the Senate and House of Representatives pursuant to subsection (d)(3).

Subtitle E—Administrative Matters

SEC. 541. ENHANCEMENTS TO HIGH-TEMPO PERSONNEL PROGRAM.

(a) REVISIONS TO DEPLOYMENT LIMITS AND AUTHORITY TO AUTHORIZE EXEMPTIONS.—Subsection (a) of section 991 of title 10, United States Code, is amended to read as follows:

"(a) SERVICE AND GENERAL OR FLAG OFFICER RESPONSIBILITIES.—(1) Subject to paragraph (3), the deployment (or potential deployment) of members of the armed forces shall be managed to ensure that a member is not de-

ployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed out of the preceding 730 days would exceed the high-deployment threshold.

"(2) In this subsection, the term 'high-deployment threshold' means—

"(A) 400 days; or

"(B) a lower number of days prescribed by the Secretary of Defense.

"(3) A member may be deployed, or continued in a deployment, without regard to paragraph (1) if the deployment, or continued deployment, is approved by the Secretary of Defense. The authority of the Secretary under the preceding sentence may only be delegated to—

"(A) a civilian officer of the Department of Defense appointed by the President, by and with the advise and consent of the Senate, or a member of the Senior Executive Service; or

"(B) a general or flag officer in that member's chain of command (including an officer in the grade of colonel, or in the case of the Navy, captain, serving an in a general or flag officer position who has been selected for promotion to the grade of brigadier general or rear admiral (lower half)).".

(b) CHANGES FROM PER DIEM TO HIGH-DEPLOYMENT ALLOWANCE.—(1) Subsection (a) of section 436 of title 37, United States Code, is amended to read as follows:

"(a) MONTHLY ALLOWANCE.—The Secretary of the military department concerned shall pay a high-deployment allowance to a member of the armed forces under the Secretary's jurisdiction for each month during which the member—

"(1) is deployed; and

"(2) at any time during that month—

"(A) has been deployed for 191 or more consecutive days (or a lower number of consecutive days prescribed by the Secretary of Defense);

"(B) has been deployed, out of the preceding 730 days, for a total of 401 or more days (or a lower number of days prescribed by the Secretary of Defense); or

"(C) in the case of a member of a reserve component, is on active duty under a call or order to active duty for a period of more than 30 days that is the second (or later) such call or order to active duty (whether voluntary or involuntary) for that member in support of the same contingency operation.".

(2) Subsection (c) of such section is amended to read as follows:

"(c) RATE.—The monthly rate of the allowance payable to a member under this section shall be determined by the Secretary concerned, not to exceed $1,000 per month.".

(3) Such section is further amended—

(A) in subsection (d), by striking "per diem";

(B) in subsection (e), by striking "per diem" and inserting "allowance";

(C) in subsection (f)—

(i) by striking "per diem" and inserting "allowance"; and

(ii) by striking "day on" and inserting "month during"; and

(D) by adding at the end the following new subsection:

"(g) AUTHORITY TO EXCLUDE CERTAIN DUTY ASSIGNMENTS.—The Secretary concerned may exclude members serving in specified duty assignments from eligibility for the high-deployment allowance while serving in those assignments. Any such specification of duty assignments may only be made with the approval of the Secretary of Defense. Specification of a particular duty assignment for purposes of this subsection may not be implemented so as to apply

to the member serving in that position at the time of such specification.".

(4)(A) The heading of such section is amended to read as follows:

"§ 436. Monthly high-deployment allowance for lengthy or numerous deployments".

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

"436. Monthly high-deployment allowance for lengthy or numerous deployments.".

(c) CHANGES TO REPORTING REQUIREMENT.—Section 487(b)(5) of title 10, United States Code, is amended to read as follows:

"(5) For each of the armed forces, the description shall indicate, for the period covered by the report—

"(A) the number of members who received the high-deployment allowance under section 436 of title 37;

"(B) the number of members who received each rate of allowance paid;

"(C) the number of members who received the allowance for one month, for two months, for three months, for four months, for five months, for six months, and for more than six months; and

"(D) the total amount spent on the allowance.".

SEC. 542. ENHANCED RETENTION OF ACCUMULATED LEAVE FOR HIGH-DEPLOYMENT MEMBERS.

(a) ENHANCED AUTHORITY TO RETAIN ACCUMULATED LEAVE.—Paragraph (1) of section 701(f) of title 10, United States Code, is amended to read as follows:

"(f)(1)(A) The Secretary concerned, under uniform regulations to be prescribed by the Secretary of Defense, may authorize a member described in subparagraph (B) who, except for this paragraph, would lose any accumulated leave in excess of 60 days at the end of the fiscal year, to retain an accumulated total of 120 days leave.

"(B) This subsection applies to a member who serves on active duty for a continuous period of at least 120 days—

"(i) in an area in which the member is entitled to special pay under section 310(a) of title 37; or

"(ii) while assigned to a deployable ship or mobile unit or to other duty comparable to that specified in clause (i) that is designated for the purpose of this subsection.

"(C) Except as provided in paragraph (2), Leave in excess of 60 days accumulated under this paragraph is lost unless it is used by the member before the end of the third fiscal year after the fiscal year in which the continuous period of service referred to in subparagraph (B) terminated.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2003, or the date of the enactment of this Act, whichever is later.

SEC. 543. STANDARDIZATION OF TIME-IN-SERVICE REQUIREMENTS FOR VOLUNTARY RETIREMENT OF MEMBERS OF THE NAVY AND MARINE CORPS WITH ARMY AND AIR FORCE REQUIREMENTS.

(a) OFFICERS IN REGULAR NAVY OR MARINE CORPS WHO COMPLETED 40 YEARS OF ACTIVE SERVICE.—Section 6321(a) of title 10, United States Code, is amended by striking "after completing 40 or more years" and inserting "and has at least 40 years".

(b) OFFICERS IN REGULAR NAVY OR MARINE CORPS WHO COMPLETED 30 YEARS OF ACTIVE SERVICE.—Section 6322(a) of such title is amended by striking "after completing 30 or more years" and inserting "and has at least 30 years".

(c) OFFICERS IN NAVY OR MARINE CORPS WHO COMPLETED 20 YEARS OF ACTIVE SERVICE.—Section 6323(a)(1) of such title is amended by striking "after completing more than 20 years" and inserting "and has at least 20 years".

(d) ENLISTED MEMBERS IN REGULAR NAVY OR MARINE CORPS WHO COMPLETED 30 YEARS OF ACTIVE SERV-

ICE.—Section 6326(a) of such title is amended by striking "after completing 30 or more years" and inserting "and has at least 30 years".

(e) TRANSFER OF ENLISTED MEMBERS TO THE FLEET RESERVE AND FLEET MARINE CORPS RESERVE.—Section 6330(b) of such title is amended by striking "who has completed 20 or more years" both places it appears and inserting "who has at least 20 years".

(f) TRANSFER OF MEMBERS OF THE FLEET RESERVE AND FLEET MARINE CORPS RESERVE TO THE RETIRED LIST.—Section 6331(a) of such title is amended by striking "completed 30 years" and inserting "has at least 30 years".

(g) EFFECTIVE DATE.—The Secretary of the Navy shall prescribe the date on which the amendments made by this section shall take effect. The Secretary shall publish such date, when prescribed, in the Federal Register.

SEC. 544. STANDARDIZATION OF STATUTORY AUTHORITIES FOR EXEMPTIONS FROM REQUIREMENT FOR ACCESS TO SECONDARY SCHOOLS BY MILITARY RECRUITERS.

(a) CONSISTENCY WITH ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Paragraph (5) of section 503(c) of title 10, United States Code, is amended by striking "apply to—" and all that follows through "school

which" and inserting "apply to a private secondary school that".

(b) CORRECTION OF CROSS REFERENCE.—Paragraph (6)(A)(i) of such section is amended by striking "14101" and "8801" and inserting "9101" and "7801", respectively.

SEC. 545. PROCEDURES FOR CONSIDERATION OF APPLICATIONS FOR AWARD OF THE PURPLE HEART MEDAL TO VETERANS HELD AS PRISONERS OF WAR BEFORE APRIL 25, 1962.

Subsection (b) of section 521 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 309; 10 U.S.C. 1129 note) is amended to read as follows:

"(b) STANDARDS AND PROCEDURES FOR AWARD.—In determining whether a former prisoner of war is eligible for the award of the Purple Heart under subsection (a), the Secretary concerned shall apply the following procedures:

"(1) The standard to be used by the Secretary concerned for awarding the Purple Heart under this section shall be to award the Purple Heart in any case in which a prisoner of war (A) was wounded while in captivity, or (B) while in captivity was subjected to systematic and prolonged deprivation of food, medical treatment, and other forms of depriva-

tion or mistreatment likely to have prolonged aftereffects on the individual concerned.

"(2) When a former prisoner of war applies for the Purple Heart under subsection (a), the Secretary concerned may request the former prisoner of war to provide any documentation that the Secretary would otherwise require, but failure of the former prisoner of war to provide such documentation shall not by itself be a disqualification for award of the Purple Heart.

"(3) The Secretary concerned shall inform the former prisoner of war that historical information as to the prison camp or other circumstances in which the former prisoner of war was held captive and other information as to the circumstances of the former prisoner of war's captivity may be considered by the Secretary in evaluating the application for the award of the Purple Heart and that the former prisoner of war may submit such information.

"(4) The Secretary concerned shall provide assistance to the applicant for the Purple Heart in obtaining information referred to in paragraph (3).

"(5) The Secretary shall review a completed application under this section based upon the totality of the evidence presented and shall take into account the length of time between the period during which the

applicant was held as a prisoner of war and the date of the application.

"(6) In considering an application under this section, the Secretary shall take into account the length of time that the applicant was held in captivity, which while not in itself establishing entitlement of the applicant to award of the Purple Heart, can and should be a factor in determining whether a former prisoner of war was likely to have been wounded, starved, or denied medical treatment to the extent likely to have prolonged aftereffects on the individual concerned.".

SEC. 546. AUTHORITY FOR RESERVE AND RETIRED REGULAR OFFICERS TO HOLD STATE AND LOCAL ELECTIVE OFFICE NOTWITHSTANDING CALL TO ACTIVE DUTY.

Section 973(b)(3) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)"; and

(2) by adding at the end the following:

"(B) The prohibition in subparagraph (A) does not apply to the functions of a civil office held by election, in the case of an officer to whom this subsection applies by reason of subparagraph (B) or (C) of paragraph (1).".

SEC. 547. CLARIFICATION OF OFFENSE UNDER THE UNIFORM CODE OF MILITARY JUSTICE RELATING TO DRUNKEN OR RECKLESS OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL.

Section 551 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended—

(1) in subsection (a)(2) by striking "in excess of" and inserting "at, or in excess of,"; and

(2) in subsection (b)(4), by striking "maximum permissible" and all that follows through the period at the end and inserting "amount of alcohol concentration in a person's blood or breath at which operation or control of a vehicle, aircraft, or vessel is prohibited.".

SEC. 548. PUBLIC IDENTIFICATION OF CASUALTIES NO SOONER THAN 24 HOURS AFTER NOTIFICATION OF NEXT-OF-KIN.

The Secretary of Defense may not publicly release the name or other personally identifying information of any member of the Army, Navy, Air Force, or Marine Corps who while on active duty or performing inactive duty training is killed or injured, whose duty status becomes unknown, or who is otherwise considered to be a casualty until a period of 24 hours has elapsed after the notification of the next-of-kin of such member.

Subtitle F—Benefits

SEC. 551. ADDITIONAL CLASSES OF INDIVIDUALS ELIGIBLE TO PARTICIPATE IN THE FEDERAL LONG-TERM CARE INSURANCE PROGRAM.

(a) CERTAIN EMPLOYEES OF THE DISTRICT OF COLUMBIA GOVERNMENT.—Section 9001(1) of title 5, United States Code, is amended by striking "2105(c)," and all that follows and inserting "2105(c).".

(b) FORMER FEDERAL EMPLOYEES WHO WOULD BE ELIGIBLE TO BEGIN RECEIVING AN ANNUITY UPON ATTAINING THE REQUISITE MINIMUM AGE.—Section 9001(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(C) any former employee who, on the basis of his or her service, would meet all requirements for being considered an 'annuitant' within the meaning of subchapter III of chapter 83, chapter 84, or any other retirement system for employees of the Government, but for the fact that such former employee has not attained the minimum age for title to annuity.".

(c) RESERVISTS TRANSFERRED TO THE RETIRED RESERVE WHO ARE UNDER AGE 60.—Section 9001(4) of title 5, United States Code, is amended by striking "including" and all that follows through "who has" and inserting "and a member who has been transferred to the Retired Reserve and who would be entitled to retired pay under chapter 1223 of title 10 but for not having".

SEC. 552. AUTHORITY TO TRANSPORT REMAINS OF RETIREES AND RETIREE DEPENDENTS WHO DIE IN MILITARY TREATMENT FACILITIES OUTSIDE THE UNITED STATES.

(a) AUTHORIZED TRANSPORTATION.—Section 1490 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "located in the United States"; and

(2) in subsection (b)(1), by striking "outside the United States or to a place".

(b) CONFORMING AMENDMENT.—Subsection (c) of such section is amended to read as follows:

"(c) DEFINITION OF DEPENDENT.—In this section, the term 'dependent' has the meaning given such term in section 1072(2) of this title.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to persons dying on or after the date of the enactment of this Act.

SEC. 553. ELIGIBILITY FOR DEPENDENTS OF CERTAIN MOBILIZED RESERVISTS STATIONED OVERSEAS TO ATTEND DEFENSE DEPENDENTS SCHOOLS OVERSEAS.

(a) TUITION-FREE STATUS PARITY WITH DEPENDENTS OF OTHER RESERVISTS.—Section 1404(c) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

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

"(2)(A) The Secretary shall include in the regulations prescribed under this subsection a requirement that children in the class of children described in subparagraph (B) shall be subject to the same tuition requirements, or waiver of tuition requirements, as children in the class of children described in subparagraph (C).

"(B) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

"(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

"(ii) were ordered to active duty from a location in the United States (other than in Alaska or Hawaii); and

"(iii) are serving on active duty outside the United States or in Alaska or Hawaii in a tour of duty that (voluntarily or involuntarily) has been extended to a period in excess of one year.

"(C) The class of children described in this subparagraph are children of members of reserve components of the Armed Forces who—

"(i) are on active duty under an order to active duty under section 12301 or 12302 of title 10, United States Code;

"(ii) were ordered to active duty from a location outside the United States (or in Alaska or Hawaii); and

"(iii) are serving on active duty outside the United States or in Alaska or Hawaii.".

(b) CLERICAL AMENDMENT.—The heading of such section is amended to read as follows:

"SPACE-AVAILABLE ENROLLMENT OF STUDENTS; TUITION".

(c) IMPLEMENTATION OF REQUIRED NEW REGULATIONS.—Regulations required by paragraph (2) of section 1404(c) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 923(c)), as added by subsection (a), shall be prescribed as soon as practicable after the date of the enactment of this Act in order to provide the earliest opportunity for dependents covered by that paragraph to enroll in Department of Defense dependents' schools, and in no event later

than the beginning of the first school term beginning after the date of the enactment of this Act.

Subtitle G—Other Matters

SEC. 561. EXTENSION OF REQUIREMENT FOR EXEMPLARY CONDUCT BY COMMANDING OFFICERS AND OTHERS IN AUTHORITY TO INCLUDE CIVILIANS IN AUTHORITY IN THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—(1) Chapter 50 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 992. Requirement of exemplary conduct: commanding officers and others in authority

"All commanding officers and others in authority in the Department of Defense are required—

"(1) to show in themselves a good example of virtue, honor, patriotism, and subordination;

"(2) to be vigilant in inspecting the conduct of all persons who are placed under their command or charge;

"(3) to guard against and to suppress all dissolute and immoral practices and to correct, according to applicable laws and regulations, all persons who are guilty of them; and

"(4) to take all necessary and proper measures, under the laws, regulations, and customs applicable to the armed forces, to promote and safeguard the morale, the physical well-being, and the general welfare of all under their command or charge.".

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

"992. Requirement of exemplary conduct: commanding officers and others in authority.".

(b) CONFORMING REPEALS.—Title 10, United States Code, is further amended as follows:

(1) Section 3583, 5947, and 8583 are repealed.

(2)(A) The table of sections at the beginning of chapter 345 is amended by striking the item relating to section 3583.

(B) The table of sections at the beginning of chapter 551 is amended by striking the item relating to section 5947.

(C) The table of sections at the beginning of chapter 845 is amended by striking the item relating to section 8583.

SEC. 562. RECOGNITION OF MILITARY FAMILIES.

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

(1) The families of both active and reserve component military personnel, through their sacrifices and their dedication to the Nation and its values,

contribute immeasurably to the readiness of the Nation's Armed Forces.

(2) Without the continued support of military families, the Nation's ability to sustain a high quality all-volunteer military force would be undermined.

(3) In these perilous and challenging times, with hundreds of thousands of active and reserve military personnel deployed overseas in places of combat and imminent danger, military families are making extraordinary sacrifices and will be required to do so for the foreseeable future.

(4) Beginning in 1997, military family service and support centers have received materials from private, non-profit organizational sources which are designed to encourage and assist those centers in conducting activities to celebrate the American military family during the Thanksgiving period each November.

(b) MILITARY FAMILY RECOGNITION.— In view of the findings in subsection (a), Congress determines that it is appropriate that special measures be taken annually to recognize and honor the American military family.

(c) DEPARTMENT OF DEFENSE PROGRAMS AND ACTIVITIES.—The Secretary of Defense shall—

(1) implement and sustain programs, including appropriate ceremonies and activities, to celebrate the contributions and sacrifices of the American military family, including both families of both active and reserve component military personnel;

(2) focus the celebration of the American military family during a specific period of each year to give full and proper highlight to those families; and

(3) seek the assistance and support of appropriate civilian organizations, associations, and other entities in carrying out not only the annual celebration of the American military family, but also in sustaining longer-term efforts.

SEC. 563. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2004.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2004, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2004 of—

(1) that agency's eligibility for the assistance; and

(2) the amount of the assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

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

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

SEC. 564. PERMANENT AUTHORITY FOR SUPPORT FOR CERTAIN CHAPLAIN-LED MILITARY FAMILY SUPPORT PROGRAMS.

(a) IN GENERAL.—(1) Chapter 88 of title 10, United States Code, is amended by inserting at the end of subchapter I the following new section:

"§ 1789. Chaplain-led programs: authorized support

"(a) AUTHORITY.—The Secretary of a military department may provide support services described in subsection (b) to support chaplain-led programs to assist members of the armed forces on active duty and their immediate family members, and members of reserve components in an active status and their immediate family members, in building and maintaining a strong family structure.

"(b) AUTHORIZED SUPPORT SERVICES.—The support services referred to in subsection (a) are costs of transportation, food, lodging, child care, supplies, fees, and training materials for members of the armed forces and their family members while participating in programs referred to in that subsection, including participation at retreats and conferences.

"(c) IMMEDIATE FAMILY MEMBERS.—In this section, the term 'immediate family members', with respect to a member of the armed forces, means—

"(1) the member's spouse; and

"(2) any child (as defined in section 1072(6) of this title) of the member who is described in subparagraph (D) of section 1072(2) of this title.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1788 the following new item:

"1789. Chaplain-led programs: authorized support.".

(b) EFFECTIVE DATE.—Section 1789 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003.

SEC. 565. DEPARTMENT OF DEFENSE-DEPARTMENT OF VETERANS AFFAIRS JOINT EXECUTIVE COMMITTEE.

(a) ESTABLISHMENT OF JOINT COMMITTEE.—(1) Chapter 3 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 320. Department of Veterans Affairs-Department of Defense Joint Executive Committee

"(a) JOINT EXECUTIVE COMMITTEE.—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Joint Executive Committee (hereinafter in this section referred to as the 'Committee').

"(2) The Committee is composed of—

"(A) the Deputy Secretary of Veterans Affairs and such other officers and employees of the Depart-

ment of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

"(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

"(b) ADMINISTRATIVE MATTERS.—(1) The Deputy Secretary of Veterans Affairs and the Under Secretary of Defense shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee.

"(2) The two Departments shall supply appropriate staff and resources to provide administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a subordinate Health Executive Committee, a subordinate Benefits Executive Committee, and such other committees or working groups as considered necessary by the Deputy Secretary and Under Secretary.

"(c) RECOMMENDATIONS.—(1) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under section 8111 of this title and shall oversee implementation of those efforts.

"(2) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate.

"(d) FUNCTIONS.—In order to enable the Committee to make recommendations in its annual report under subsection (c)(2), the Committee shall do the following:

"(1) Review existing policies, procedures, and practices relating to the coordination and sharing of resources between the two Departments.

"(2) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of services and resources of the two Departments, with the goal of improving the quality, efficiency and effectiveness of the delivery of benefits and services to veterans, service members, military retirees and their families through an enhanced Department of Veterans Affairs and Department of Defense partnership.

"(3) Identify and assess further opportunities for the coordination and collaboration between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for benefits provided by either Department.

"(4) Review the plans of both Departments for the acquisition of additional resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of resources.

"(5) Review the implementation of activities designed to promote the coordination and sharing of resources between the Departments.".

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

"320. Department of Veterans Affairs-Department of Defense Joint Executive Committee.".

(b) CONFORMING AMENDMENTS.—(1) Subsection (c) of section 8111 of such title is repealed.

(2) Such section is further amended—

(A) in subsection (b)(2), by striking "subsection (c)" and inserting "section 320 of this title";

(B) in subsection (d)(1), by striking "Committee established in subsection (c)" and inserting "Department of Veterans Affairs-Department of Defense Joint Executive Committee";

(C) in subsection (e)(1), by striking "Committee under subsection (c)(2)" and inserting "Department of Veterans Affairs-Department of Defense Joint Exec-

utive Committee with respect to health care resources"; and

(D) in subsection (f)(2), by striking subparagraphs (B) and (C) and inserting the following:

"(B) The assessment of further opportunities identified by the Department of Veterans Affairs-Department of Defense Joint Executive Committee under subsection (d)(3) of section 320 of this title for the sharing of health-care resources between the two Departments.

"(C) Any recommendation made by that committee under subsection (c)(2) of that section during that fiscal year.".

(c) TECHNICAL AMENDMENTS.—Subsection (f) of such section is further amended by inserting "(Public Law 107–314)" in paragraphs (3), (4)(A), (4)(B), and (5) after "for Fiscal Year 2003".

(d) EFFECTIVE DATE.—(1) If this Act is enacted before October 1, 2003—

(A) section 320 of title 38, United States Code, as added by subsection (a), shall take effect on October 1, 2003; and

(B) the amendments made by subsections (b) and (c) shall take effect on October 1, 2003, immediately after the amendment made by section 721(a)(1) of the

Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 2589).

(2) If this Act is enacted on or after October 1, 2003, the amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 566. LIMITATION ON AVIATION FORCE STRUCTURE CHANGES IN THE DEPARTMENT OF THE NAVY.

(a) LIMITATION.—The Secretary of the Navy shall ensure that no reductions are made in the active and reserve force structure of the Navy and Marine Corps for fixed- and rotary-wing aircraft until 90 days have elapsed after the date as of which both of the reports required by subsections (b) and (c) have been received by the committees named in those subsections.

(b) NAVAL AVIATION FORCE STRUCTURE PLAN.—The Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a detailed report on the changes to the active and reserve aviation force structure in the Department of the Navy that are proposed for fiscal years 2004 through 2009. The report shall include the following:

(1) The numbers of aircraft and helicopter force structure planned for retirement.

(2) The amounts of planned budget authority to be saved, shown by year and by appropriation, compared to the May 1, 2003, force structure.

(3) An assessment by the Chief of Naval Operations comparing the future force structure plan with capabilities of the Department of the Navy's aviation force structure on May 1, 2003.

(4) A risk assessment of the planned force structure to carry out the National Security Strategy of the United States, dated September 2002.

(5) A risk assessment of the planned force based on the assumptions applied in the September 30, 2001, Quadrennial Defense Review Report.

(c) ACTIVE AND RESERVE COMPONENT INTEGRATION PLAN.—The Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a concept of operations for increasing the integration and use of Naval Reserve surface, aviation, and other units and personnel with active component forces in carrying out operational missions across the peacetime and wartime spectrum of naval operations during the period of 2004 through 2009.

SEC. 567. IMPACT AID ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVITIZATION OF MILITARY HOUSING.

Section 8003(b)(2)(H) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(H)) is amended by striking clauses (i) and (ii) and inserting the following:

"(i) ELIGIBILITY.—For any fiscal year beginning with fiscal 2003, a heavily impacted local educational agency that received a basic support payment under paragraph (b)(2) for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B), (C), (D), or (E), as the case may be, by reason of the conversion of military housing units to private housing described in clause (iii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be for the period during which the housing units are undergoing such conversion.

"(ii) AMOUNT OF PAYMENT.—The amount of a payment to a heavily impacted local educational agency for a fiscal year by reason of the application of clause (i), and

calculated in accordance with subparagraph (D) or (E), as the case may be, shall be based on the number of children in average daily attendance in the schools of such agency for the fiscal year and under the same provisions of subparagraph (D) or (E) under which the agency was paid during the prior fiscal year.".

SEC. 568. INVESTIGATION INTO THE 1991 DEATH OF MARINE CORPS COLONEL JAMES E. SABOW.

(a) INVESTIGATION REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall commence a new investigation into the death of Colonel James S. Sabow, United States Marine Corps, who died on January 22, 1991, at the Marine Corps Air Station, El Toro, California.

(b) FOCUS OF INVESTIGATION.—The principal focus of the investigation under subsection (a) shall be to determine the cause of Colonel Sabow's death, given the medical and forensic factors associated with that death.

(c) REVIEW BY OUTSIDE EXPERTS.—The Secretary of Defense shall provide that the evidence concerning the cause of Colonel Sabow's death and the medical and forensic factors associated with his death shall be reviewed by medical and forensic experts outside the Department of Defense.

(d) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a written report on the findings of the investigation under subsection (a). The Secretary shall include in the report (1) the Secretary's conclusions as a result of the investigation, including the Secretary's conclusions regarding the cause of death of Colonel Sabow, and (2) the conclusions of the experts reviewing the matter under subsection (c).

Subtitle H—Domestic Violence

SEC. 571. TRAVEL AND TRANSPORTATION FOR DEPENDENTS RELOCATING FOR REASONS OF PERSONAL SAFETY.

Section 406(h) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(4)(A) The Secretary concerned shall provide to the dependents of a member the travel and transportation allowances described in paragraphs (1) and (3) in a case in which—

"(i) a commander has substantiated that the member has committed dependent abuse, as defined in section 1059(c) of title 10;

"(ii) a safety plan and counseling have been provided;

"(iii) there has been a determination that the victim's safety is at stake and that relocation is the best course of action; and

"(iv) the abused dependent, or parent of the abused dependent if the abused dependent is a child, requests relocation,

"(B) In the case of allowances paid under subparagraph (A), any monetary allowances shall accrue to the dependents in lieu of the member and may be paid to the dependents.

"(C) Shipment of the dependent's baggage and household effects, and of any motor vehicle, may not be provided until there is a property division established by written agreement with the member or by order of a court of competent jurisdiction .".

SEC. 572. COMMENCEMENT AND DURATION OF PAYMENT OF TRANSITIONAL COMPENSATION.

(a) COMMENCEMENT.—Paragraph (1)(A) of section 1059(e) of title 10, United States Code, is amended by striking "shall commence" and all that follows and inserting "shall commence—

"(i) as of the date the court martial sentence is adjudged if the sentence, as adjudged, in-

cludes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; or

"(ii) if there is a pretrial agreement that includes disapproval or suspension of the dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances, as of the date of the approval of the court-martial sentence by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) if the sentence, as approved, includes an unsuspended dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances;".

(b) DURATION.—Paragraph (2) of such section is amended by striking ", except that" and all that follows through "12 months".

(c) TERMINATION.—Paragraph (3)(A) of such section is amended by striking "punishment applicable to the member under the sentence is remitted, set aside, or mitigated" and inserting "conviction is disapproved by the person acting under section 860(c) of this title (article 60(c) of the Uniform Code of Military Justice) or set aside, or each such punishment applicable to the member under the sentence

is disapproved by the person acting under section 860(c) of this title, remitted, set aside, suspended, or mitigated".

SEC. 573. FLEXIBILITY IN ELIGIBILITY FOR TRANSITIONAL COMPENSATION.

(a) AUTHORITY.—Section 1059 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(m) ADDITIONAL ELIGIBILITY.—The Secretary concerned, under regulations prescribed under subsection (k), may authorize eligibility for benefits under this section to dependents of a member or former member of the armed forces not covered by subsection (b) if the Secretary concerned determines that there are extenuating circumstances such that granting benefits under this section is consistent with the intent of this section.".

(b) EFFECTIVE DATE.—The authority under subsection (m) of section 1059 of title 10, United States Code, as added by subsection (a), may only be exercised with respect to eligibility for benefits under such section by reason of conduct on or after the date of the enactment of this Act.

SEC. 574. TYPES OF ADMINISTRATIVE SEPARATIONS TRIGGERING COVERAGE.

Section 1059(b)(2) of title 10, United States Code, is amended by inserting ", voluntarily or involuntarily," after "administratively separated".

SEC. 575. ON-GOING REVIEW GROUP.

Not later than two years after the date of the enactment of this Act, the Secretary of Defense shall convene a working group of not less than 12 members, composed in the same manner as the Defense Task Force on Domestic Violence established pursuant to section 591 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65). The purpose of the working group shall be to review and assess the progress of the Department of Defense in implementation of the recommendations of the Defense Task Force on Domestic Violence. In reviewing the status of the Department's efforts, the group should specifically focus on the Department's efforts to ensure confidentiality for victims and accountability and education of commanding officers and chaplains.

SEC. 576. RESOURCES FOR DEPARTMENT OF DEFENSE IMPLEMENTATION ORGANIZATION.

The Secretary of Defense shall ensure that necessary resources, including personnel, facilities, and other administrative support, are provided to the organization within the Office of the Secretary of Defense with direct responsibility for oversight of implementation by the military departments of recommendations of the Task Force in order for that organization to carry out its duties and responsibilities.

SEC. 577. FATALITY REVIEWS.

(a) REVIEW OF FATALITIES.—The Secretary of Defense shall conduct a multidisciplinary, impartial review (referred to as a "fatality review") in the case of each fatality known or suspected to have resulted from domestic violence or child abuse against—

(1) a member of the Armed Forces;

(2) a current or former dependent of a member of the Armed Forces; or

(3) a current or former intimate partner who has a child in common or has shared a common domicile with a member of the Armed Forces.

(b) MATTERS TO BE INCLUDED.—The report of a fatality review under subsection (a) shall, at a minimum, include the following:

(1) An executive summary.

(2) Data setting forth victim demographics, injuries, autopsy findings, homicide or suicide methods, weapons, police information, assailant demographics, and household and family information.

(3) Legal disposition.

(4) System intervention and failures within the Department of Defense.

(5) A discussion of significant findings.

(6) Recommendations for systemic changes within the Department of Defense.

SEC. 578. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Secretary of Defense should adopt the strategic plan proposed by the Defense Task Force on Domestic Violence in its Third Year Report, as required by section 591(a) of the Department of Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65); and

(2) the Secretary of each military department should establish and support a Victim Advocate Protocol and provide for nondisclosure to ensure confidentiality for victims who come forward to receive advocacy, support, information, and resources, as recommended by the Defense Task Force on Domestic Violence.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2004.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2004 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 FOR MEMBERS OF ARMED FORCES.—Effective on January 1, 2004, the rates of

monthly basic pay for members of the Armed Forces within each pay grade are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,751.10	8,004.90	8,173.20	8,220.60	8,430.30
O–7	6,440.70	6,739.80	6,878.40	6,988.50	7,187.40
O–6	4,773.60	5,244.30	5,588.40	5,588.40	5,609.70
O–5	3,979.50	4,482.90	4,793.40	4,851.60	5,044.80
O–4	3,433.50	3,974.70	4,239.90	4,299.00	4,545.30
O–3 [3]	3,018.90	3,422.40	3,693.90	4,027.20	4,220.10
O–2 [3]	2,595.60	2,956.50	3,405.00	3,519.90	3,592.50
O–1 [3]	2,253.60	2,345.10	2,834.70	2,834.70	2,834.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,781.90	8,863.50	9,197.10	9,292.80	9,579.90
O–7	7,384.20	7,611.90	7,839.00	8,066.70	8,781.90
O–6	5,850.00	5,882.10	5,882.10	6,216.30	6,807.30
O–5	5,161.20	5,415.90	5,602.80	5,844.00	6,213.60
O–4	4,809.30	5,137.80	5,394.00	5,571.60	5,673.60
O–3 [3]	4,431.60	4,568.70	4,794.30	4,911.30	4,911.30
O–2 [3]	3,592.50	3,592.50	3,592.50	3,592.50	3,592.50
O–1 [3]	2,834.70	2,834.70	2,834.70	2,834.70	2,834.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10 [2]	$0.00	$12,524.70	$12,586.20	$12,847.80	$13,303.80
O–9	0.00	10,954.50	11,112.30	11,340.30	11,738.40
O–8	9,995.70	10,379.10	10,635.30	10,635.30	10,635.30
O–7	9,386.10	9,386.10	9,386.10	9,386.10	9,433.50
O–6	7,154.10	7,500.90	7,698.30	7,897.80	8,285.40
O–5	6,389.70	6,563.40	6,760.80	6,760.80	6,760.80
O–4	5,733.00	5,733.00	5,733.00	5,733.00	5,733.00
O–3 [3]	4,911.30	4,911.30	4,911.30	4,911.30	4,911.30
O–2 [3]	3,592.50	3,592.50	3,592.50	3,592.50	3,592.50
O–1 [3]	2,834.70	2,834.70	2,834.70	2,834.70	2,834.70

[1] *Notwithstanding 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.*

[2] *Subject 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 $14,679.30, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.*

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$4,027.20	$4,220.10
O–2E	0.00	0.00	0.00	3,537.00	3,609.90
O–1E	0.00	0.00	0.00	2,848.50	3,042.30
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,431.60	$4,568.70	$4,794.30	$4,984.20	$5,092.80
O–2E	3,724.80	3,918.60	4,068.60	4,180.20	4,180.20
O–1E	3,154.50	3,269.40	3,382.20	3,537.00	3,537.00
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,241.30	$5,241.30	$5,241.30	$5,241.30	$5,241.30
O–2E	4,180.20	4,180.20	4,180.20	4,180.20	4,180.20
O–1E	3,537.00	3,537.00	3,537.00	3,537.00	3,537.00

WARRANT OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,119.40	3,355.80	3,452.40	3,547.20	3,710.40
W–3 ...	2,848.80	2,967.90	3,089.40	3,129.30	3,257.10
W–2 ...	2,505.90	2,649.00	2,774.10	2,865.30	2,943.30
W–1 ...	2,212.80	2,394.00	2,515.20	2,593.50	2,802.30
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5 ...	$0.00	$0.00	$0.00	$0.00	$0.00
W–4 ...	3,871.50	4,035.00	4,194.30	4,359.00	4,617.30
W–3 ...	3,403.20	3,595.80	3,786.30	3,988.80	4,140.60
W–2 ...	3,157.80	3,321.60	3,443.40	3,562.20	3,643.80
W–1 ...	2,928.30	3,039.90	3,164.70	3,247.20	3,321.90
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5 ...	$0.00	$5,360.70	$5,544.30	$5,728.80	$5,914.20
W–4 ...	4,782.60	4,944.30	5,112.00	5,277.00	5,445.90
W–3 ...	4,291.80	4,356.90	4,424.10	4,570.20	4,716.30
W–2 ...	3,712.50	3,843.00	3,972.60	4,103.70	4,103.70
W–1 ...	3,443.70	3,535.80	3,535.80	3,535.80	3,535.80

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.*

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,145.00	2,341.20	2,430.60	2,549.70	2,642.10
E–6	1,855.50	2,041.20	2,131.20	2,218.80	2,310.00
E–5	1,700.10	1,813.50	1,901.10	1,991.10	2,130.60
E–4	1,558.20	1,638.30	1,726.80	1,814.10	1,891.50
E–3	1,407.00	1,495.50	1,585.50	1,585.50	1,585.50
E–2	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E–1 [3]	1,173.90	1,173.90	1,173.90	1,173.90	1,173.90
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$3,769.20	$3,854.70	$3,962.40	$4,089.30
E–8	3,085.50	3,222.00	3,306.30	3,407.70	3,517.50
E–7	2,801.40	2,891.10	2,980.20	3,139.80	3,219.60
E–6	2,516.10	2,596.20	2,685.30	2,763.30	2,790.90
E–5	2,250.90	2,339.70	2,367.90	2,367.90	2,367.90
E–4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E–3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E–2	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E–1 [3]	1,173.90	1,173.90	1,173.90	1,173.90	1,173.90
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$4,216.50	$4,421.10	$4,594.20	$4,776.60	$5,054.70
E–8	3,715.50	3,815.70	3,986.40	4,081.20	4,314.30
E–7	3,295.50	3,341.70	3,498.00	3,599.10	3,855.00
E–6	2,809.80	2,809.80	2,809.80	2,809.80	2,809.80
E–5	2,367.90	2,367.90	2,367.90	2,367.90	2,367.90
E–4	1,891.50	1,891.50	1,891.50	1,891.50	1,891.50
E–3	1,585.50	1,585.50	1,585.50	1,585.50	1,585.50
E–2	1,331.40	1,331.40	1,331.40	1,331.40	1,331.40
E–1 [3]	1,173.90	1,173.90	1,173.90	1,173.90	1,173.90

[1] *Notwithstanding 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.*

[2] *Subject to the preceding footnote, the rate of basic pay for an enlisted member in this grade while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, is $6,090.90, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,086.00.*

(c) INCREASE IN BASIC PAY FOR OTHER MEMBERS OF UNIFORMED SERVICES.—Effective on January 1, 2004, the rates of monthly basic pay for members of the National Oceanic and Atmospheric Administration and the Public Health Service are increased by 2 percent.

(d) DEFINITIONS.—In this section, the terms "armed forces" and "uniformed services" have the meanings given such terms in section 101 of title 37, United States Code.

SEC. 602. COMPUTATION OF BASIC PAY RATE FOR COMMISSIONED OFFICERS WITH PRIOR ENLISTED OR WARRANT OFFICER SERVICE.

Section 203(d)(2) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking "enlisted member," and all that follows through the period and inserting "enlisted member."; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) Service as a warrant officer, as an enlisted member, or as a warrant officer and an enlisted member, for which at least 1,460 points have been credited to the officer for the purposes of section 12732(a)(2) of title 10.".

SEC. 603. SPECIAL SUBSISTENCE ALLOWANCE AUTHORITIES FOR MEMBERS ASSIGNED TO HIGH-COST DUTY LOCATION OR UNDER OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.

(a) IN GENERAL.—Section 402 of title 37, United States Code, is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection:

"(f) SPECIAL RULE FOR HIGH-COST DUTY LOCATIONS AND OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.—The Secretary of Defense may authorize a member of the armed forces who is assigned to duty in a high-cost duty location or under other unique and unusual circumstances, but is not entitled to the meals portion of the per diem in connection with that duty, to receive any or all of the following:

"(1) Meals at no cost to the member, regardless of the entitlement of the member to a basic allowance for subsistence under subsection (a).

"(2) A basic allowance for subsistence at the standard rate, regardless of the entitlement of the member for all meals or select meals during the duty day.

"(3) A supplemental subsistence allowance at a rate higher than the basic allowance for subsistence rates in effect under this section, regardless of the entitlement of the member for all meals or select meals during the duty day.".

(b) RETROACTIVE AND PROSPECTIVE APPLICATION.—Subsection (f) of section 402 of title 37, United States Code,

as added by subsection (a), shall apply with respect to members of the Armed Forces assigned to duty in a high-cost duty location or under other unique and unusual circumstances, as determined pursuant to regulations prescribed pursuant to subsection (c), after September 11, 2001.

(c) REGULATIONS; TIME LIMITS.—Final regulations to carry out subsection (f) of section 402 of title 37, United States Code, as added by subsection (a), shall be prescribed not later than 180 days after the date of the enactment of this Act. The regulations shall provide a method by which a member of the Armed Forces covered by such subsection (f) may obtain reimbursement for subsistence expenses incurred by the member during the period beginning on September 11, 2001, and ending on the date the regulations take effect.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking "January 1, 2004" and inserting "January 1, 2005".

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e)

of title 37, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking "December 31, 2003" and inserting "December 31, 2004".

SEC. 615. COMPUTATION OF HAZARDOUS DUTY INCENTIVE PAY FOR DEMOLITION DUTY AND PARACHUTE JUMPING BY MEMBERS OF RESERVE COMPONENTS ENTITLED TO COMPENSATION UNDER SECTION 206 OF TITLE 37.

(a) IN GENERAL.—Section 301(f) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraphs (1) or (2), if a member described in paragraph (1) performs the duty described in clauses (3) or (4) of subsection (a) in any month, the member shall be entitled for that month to the full amount specified in the first sentence of subsection (c)(1), in the case of the duty described in clause (4) of subsection (a) or parachute jumping involving the use of a static line, or the full amount specified in the second sentence of subsection (c)(1), in the case of parachute jumping in military free fall operations.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2003.

SEC. 616. AVAILABILITY OF HOSTILE FIRE AND IMMINENT DANGER PAY FOR RESERVE COMPONENT MEMBERS ON INACTIVE DUTY.

(a) EXPANSION AND CLARIFICATION OF CURRENT LAW.—Section 310 of title 37, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by striking subsection (a) and inserting the following new subsections:

"(a) ELIGIBILITY AND SPECIAL PAY AMOUNT.—Under regulations prescribed by the Secretary of Defense, a member of a uniformed service may be paid special pay at the rate of $150 for any month in which—

"(1) the member was entitled to basic pay or compensation under section 204 or 206 of this title; and

"(2) the member—

"(A) was subject to hostile fire or explosion of hostile mines;

"(B) was on duty in an area in which the member was in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period the member was on duty in the area, other members of the uni-

formed services were subject to hostile fire or explosion of hostile mines;

"(C) was killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile action; or

"(D) was on duty in a foreign area in which the member was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

"(b) CONTINUATION DURING HOSPITALIZATION.—A member covered by subsection (a)(2)(C) who is hospitalized for the treatment of the injury or wound may be paid special pay under this section for not more than three additional months during which the member is so hospitalized.".

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (c), as redesignated by subsection (a)(1), by inserting "LIMITATIONS AND ADMINISTRATION.—" before "(1)"; and

(2) in subsection (d), as redesignated by subsection (a)(1), by inserting "DETERMINATIONS OF FACT.—" before "Any".

SEC. 617. EXPANSION OF OVERSEAS TOUR EXTENSION INCENTIVE PROGRAM TO OFFICERS.

(a) SPECIAL PAY OR BONUS FOR EXTENDING OVERSEAS TOUR OF DUTY.—(1) Subsections (a) and (b) of section 314 of title 37, United States Code, are amended by striking "an enlisted member" and inserting "a member".

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

"§ 314. Special pay or bonus: qualified members extending duty at designated locations overseas".

(B) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"314. Special pay or bonus: qualified members extending duty at designated locations overseas.".

(b) REST AND RECUPERATIVE ABSENCE IN LIEU OF PAY OR BONUS.—(1) Subsection (a) of section 705 of title 10, United States Code, is amended by striking "an enlisted member" and inserting "a member".

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

"§ 705. Rest and recuperation absence: qualified members extending duty at designated locations overseas".

(B) The item relating to such section in the table of sections at the beginning of chapter 40 of such title is amended to read as follows:

"705. Rest and recuperative absence for qualified members extending duty at designated locations overseas.".

SEC. 618. ELIGIBILITY OF APPOINTED WARRANT OFFICERS FOR ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.

Section 324 of title 37, United States Code, is amended in subsections (a) and (f)(1) by inserting "or an appointment" after "commission".

SEC. 619. INCENTIVE PAY FOR DUTY ON GROUND IN ANTARCTICA OR ON ARCTIC ICEPACK.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 301e the following new section:

"§ 301f. Incentive pay: duty on ground in Antarctica or on Arctic icepack

"(a) AVAILABILITY OF INCENTIVE PAY.—A member of the uniformed services who performs duty at a location described in subsection (b) is entitled to special pay under this section at a rate of $5 for each day of that duty.

"(b) COVERED LOCATIONS.—Subsection (a) applies with respect to duty performed on the ground in Antarctica or on the Arctic icepack.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 301e the following new item:

"301f. Incentive pay: duty on ground in Antarctica or on Arctic icepack.".

(b) EFFECTIVE DATE.—Section 301f of title 37, United States Code, as added by subsection (a), shall take effect on October 1, 2003.

SEC. 620. SPECIAL PAY FOR SERVICE AS MEMBER OF WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM.

(a) IN GENERAL.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

"§ 305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team

"(a) AVAILABILITY OF SPECIAL PAY.—The Secretary of a military department may pay special pay under this section to a member of the armed forces under the jurisdiction of that Secretary who is entitled to basic pay under section 204 and is assigned by orders to duty as a member of a Weapons of Mass Destruction Civil Support Team.

"(b) MONTHLY RATE.—Special pay payable under subsection (a) shall be paid at a rate equal to $150 a month.

"(c) ELIGIBILITY OF RESERVE COMPONENT MEMBERS WHEN PERFORMING INACTIVE DUTY TRAINING.—Under regulations prescribed by the Secretary concerned and to the extent provided for in appropriation Acts, when a member of a reserve component of the armed forces who is entitled to compensation under section 206 of this title performs duty under orders as a member of a Weapons of Mass Destruction Civil Support Team, the member may be paid an increase in compensation equal to 1/30 of the monthly special pay specified in subsection (b) for each day on which the member performs such duty.

"(d) DEFINITION.—In this section, the term 'Weapons of Mass Destruction Civil Support Team' means a team of members of the reserve components of the armed forces that is established under section 12310(c) of title 10 in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

"305b. Special pay: service as member of Weapons of Mass Destruction Civil Support Team.".

(b) EFFECTIVE DATE.—Section 305b of title 37, United States Code, as added by subsection (a), shall take effect on October 1, 2003.

SEC. 621. INCENTIVE BONUS FOR AGREEMENT TO SERVE IN CRITICALLY SHORT MILITARY OCCUPATIONAL SPECIALTY.

(a) IN GENERAL.—Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 326. Incentive bonus: lateral conversion bonus for service in critically short military occupational speciality

"(a) INCENTIVE BONUS AUTHORIZED.—The Secretary concerned may pay a bonus under this section to a member of the armed forces who executes a written agreement to convert to, and serve for a period of not less than two years in, a critically short military occupational specialty.

"(b) ELIGIBLE MEMBERS.—A bonus may only be paid under this section only to a member who—

"(1) is entitled to basic pay; and

"(2) is serving in pay grade E–6 (with less than 10 years of service computed under section 205 of this title) or pay grade E–5 or below (regardless of years of service) at the time the agreement under subsection (a) is executed.

"(c) AMOUNT AND PAYMENT OF BONUS.—(1) A bonus under this section may not exceed $4,000.

"(2) A bonus payable under this section shall be disbursed in one lump sum payment when the member's con-

version to the critically short military occupational specialty is approved by the personnel chief of the member's armed force.

"(d) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—A bonus paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

"(e) REPAYMENT OF BONUS.—(1) A member who receives a bonus under this section and who, voluntarily or because of misconduct, fails to serve in the critically short military occupational specialty for the period specified in the agreement shall refund to the United States an amount that bears the same ratio to the bonus amount paid to the member as the unserved part of such period bears to the total period agreed to be served.

"(2) An obligation to reimburse the United States imposed under paragraph (1) is, for all purposes, a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of the agreement for which a bonus was paid under this section shall not discharge the person signing such agreement from the debt arising under paragraph (1).

"(4) Under regulations prescribed pursuant to subsection (f), the Secretary concerned may waive, in whole

in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(f) REGULATIONS.—The Secretaries concerned shall prescribe regulations to carry out this section. Regulations prescribed by the Secretary of a military department shall be subject to the approval of the Secretary of Defense.

"(g) DEFINITION.—In this section, the term 'critically short military occupational specialty' means a military occupational specialty, military rating, or other military speciality designated by the Secretary concerned as undermanned for purposes of this section.

"(h) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2004.".

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

"326. Incentive bonus: lateral conversion bonus for service in critically short military occupational speciality.".

SEC. 622. INCREASE IN RATE FOR IMMINENT DANGER PAY AND FAMILY SEPARATION ALLOWANCE RELATED TO SERVICE IN OPERATION IRAQI FREEDOM OR OPERATION ENDURING FREEDOM.

(a) SPECIAL PAYMENT RATES.—Effective October 1, 2003, in the case of a member of the uniformed services who serves, for any period of time during a month, in a combat zone designated for Operation Iraqi Freedom or Operation Enduring Freedom, the monthly rate for imminent danger pay under section 310 of title 37, United States Code, shall be deemed to be $225 and the monthly rate for the family separation allowance under section 427 of such title shall be deemed to be $250.

(b) DURATION.—The special rates for imminent danger pay and the family separation allowance in effect under subsection (a) for an operation referred to in such subsection expire on the date the President terminates the operation.

Subtitle C—Travel and Transportation Allowances

SEC. 631. SHIPMENT OF PRIVATELY OWNED MOTOR VEHICLE WITHIN CONTINENTAL UNITED STATES.

(a) AUTHORITY TO PROCURE CONTRACT FOR TRANSPORTATION OF MOTOR VEHICLE.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

"(h) In the case of a change of permanent station described in subparagraph (A) or (B) of subsection (i)(1), the Secretary concerned may authorize the member to arrange for the shipment of the motor vehicle in lieu of transportation at the expense of the United States under this section. The Secretary concerned may pay the member a monetary allowance in lieu of transportation, as established under section 404(d)(1) of title 37, and the member shall be responsible for any transportation costs in excess of such allowance.".

(b) ALLOWANCE FOR SELF-PROCUREMENT OF TRANSPORTATION OF MOTOR VEHICLE.—Section 406(b)(1)(B) of title 37, United States Code, is amended by adding at the end the following new sentence: "In the case of the transportation of a motor vehicle arranged by the member under section 2634(h) of title 10, the Secretary concerned may pay the member, upon proof of shipment, a monetary allowance in lieu of transportation, as established under section 404(d)(1) of this title.".

SEC. 632. PAYMENT OR REIMBURSEMENT OF STUDENT BAGGAGE STORAGE COSTS FOR DEPENDENT CHILDREN OF MEMBERS STATIONED OVERSEAS.

Section 430(b)(2) of title 37, United States Code, is amended in the first sentence by inserting before the period at the end the following: "or during a different period in the same fiscal year selected by the member".

SEC. 633. REIMBURSEMENT FOR LODGING EXPENSES OF CERTAIN RESERVE COMPONENT AND RETIRED MEMBERS DURING AUTHORIZED LEAVE FROM TEMPORARY DUTY LOCATION.

(a) REIMBURSEMENT AUTHORIZED.—The Secretary concerned (as defined in section 101 of title 37, United States Code) may reimburse a member of the Armed Forces described in subsection (b) for lodging expenses incurred by the member at the member's duty location while the member is in an authorized leave status.

(b) COVERED MEMBERS.—Subsection (a) applies with respect to a member of a reserve component who is called or ordered to active duty for a period of more than 30 days, or a retired member who is ordered to active duty under section 688(a) of title 10, United States Code, if the member—

(1) immediately before taking authorized leave was performing duty at a location away from the member's home;

(2) was receiving a per diem allowance under section 404(a)(4) of title 37, United States Code, to cover lodging and subsistence expenses incurred at the duty location because quarters of the United States were not available for assignment to the member at that location; and

(3) immediately after completing the authorized leave, returned to the duty location.

(c) AMOUNT OF REIMBURSEMENT.—The amount of the reimbursement provided to a member under subsection (a) may not exceed the lesser of—

(1) the actual daily cost of lodging incurred by the member at the duty location while the member was in an authorized leave status; and

(2) the lodging portion of the applicable daily per diem rate for that duty location.

(d) RETROACTIVE APPLICATION.—This section applies with respect to members of the reserve components described in subsection (b) who, since September 11, 2001, were or are called or ordered to active duty for a period of more than 30 days and retired members described in such sub-

section who, since that date, were or are ordered to active duty under section 688(a) of title 10, United States Code.

Subtitle D—Retired Pay and Survivors Benefits

SEC. 641. FUNDING FOR SPECIAL COMPENSATION AUTHORITIES FOR DEPARTMENT OF DEFENSE RETIREES.

(a) SOURCE OF PAYMENTS.—

(1) Section 1413(g) of title 10, United States Code, is amended—

(A) by inserting before "Payments under" the following new sentence: "Payments under this section for a member of the Army, Navy, Air Force, or Marine Corps shall be paid from the Department of Defense Military Retirement Fund."; and

(B) by inserting "for any other member" before "for any fiscal year".

(2) Section 1413a(h) of such title is amended—

(A) by inserting before "Payments under" the following new sentence: "Payments under this section for a member of the Army, Navy, Air Force, or Marine Corps shall be paid from the Department of Defense Military Retirement Fund."; and

(B) by inserting "for any other member" before "for any fiscal year".

(b) PAYMENT OF INCREASED RETIREMENT TRUST FUND COSTS DUE TO CONCURRENT RECEIPT OR ENHANCED SPECIAL DISABILITY COMPENSATION PAYMENTS.—

(1) Section 1463(a)(1) of this title is amended by inserting before the semicolon the following: "and payments under section 1413, 1413a, or 1414 of this title paid to such members".

(2) Section 1465(b) of such title is amended by adding at the end the following new paragraph:

"(3) At the same time that the Secretary of Defense makes the determination required by paragraph (1) for any fiscal year, the Secretary shall determine the amount of the Treasury contribution to be made to the Fund for the next fiscal year under section 1466(b)(2)(D) of this title. That amount shall be determined in the same manner as the determination under paragraph (1) of the total amount of Department of Defense contributions to be made to the Fund during that fiscal year under section 1466(a) of this title, except that for purposes of this paragraph the Secretary, in making the calculations required by subparagraphs (A) and (B) of that paragraph, shall use the single level percent-

ages determined under subsection (c)(4), rather than those determined under subsection (c)(1).".

(3) Section 1465(c) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting before the semicolon at the end the following: ", to be determined without regard to section 1413, 1413a, or 1414 of this title";

(ii) in subparagraph (B), by inserting before the period at the end the following: ", to be determined without regard to section 1413, 1413a, or 1414 of this title"; and

(iii) in the sentence following subparagraph (B), by striking "subsection (b)" and inserting "subsection (b)(1)";

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

(C) by inserting after paragraph (3) the following new paragraph (4):

"(4) Whenever the Secretary carries out an actuarial valuation under paragraph (1), the Secretary shall include as part of such valuation the following:

"(A) A determination of a single level percentage determined in the same manner as applies under subparagraph (A) of paragraph (1), but based only upon

the provisions of section 1413, 1413a, or 1414 of this title (whichever is in effect).

"(B) A determination of a single level percentage determined in the same manner as applies under subparagraph (B) of paragraph (1), but based only upon the provisions of section 1413, 1413a, or 1414 of this title (whichever is in effect).

Such single level percentages shall be used for the purposes of subsection (b)(3).".

(4) Section 1466(b) of such title is amended—

(A) in paragraph (1), by striking "sections 1465(a) and 1465(c)" and inserting "sections 1465(a), 1465(b)(3), 1465(c)(2), and 1465(c)(3)"; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

"(D) The amount for that year determined by the Secretary of Defense under section 1465(b)(3) of this title for the cost to the Fund arising from increased amounts payable from the Fund by reason of section 1413, 1413a, or 1414 of this title.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

SEC. 651. EXPANDED COMMISSARY ACCESS FOR SELECTED RESERVE MEMBERS, RESERVE RETIREES UNDER AGE 60, AND THEIR DEPENDENTS.

(a) ACCESS TO MILITARY COMMISSARIES.—Section 1065 of title 10, United States Code, is amended—

(1) in subsections (a), (b), and (c), by inserting "commissary stores and" after "use" each place it appears; and

(2) in subsection (d)—

(A) by inserting "commissary stores and" after "use" the first and third places it appears; and

(B) by inserting "stores and" after "use" the second and fourth places it appears.

(b) CONFORMING AMENDMENTS; TRANSFER OF SECTION.—Chapter 54 of such title is amended—

(1) by striking sections 1063 and 1064;

(2) in section 1063a(c)(2), by striking "section 1065(e)" and inserting "section 1063(e)";

(3) by redesignating section 1063a, as amended by paragraph (2), as section 1064;

(4) by transferring section 1065, as amended by subsection (a), so as to appear after section 1062; and

(5) by striking the heading of such section, as amended by subsection (a) and transferred by paragraph (4), and inserting the following new heading:

"§ 1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60".

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended by striking the items relating to sections 1063, 1063a, 1064, and 1065 and inserting the following new items:

"1063. Use of commissary stores and MWR retail facilities: members of reserve components and reserve retirees under age 60.
"1064. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency.".

SEC. 652. DEFENSE COMMISSARY SYSTEM AND EXCHANGE STORES SYSTEM.

(a) EXISTENCE OF SYSTEMS.—Chapter 147 of title 10, United States Code, is amended by inserting before section 2482 the following new section:

"§ 2481. Existence of defense commissary system and exchange stores system

"(a) IN GENERAL.—The Secretary of Defense shall operate a defense commissary system and an exchange stores system in the manner provided by this chapter and other provisions of law.

"(b) SEPARATE SYSTEMS.—Except as authorized by section 2490a of this title, the defense commissary system and the exchange stores system shall be operated as separate systems of the Department of Defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 2482 the following new item:

"2481. Existence of defense commissary system and exchange stores system.".

SEC. 653. LIMITATIONS ON PRIVATE OPERATION OF DEFENSE COMMISSARY STORE FUNCTIONS.

Section 2482(a) of title 10, United States Code, is amended—

(1) by striking the first and second sentences and inserting the following: "(1) Under such regulations as the Secretary of Defense may approve, private persons may operate selected commissary store functions, except that such functions may not include functions relating to the procurement of products to be sold in a commissary store or functions relating to the overall management of a commissary system or the management of a commissary store."; and

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

"(2) Any change to private operation of a commissary store function shall not take effect until the Secretary of Defense submits written notice of the proposed change to

Congress and a period of 90 days of continuous session of Congress expires following the date on which notice was received, determined as provided in section 2486(d)(2) of this title.".

SEC. 654. USE OF APPROPRIATED FUNDS TO OPERATE DEFENSE COMMISSARY SYSTEM.

(a) REQUIREMENT THAT COMMISSARY OPERATING EXPENSES BE PAID FROM APPROPRIATED FUNDS.—Section 2484 of title 10, United States Code, is amended—

(1) in subsection (a), by striking "may" and inserting "shall"; and

(2) in subsection (b), by striking "may" in the first sentence and inserting "shall".

(b) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Such section is further amended by adding at the end the following new subsection:

"(c) SUPPLEMENTAL FUNDS FOR COMMISSARY OPERATIONS.—Amounts appropriated to cover the expenses of operating the Defense Commissary Agency and the defense commissary system may be supplemented with additional funds from manufacturers' coupon redemption fees, handling fees for tobacco products, and other amounts received as reimbursement for other support activities provided by commissary activities.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003.

SEC. 655. RECOVERY OF NONAPPROPRIATED FUND INSTRUMENTALITY AND COMMISSARY STORE INVESTMENTS IN REAL PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED.

(a) 1988 LAW.—Section 204(b)(7)(C)(i) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended in the second sentence by striking "The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)" and inserting "Amounts in the account shall be available to the Secretary, without appropriation and until expended,".

(b) 1990 LAW.—Section 2906(d)(3) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking "The Secretary may use amounts in the account (in such an aggregate amount as is provided in advance in appropriation Acts)" and inserting "Amounts in the account shall be available to the Secretary, without appropriation and until expended,".

SEC. 656. COMMISSARY SHELF-STOCKING PILOT PROGRAM.

(a) PILOT PROGRAM AUTHORITY.—Subject to subsection (c), the Secretary of Defense may conduct a pilot program under which the stocking of shelves at three defense commissary stores operated by the Defense Commissary Agency shall be the sole responsibility of Federal employees of the Agency or employees contracted by the agency.

(b) IMPLEMENTATION PLAN.—(1) The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a plan for the conduct of the pilot program. The plan shall be submitted not later than six months after the date of the enactment of this Act.

(2) The plan shall include the following:

(A) The financial structure of the pilot program and expected costs.

(B) The Secretary's request to the Office of Personnel Management to conduct the pilot program as a Federal civilian personnel demonstration project under chapter 47 of title 5, United States Code, or a plan to provide otherwise a sufficiently flexible Federal civilian workforce for the pilot program through another authority.

(C) Specification of the three sites for the conduct of the pilot program and the criteria used to select those sites.

(D) Proposed duration of the pilot program and the expected timing for providing to Congress the results of the pilot program and recommendations of the Secretary.

(E) Other observations and recommendations of the Secretary.

(c) IMPLEMENTATION.—The Secretary of Defense may not begin to conduct the pilot program until a period of 30 days has elapsed after the date of the submission of the plan for the pilot program under subsection (b).

Subtitle F—Other Matters

SEC. 661. REPEAL OF CONGRESSIONAL NOTIFICATION REQUIREMENT FOR DESIGNATION OF CRITICAL MILITARY SKILLS FOR RETENTION BONUS.

Section 323(b) of title 37, United States Code, is amended—

(1) by striking "(1)"; and

(2) by striking paragraph (2).

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. REVISION OF DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND TO PERMIT MORE ACCURATE ACTUARIAL VALUATIONS.

Section 1115(c) of title 10, United States Code, is amended by adding at the end of paragraph (1) the following: "In determining single level dollar amounts under subparagraphs (A) and (B) of this paragraph, the Secretary of Defense may determine a separate single level dollar amount under either or both subparagraphs for any participating uniformed service, if, in the judgment of the Secretary, such a determination would produce a more accurate and appropriate actuarial valuation for that uniformed service.".

SEC. 702. TRANSFER OF CERTAIN MEMBERS FROM PHARMACY AND THERAPEUTICS COMMITTEE TO UNIFORM FORMULARY BENEFICIARY ADVISORY PANEL UNDER THE PHARMACY BENEFITS PROGRAM.

Section 1074g of title 10, United States Code, is amended—

(1) in subsection (b)(1) in the second sentence, by striking "facilities," and all that follows through the end of the sentence and inserting "facilities and representatives of providers in facilities of the uniformed services."; and

(2) in subsection (c)(2)—

(A) by striking "represent nongovernmental" and inserting the following: "represent—

"(A) nongovernmental";

(B) by striking the period at the end and inserting a semicolon; and

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

"(B) contractors responsible for the TRICARE retail pharmacy program;

"(C) contractors responsible for the national mail-order pharmacy program; and

"(D) TRICARE network providers.".

SEC. 703. PERMANENT EXTENSION OF AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking "The Secretary may not enter into a contract under this paragraph after December 31, 2003.".

SEC. 704. PLAN FOR PROVIDING HEALTH COVERAGE INFORMATION TO MEMBERS, FORMER MEMBERS, AND DEPENDENTS ELIGIBLE FOR CERTAIN HEALTH BENEFITS.

(a) HEALTH INFORMATION PLAN REQUIRED.—The Secretary of Defense shall develop a plan to—

(1) ensure that each household that includes one or more eligible persons is provided information concerning—

(A) the extent of health coverage provided by sections 1079 or 1086 of title 10, United States Code, for each such person;

(B) the costs, including the limits on such costs, that each such person is required to pay for such health coverage;

(C) sources of information for locating TRICARE-authorized providers in the household's locality; and

(D) methods to obtain assistance in resolving difficulties encountered with billing, payments, eligibility, locating TRICARE-authorized providers, collection actions, and such other issues as the Secretary considers appropriate;

(2) provide mechanisms to ensure that each eligible person has access to information identifying TRICARE-authorized providers in the person's locality who have agreed to accept new patients under section 1079 or 1086 of title 10, United States Code, and to ensure that such information is periodically updated;

(3) provide mechanisms to ensure that each eligible person who requests assistance in locating a TRICARE-authorized provider is provided such assistance;

(4) provide information and recruitment materials and programs aimed at attracting participation of health care providers as necessary to meet health care access requirements for all eligible persons; and

(5) provide mechanisms to allow for the periodic identification by the Department of Defense of the

number and locality of eligible persons who may intend to rely on TRICARE-authorized providers for health care services.

(b) IMPLEMENTATION OF PLAN.—The Secretary of Defense shall implement the plan required by subsection (a) with respect to any contract entered into by the Department of Defense after May 31, 2003, for managed health care.

(c) DEFINITIONS.—In this section:

(1) The term "eligible person" means a person eligible for health benefits under section 1079 or 1086 of title 10, United States Code.

(2) The term "TRICARE-authorized provider" means a facility, doctor, or other provider of health care services—

(A) that meets the licensing and credentialing certification requirements in the State where the services are rendered;

(B) that meets requirements under regulations relating to TRICARE for the type of health care services rendered; and

(C) that has accepted reimbursement by the Secretary of Defense as payment for services rendered during the 12-month period preceding the date of the most recently updated provider infor-

mation provided to households under the plan required by subsection (a).

(d) SUBMISSION OF PLAN.—Not later than March 31, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives the plan required by subsection (a), together with a schedule for implementation of the plan.

SEC. 705. WORKING GROUP ON MILITARY HEALTH CARE FOR PERSONS RELIANT ON HEALTH CARE FACILITIES AT MILITARY INSTALLATIONS TO BE CLOSED OR REALIGNED.

Section 722 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 1073 note) is amended by striking subsections (a), (b), (c), and (d) and inserting the following new subsections:

"(a) ESTABLISHMENT.—Not later than December 31, 2003, the Secretary of Defense shall establish a working group on the provision of military health care to persons who rely for health care on health care facilities located at military installations—

"(1) inside the United States that are selected for closure or realignment in the 2005 round of realignments and closures authorized by sections 2912, 2913, and 2914 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law

101–510; 10 U.S.C. 2687 note), as added by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 155 Stat. 1342); or

"(2) outside the United States that are selected for closure or realignment as a result of force posture changes.

"(b) MEMBERSHIP.—The members of the working group shall include, at a minimum, the following:

"(1) The Assistant Secretary of Defense of Health Affairs, or the designee of the Assistant Secretary.

"(2) The Surgeon General of the Army, or the designee of that Surgeon General.

"(3) The Surgeon General of the Navy, or the designee of that Surgeon General.

"(4) The Surgeon General of the Air Force, or the designee of that Surgeon General.

"(5) At least one independent member from each TRICARE region, but not to exceed a total of 12 members appointed under this paragraph, whose experience in matters within the responsibility of the working group qualify that person to represent persons authorized health care under chapter 55 of title 10, United States Code.

"(c) DUTIES.—(1) In developing the selection criteria and recommendations for the 2005 round of realignments and closures required by sections 2913 and 2914 of the Defense Base Closure and Realignment Act of 1990, the Secretary of Defense shall consult with the working group.

"(2) The working group shall be available to provide assistance to the Defense Base Closure and Realignment Commission.

"(3) In the case of each military installation referred to in paragraph (1) or (2) of subsection (a) whose closure or realignment will affect the accessibility to health care services for persons entitled to such services under chapter 55 of title 10, United States Code, the working group shall provide to the Secretary of Defense a plan for the provision of the health care services to such persons.

"(d) SPECIAL CONSIDERATIONS.—In carrying out its duties under subsection (c), the working group—

"(1) shall conduct meetings with persons entitled to health care services under chapter 55 of title 10, United States Code, or representatives of such persons;

"(2) may use reliable sampling techniques;

"(3) may visit the areas where closures or realignments of military installations will adversely af-

fect the accessibility of health care for such persons and may conduct public meetings; and

"(4) shall ensure that members of the uniformed services on active duty, members and former members of the uniformed services entitled to retired or retainer pay, and dependents and survivors of such members and retired personnel are afforded the opportunity to express their views.".

SEC. 706. ACCELERATION OF IMPLEMENTATION OF CHIROPRACTIC HEALTH CARE FOR MEMBERS ON ACTIVE DUTY.

The Secretary of Defense shall accelerate the implementation of the plan required by section 702 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398) (relating to chiropractic health care services and benefits), with a goal of completing implementation of the plan by October 1, 2005.

SEC. 707. MEDICAL AND DENTAL SCREENING FOR MEMBERS OF SELECTED RESERVE UNITS ALERTED FOR MOBILIZATION.

Section 1074a of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) The Department of Defense may provide medical and dental screening and care to members of the Selected Reserve who are assigned to a unit that has been

alerted that the unit will be mobilized for active duty in support of an operational mission or contingency operation, during a national emergency, or in a time of war.

"(2) The medical and dental screening and care that may be provided under this subsection is screening and care necessary to ensure that a member meets the medical and dental standards for required deployment.

"(3) The services provided under this subsection shall be provided to a member at no cost to the member and at any time after the unit to which the member is assigned is alerted or otherwise notified that the unit will be mobilized.".

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

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

SEC. 801. EXTENSION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 10 U.S.C. 2371 note) is amended in subsection (g) by striking "September 30, 2004" and inserting "September 30, 2008".

SEC. 802. ELIMINATION OF CERTAIN SUBCONTRACT NOTIFICATION REQUIREMENTS.

Subsection (e) of section 2306 of title 10, United States Code, is amended—

(1) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(3) by striking "Each" and inserting "(1) Except as provided in paragraph (2), each"; and

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

"(2) Paragraph (1) shall not apply to a prime contract with a contractor that maintains a purchasing system approved by the contracting officer for the contract.".

SEC. 803. ELIMINATION OF REQUIREMENT TO FURNISH WRITTEN ASSURANCES OF TECHNICAL DATA CONFORMITY.

Section 2320(b) of title 10, United States Code, is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

SEC. 804. LIMITATION PERIOD FOR TASK AND DELIVERY ORDER CONTRACTS.

(a) IN GENERAL.—Chapter 137 of title 10, United States Code, is amended—

(1) in section 2304a—

(A) in subsection (e)—

(i) by inserting "(1)" before "A task"; and

(ii) by adding at the end the following new paragraphs:

"(2) Unless use of procedures other than competitive procedures is authorized by an exception in subsection (c) of section 2304 of this title and approved in accordance with subsection (f) of such section, competitive procedures shall be used for making such a modification.

"(3) Notice regarding the modification shall be provided in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e))."; and

(B) by striking subsection (f) and inserting the following:

"(f) LIMITATION ON CONTRACT PERIOD.—The base period of a task order contract or delivery order contract entered into under this section may not exceed five years unless a longer period is specifically authorized in a law that is applicable to such contract. The contract may be extended

for an additional 5 years (for a total contract period of not more than 10 years) through modifications, options, or otherwise.”; and

(2) in section 2304b—

(A) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—A task order contract (as defined in section 2304d of this title) for procurement of advisory and assistance services shall be subject to the requirements of this section, sections 2304a and 2304c of this title, and other applicable provisions of law.”;

(B) by striking subsections (b), (f), and (g) and redesignating subsections (c), (d), (e), (h), and (i) as subsections (b) through (f);

(C) by amending subsection (c) (as redesignated by subparagraph (B)) to read as follows:

“(c) REQUIRED CONTENT OF CONTRACT.—A task order contract described in subsection (a) shall contain the same information that is required by section 2304a(b) to be included in the solicitation of offers for that contract.”; and

(D) in subsection (d) (as redesignated by subparagraph (B))—

(i) in paragraph (1), by striking "under this section" and inserting "described in subsection (a)"; and

(ii) in paragraph (2), by striking "under this section".

(b) REPEALS.—(1) Subsection (g) of section 2306c of title 10, United States Code, is repealed.

(2) Subsection (c) of section 811 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2608) is repealed.

SEC. 805. ADDITIONAL AUTHORITIES RELATING TO OBTAINING PERSONAL SERVICES.

(a) IN GENERAL.—Section 129b of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking "in accordance with section 3109 of title 5"; and

(2) by adding at the end the following new subsection:

"(d) ADDITIONAL AUTHORITY.—(1) In addition to the authority provided under subsection (a), the Secretary of Defense may enter into personal services contracts with individuals, regardless of their nationality, outside of the United States.

"(2) The contracting officer for a personal services contract shall be responsible for ensuring that a personal serv-

ices contract is the appropriate vehicle for carrying out the purpose of the contract.".

(b) INTELLIGENCE COMPONENTS.—(1) Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 426. Personal services contracts: authority and limitations

"(a) PERSONAL SERVICES.—(1) The Secretary of Defense may, notwithstanding section 3109 of title 5, enter into personal services contracts in the United States if the personal services directly support the mission of a defense intelligence component or counter-intelligence organization.

"(2) The contracting officer for a personal services contract shall be responsible for ensuring that a personal services contract is the appropriate vehicle for carrying out the purpose of the contract.

"(b) DEFINITION.—In this section, the term 'defense intelligence component' means a component of the Department of Defense that is an element of the intelligence community, as defined in section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).".

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

"426. Personal services contracts: authority and limitations.".

(c) SPECIAL OPERATIONS COMMAND.—Section 167 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(l) PERSONAL SERVICES CONTRACTS.—(1) The Secretary of Defense may, notwithstanding section 3109 of title 5, enter into personal services contracts in the United States if the personal services directly support the mission of the special operations command.

"(2) The contracting officer for a personal services contract shall be responsible for ensuring that a personal services contract is the appropriate vehicle for carrying out the purpose of the contract.".

SEC. 806. EVALUATION OF PROMPT PAYMENT PROVISIONS.

(a) EVALUATION REQUIREMENT.—The Secretary of Defense shall evaluate provisions of law and regulation relating to the prompt payment of amounts due contractors under contracts with the Department of Defense.

(b) MATTERS COVERED.—In carrying out such evaluation, the Secretary shall focus in particular on the implementation of prompt payment provisions with respect to small businesses, including—

(1) an analysis of compliance by the Department of Defense with chapter 39 of title 31, United States Code, and regulations applicable to the Department of

Defense under that chapter, with respect to small business contractors;

(2) a determination of the number of Department of Defense contracts with small businesses that are not in compliance with prompt payment requirements; and

(3) a determination of the average length of time that elapses between performance of work by small business contractors under Department of Defense contracts and payment for such work.

Subtitle B—United States Defense Industrial Base Provisions

Part I—Critical Items Identification and Domestic Production Capabilities Improvement Program

SEC. 811. ASSESSMENT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES.

(a) ASSESSMENT PROGRAM.—The Secretary of Defense, in coordination with the Secretary of each military department, shall establish a program to assess the capabilities of the United States defense industrial base to produce military systems necessary to support national security requirements.

(b) DESIGNEE.—The Secretary of each military department shall designate a position to be responsible for assisting in carrying out the program under subsection (a)

with respect to the military department concerned. The person designated to serve in such position shall do the following:

(1) Report to the Service Acquisition Executive of the military department concerned on defense industrial base matters affecting the acquisition and production of military systems.

(2) Provide information to assist the Secretary of Defense in carrying out the Secretary's duties as a member of the National Defense Technology and Industrial Base Council (as established under section 2502 of title 10, United States Code).

(3) Oversee the collection of data to assist the Secretary of Defense in carrying out subsection (c).

(4) Oversee the process for identifying and determining critical items to assist the Secretary of Defense in carrying out section 812.

(c) COLLECTION OF DATA.—The Secretary of Defense shall collect data in support of the program. At a minimum, with respect to each procurement for a covered military system, the following information shall be collected:

(1) With respect to the contractor awarded the contract:

(A) An identification of the critical item or items included in the covered military system

and whether the item is of a domestic or foreign source.

(B) Whether the contractor is a foreign contractor, and, if so—

(i) whether the contract was awarded on a sole source basis because of the unavailability of responsible offerors with United States production capabilities; or

(ii) whether the contract was awarded after receipt of offers from responsible offerors with United States production capabilities.

(C) Whether the contractor is a United States contractor, and, if the contractor plans to perform work under the contract outside the United States, an identification of the locations where the work (including research, development, and manufacturing) will be performed.

(2) With respect to the offerors submitting bids or proposals (other than the offeror awarded the contract):

(A) An identification of the critical item or items included in the covered military system and whether the item is of a domestic or foreign source.

(B) An identification of the domestic and foreign offerors and the locations where the work (including research, development, and manufacturing) was proposed to be performed under the contract.

(C) A statement of whether there were no offerors or whether there was only one offeror.

(d) CONFIDENTIALITY.—The Secretary of Defense shall make every effort to ensure that the information collected under this section from private sector entities remains confidential.

(e) ASSESSMENT.—The Secretary of Defense shall prepare an assessment of the data compiled under this section during every two-year period and shall submit the results of the assessment to the Committees on Armed Services of the Senate and the House of Representatives. The first such assessment shall cover the period of fiscal Year 2002 and fiscal Year 2003 and shall be submitted to the Committees no later than November 1, 2004.

SEC. 812. IDENTIFICATION OF CRITICAL ITEMS: MILITARY SYSTEM BREAKOUT LIST.

(a) IDENTIFICATION PROCESS.—The Secretary of Defense shall establish a process to identify, with respect to each military system—

(1) the items and components within the military system;

(2) the items and components within the military system that are essential, in accordance with subsection (c); and

(3) the items and components within the military system that are critical, in accordance with subsection (d).

(b) MILITARY SYSTEM BREAKOUT LIST.—The Secretary of Defense shall produce a list, to be known as the "military system breakout list", consisting of the items and components identified under the process established under subsection (a).

(c) ESSENTIAL ITEMS AND COMPONENTS.—For purposes of determining whether an item or component is essential, the Secretary shall include only an item or component that—

(1) is essential for the proper functioning and performance of the military system of which the item or component is a part; or

(2) involves a critical technology (as defined in section 2500 of title 10, United States Code).

(d) CRITICAL ITEMS OR COMPONENTS.—(1) For purposes of determining whether an item or component is crit-

ical, the Secretary shall include only an item or component that—

(A) is essential, as determined under subsection (c); and

(B) with respect to which there is a high barrier to entry for the production of the item or component.

(2) For purposes of paragraph (1)(B), a high barrier to entry for the production of an item or component means that—

(A) there would be a significant period of time required to reestablish United States production capabilities; and

(B) the level of investment necessary to reestablish United States production capabilities that are able to meet surge and sustained production rates for wartime requirements is significant.

(e) REPORT.—Not later than November 1 of each year, beginning with November 1, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the implementation of this section. The report shall include the following:

(1) A list of each military system covered by the process established under subsection (a).

(2) A list of items and components determined to be essential.

(3) A list of items and components determined to be critical.

(4) A list of the items and components contained in the lists provided under paragraphs (2) and (3) that are manufactured or produced outside the United States.

SEC. 813. PROCUREMENT OF CERTAIN CRITICAL ITEMS FROM AMERICAN SOURCES.

(a) REQUIREMENT FOR PROCUREMENT OF CERTAIN CRITICAL ITEMS PRODUCED IN UNITED STATES.—With respect to items that meet the criteria set forth in subsection (b), the Secretary of Defense may procure such items only if the items are entirely produced in the United States.

(b) CRITERIA.—For purposes of subsection (a), an item meets the criteria of this subsection if—

(1) it is a critical item; and

(2) there are limited sources of production capability of the item in the United States.

(c) EXCEPTION.—Subsection (a) does not apply to a procurement of an item when the Secretary of Defense determines in writing that the Department of Defense's need for the item is of such an unusual and compelling urgency that the United States would be seriously injured unless the De-

partment is permitted to procure the item from sources outside the United States.

(d) APPLICABILITY.—Subsection (a) shall apply to contracts for the procurement of covered military systems and subcontracts under such contracts.

SEC. 814. PRODUCTION CAPABILITIES IMPROVEMENT FOR CERTAIN CRITICAL ITEMS USING DEFENSE INDUSTRIAL BASE CAPABILITIES FUND.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a separate fund to be known as the Defense Industrial Base Capabilities Fund (hereafter in this section referred to as the'Fund').

(b) MONEYS IN FUND.—There shall be credited to the Fund amounts appropriated to it.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Fund $100,000,000 for fiscal year 2004.

(d) USE OF FUND.—The Secretary of Defense is authorized to use all amounts in the Fund, subject to appropriation, for the purposes of establishing capabilities within the United States to produce critical items that meet any of the following criteria:

(1) The item is available only from foreign contractors.

(2) The item is available only from a limited number of United States contractors.

(e) LIMITATION ON USE OF FUND.—Before the obligation of any amounts in the Fund, the Secretary of Defense shall submit to Congress a report describing the Secretary's plans for implementing the Fund established in subsection (a), including the priorities for the obligation of amounts in the Fund, the criteria for determining the recipients of such amounts, and the mechanisms through which such amounts may be provided to the recipients.

(f) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended.

(g) FUND MANAGER.—The Secretary of Defense shall designate a Fund manager. The duties of the Fund manager shall include—

(1) ensuring the visibility and accountability of transactions engaged in through the Fund; and

(2) reporting to Congress each year regarding activities of the Fund during the previous fiscal year.

Part II—Requirements Relating to Specific Items

SEC. 821. DOMESTIC SOURCE LIMITATION AMENDMENTS.

(a) ADDITIONAL ITEMS.—Section 2534(a) of title 10, United States Code, is amended by adding at the end of the following new paragraphs:

"(6) Fuzes used for ordnance.

"(7) Microwave power tubes or traveling wave tubes.

"(8) PAN carbon fiber.

"(9) Aircraft tires.

"(10) Ground vehicle tires.

"(11) Tank track assemblies.

"(12) Tank track components.

"(13) Packaging in direct contact with meals within meals ready-to-eat listed in Federal Supply Class 8970.".

(b) AMENDMENT OF NATIONAL TECHNOLOGY AND INDUSTRIAL BASE.—Paragraph (1) of section 2500 of title 10, United States Code, is amended—

(1) by striking all that follows after "States" to the end of the paragraph and inserting a period; and

(2) by striking "production, or maintenance" and inserting "production, and maintenance".

(c) AMENDMENT OF WAIVER AUTHORITY.—Section 2534(d) of title 10, United States Code, is amended—

(1) in the text before paragraph (1), by inserting "in writing" after "determines";

(2) by striking paragraphs (1), (2), (3), (6), (7), and (8);

(3) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively, and in such

paragraph (3), as so redesignated, by adding at the end the following: "This exception shall not apply to items determined to be critical by the Secretary of Defense under section 812 of the National Defense Authorization Act for Fiscal Year 2004."; and

(4) by inserting before paragraph (2), as so redesignated, the following new paragraph (1):

"(1) The Department of Defense's need for the item is of such an unusual and compelling urgency that the United States would be seriously injured unless the Department is permitted to procure the item from sources outside the United States.".

SEC. 822. REQUIREMENTS RELATING TO BUYING COMMERCIAL ITEMS CONTAINING SPECIALTY METALS FROM AMERICAN SOURCES.

(a) SPECIALTY METALS AND OTHER INDUSTRIAL BASE PROTECTION MEASURES.—(1) Subsection (b) of section 2533a of title 10, United States Code, is amended—

(A) in paragraph (1)(B), by inserting before the semicolon the following: "and the materials and components thereof"; and

(B) in paragraph (2), by inserting before the period the following: " and any specialty metal that may be part of another item".

(2) Subsection (c) is amended—

(A) by striking "or the Secretary of the military department concerned"; and

(B) by adding at the end the following: "For each such determination, the Secretary of Defense shall notify Congress in writing of the factors supporting the determination.".

(3) Section 2533a of such title is amended by adding at the end the following new subsection:

"(l) AUTHORITY NOT DELEGABLE.—The Secretary may not delegate any authority under this section to anyone other than the Under Secretary of Defense for Acquisition, Technology, and Logistics.".

(b) EXCEPTION TO BERRY AMENDMENT FOR COMMERCIAL ITEMS CONTAINING SPECIALTY METALS.—Section 2533a of title 10, United States Code, is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(2) by inserting after subsection (h) the following new subsection:

"(i) EXCEPTION FOR COMMERCIAL ITEMS CONTAINING SPECIALTY METALS.—

"(1) IN GENERAL.—Subsection (a) does not apply to the procurement of a commercial item containing specialty metals if—

"(A) the contractor agrees to comply with the requirement set forth in paragraph (2); or

"(B) the Secretary of Defense determines in writing that the Department of Defense's need for the commercial item containing specialty metal is of such an unusual and compelling urgency that the United States would be seriously injured unless the Department is permitted to procure the item containing specialty metal from outside the United States.

"(2) REQUIREMENT TO PURCHASE EQUIVALENT AMOUNT OF DOMESTIC METAL.—For purposes of paragraph (1)(A), the requirement set forth in this paragraph is that the contractor for each contract entered into by the Secretary for the procurement of a commercial item containing specialty metal agrees to purchase, over the 18-month period beginning on the date of award of the contract, an amount of specialty metal that is—

"(A) produced, including such functions as melting and smelting, in the United States; and

"(B) equivalent to—

"(i) the amount of specialty metal (measured by factors including volume, type, and grade) purchased to carry out the

work under the contract (including the work under each subcontract at any tier under the contract); plus

"(ii) 10 percent of the amount referred to in clause (i).

"(3) RELATIONSHIP TO OTHER EXCEPTIONS.—The exceptions under subsections (c), (d), and (h) of this section shall not apply to the procurement of a commercial item containing specialty metals.

"(4) NOTICE TO CONGRESS.—The Secretary of Defense shall not enter into a contract to procure a commercial item containing specialty metal pursuant to the exception in subsection (a) until Congress is notified that the Secretary has applied the exception and a period of 15 days has expired after such notification is made.

"(5) NOTICE TO INDUSTRY.—The Secretary of Defense shall publish a notice in the Federal Register on the method that the Department of Defense will use to measure an equivalent amount of specialty metal for purposes of this subsection. Such a method shall consider factors such as volume, type, and grade of specialty metal that otherwise would be produced from United States sources.".

(c) REMOVAL OF SPECIALTY METAL FROM SUBSECTION (e) EXCEPTION.—Subsection (e) of such section is amended—

(1) in the heading, by striking "SPECIALTY METALS AND"; and

(2) by striking "specialty metals or".

(d) CONFORMING AMENDMENT.—Subsection (a) of section 2533a of such title is amended by striking "through (h)" and inserting "through (i)".

(e) EFFECTIVE DATE.—Section 2533a(i) of title 10, United States Code, as added by subsection (a), shall apply to each contract for the procurement of a commercial item containing specialty metal entered into before, on, or after the date of the enactment of this Act.

SEC. 823. ELIMINATION OF UNRELIABLE SOURCES OF DEFENSE ITEMS AND COMPONENTS.

(a) IDENTIFICATION OF CERTAIN COUNTRIES.—The Secretary of Defense shall identify foreign countries that, by law, policy, or regulation, restricted the provision or sale of military goods or services to the United States because of United States policy toward, or military operations in, Iraq since September 12, 2002.

(b) PROHIBITION ON PROCUREMENT OF CERTAIN ITEMS FROM IDENTIFIED COUNTRIES.—The Secretary of Defense may not procure any items or components con-

tained in military systems if the items or components, or the systems, are manufactured in any foreign country identified under subsection (a).

(c) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (b) if the Secretary determines in writing and notifies Congress that the Department of Defense's need for the item is of such an unusual and compelling urgency that the United States would be seriously injured unless the Department is permitted to procure the item from the sources identified in subsection (a).

(d) EFFECTIVE DATE.—(1) Subject to paragraph (2), subsection (b) applies to contracts in existence on the date of the enactment of this Act or entered into after such date.

(2) With respect to contracts in existence on the date of the enactment of this Act, the Secretary of Defense shall take such action as is necessary to ensure that such contracts are in compliance with subsection (b) not later than 24 months after such date.

SEC. 824. CONGRESSIONAL NOTIFICATION REQUIRED BEFORE EXERCISING EXCEPTION TO REQUIREMENT TO BUY SPECIALTY METALS FROM AMERICAN SOURCES.

Section 2533a(c) of title 10, United States Code, is amended by adding at the end the following new sentence:

"The Secretary of Defense or the Secretary of the military department concerned may not procure specialty metals pursuant to the exception authorized by this subsection until the Secretary submits to Congress and publishes in the Federal Register notice of the determination made under this subsection and a period of 15 days expires after the date such notification is submitted.".

SEC. 825. REPEAL OF AUTHORITY FOR FOREIGN PROCUREMENT OF PARA-ARAMID FIBERS AND YARNS.

Section 807 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2084) is repealed.

SEC. 826. REQUIREMENT FOR MAJOR DEFENSE ACQUISITION PROGRAMS TO USE MACHINE TOOLS ENTIRELY PRODUCED WITHIN THE UNITED STATES.

(a) IN GENERAL.—(1) Chapter 144 of title 10, United States Code, is amended by inserting after section 2435 the end the following new section:

"§ 2436. Major defense acquisition programs: requirement for certain items to be entirely produced in United States

"The Secretary of Defense shall require that, for any procurement of a major defense acquisition program—

"(1) the contractor for the procurement shall use only machine tools entirely produced within the United States to carry out the contract; and

"(2) any subcontractor under the contract shall comply with paragraph (1) in the case of any contract in an amount that is $5,000,000 or greater.

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

"2436. Major defense acquisition programs: requirement for certain items to be entirely produced in United States.".

(b) EFFECTIVE DATE.—Section 2436 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after the date occurring four years after the date of the enactment of this Act.

Part III—General Provisions

SEC. 831. DEFINITIONS.

In this subtitle:

(1) COVERED MILITARY SYSTEM.—The term "covered military system" means a military system that includes one or more critical items.

(2) MILITARY SYSTEM.—The term "military system" means a military system necessary to support national security requirements, as determined by the Secretary of Defense, and which costs more than $25,000. At a minimum, the term includes the following:

(A) Weapons listed in Federal Supply Group 10.

(B) Nuclear ordnance listed in Federal Supply Group 11.

(C) Fire control equipment listed in Federal Supply Group 12.

(D) Ammunition and explosives listed in Federal Supply Group 13.

(E) Guided missiles listed in Federal Supply Group 14.

(F) Aircraft and related components, accessories, and equipment listed in Federal Supply Groups 15, 16, and 17.

(G) Space vehicles listed in Federal Supply Group 18.

(H) Ships, small craft, pontoons, and floating docks listed in Federal Supply Group 19.

(I) Ship and marine equipment listed in Federal Supply Group 20.

(J) Tracked combat vehicles listed in Federal Supply Class 2350.

(K) Engines, turbines, and components listed in Federal Supply Group 28.

(3) CRITICAL ITEM.—The term "critical item" means an item or component determined to be critical by the Secretary of Defense under section 812.

(4) ITEM.—The term "item" means an end item.

(5) COMPONENT.—The term "component" means an article, material, or supply incorporated into an end item. The term includes software and subassemblies.

(6) FOREIGN CONTRACTOR.—The term "foreign contractor" means a contractor or subcontractor organized or existing under the laws of a country other than the United States.

(7) UNITED STATES CONTRACTOR.—The term "United States contractor" means a contractor or subcontractor organized or existing under the laws of the United States.

(8) UNITED STATES PRODUCTION CAPABILITIES.—The term "United States production capabilities" means, with respect to an item or component, facilities located in the United States to design, develop, or manufacture the item or component.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. CHANGE IN TITLE OF SECRETARY OF THE NAVY TO SECRETARY OF THE NAVY AND MARINE CORPS.

(a) CHANGE IN TITLE.—The position of the Secretary of the Navy is hereby redesignated as the Secretary of the Navy and Marine Corps.

(b) REFERENCES.—Any reference to the Secretary of the Navy in any law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the Secretary of the Navy and Marine Corps.

SEC. 902. REDESIGNATION OF NATIONAL IMAGERY AND MAPPING AGENCY AS NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY.

(a) REDESIGNATION.—The National Imagery and Mapping Agency of the Department of Defense is hereby redesignated as the National Geospatial-Intelligence Agency.

(b) DEFINITION OF GEOSPATIAL INTELLIGENCE.—Section 467 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) The term 'geospatial intelligence' means the exploitation and analysis of imagery and geospatial

information to describe, assess, and visually depict physical features and geographically referenced activities on the earth. Geospatial intelligence consists of imagery, imagery intelligence, and geospatial information.".

(c) AGENCY MISSIONS.—(1) Section 442(a) of title 10, United States Code, is amended—

(A) in paragraph (1), by inserting "geospatial intelligence consisting of" after "provide"; and

(B) in paragraph (2), by striking "Imagery, intelligency, and information" and inserting "Geospatial intelligence".

(2) Section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a)) is amended by striking "imagery" and inserting "geospatial intelligence".

(d) CONFORMING AMENDMENTS TO TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The heading of chapter 22 is amended to read as follows:

"CHAPTER 22—NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(2) Chapter 22 is amended—

(A) by striking "National Imagery and Mapping Agency" each place it appears and in-

serting "National Geospatial-Intelligence Agency"; and

(B) in section 453(b), by striking "NIMA" in paragraphs (1) and (2) and inserting "NGA".

(3) Section 193 is amended—

(A) by striking "National Imagery and Mapping Agency" in subsections (d)(1), (d)(2), (e), and (f)(4) and inserting "National Geospatial-Intelligence Agency";

(B) in the heading for subsection (d), by striking "NATIONAL IMAGERY AND MAPPING AGENCY" and inserting "NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY"; and

(C) in the heading for subsection (e), by striking "NIMA" and inserting "NGA".

(4) Section 201 is amended by striking "National Imagery and Mapping Agency" in subsections (b)(2)(C) and (c)(2)(C) and inserting "National Geospatial-Intelligence Agency".

(5)(A) Section 424 is amended by striking "National Imagery and Mapping Agency" in subsection (b)(3) and inserting "National Geospatial-Intelligence Agency".

(B)(i) The heading of such section is amended to read as follows:

"§ 424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies".

(ii) The item relating to that section in the table of sections at the beginning of subchapter I of chapter 21 is amended to read as follows:

"424. Disclosure of organizational and personnel information: exemption for specified intelligence agencies.".

(6) Section 425(a) is amended by adding at the end the following new paragraph:

"(5) The words 'National Geospatial-Intelligence Agency', the initials 'NGA,' or the seal of the National Geospatial-Intelligence Agency.".

(7) Section 1614(2)(C) is amended by striking "National Imagery and Mapping Agency" and inserting "National Geospatial-Intelligence Agency".

(8) The tables of chapters at the beginning of subtitle A, and at the beginning of part I of subtitle A, are each amended by striking "Imagery and Mapping" in the item relating to chapter 22 and inserting "Geospatial-Intelligence".

(e) CONFORMING AMENDMENTS TO NATIONAL SECURITY ACT OF 1947.—The National Security Act of 1947 is amended as follows:

(1) Section 3 (50 U.S.C. 401a) is amended by striking "National Imagery and Mapping Agency" in

paragraph (4)(E) and inserting "National Geospatial- Intelligence Agency".

(2) Section 105 (50 U.S.C. 403–5) is amended by striking "National Imagery and Mapping Agency" in subsections (b)(2) and (d) and inserting "National Geospatial-Intelligence Agency".

(3) Section 105A (50 U.S.C. 403–5a) is amended by striking "National Imagery and Mapping Agency" in subsection (b)(1)(C) and inserting "National Geospatial-Intelligence Agency".

(4) Section 105C (50 U.S.C. 403-5c) is amended—

(A) by striking "National Imagery and Mapping Agency" each place it appears and inserting "National Geospatial-Intelligence Agency";

(B) by striking "NIMA" each place it appears and inserting "NGA"; and

(C) by striking "NATIONAL IMAGERY AND MAPPING AGENCY" in the section heading and inserting "NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(5) Section 106 (50 U.S.C. 403–6) is amended by striking "National Imagery and Mapping Agency"

in subsection (a)(2)(C) and inserting "National Geospatial-Intelligence Agency".

(6) Section 110 (50 U.S.C. 404e) is amended—

(A) by striking "National Imagery and Mapping Agency" in subsections (a), (b), and (c) and inserting "National Geospatial-Intelligence Agency"; and

(B) by striking "NATIONAL IMAGERY AND MAPPING AGENCY" in the section heading and inserting "NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(7) The table of contents in the first section is amended—

(A) by striking the item relating to section 105C and inserting the following:

"Sec. 105C. Protection of operational files of National Geospatial-Intelligence Agency.";

and

(B) by striking the item relating to section 110 and inserting the following:

"Sec. 110. National mission of National Geospatial-Intelligence Agency.".

(f) CROSS REFERENCE CORRECTION.—Section 442(d) of title 10, United States Code, is by striking "section 120(a) of the National Security Act of 1947" and inserting "section 110(a) of the National Security Act of 1947 (50 U.S.C. 404e(a))".

(g) REFERENCES.—Any reference to the National Imagery and Mapping Agency in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the National Geospatial-Intelligence Agency.

SEC. 903. PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENTAL ENTITIES.

(a) IN GENERAL.—Chapter 135 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2272. Space surveillance network: pilot program for provision of satellite tracking support to entities outside Unites States Government

"(a) PILOT PROGRAM.—The Secretary of Defense may carry out a pilot program to determine the feasibility and desirability of providing to non-United States Governmental entities space surveillance data support described in subsection (b).

"(b) SPACE SURVEILLANCE DATA SUPPORT.—Under such a pilot program, the Secretary may provide to a non-United States Governmental entity, subject to an agreement described in subsection (c), the following:

"(1) Satellite tracking services from assets owned or controlled by the Department of Defense, but only

if the Secretary determines, in the case of any such agreement, that providing such services to that entity is in the national security interests of the United States.

"(2) Space surveillance data and the analysis of space surveillance data, but only if the Secretary determines, in the case of any such agreement, that providing such data and analysis to that entity is in the national security interests of the United States.

"(c) REQUIRED AGREEMENT.—The Secretary may not provide space surveillance data support to a non-United States Governmental entity under the pilot program unless that entity enters into an agreement with the Secretary under which the entity—

"(1) agrees to pay an amount that may be charged by the Secretary under subsection (f); and

"(2) agrees not to transfer any data or technical information received under the agreement, including the analysis of tracking data, to any other entity without the Secretary's express approval.

"(d) REQUIREMENTS WITH RESPECT TO FOREIGN TRANSACTIONS.—(1) The Secretary may enter into an agreement under subsection (c) to provide space surveillance data support to a foreign government or other foreign entity only with the concurrence of the Secretary of State.

"(2) In the case of such an agreement that is entered into with a foreign government or other foreign entity, the Secretary of Defense may provide approval under subsection (c)(2) for a transfer of data or technical information only with the concurrence of the Secretary of State.

"(e) PROHIBITION CONCERNING PROVISION OF INTELLIGENCE ASSETS OR DATA.—Nothing in this section shall be considered to authorize the provision of services or information concerning, or derived from, United States intelligence assets or data.

"(f) CHARGES.—As a condition of an agreement under subsection (c), the Secretary of Defense may require the non-United States Governmental entity entering into the agreement to pay to the Department of Defense—

"(1) such amounts as the Secretary determines to be necessary to reimburse the Department of Defense for the costs to the Department of providing space surveillance data support under the agreement; and

"(2) any other amount or fee that the Secretary may prescribe

"(g) CREDITING OF FUNDS RECEIVED.—Funds received pursuant to an agreement under this section shall be credited to accounts of the Department of Defense that are current when the proceeds are received and that are available for the same purposes as the accounts originally

charged to perform the services. Funds so credited shall merge with and become available for obligation for the same period as the accounts to which they are credited.

"(h) PROCEDURES.—The Secretary shall establish procedures for the conduct of the pilot program. As part of those procedures, the Secretary may allow space surveillance data and analytical support to be provided through a contractor of the Department of Defense.

"(i) DURATION OF PILOT PROGRAM.—The pilot program under this section shall be conducted during the three-year period beginning on a date specified by the Secretary of Defense, which date shall be not later than 180 days after the date of the enactment of this section.".

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

"2272. Space surveillance network: pilot program for provision of satellite tracking services and data to entities outside Unites States Government.".

SEC. 904. CLARIFICATION OF RESPONSIBILITY OF MILITARY DEPARTMENTS TO SUPPORT COMBATANT COMMANDS.

Sections 3013(c)(4), 5013(c)(4), and 8013(c)(4) of title 10, United States Code, are each amended by striking "(to the maximum extent practicable)".

SEC. 905. BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY BY CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

(a) BIENNIAL REVIEW.—Section 153 of title 10, United States Code, by adding at the end the following new subsection:

"(d) BIENNIAL REVIEW OF NATIONAL MILITARY STRATEGY.—(1) Not later then February 15 of each even-numbered year, the Chairman shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of a comprehensive examination of the national military strategy. Each such examination shall be conducted by the Chairman in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands.

"(2) Each report on the examination of the national military strategy under paragraph (1) shall include the following:

"(A) Delineation of a national military strategy consistent with the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a) and the most recent Quadrennial Defense Review prescribed by the Secretary of Defense pursuant to section 118 of this title.

"(B) A description of the strategic environment and the opportunities and challenges that affect United States national interests and United States national security.

"(C) A description of the regional threats to United States national interests and United States national security.

"(D) A description of the international threats posed by terrorism, weapons of mass destruction, and asymmetric challenges to United States national security.

"(E) Identification of United States national military objectives and the relationship of those objectives to the strategic environment, regional, and international threats.

"(F) Identification of the strategy, underlying concepts, and component elements that contribute to the achievement of United States national military objectives.

"(G) Assessment of the capabilities and adequacy of United States forces (including both active and reserve components) to successfully execute the national military strategy.

"(H) Assessment of the capabilities, adequacy, and interoperability of regional allies of the United

States and or other friendly nations to support United States forces in combat operations and other operations for extended periods of time.

"(I) Assessment of the resources, basing requirements, and support structure needed to provide the capabilities necessary to be assured United States forces can successfully achieve national military objectives and to assess what resources and support might be required to sustain allies or friendly nation forces during combat operations.

"(3)(A) As part of the assessment under this subsection, the Chairman, in conjunction with the other members of the Joint Chiefs of Staff and the commanders of the unified and specified commands, shall undertake an assessment of the nature and magnitude of the strategic and military risks associated with successfully executing the missions called for under the current National Military Strategy.

"(B) In preparing the assessment of risk, the Chairman should assume the existence of those threats described in subparagraphs (C) and (D) of paragraph (2) and should assess the risk associated with two regional threats occurring nearly simultaneously.

"(C) In addition to the assumptions to be made under subparagraph (B), the Chairman should make other as-

sumptions pertaining to the readiness of United States forces (in both the active and reserve components), the length of conflict and the level of intensity of combat operations, and the levels of support from allies and other friendly nations.

"(4) Before submitting a report under this subsection to the Committees on Armed Services of the Senate and House of Representatives, the Chairman shall provide the report to the Secretary of Defense. The Secretary's assessment and comments thereon (if any) shall be included with the report. If the Chairman's assessment in such report in any year is that the risk associated with executing the missions called for under the National Military Strategy is significant, the Secretary shall include with the report as submitted to those committees the Secretary's plan for mitigating the risk.".

(b) CONFORMING AMENDMENT.—Subsection (b)(1) of such section is amended by striking "each year" and inserting "of each odd-numbered year".

SEC. 906. AUTHORITY FOR ACCEPTANCE BY ASIA-PACIFIC CENTER FOR SECURITY STUDIES OF GIFTS AND DONATIONS FROM NONFOREIGN SOURCES.

(a) AUTHORITY.—Subsection (a) of section 2611 of title 10, United States Code, is amended—

(1) by striking "FOREIGN" in the subsection caption;

(2) by striking "foreign" in paragraph (1) after "Center,"; and

(3) by adding at the end of paragraph (1) the following sentence: "Such gifts and donations may be accepted from any agency of the United States, any State or local government, any foreign government, any foundation or other charitable organization (including any that is organized or operates under the laws of a foreign country), or any other private source in the United States or a foreign country.".

(b) CONFORMING AMENDMENTS.—Such section is further amended

(1) by striking "foreign" in subsection (c); and

(2) in subsection (f)—

(A) by striking "FOREIGN" in the subsection caption;

(B) by striking "foreign" after "section, a"; and

(C) by striking "from a foreign" and all that follows through "country." and inserting a period.

(c) CLERICAL AMENDMENTS.— The heading of such section, and the item relating to such section in the table

of sections at the beginning of chapter 155 of such title, are each amended by striking the third word after the colon.

SEC. 907. REPEAL OF ROTATING CHAIRMANSHIP OF ECONOMIC ADJUSTMENT COMMITTEE.

Section 4004(b) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (division D of Public Law 101–510; 10 U.S.C. 2391 note) is amended—

(1) by striking "Until October 1, 1997, the" and inserting "The"; and

(2) by striking the second sentence.

SEC. 908. PILOT PROGRAM FOR IMPROVED CIVILIAN PERSONNEL MANAGEMENT.

(a) PILOT PROGRAM.—(1) The Secretary of Defense may carry out a pilot program using an automated workforce management system to demonstrate improved efficiency in the performance of civilian personnel management.

(2) Under the pilot program, the Secretary of Defense shall provide the Secretary of each military department with the authority for the following:

(A) To use an automated workforce management system for its civilian workforce to assess its potential to substantially reduce hiring cycle times, lower labor costs, increase efficiency, improve performance man-

agement, provide better management reporting, and enable it to make operational new personnel management flexibilities granted under the civilian personnel transformation program.

(B) Identify one regional civilian personnel center (or equivalent) in each military department for participation in the pilot program.

(3) The Secretary may carry out the pilot program under this subsection at each selected regional civilian personnel center for a period of two years beginning not later than March 1, 2004.

(b) PILOT PROGRAM CHARACTERISTICS.—The pilot program civilian personnel management system shall have at a minimum the following characteristics:

(1) Currently in use by Federal government agencies outside the Department of Defense.

(2) Able to be purchased on an annual subscription basis.

(3) Requires no capital investment, software license fees, transaction charges, or "per seat" or "concurrent user" restrictions.

(4) Capable of automating the workforce management functions of job definition, position management, recruitment, staffing, and performance management using integrated vendor-supplied and supported data, expert system

rules engines, and software functionality across those functions.

(5) Has a "native web" technical architecture and an Oracle database.

(6) Fully hosted by the vendor so that the customer requires only Internet access and an Internet browser to use the system.

(8) Capable of operating completely "server side" so that no software is required on the client system and no invasive elements are used.

(c) IMPLEMENTATION PLAN.—(1) The Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a plan for the implementation of the pilot program. The plan shall be submitted no later than six months after the date of the enactment of this Act.

(2) The plan shall include the following:

(A) The Secretary's request to the Office of Personnel Management to conduct the pilot program as a Federal civilian personnel demonstration project under chapter 47 of title 5, United States Code, or a plan to provide for the pilot program through another plan.

(B) The expected cost of the pilot program.

(C) Identification of the regional civilian personnel centers for participation in the pilot program and the criteria used to select them.

(D) Expected timing for providing to Congress the results of the pilot program and recommendations of the Secretary.

(d) IMPLEMENTATION.—The Secretary may not begin to implement the pilot program until a period of 30 days has elapsed after the date of the submission of the plan for the pilot program under subsection (c).

SEC. 909. EXTENSION OF CERTAIN AUTHORITIES APPLICABLE TO THE PENTAGON RESERVATION TO INCLUDE DESIGNATED PENTAGON CONTINUITY-OF-GOVERNMENT LOCATIONS.

Section 2674 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) For purposes of subsections (b), (c), (d), and (e), the terms 'Pentagon Reservation' and 'National Capital Region' shall be treated as including the land and physical facilities at the Raven Rock Mountain Complex and such other areas of land, locations, and physical facilities of the Department of Defense within 100 miles of the District of Columbia as the Secretary of Defense determines are necessary to meet the needs of the Department of Defense di-

rectly relating to continuity of operations and continuity of government.".

SEC. 910. DEFENSE ACQUISITION WORKFORCE REDUCTIONS.

(a) REVISED LIMITATION.—Subchapter V of chapter 87 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1765. Defense acquisition workforce: limitation

"(a) LIMITATION.—Effective October 1, 2008, the number of defense acquisition and support personnel in the Department of Defense may not exceed 75 percent of the baseline number.

"(b) PHASED REDUCTION.—The number of defense acquisition and support personnel in the Department of Defense—

"(1) as of October 1, 2004, may not exceed 95 percent of the baseline number;

"(2) as of October 1, 2005, may not exceed 90 percent of the baseline number;

"(3) as of October 1, 2006, may not exceed 85 percent of the baseline number; and

"(4) as of October 1, 2007, may not exceed 80 percent of the baseline number.

"(c) BASELINE NUMBER.—In this section, the term 'baseline number' means the number of defense acquisition

and support personnel in the Department of Defense as of October 1, 2003.

"(d) DEFENSE ACQUISITION AND SUPPORT PERSONNEL DEFINED.—In this section, the term 'defense acquisition and support personnel' means military and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58 dated January 14, 1992), and any other organizations which the Secretary may determine to have a predominantly acquisition mission.".

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

"1765. Defense acquisition workforce: limitation.".

SEC. 911. REQUIRED FORCE STRUCTURE.

(a) ARMY.—Section 3062 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) The Army shall be so organized as to include not less than—

"(1) 10 active and eight National Guard combat divisions or their equivalents;

"(2) one active armored cavalry regiment and one light cavalry regiment or their equivalents;

"(3) 15 National Guard enhanced brigades or their equivalents; and

"(4) such other active and reserve component land combat, rotary-wing aviation, and other services as may be required to support forces specified in paragraphs (1) through (3).".

(b) NAVY.—Section 5062 of such title is amended by adding at the end the following new subsection:

"(d) The Navy, within the Department of the Navy, shall be so organized as to include—

"(1) not less than 305 vessels in active service;

"(2) not less than 12 aircraft carrier battle groups or their equivalents, not less than 12 amphibious ready groups or their equivalents, not less than 55 attack submarines, not less than 108 active surface combatant vessels, and not less than 8 reserve combatant vessels; and

"(3) such other active and reserve naval combat, naval aviation, and service forces as may be required to support forces specified in paragraphs (1) and (2).".

(c) AIR FORCE.—Section 8062 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) Notwithstanding subsection (e), the Air Force shall be so organized as to include not less than—

"(1) 46 active fighter squadrons or their equivalents;

"(2) 38 National Guard and Reserve squadrons or their equivalents;

"(3) 96 combat-coded bomber aircraft in active service; and

"(4) such other squadrons, reserve groups, and supporting auxiliary and reserve units as may be required to support forces specified in paragraphs (1) through (3).".

TITLE X—GENERAL PROVISIONS

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 2004 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 this section may not exceed $2,500,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2003.

(a) DOD AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2003 in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) are hereby adjusted, with respect to any such authorized amount, by the

amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to the following:

(1) Chapters 3 and 8 of title I of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11).

(2) Any Act enacted after May 23, 2003, making supplemental appropriations for fiscal year 2003 for the military functions of the Department of Defense.

(b) NNSA AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Energy for fiscal year 2003 in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to the following:

(1) Chapter 4 of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11).

(2) Any Act enacted after May 23, 2003, making supplemental appropriations for fiscal year 2003 for

the atomic energy defense activities of the Department of Energy.

SEC. 1003. AUTHORITY TO TRANSFER PROCUREMENT FUNDS FOR A MAJOR DEFENSE ACQUISITION PROGRAM FOR CONTINUED DEVELOPMENT WORK ON THAT PROGRAM.

(a) AUTHORITY.—Section 2214 of title 10, United States Code, is amended—

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

(2) by inserting after subsection (a) the following new subsection (b):

"(b) TRANSFER OF PROCUREMENT FUNDS FOR DEVELOPMENT ACTIVITIES FOR MAJOR DEFENSE ACQUISITION SYSTEMS.—(1) In the case of a major defense acquisition program (as defined in section 2430 of this title) for which funds are currently available both for procurement and for research, development, test, and evaluation, if the Secretary concerned determines that funds are required for further research, development, test, and evaluation activities for that program in excess of the funds currently available for that purpose, the Secretary may (subject to paragraph (2)) transfer funds available for that program for procurement to funds available for that program for research, development, test, and evaluation for the purpose of continuing

research, development, test, and evaluation activities for that program.

"(2)(A) The total amount transferred under the authority of paragraph (1) for any acquisition program may not exceed $20,000,000.

"(B) The total amount transferred under the authority of paragraph (1) from amounts made available for any fiscal year may not exceed $250,000,000.

"(3) The authority provided by paragraph (1) is in addition to any other transfer authority that may be provided by law.

"(4) Upon a determination that all or part of the funds transferred under paragraph (1) are not necessary for the purpose for which the transfer was made, such amounts may be transferred back to a Procurement appropriation for the purpose of procurement of the acquisition program for which funds were transferred.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall not apply with respect to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 1004. RESTORATION OF AUTHORITY TO ENTER INTO 12-MONTH LEASES AT ANY TIME DURING THE FISCAL YEAR.

Section 2410a(a) of title 10, United States Code, is amended by inserting after "severable services" the fol-

lowing: "and the lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement,".

SEC. 1005. AUTHORITY FOR RETENTION OF ADDITIONAL AMOUNTS REALIZED FROM ENERGY COST SAVINGS.

(a) INCREASE IN AMOUNT OF ENERGY COST SAVINGS RETAINED.—Section 2865(b)(1) of title 10, United States Code, is amended by striking "Two-thirds of the portion of the funds appropriated to Department of Defense for a fiscal year that is" and inserting "Funds appropriated to the Department of Defense for a fiscal year that are".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 1006. REPEAL OF REQUIREMENT FOR TWO-YEAR BUDGET CYCLE FOR THE DEPARTMENT OF DEFENSE.

Section 1405 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 31 U.S.C. 1105 note), is repealed.

SEC. 1007. AUTHORITY TO PROVIDE REIMBURSEMENT FOR USE OF PERSONAL CELLULAR TELEPHONES WHEN USED FOR OFFICIAL GOVERNMENT BUSINESS.

(a) IN GENERAL.—(1) Chapter 134 of title 10, United States Code, is amended by inserting after section 2257 the following new section:

"§ 2258. Personal cellular telephones: reimbursement when used for Government business

"(a) GENERAL AUTHORITY.—The Secretary of Defense may reimburse members of the Army, Navy, Air Force, and Marine Corp, and civilian officers and employees of the Department of Defense, for cellular telephone use on a privately owned cellular telephone when used on official Government business. Such reimbursement shall be on a flat-rate basis.

"(b) REIMBURSEMENT RATE.—The Secretary of Defense may prescribe the reimbursement rate for purposes of subsection (a). That reimbursement rate may not exceed the equivalent Government costs of providing a cellular telephone to employees on official Government business.".

(2) The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2257 the following new item:

"2258. Personal cellular telephones: reimbursement when used for Government business.".

(b) EFFECTIVE DATE.—Section 2258 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2003, and shall apply with respect to the use of cellular phones on or after that date.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. REPEAL OF REQUIREMENT REGARDING PRESERVATION OF SURGE CAPABILITY FOR NAVAL SURFACE COMBATANTS.

(a) REPEAL.—Section 7296 of title 10, United States Code, is amended by striking subsection (b).

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) by striking "(3) Any notification under paragraph (1)(A)" and inserting "(b) CONTENT OF NOTIFICATION.—Any notification under subsection (a)(1)(A)";

(2) by redesignating subparagraphs (A), (B), and (C) of subsection (b) (as redesignated by paragraph (1)) as paragraphs (1), (2), and (3), respectively; and

(3) by striking "subparagraph (B)" in subsection (b)(3) (as redesignated by paragraphs (1) and (2)) and inserting "paragraph (2)".

SEC. 1012. ENHANCEMENT OF AUTHORITY RELATING TO USE FOR EXPERIMENTAL PURPOSES OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER.

(a) SALE OF MATERIAL AND EQUIPMENT STRIPPED FROM VESSEL.—Subsection (b)(1) of section 7306a of title 10, United States Code, is amended by adding at the end the following new sentence: "Material and equipment stripped from the vessel may be sold by a contractor or a designated sales agent on behalf of the Navy.".

(b) USE OF PROCEEDS.—(1) Subsection (b)(2) of such section is amended by striking "scrapping services" and all that follows through and inserting "services needed for such stripping and for environmental remediation required for the use of the vessel for experimental purposes. Amounts received in excess of amounts needed for reimbursement of those costs shall be deposited into the account from which the stripping and environmental remediation expenses were incurred and shall be available for stripping and environmental remediation of other vessels to be used for experimental purposes.".

(2) The amendment made by paragraph (1) shall not apply with respect to proceeds from the stripping of a vessel under any vessel stripping contract entered into before the date of the enactment of this Act.

(c) CLARIFICATION OF COVERED EXPERIMENTAL PURPOSES.—Such section is further amended by adding at the end the following new subsection:

"(c) USE FOR EXPERIMENTAL PURPOSES DEFINED.—In this section, the term 'use for experimental purposes' includes use of a vessel in a Navy sink exercise or for target purposes.".

SEC. 1013. AUTHORIZATION FOR TRANSFER OF VESSELS STRICKEN FROM NAVAL VESSEL REGISTER FOR USE AS ARTIFICIAL REEFS.

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

"§ 7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs

"(a) AUTHORITY TO MAKE TRANSFER.—The Secretary of the Navy may transfer, by gift or otherwise, any vessel stricken from the Naval Vessel Register to any State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof for use as an artificial reef as provided in subsection (b).

"(b) VESSEL TO BE USED AS ARTIFICIAL REEF.—An agreement for the transfer of a vessel under subsection (a) shall require that—

"(1) the transferee use, site, construct, monitor, and manage the vessel only as an artificial reef in accordance with the requirements of the National Fishing Enhancement Act of 1984 (33 U.S.C. 2101 et seq.), except that the transferee also may use the artificial reef to enhance diving opportunities if that use does not have an adverse effect on fishery resources; and

"(2) the transferee shall obtain, and bear all of the responsibility for complying with, all applicable Federal, State, interstate, and local permits for siting, constructing, monitoring, and managing a vessel as an artificial reef.

"(c) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with a conveyance authorized by this section as the Secretary considers appropriate.

"(d) COST SHARING ON TRANSFERS.—The Secretary of the Navy may share with the recipient any of the costs associated with transferring a vessel under this section.

"(e) APPLICATION FOR MORE THAN ONE VESSEL.—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may apply for more than one vessel under this section.

"(f) DEFINITION.—In this section, the term 'fishery resources' has the meaning given such term in section 3(14) of the Magnuson-Stevens Fishery Conservation and Management Act of 1976 (16 U.S.C. 1802(14)).".

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

"7306b. Vessels stricken from Naval Vessel Register: transfer by gift or otherwise for use as artificial reefs.".

SEC. 1014. PILOT PROGRAM FOR SEALIFT SHIP CONSTRUCTION.

(a) ESTABLISHMENT OF PILOT PROGRAM.—The Secretary of the Navy may establish a pilot program, under which the Secretary of the Navy, subject to the availability of appropriations, may guarantee loans for—

(1) the construction in a United States shipyard of two qualified sealift ships that are to be documented under the laws of the United States for use in United States-flag commercial service; and

(2) the acquisition of facilities or equipment pertaining to the marine operations of those ships, which may include specialized loading equipment.

(b) CONDITIONS OF GUARANTEE.—A guarantee under this section is subject to the following conditions:

(1) MSP.—The owner of the ships for which guarantees are issued shall apply for an operating

agreement with the Secretary of Transportation under subtitle B of this title.

(2) NDF; CHARTER.—If the Secretary of the Navy requests, the owner of the ships shall engage in negotiations on reasonable terms and conditions for—

(A) installation and maintenance of defense features for national defense purposes on one or both ships under section 2218 of title 10, United States Code; and

(B) a short-term charter to the United States Government of at least one ship for which a guarantee is issued, for a period of at least 60 days prior to entry into commercial service, for the purpose of demonstrating the military capabilities of the ships.

(c) PAYMENT OF COST.—The cost of a guarantee under this section shall be paid for with amounts made available in appropriations Acts.

(d) PERCENTAGE LIMITATION; TERM.—A guarantee under this section may apply—

(1) to up to 87.5 percent of the loan principal; and

(2) for a term ending up to 25 years after delivery of the second ship.

(e) AUTHORITIES, PROCEDURES, REQUIREMENTS, AND RESTRICTIONS.—The Secretary of the Navy, subject to the other provisions of this section—

(1) in implementing this section, may exercise authorities that are substantially the same as the authorities available to the Secretary of Transportation under title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.) with respect to loan guarantees under that title;

(2) shall implement this section under procedures, requirements, and restrictions that are substantially the same as those under which loan guarantees are made under that title, including the regulations implementing that title; and

(3) may establish such additional requirements for loan guarantees under this section as the Secretary determines to be necessary to minimize the cost of such guarantees.

(f) INTERAGENCY AGREEMENT.—The Secretary of Transportation shall enter into an interagency agreement or other appropriate arrangement with the Secretary of the Navy to make available to the Department of the Navy such Maritime Administration personnel with expertise in vessel construction financing as are necessary to carry out the program under this section.

(g) DEFINITIONS.—In this section:

(1) COST.—The term "cost", with respect to a loan guarantee under this section, has the meaning given that term in section 502 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 661a).

(2) QUALIFIED SEALIFT SHIP.—The term "qualified sealift ship" means a roll-on, roll-off vessel that is—

(A) militarily useful for additional medium- to long-haul strategic sealift capacity;

(B) designed to carry at least 10,000 tons of cargo; and

(C) capable of operating commercially in the foreign commerce of the United States.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Navy to carry out this section $40,000,000.

Subtitle C—Reports

SEC. 1021. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE TO THE DEPARTMENT OF DEFENSE.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 113 is amended by striking subsection (m).

(2) Section 117(e) is amended by striking "each month" and all that follows through "subsection (d)" and inserting "each quarter submit to the congressional defense committees a report in writing containing the results of the most recent joint readiness review under subsection (d)(1)(A)".

(3) Section 127(d) is amended to read as follows:

"(d) ANNUAL REPORT.—Not later than December 1 each year, the Secretary of Defense shall submit to the congressional defense committees a report on expenditures during the preceding fiscal year under subsections (a) and (b).".

(4) Section 127a is amended—

(A) in subsection (a)—

(i) by striking paragraph (3); and

(ii) by redesignating paragraph (4) as paragraph (3); and

(B) by striking subsection (d).

(5) Section 128 is amended by striking subsection (d).

(6) Section 129 is amended by striking subsection (f).

(7) Section 184 is amended by striking subsection (b).

(8) Section 226(a) is amended—

(A) by striking "December 15" and inserting "January 15"; and

(B) by striking "in the following year" in paragraph (1) and inserting "in that year".

(9)(A) Section 228 is amended—

(i) in subsection (a)—

(I) by striking "MONTHLY" in the subsection heading and inserting "QUARTERLY";

(II) by striking "monthly" and inserting "quarterly"; and

(III) by striking "month" and inserting "fiscal-year quarter"; and

(ii) in subsection (c), by striking "month" each place it appears and inserting "quarter".

(B)(i) The heading of such section is amended to read as follows:

"§ 228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities".

(ii) The item relating to section 228 in the table of sections at the beginning of chapter 9 is amended to read as follows:

"228. Quarterly reports on allocation of funds within operation and maintenance budget subactivities.".

(10) Section 401 is amended by striking subsection (d).

(11) Section 437 is amended—

(A) by striking the second sentence of subsection (b); and

(B) by striking subsection (c).

(12)(A) Section 484 is repealed.

(B) The table of sections at the beginning of such chapter is amended by striking the item relating to section 484.

(13)(A) Section 520c is amended—

(i) by striking subsection (b);

(ii) by striking "(a) PROVISION OF MEALS AND REFRESHMENTS."; and

(iii) by striking the heading for such section and inserting the following:

"§ 520c. Recruiting functions: provision of meals and refreshments".

(B) The item relating to such section in the table of sections at the beginning of chapter 31 is amended to read as follow:

"520c. Recruiting functions: provision of meals and refreshments.".

(14) Section 983(e)(1) is amended by striking "and to Congress".

(15) Section 1060 is amended by striking subsection (d).

(16) Section 1130 is amended—

(A) in subsection (a), by striking "the other determinations necessary to comply with subsection (b)" and inserting "respond with a detailed description of the rationale supporting the determination"; and

(B) by striking subsection (b).

(17) Section 1557 is amended by striking subsection (e).

(18) Section 1563 is amended—

(A) in subsection (a), by striking "the other determinations necessary to comply with subsection (b)" and inserting "respond with a detailed description of the rationale supporting the determination"; and

(B) by striking subsection (b).

(19) Section 2010 is amended by striking subsection (b).

(20) Section 2166 is amended—

(A) in subsection (e)(5), by inserting "and to Congress" after "to the Secretary of Defense"; and

(B) by striking subsection (i).

(21) Section 2208(j)(2) is amended by striking "and notifies Congress regarding the reasons for the waiver".

(22) Section 2216(a) is amended—

(A) by striking "QUARTERLY REPORTS.—(1) Not later than 15 days after the end of each calendar quarter" and inserting "ANNUAL REPORT.—Not later than 60 days after the end of each fiscal year"; and

(B) by striking "quarter" in subparagraphs (A), (B), and (C) of paragraph (1) and inserting "fiscal year".

(23) Section 2224(e) is amended by inserting "through 2007" after "Each year".

(24) Section 2255(b)—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(b) EXCEPTION.—".

(25) Section 2281 is amended by striking subsection (d).

(26)(A) Section 2282 is repealed.

(B) The table of sections at the beginning of chapter 136 is amended by striking the item relating to section 2282.

(27) Section 2323 is amended—

(A) in subsection (d)—

(i) by striking "Defense—" and all that follows through "the extent" and inserting "Defense to the extent";

(ii) by striking "; and" and inserting a period; and

(iii) by striking paragraph (2); and

(B) by striking subsection (i).

(28) Section 2327(c)(1) is amended—

(A) in subparagraph (A), by striking "after the date on which such head of an agency submits to Congress a report on the contract" and inserting "if in the best interests of the Government";

(B) in subparagraph (B), by striking "A report under subparagraph (A)" and inserting "The Secretary shall maintain records of each

contract entered into by reason of subparagraph (A). Such records"; and

(C) by striking subparagraph (C).

(29) Section 2350a is amended—

(A) by striking subsection (f); and

(B) in subsection (g), by striking paragraph (3).

(30) Section 2350j is amended by striking subsections (e) and (g).

(31) Section 2367 is amended by striking subsection (d).

(32) Section 2371 is amended by striking subsection (h).

(33) Section 2374a is amended by striking subsection (e).

(34) Section 2410i(c) is amended by striking the last sentence.

(35) Section 2410m(c) is amended—

(A) by striking "REPORTING REQUIREMENT.—Each year" and inserting "ANNUAL REPORT.—Not later than 60 days after the end of each fiscal year";

(B) by inserting "at the end of such fiscal year" in paragraph (1) before the period;

(C) by striking "during the year preceding the year in which the report is submitted" in paragraph (2) and inserting "under this section during that fiscal year";

(D) by striking "in such preceding year" in paragraph (3) and inserting "under this section during that fiscal year"; and

(E) by striking "in such preceding year" in paragraph (4) and inserting "under this section during that fiscal year".

(36) Section 2433 is amended—

(A) in subsection (d)—

(i) in paragraphs (1) and (2), by striking ", or by at least 25 percent,"; and

(ii) in paragraph (3)—

(I) by striking "or by at least 25 percent," both places it appears; and

(II) by inserting a comma after "paragraph (1)"; and

(B) in subsection (e)—

(i) by striking paragraph (2);

(ii) by redesignating paragraph (3) as paragraph (2);

(iii) in paragraph (2), as so redesignated, by striking "or if a" in the first sen-

tence and all that follows through "paragraph (2),"; and

(iv) by designating the second sentence of such paragraph as paragraph (3) and in that paragraph—

(I) by inserting "under paragraph (2)" after "The prohibition"; and

(II) by striking "the date—" and all that follows through "subsection (d)." and inserting "the date on which Congress receives the Selected Acquisition Report under paragraph (1) with respect to that program.".

(37) Section 2457 is amended by striking subsection (d).

(38) Section 2493 is amended by striking subsection (g).

(39) Section 2515 is amended by striking subsection (d).

(40) Section 2521 is amended by striking subsection (e).

(41) Section 2536 is amended—

(A) in subsection (b)(2)—

(i) by striking "notify Congress" in the first sentence and inserting "maintain a record"; and

(ii) by striking the second sentence and inserting the following: "The records maintained under the preceding sentence with respect to a waiver shall include a justification in suport of the decision to grant the waiver and shall be retrievable for any particular waiver or for waivers during any period of time."; and

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

"(d) The Secretary of Defense shall maintain an account of actions relating to the award of contracts to a prime contractor. The Secretary of Defense shall include in such accounts the reasons for exercising the awards and the work expected to be performed.".

(42) Section 2541d is amended—

(A) by striking subsection (b); and

(B) in subsection (a), by striking "(a)" and all that follows through "The Secretary of Defense" and inserting "The Secretary of Defense".

(43) Section 2561 is amended by striking subsections (c), (d) and (f).

(44) Section 2563(c)(2) is amended by striking "and notifies Congress regarding the reasons for the waiver".

(45) Section 2645 is amended by striking subsections (d) and (g).

(46) Section 2667a(c)(2) is amended by striking "45 days" and inserting "14 days".

(47) Section 2676(d) is amended by striking "21 days" and inserting "14 days".

(48) Section 2680 is amended by striking subsection (e).

(49) Section 2696 is amended by striking subsections (c) and (d).

(50) Section 2703(c)(2) is amended—

(A) by striking subparagraph (B);

(B) by striking "unless the Secretary—" and all that follows through "determines that" and inserting "unless the Secretary determines that"; and

(C) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and realigning such subparagraphs (as so redesignated) two ems from the left margin.

(51)(A) Section 2723 is repealed.

(B) The table of sections at the beginning of chapter 161 is amended by striking the item relating to section 2723.

(52) Section 2803(b) is amended by striking "21–day period" and inserting "seven-day period".

(53) Section 2804(b) is amended by striking "21–day period" and inserting "14–day period".

(54) Section 2805(b) is amended—

(A) in paragraph (1), by striking "$750,000" and inserting "$1,000,000"; and

(B) in paragraph (2), by striking "by striking "21–day period" and inserting "seven-day period"".

(55) Section 2807 is amended—

(A) in subsection (b)—

(i) by striking "$500,000" and inserting "$1,000,000"; and

(ii) by striking "not less than 21 days"; and

(B) in subsection (c)(2), by striking "21 days" and inserting "14 days".

(56) Section 2809(f)(2) is amended by striking "21 calendar days" and inserting "14 days".

(57) Section 2812(c)(1)(B) is amended by striking "21 days" and inserting "14 days".

(58) Section 2813(c) is amended by striking "30–day period" and inserting "21–day period".

(59) Section 2825 is amended—

(A) by striking "21 days" in the last sentence of subsection (b)(1)(B) and inserting "14 days"; and

(B) by striking "21 days" in subsection (c)(1)(D) and inserting "14 days".

(60) Section 2826 is amended—

(A) by striking "(a) LOCAL COMPARABILITY.—"; and

(B) by striking subsection (b).

(61) Section 2827(b)(2) is amended by striking "21 days" and inserting "14 days".

(62) Section 2836(f)(2) is amended by striking "21 calendar days" and inserting "14 days".

(63) Section 2837(c)(2) is amended by striking "21–day period" and inserting "14–day period".

(64) Section 2854(b) is amended by striking "21–day period" and inserting "seven-day period".

(65) Section 2854a(c)(2) is amended by striking "21 calendar days" and inserting "14 days".

(66) Section 2865 is amended—

(A) in subsection (e)—

(i) by striking "(1)" before "The Secretary"; and

(ii) by striking paragraph (2); and

(B) by striking subsection (f).

(67) Section 2866(c) is amended—

(A) by striking "(1)" before "The Secretary"; and

(B) by striking paragraph (2).

(68) Section 2867(c) is amended by striking "21–day period" and inserting "14–day period".

(69) Section 2875(e) is amended by striking "30–day period" and inserting "14–day period".

(70) Section 2883(f) is amended by striking "30–day period" and inserting "14–day period".

(71) Section 2902(g) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(g)".

(72) Section 4342(h) is amended by striking "Secretary of the Army" and inserting "Superintendent".

(73) Section 4357(c) is amended is amended by striking "the expiration of 30 days following".

(74) Section 6954(f) is amended by striking "Secretary of the Navy" and inserting "Superintendent of the Naval Academy".

(75) Section 6975(c) is amended is amended by striking "the expiration of 30 days following".

(76) Section 7049(c) is amended—

(A) by striking "CERTIFICATION" in the subsection heading and inserting "DETERMINATION"; and

(B) by striking ", and certifies to" and all that follows through "House of Representatives,".

(77) Section 9342(h) is amended by striking "Secretary of the Air Force" and inserting "Superintendent".

(78) Section 9356(c) is amended is amended by striking "the expiration of 30 days following".

(79) Section 12302—

(A) in subsection (b), by striking the last sentence; and

(B) by striking subsection (d).

(80)(A) Section 16137 is repealed.

(B) The table of sections at the beginning of chapter 1606 is amended by striking the item relating to section 16137.

(b) FOREIGN ASSISTANCE ACT OF 1961.—Section 656 of the Foreign Assistance Act of 1961 (22 U.S.C. 2416) is repealed.

(c) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Part B of title XXIX of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is amended as follows:

(1) Section 2921 is amended—

(A) in subsection (f)(1), by striking "30 days" and inserting "14 days"; and

(B) in subsection (g), by striking "30 days" in paragraphs (1) and (2) and inserting "14 days".

(2) Section 2926 is amended by striking subsection (g).

(d) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1992 AND 1993.—The National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190) is amended as follows:

(1) Section 734 (10 U.S.C. 1074 note) is amended by striking subsection (c).

(2) Section 2868 (10 U.S.C. 2802 note) is amended by striking "The Secretary of Defense" and all that follows through "is to be authorized" and inserting "Not later than 30 days after the date on which a decision is made selecting the site or sites for the permanent basing of a new weapon system, the Secretary of Defense shall submit to Congress".

(e) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—The National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484) is amended as follows:

(1) Section 324 (10 U.S.C. 2701 note) is amended—

(A) by striking "(a) SENSE OF CONGRESS.—"; and

(B) by striking subsection (b).

(2) Section 1082(b)(1) (10 U.S.C. 113 note) is amended by striking "the Secretary of Defense—" and all that follows and inserting "the Secretary of Defense determines that it is in the national security interests of the United States for the military departments to do so.".

(f) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 721 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1074 note) is amended by striking subsection (h).

(g) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—The National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) is amended as follows:

(1) Section 324 (10 U.S.C. 2706 note) is amended by striking subsection (c).

(2) Section 1065(b) (10 U.S.C. 113 note) is amended—

(1) by striking "(1)" before "Notwithstanding"; and

(2) by striking paragraph (2).

(h) DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997.—Section 8009 of the Department of Defense Appropriations Act, 1997 (as contained in section 101(b) of Public Law 104–208; 110 Stat. 3009-89), is amended by striking ", unless the congressional defense committees have been notified at least thirty days in advance of the proposed contract award".

(i) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998.— Section 349 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 2702 note) is amended by striking subsection (e).

(j) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—The Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) is amended as follows:

(1) Section 745(e) (10 U.S.C. 1071 note) is amended—

(A) by striking "(1)" before "The Secretary of Defense"; and

(B) by striking paragraph (2).

(2) Section 1223 (22 U.S.C. 1928 note) is repealed.

(k) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000.—The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) is amended as follows:

(1) Section 212 (10 U.S.C. 2501 note) is amended by striking subsection (c).

(2) Section 724 (10 U.S.C. 1092 note) is amended by striking subsection (e).

(4) Section 1039 (10 U.S.C. 113 note) is amended by striking subsection (b).

(l) MILITARY CONSTRUCTION APPROPRIATIONS ACT, 2001.—Section 125 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 517), is repealed.

(m) DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2001.—Section 8019 of the Department of Defense Appropriations Act, 2001 (Public Law 106–259; 114 Stat. 678; 10 U.S.C. 2687 note), is amended by striking "of Congress:" and all that follows through "this provision" and inserting "of Congress".

(n) FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001.—Section 1006 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–247; 10 U.S.C. 2226 note), is amended by striking subsection (c).

(o) DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002.—Section 8009 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2249; 10 U.S.C. 401 note), is amended by striking ", and these obligations shall be reported to the Congress".

SEC. 1022. REPORT ON OPERATION IRAQI FREEDOM.

(a) REPORT REQUIRED.—Not later than June 15, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on Operation Iraqi Freedom. The Secretary shall submit to those committees a preliminary report on the conduct of those hostilities not later than January 15, 2004.

(b) DISCUSSION OF ACCOMPLISHMENTS AND SHORTCOMINGS.—The report (and the preliminary report, to the extent feasible) shall contain a discussion, with a particular emphasis on accomplishments and shortcomings, of the following matters:

(1) The military objectives of the multinational coalition.

(2) The military strategy of the multinational coalition to achieve those military objectives and how the military strategy contributed to the achievement of those objectives.

(3) The deployment of United States forces and the transportation of supplies to the theater of operations, including an assessment of airlift, sealift, afloat prepositioning ships, and Maritime Prepositioning Squadron ships.

(4) The conduct of military operations.

(5) The use of special operations forces, including operational and intelligence uses classified under special access procedures.

(6) The use and performance of United States military equipment, weapon systems, and munitions (including items classified under special access procedures) and an analysis of—

(A) any equipment or capabilities that were in research and development and if available could have been used in the theater of operations; and

(B) any equipment or capabilities that were available and could have been used but were not introduced into the theater of operations.

(7) The scope of logistics support, including support from other nations.

(8) The acquisition policies and processes used to support the forces in the theater of operations.

(9) The personnel management actions taken to support the forces in the theater of operations.

(10) The effectiveness of reserve component forces, including a discussion of each of the following matters:

(A) The readiness and activation of such forces.

(B) The decisionmaking process regarding both activation of reserve component forces and deployment of those forces to the theater of operations.

(C) The post-activation training received by such forces.

(D) The integration of forces and equipment of reserve component forces into the active component forces.

(E) The use and performance of the reserve component forces in operations in the theater of operations.

(F) The use and performance of such forces at duty stations outside the theater of operations.

(11) The role of the law of armed conflict in the planning and execution of military operations by United States forces and the other coalition forces and the effects on operations of Iraqi compliance or non-compliance with the law of armed conflict, including a discussion regarding each of the following matters:

(A) Use of Iraqi civilians as human shields.

(B) Collateral damage and civilian casualties.

(C) Treatment of prisoners of war.

(D) Repatriation of prisoners of war.

(E) Use of ruses and acts of perfidy.

(F) War crimes.

(G) Environmental terrorism.

(H) Conduct of neutral nations.

(12) The actions taken by the coalition forces in anticipation of, and in response to, Iraqi acts of environmental terrorism.

(13) The actions taken by the coalition forces in anticipation of possible Iraqi use of weapons of mass destruction.

(14) Evidence of Iraqi weapons of mass destruction programs and Iraqi preparations for the use of such weapons.

(15) The contributions of United States and coalition intelligence and counterintelligence systems and personnel, including contributions regarding bomb damage assessments and particularly including United States tactical intelligence and related activities (TIARA) programs and the Joint Military Intelligence Program (JMIP).

(16) Command, control, communications, and operational security of the coalition forces as a whole, and command, control, communications, and operational security of the United States forces.

(17) The rules of engagement for the coalition forces.

(18) The actions taken to reduce the casualties among coalition forces caused by the fire of such forces.

(19) The role of supporting combatant commands and Defense Agencies of the Department of Defense.

(20) The policies and procedures relating to the media, including the use of embedded media.

(21) The assignment of roles and missions to the United States forces and other coalition forces and the performance of those forces in carrying out their assigned roles and missions.

(22) The preparedness, including doctrine and training, of the United States forces.

(23) The acquisition of foreign military technology from Iraq, and any compromise of military technology of the United States or other countries in the multinational coalition.

(24) The problems posed by Iraqi possession and use of equipment produced in the United States and other coalition nations.

(25) The use of deception by Iraqi forces and by coalition forces.

(26) The military criteria used to determine when to progress from one phase of military operations to another phase of military operations.

(27) The role, if any, of the Status of Resources and Training System (SORTS) in determining which units would be employed during the operation.

(28) The role of the Coast Guard.

(29) The direct and indirect cost of military operations, including an assessment of the total incremental expenditures made by the Department of Defense as a result of Operation Iraqi Freedom.

(c) CASUALTY STATISTICS.—The report (and the preliminary report, to the extent feasible) shall also contain—

(1) the number of military and civilian casualties sustained by coalition nations; and

(2) estimates of such casualties sustained by Iraq and by nations not directly participating in hostilities during Operation Iraqi Freedom.

(d) CLASSIFICATION OF REPORTS.—The Secretary of Defense shall submit both the report and the preliminary report in a classified form and an unclassified form.

SEC. 1023. REPORT ON DEPARTMENT OF DEFENSE POST-CONFLICT ACTIVITIES IN IRAQ

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the activities of the Department of Defense in post-conflict Iraq.

(b) REPORT ELEMENTS.—The report shall discuss the range of infrastructure reconstruction, civil administration, humanitarian assistance, interim governance, and political development activities undertaken in Iraq by officials of the Department and by those civilians reporting to the Sec-

retary of Defense and the missions undertaken in Iraq by United States military forces during the post-conflict period. In particular, the report shall include a discussion of the following:

(1) The evolution of the organizational structure of the civilian groups reporting to the Secretary, including the Office of Reconstruction and Humanitarian Assistance, on issues of Iraqi post-conflict administration and reconstruction and the factors influencing that evolution.

(2) The relationship of the Department of Defense with other United States departments and agencies involved in post-conflict administration and reconstruction planning and execution in Iraq.

(3) The relationship of Department of Defense entities, including the Office of Reconstruction and Humanitarian Assistance, with intergovernmental and nongovernmental organizations contributing to the reconstruction and governance efforts.

(4) Progress made to the date of the report in—

(A) rebuilding Iraqi infrastructure;

(B) providing for the humanitarian needs of the Iraqi people;

(C) reconstituting the Iraqi governmental bureaucracy and its provision of services; and

(D) developing mechanisms of fully transitioning Iraq to representative self-government.

(5) Progress made to the date of the report by Department of Defense civilians and military personnel in accounting for any Iraqi weapons of mass destruction and associated weapons capabilities.

(6) Progress made to the date of the report by United States military personnel in providing security in Iraq and in transferring security functions to a reconstituted Iraqi police force and military.

(7) The Secretary's assessment of the scope of the ongoing needed commitment of United States military forces and of the remaining tasks to be completed by Department of Defense civilian personnel in the governance and reconstruction areas, including an estimate of the total expenditures the Department of Defense expects to make for activities in post-conflict Iraq.

SEC. 1024. REPORT ON DEVELOPMENT OF MECHANISMS TO BETTER CONNECT DEPARTMENT OF DEFENSE SPACE CAPABILITIES TO THE WAR FIGHTER.

Not later than March 15, 2004, the Secretary of Defense shall submit to the congressional defense committees a report on development and implementation of systematic

mechanisms to provide for integrating into activities of the United States Strategic Command planning and requirements for connecting space capabilities of that command with the war fighter.

Subtitle D—Procurement of Defense Biomedical Countermeasures

SEC. 1031. RESEARCH AND DEVELOPMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) IN GENERAL.—The Secretary of Defense (in this section referred to as the "Secretary") shall carry out a program to accelerate the research, development and procurement of biomedical countermeasures, including but not limited to therapeutics and vaccines, for the protection of the Armed Forces from attack by one or more biological, chemical, radiological, or nuclear agents.

(b) INTERAGENCY COOPERATION.—(1) In carrying out the program under subsection (a), the Secretary may enter into interagency agreements and other collaborative undertakings with other Federal agencies. Under such agreements and undertakings, the participating agencies are authorized to provide funds and receive funds from other participating agencies.

(2) The Secretary, in consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall ensure that the activities of the Depart-

ment of Defense in carrying out the program are coordinated with, complement, and do not unnecessarily duplicate activities of the Department of Health and Human Services or the Department of Homeland Security.

(c) EXPEDITED PROCUREMENT AUTHORITY.—(1)(A) For any procurement by the Secretary, of property or services for use (as determined by the Secretary) in performing, administering, or supporting biomedical countermeasures research or development, the amount specified in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)), as applicable pursuant to section 302A(a) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252a(a)), shall be deemed to be $25,000,000 in the administration, with respect to such procurement, of sections 302A(b) (41 U.S.C. 252a(b)) and 303(g)(1)(A) (42 U.S.C. 253(g)(1)(A)) of the Federal Property and Administrative Services Act of 1949 and the regulations implementing those sections.

(B) The Secretary shall institute appropriate internal controls for use of the authority under subparagraph (A), including requirements for documenting the justification for each use of such authority.

(2)(A) For a procurement described in paragraph (1), the amount specified in subsections (c), (d), and (f) of section 32 of the Office of Federal Procurement Policy Act (41

U.S.C. 428) shall be deemed to be $15,000 in the administration of that section with respect to such procurement.

(B) The Secretary shall institute appropriate internal controls for each use of the authority under subparagraph (A) for a procurement greater than $2,500.

(d) FACILITIES AUTHORITY.—(1) The Secretary may acquire, lease, construct, improve, renovate, remodel, repair, operate, and maintain laboratories, other research facilities and equipment, and other real or personal property that the Secretary determines necessary for carrying out the program under this section. The authority under this paragraph is in addition to any other authority under law.

(2) The Secretary may exercise the authorities of paragraph (1) as part of an intergency cooperation activity under subsection (b).

(e) AUTHORITY FOR PERSONAL SERVICES CONTRACTS.—The authority provided by section 1091 of title 10, United States Code, for personal services contracts to carry out health care responsibilities in medical treatment facilities of the Department of Defense shall also be available, subject to the same terms and conditions, for personal services contracts to carry out research and development activities under this section. The number of individuals whose personal services are obtained under this subsection may not exceed 30 at any time.

(f) STREAMLINED PERSONNEL AUTHORITY.—(1) Without regard to any provision of title 5, United States Code, governing appointments in the competitive service, and without regard to any provision of chapter 51, or subchapter III of chapter 43, of such title relating to classification and General Schedule pay rates, the Secretary may appoint professional and technical employees, not to exceed 30 such employees at any time, to positions in the Department of Defense to carry out research and development under the program under this section. The authority under this paragraph is in addition to any other authority under law.

(2) The Secretary may use the authority under paragraph (1) only upon a determination by the Secretary that use of such authority is necessary to accelerate the research and development under the program.

(3) The Secretary shall institute appropriate internal controls for each use of the authority under paragraph (1).

SEC. 1032. PROCUREMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) DETERMINATION OF MATERIAL THREATS.—(1) The Secretary of Defense (in this section referred to as the "Secretary"), in consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security shall on an ongoing basis—

(A) assess current and emerging threats of use of biological, chemical, radiological, and nuclear agents; and

(B) identify, on the basis of such assessment, those agents that present a material risk of use against the Armed Forces.

(2) The Secretary, in consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall on an ongoing basis—

(A) assess the potential consequences to the health of members of the Armed Forces of use against the Armed Forces of the agents identified under paragraph (1)(B); and

(B) identify, on the basis of such assessment, those agents for which countermeasures are necessary to protect the health of members of the Armed Forces.

(b) ASSESSMENT OF AVAILABILITY AND APPROPRIATENESS OF COUNTERMEASURES.—The Secretary, in consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall on an ongoing basis assess the availability and appropriateness of specific countermeasures to address specific threats identified under subsection (a).

(c) SECRETARY'S DETERMINATION OF COUNTERMEASURES APPROPRIATE FOR PROCUREMENT.—(1) The

Secretary, in accordance with paragraph (2), shall on an ongoing basis identify specific countermeasures that the Secretary determines to be appropriate for procurement for the Department of Defense stockpile of biomedical countermeasures.

(2) The Secretary may not identify a specific countermeasure under paragraph (1) unless the Secretary determines that—

(A) the countermeasure is a qualified countermeasure; and

(B) it is reasonable to expect that producing and delivering, within 5 years, the quantity of that countermeasure required to meet the needs of the Department (as determined by the Secretary) is feasible.

(d) DEFINITIONS.—In this section:

(1) The term "qualified countermeasure" means a biomedical countermeasure—

(A) that is approved under section 505(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) or licensed under section 351 of the Public Health Service Act (42 U.S.C. 262), or that is approved under section 515 or cleared under section 510(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360e and 360) for use as such a countermeasure to a biological,

chemical, radiological, or nuclear agent identified as a material threat under subsection (a); or

(B) with respect to which the Secretary, in consultation with the Secretary of Health and Human Services, makes a determination that sufficient and satisfactory clinical experience or research data (including data, if available, from preclinical and clinical trials) exists to support a reasonable conclusion that the product will, not later than 5 years after the date on which the Secretary identifies the product under subsection (c)(1), qualify for such approval or licensing for use as such a countermeasure.

(2) The term "biomedical countermeasure" means a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1))), device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h))), or biological product (as defined in section 351(i) of the Public Health Service Act (42 U.S.C. 262(i)) that is—

(A) used to treat, identify, or prevent harm from any biological, chemical, radiological, or nuclear agent that may cause a military health emergency affecting the Armed Forces; or

(B) used to treat, identify, or prevent harm from a condition that may result in adverse health consequences or death and may be caused by administering a drug or biological product that is used as described in subparagraph (A).

(e) FUNDING.—(1) Of the amount authorized to be appropriated for the Department of Defense and available within the transfer authority established under section 1001 of this Act for fiscal year 2004 and for each fiscal year thereafter, such sums are authorized as may be necessary for the costs incurred by the Secretary in the procurement of countermeasures under this section, subject to paragraph (2).

(2) Amounts authorized to be appropriated under paragraph (1) shall not be available to pay—

(A) costs for the purchase of vaccines under procurement contracts entered into before January 1, 2003;

(B) costs under new contracts, or costs of new obligations under contracts previously entered into, for procurement of a countermeasure after the date of a determination under subsection (c)(2)(D) that the countermeasure does have a significant commercial market other than as a biomedical countermeasure; or

(C) administrative costs.

SEC. 1033. AUTHORIZATION FOR USE OF MEDICAL PRODUCTS IN EMERGENCIES.

(a) USE OF MEDICAL PRODUCTS AUTHORIZED.—During the period in which a declaration of emergency under subsection (b) is in effect, the Secretary of Defense, in accordance with this section, may authorize the use on members of the Armed Forces of a drug or device intended solely for use in an actual or potential emergency.

(b) DECLARATION OF EMERGENCY.—(1) A declaration of emergency referred to in subsection (a) is a declaration by the Secretary of Defense that there exists a military emergency, or a significant potential for a military emergency, involving a heightened risk to the Armed Forces of attack by one or more biological, chemical, radiological, or nuclear agents.

(2) Subject to paragraph (3), the period during which a declaration of emergency under this subsection is in effect begins upon the making of the declaration and ends upon the first to occur of the following events:

(A) The making of a determination by the Secretary that the military emergency, or the significant potential for a military emergency, has ceased to exist.

(B) The expiration of the one-year period beginning on the date on which the declaration of emergency is made.

(3) Before the expiration of the period during which a declaration of emergency is in effect, the Secretary may declare one or more extensions of that declaration of emergency. In such a case, the date on which the most recent extension was declared shall be treated for purposes of subsection (2)(B) as the date on which the declaration of emergency is made.

(c) CRITERIA FOR ISSUANCE OF AUTHORIZATION.—The Secretary, in consultation with the Secretary of Health and Human Services, may use the authority under subsection (a) with respect to a biomedical countermeasure only if the Secretary make a determination that—

(1) an agent to which a declaration of emergency under subsection (b) relates can cause a serious or life-threatening disease or condition;

(2) based on the totality of scientific evidence available to the Secretary, including data from adequate and well-controlled clinical trials, if available, it is reasonable to believe that—

(A) such countermeasure may be effective in detecting, diagnosing, treating, or preventing such disease or condition; or

(B) the known and potential benefits of such countermeasure, when used to detect, diagnose, treat, or prevent such disease or condition, out-

weigh the known and potential risks of such countermeasure;

(3) no adequate, approved, and available alternative exists to such countermeasure for detecting, diagnosing, treating, or preventing such disease or condition; and

(4) such other criteria as the Secretary may by regulation prescribe are satisfied.

(d) SCOPE OF AUTHORIZATION.—For each use of the authority under subsection (a), the Secretary, in consultation with the Secretary of Health and Human Services, shall—

(1) specify each disease or condition that the biological countermeasure may be used to detect, diagnose, treat, or prevent; and

(2) set forth each determination under subsection (c) with respect to that countermeasure and the basis for each such determination.

(e) CONDITION.—In carrying out this section, the Secretary shall ensure compliance with section 1107 of title 10, United States Code, and section 731(a)(3) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2071; 10 U.S.C. 1107 note).

Subtitle E—Other Matters

SEC. 1041. CODIFICATION AND REVISION OF DEFENSE COUNTERINTELLIGENCE POLYGRAPH PROGRAM AUTHORITY.

(a) CODIFICATION.—(1) Chapter 21 of title 10, United States Code, is amended by inserting after section 425 the following new section:

"§ 426. Counterintelligence polygraph program

"(a) AUTHORITY FOR PROGRAM.—The Secretary of Defense may carry out a program for the administration of counterintelligence polygraph examinations to persons described in subsection (b). The program shall be based on Department of Defense Directive 5210.48, dated December 24, 1984.

"(b) PERSONS COVERED.—Except as provided in subsection (c), the following persons whose duties involve access to information that has been classified at the level of top secret or designated as being within a special access program under section 4.4(a) of Executive Order 12958 (or a successor Executive order) are subject to this section:

"(1) Military and civilian personnel of the Department of Defense.

"(2) Personnel of defense contractors.

"(3) A person assigned or detailed to the Department of Defense.

"(4) An applicant for a position in the Department of Defense.

"(c) EXCEPTIONS FROM COVERAGE FOR CERTAIN INTELLIGENCE AGENCIES AND FUNCTIONS.—This section does not apply to the following persons:

"(1) A person assigned or detailed to the Central Intelligence Agency or to an expert or consultant under a contract with the Central Intelligence Agency.

"(2) A person who is—

"(A) employed by or assigned or detailed to the National Security Agency;

"(B) an expert or consultant under contract to the National Security Agency;

"(C) an employee of a contractor of the National Security Agency; or

"(D) a person applying for a position in the National Security Agency.

"(3) A person assigned to a space where sensitive cryptographic information is produced, processed, or stored.

"(4) A person employed by, or assigned or detailed to, an office within the Department of Defense for the collection of specialized national foreign intel-

ligence through reconnaissance programs or a contractor of such an office.

"(d) OVERSIGHT.—(1) The Secretary shall establish a process to monitor responsible and effective application of polygraphs within the Department of Defense.

"(2) The Secretary shall make information on the use of polygraphs within the Department of Defense available to the congressional defense committees.

"(e) POLYGRAPH RESEARCH PROGRAM.—The Secretary of Defense shall carry out a continuing research program to support the polygraph activities of the Department of Defense. The program shall include—

"(1) an on-going evaluation of the validity of polygraph techniques used by the Department;

"(2) research on polygraph countermeasures and anti-countermeasures; and

"(3) developmental research on polygraph techniques, instrumentation, and analytic methods.".

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

"426. Counterintelligence polygraph program.".

(b) CONFORMING REPEAL.—Section 1121 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 113 note), is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003.

SEC. 1042. CODIFICATION AND REVISION OF LIMITATION ON MODIFICATION OF MAJOR ITEMS OF EQUIPMENT SCHEDULED FOR RETIREMENT OR DISPOSAL.

(a) IN GENERAL.—(1) Chapter 134 of title 10, United States Code, is amended by inserting after section 2244 the following new section:

"§ 2244a. Equipment scheduled for retirement or disposal: limitation on expenditures for modifications

"(a) PROHIBITION.—Except as otherwise provided in this section, the Secretary of a military department may not carry out a significant modification of an aircraft, weapon, vessel, or other item of equipment that the Secretary plans to retire or otherwise dispose of within five years after the date on which the modification, if carried out, would be completed.

"(b) SIGNIFICANT MODIFICATIONS DEFINED.—For purposes of this section, a significant modification is any modification for which the cost is in an amount equal to or greater than $1,000,000.

"(c) EXCEPTION FOR SAFETY MODIFICATIONS.—The prohibition in subsection (a) does not apply to a safety modification.

"(d) WAIVER AUTHORITY.—The Secretary concerned may waive the prohibition in subsection (a) in the case of any modification otherwise subject to that subsection if the Secretary determines that carrying out the modification is in the national security interest of the United States. Whenever the Secretary issues such a waiver, the Secretary shall notify the congressional defense committees in writing.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2244 the following new item:

"2244a. Equipment scheduled for retirement or disposal: limitation on expenditures for modifications.".

(b) CONFORMING REPEAL.—Section 8053 of the Department of Defense Appropriations Act, 1998 (10 U.S.C. 2241 note), is repealed.

SEC. 1043. ADDITIONAL DEFINITIONS FOR PURPOSES OF TITLE 10, UNITED STATES CODE.

(a) GENERAL DEFINITIONS.—Section 101(a) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

"(16) The term 'congressional defense committees' means—

"(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

"(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

"(17) The term 'base closure law' means the following:

"(A) Section 2687 of this title.

"(B) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

"(C) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(b) REFERENCES TO CONGRESSIONAL DEFENSE COMMITTEES.—Title 10, United States Code, is further amended as follows:

(1) Section 135(e) is amended—

(A) by striking "(1)";

(B) by striking "each congressional committee specified in paragraph (2)" and inserting "each of the congressional defense committees"; and

(C) by striking paragraph (2).

(2) Section 153(c) is amended—

(A) by striking "committees of Congress named in paragraph (2)" and inserting "congressional defense committees";

(B) by striking paragraph (2); and

(C) by designating the second sentence of paragraph (1) as paragraph (2) and in that paragraph (as so designated) by striking "The report" and inserting "Each report under paragraph (1)".

(3) Section 181(d)(2) is amended—

(A) by striking "subsection:" and all that follows through "oversight" and inserting "subsection, the term 'oversight"; and

(B) by striking subparagraph (B).

(4) Section 224 is amended by striking subsection (f).

(5) Section 228(e) is amended—

(A) by striking "DEFINITIONS" and all that follows through "(1) The term" and inserting "O&M BUDGET ACTIVITY DEFINED.—In this section, the term"; and

(B) by striking paragraph (2).

(6) Section 229 is amended by striking subsection (f).

(7) Section 1107(f)(4) is amended by striking subparagraph (C).

(8) Section 2216(j) is amended by striking paragraph (3).

(9) Section 2218(l) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4).

(10) Section 2306b(l) is amended—

(A) by striking paragraph (9); and

(B) by redesignating paragraph (10) as paragraph (9).

(11) Section 2308(e)(2) is amended—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(12) Section 2366(e) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(13) Section 2399(h) is amended—

(A) by striking "DEFINITIONS.—" and all that follows through "(1) The term" and insert-

ing "OPERATIONAL TEST AND EVALUATION DEFINED.—In this section, the term";

(B) by striking paragraph (2);

(C) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively; and

(D) by realigning those paragraphs (as so redesignated) so as to be indented two ems from the left margin.

(14) Section 2667(h) is amended by striking paragraph (1).

(15) Section 2688(e)(1) is amended by striking "the Committee on" the first place it appears and all that follows through "House of Representatives" and inserting "the congressional defense committees".

(16) Section 2801(c)(4) is amended by striking "the Committee on" the first place it appears and all that follows through "House of Representatives" and inserting "the congressional defense committees".

(c) REFERENCES TO BASE CLOSURE LAWS.—Title 10, United States Code, is further amended as follows:

(1) Section 2306c(h) is amended by striking "ADDITIONAL" and all that follows through "(2) The term" and inserting "MILITARY INSTALLATION DEFINED.—In this section, the term".

(2) Section 2490a(f) is amended—

(A) by striking "DEFINITIONS.—" and all that follows through "(1) The term" and inserting "NONAPPROPRIATED FUND INSTRUMENTALITY DEFINED.—In this section, the term"; and

(B) by striking paragraph (2).

(3) Section 2667(h), as amended by subsection (b)(13), is further amended by striking "section:" and all that follows through "(3) The term" and inserting "section, the term".

(4) Section 2696(e) is amended—

(A) by striking paragraphs (1), (2), (3), and (4) and inserting the following:

"(1) A base closure law."; and

(B) by redesignating paragraph (6) as paragraph (2).

(4) Section 2705 is amended by striking subsection (h).

(5) Section 2871 is amended by striking paragraph (2).

SEC. 1044. INCLUSION OF ANNUAL MILITARY CONSTRUCTION AUTHORIZATION REQUEST IN ANNUAL DEFENSE AUTHORIZATION REQUEST.

(a) INCLUSION OF MILITARY CONSTRUCTION REQUEST.—Section 113a(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

"(3) Authority to carry out military construction projects, as required by section 2802 of this title.".

(b) REPEAL OF SEPARATE TRANSMISSION OF REQUEST.—(1) Section 2859 of such title is repealed.

(2) The table of sections at the beginning of subchapter III of chapter 169 of such title is amended by striking the item relating to section 2859.

SEC. 1045. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) The tables of chapters at the beginning of subtitle A, and at the beginning of part IV of subtitle A, are amended by striking "2701" in the item relating to chapter 160 and inserting "2700".

(2) Section 101(a)(9)(D) is amended by striking "Transportation" and inserting "Homeland Security".

(3) Section 2002(a)(2) is amended by striking "Foreign Service Institute" and inserting "George P. Schultz National Foreign Affairs Training Center".

(4)(A) Section 2248 is repealed.

(B) The table of sections at the beginning of chapter 134 is amended by striking the item relating to section 2248.

(5) Section 2305a(c) is amended by striking "the Brooks Architect-Engineers Act (40 U.S.C. 541 et seq.)" and inserting "chapter 11 of title 40".

(6) Section 2432(h)(1) is amended by inserting "program" in the first sentence after "for such".

(7) Section 7503(d) is amended by inserting "such" before "title III."

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 323(a) is amended by striking "1 year" in paragraphs (1) and (2) and inserting "one year".

(2) Section 402(b) is amended—

(A) by striking paragraph (1); and

(B) in paragraph (2), by striking "On and after January 1, 2002, the" and inserting "The".

(c) FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATON ACT FOR FISCAL YEAR 2001.—The Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) is amended as follows:

(1) Section 1308(c) (22 U.S.C. 5959) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by redesignating the second paragraph (6) as paragraph (7).

(2) Section 814 (10 U.S.C. 1412 note) is amended in subsection (d)(1) by striking "the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106)" and inserting "subtitle III of title 40, United States Code".

(d) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2000.—Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) is amended by striking the second period at the end.

(e) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—Section 819 of the

Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2089) is amended by striking "section 201(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(c))," and inserting "section 503 of title 40, United States Code,".

(f) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997.—Section 1084(e) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2675) is amended by striking "98–515" and inserting "98–525". The amendment made by the preceding sentence shall take effect as if included in Public Law 104–201.

(g) FEDERAL ACQUISITION STREAMLINING ACT OF 1994.—Subsection (d) of section 1004 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat, 3253) is amended by striking "under—" and all that follows through the end of paragraph (2) and inserting "under chapter 11 of title 40, United States Code.".

(h) ARMED FORCES RETIREMENT HOME ACT OF 1991.—Section 1520(b)(1)(C) of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 420(b)(1)(C)) is amended by inserting "Armed Forces" before "Retirement Home Trust Fund".

SEC. 1046. AUTHORITY TO PROVIDE LIVING QUARTERS FOR CERTAIN STUDENTS IN COOPERATIVE AND SUMMER EDUCATION PROGRAMS OF THE NATIONAL SECURITY AGENCY.

Section 2195 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) The Director of the National Security Agency may provide a qualifying employee of a defense laboratory of that Agency with living quarters at no charge, or at a rate or charge prescribed by the Director by regulation, without regard to section 5911(c) of title 5.

"(2) In this subsection, the term 'qualifying employee' means a student who is employed at the National Security Agency under—

"(A) a Student Educational Employment Program of the Agency conducted under this section or any other provision of law; or

"(B) a similar cooperative or summer education program of the Agency that meets the criteria for Federal cooperative or summer education programs prescribed by the Office of Personnel Management.".

SEC. 1047. USE OF DRUG INTERDICTION AND COUNTERDRUG FUNDS TO SUPPORT ACTIVITIES OF THE GOVERNMENT OF COLOMBIA.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—During fiscal years 2004 and 2005, the Secretary of Defense may

use funds made available to the Department of Defense for drug interdiction and counter-drug activities to provide assistance to the Government of Colombia—

(1) to support a unified campaign against narcotics trafficking in Colombia;

(2) to support a unified campaign against activities by designated terrorist organizations, such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC); and

(3) to take actions to protect human health and welfare in emergency circumstances, including undertaking rescue operations.

(b) RELATION TO OTHER ASSISTANCE AUTHORITY.—The authority provided by subsection (a) is in addition to other provisions of law authorizing the provision of assistance to the Government of Colombia.

SEC. 1048. AUTHORITY FOR JOINT TASK FORCES TO PROVIDE SUPPORT TO LAW ENFORCEMENT AGENCIES CONDUCTING COUNTER-TERRORISM ACTIVITIES.

(a) AUTHORITY.—A joint task force of the Department of Defense that provides support to law enforcement agencies conducting counter-drug activities may also provide, consistent with all applicable laws and regulations, support

to law enforcement agencies conducting counter-terrorism activities.

(b) CONDITIONS.—Any support provided under subsection (a) may only be provided in the geographic area of responsibility of the joint task force.

SEC. 1049. USE OF NATIONAL DRIVER REGISTER FOR PERSONNEL SECURITY INVESTIGATIONS AND DETERMINATIONS.

Section 30305(b) of title 49, United States Code, is amended—

(1) by redesignating paragraphs (9) through (11) as paragraphs (10) through (12), respectively; and

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

"(9) An individual who is being investigated for—

"(A) eligibility for access to a particular level of classified information for purposes of Executive Order 12968, or any successor Executive order; or

"(B) Federal employment under authority of Executive Order 10450, or any successor Executive order,

may request the chief driver licensing official of a State to provide information about the individual pursuant to subsection (a) of this section to a Federal department or agency that is authorized to investigate the individual for the pur-

pose of assisting in the determination of the eligibility of the individual for access to classified information or for Federal employment. A Federal department or agency that receives such information about an individual may use it in accordance with applicable law. Information may not be obtained from the Register under this paragraph if the information was entered in the Register more than 3 years before the request, unless the information is about a revocation or suspension still in effect on the date of the request.".

SEC. 1050. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

The National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by adding at the end the following new section:

"SEC. 19. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—(1) The Director of the National Security Agency, with the coordination of the Director of Central Intelligence, may exempt operational files of the National Security Agency from the provisions of section 552 of title 5, United States Code, which require publication, disclosure, search, or review in connection therewith.

"(2)(A) Subject to subparagraph (B), for the purposes of this section, the term 'operational files' means files of the National Security Agency that document the means by

which foreign intelligence or counterintelligence is collected through technical systems.

"(B) Files that contain disseminated intelligence are not operational files.

"(3) Notwithstanding paragraph (1), exempted operational files shall continue to be subject to search and review for information concerning—

"(A) United States citizens or aliens lawfully admitted for permanent residence who have requested information on themselves pursuant to the provisions of section 552 of title 5 or section 552a of title 5, United States Code;

"(B) any special activity the existence of which is not exempt from disclosure under the provisions of section 552 of title 5, United States Code; or

"(C) the specific subject matter of an investigation by any of the following for any impropriety, or violation of law, Executive order, or Presidential directive, in the conduct of an intelligence activity:

"(i) The Permanent Select Committee on Intelligence of the House of Representatives.

"(ii) The Select Committee on Intelligence of the Senate.

"(iii) The Intelligence Oversight Board.

"(iv) The Department of Justice.

"(v) The Office of General Counsel of the National Security Agency.

"(vi) The Office of the Director of the National Security Agency.

"(4)(A) Files that are not exempted under paragraph (1) which contain information derived or disseminated from exempted operational files shall be subject to search and review.

"(B) The inclusion of information from exempted operational files in files that are not exempted under paragraph (1) shall not affect the exemption under paragraph (1) of the originating operational files from search, review, publication, or disclosure.

"(C) The declassification of some of the information contained in exempted operational files shall not affect the status of the operational file as being exempt from search, review, publication, or disclosure.

"(D) Records from exempted operational files which have been disseminated to and referenced in files that are not exempted under paragraph (1) and which have been returned to exempted operational files for sole retention shall be subject to search and review.

"(5) The provisions of paragraph (1) may not be superseded except by a provision of law which is enacted after

the date of the enactment of this section, and which specifically cites and repeals or modifies its provisions.

"(6)(A) Except as provided in subparagraph (B), whenever any person who has requested agency records under section 552 of title 5, United States Code, alleges that the National Security Agency has withheld records improperly because of failure to comply with any provision of this section, judicial review shall be available under the terms set forth in section 552(a)(4)(B) of title 5, United States Code.

"(B) Judicial review shall not be available in the manner provided for under subparagraph (A) as follows:

"(i) In any case in which information specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign relations which is filed with, or produced for, the court by the National Security Agency, such information shall be examined ex parte, in camera by the court.

"(ii) The court shall, to the fullest extent practicable, determine the issues of fact based on sworn written submissions of the parties.

"(iii) When a complainant alleges that requested records are improperly withheld because of improper placement solely in exempted operational files, the

complainant shall support such allegation with a sworn written submission based upon personal knowledge or otherwise admissible evidence.

"(iv)(I) When a complainant alleges that requested records were improperly withheld because of improper exemption of operational files, the National Security Agency shall meet its burden under section 552(a)(4)(B) of title 5, United States Code, by demonstrating to the court by sworn written submission that exempted operational files likely to contain responsive records currently perform the functions set forth in paragraph (2).

"(II) The court may not order the National Security Agency to review the content of any exempted operational file or files in order to make the demonstration required under subclause (I), unless the complainant disputes the National Security Agency's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(v) In proceedings under clauses (iii) and (iv), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admission may be made pursuant to rules 26 and 36.

"(vi) If the court finds under this paragraph that the National Security Agency has improperly withheld requested records because of failure to comply with any provision of this subsection, the court shall order the Agency to search and review the appropriate exempted operational file or files for the requested records and make such records, or portions thereof, available in accordance with the provisions of section 552 of title 5, United States Code, and such order shall be the exclusive remedy for failure to comply with this subsection.

"(vii) If at any time following the filing of a complaint pursuant to this paragraph the National Security Agency agrees to search the appropriate exempted operational file or files for the requested records, the court shall dismiss the claim based upon such complaint.

"(viii) Any information filed with, or produced for the court pursuant to clauses (i) and (iv) shall be coordinated with the Director of Central Intelligence prior to submission to the court.

"(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—(1) Not less than once every 10 years, the Director of the National Security Agency and the Director of Central Intelligence shall review the exemptions in force

under subsection (a)(1) to determine whether such exemptions may be removed from the category of exempted files or any portion thereof. The Director of Central Intelligence must approve any determination to remove such exemptions.

"(2) The review required by paragraph (1) shall include consideration of the historical value or other public interest in the subject matter of the particular category of files or portions thereof and the potential for declassifying a significant part of the information contained therein.

"(3) A complainant that alleges that the National Security Agency has improperly withheld records because of failure to comply with this subsection may seek judicial review in the district court of the United States of the district in which any of the parties reside, or in the District of Columbia. In such a proceeding, the court's review shall be limited to determining the following:

"(A) Whether the National Security Agency has conducted the review required by paragraph (1) before the expiration of the 10-year period beginning on the date of the enactment of this section or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether the National Security Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.".

SEC. 1051. ASSISTANCE FOR STUDY OF FEASIBILITY OF BIENNIAL INTERNATIONAL AIR TRADE SHOW IN THE UNITED STATES AND FOR INITIAL IMPLEMENTATION.

(a) ASSISTANCE FOR COMMUNITY FEASIBILITY STUDY.—(1) The Secretary of Defense shall provide assistance to a community selected under subsection (d) for expenses of a study by that community of the feasibility of the establishment and operation of a biennial international air trade show in the area of that community.

(2) The Secretary shall provide for the community to submit to the Secretary a report containing the results of the study not later than September 30, 2004. The Secretary shall promptly submit the report to Congress, together with such comments on the report as the Secretary considers appropriate.

(b) ASSISTANCE FOR IMPLEMENTATION.—If the community conducting the study under subsection (a) determines that the establishment and operation of such an air show is feasible and should be implemented, the Secretary shall provide assistance to the community for the initial

expenses of implementing such an air show in the selected community.

(c) AMOUNT OF ASSISTANCE.—The amount of assistance provided by the Secretary under subsections (a) and (b)—

(1) may not exceed a total of $1,000,000, to be derived from amounts available for operation and maintenance for the Air Force for fiscal year 2004 or later fiscal years; and

(2) may not exceed one-half of the cost of the study and may not exceed one-half the cost of such initial implementation.

(d) SELECTION OF COMMUNITY.—The Secretary shall select a community for purposes of subsection (a) through the use of competitive procedures. In making such selection, the Secretary shall give preference to those communities that already sponsor an air show, have demonstrated a history of supporting air shows with local resources, and have a significant role in the aerospace community. The community shall be selected not later than March 1, 2004.

SEC. 1052. CONTINUATION OF REASONABLE ACCESS TO MILITARY INSTALLATIONS FOR PERSONAL COMMERCIAL SOLICITATION.

(a) CONTINUED ACCESS TO MEMBERS.—Section 2679 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting "ACCESS BY REPRESENTATIVES OF VETERANS' ORGANIZATIONS.—(1)" before "Upon certification";

(2) by redesignating subsections (b) and (c) as paragraphs (2) and (3), respectively;

(3) in paragraph (2), as so redesignated, by striking "subsection (a)" and inserting "paragraph (1)";

(4) in paragraph (3), as so redesignated, by striking "section" and inserting "subsection";

(5) by redesignating subsection (d) as subsection (c); and

(6) by inserting before such subsection the following new subsection (b):

"(b) ACCESS FOR PERSONAL COMMERCIAL SOLICITATION.—An amendment or other revision to a Department of Defense directive relating to access to military installations for the purpose of conducting limited personal commercial solicitation shall not take effect until the end of the 90-day period beginning on the date the Secretary of Defense submits to Congress notice of the amendment or revision and the reasons therefor.".

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

"§ 2679. Access to and use of space and equipment at military installations: representatives of veterans' organizations and other persons".

(2) The item relating to such section in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2679. Access to and use of space and equipment at military installations: representatives of veterans' organizations and other persons.".

SEC. 1053. COMMISSION ON NUCLEAR STRATEGY OF THE UNITED STATES.

(a) ESTABLISHMENT OF COMMISSION.—

(1) ESTABLISHMENT.—There is hereby established a commission to be known as the "Commission on Nuclear Strategy of the United States" (hereinafter this this section referred to as the "Commission"). The Secretary of Defense, in consultation with the Secretary of Energy, shall enter into a contract with a federally funded research and development center to provide for the organization, management, and suport of the Commission.

(2) COMPOSITION.—(A) The Commission shall be composed of 12 members appointed by the Secretary of Defense. In selecting individuals for appointment to the Commission, the Secretary of Defense shall consult with the chairman and ranking minority mem-

ber of the Committee on Armed Services of the Senate and the chairman and ranking minority member of the Committee on Armed Services of the House of Representatives.

(B) Members of the Commission shall be appointed from among private United States citizens with knowledge and expertise in the political, military, operational, and technical aspects of nuclear strategy.

(3) CHAIRMAN OF THE COMMISSION.—The Secretary of Defense shall designate one of the members of the Commission to serve as chairman of the Commission.

(4) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(5) SECURITY CLEARANCES.—All members of the Commission shall hold appropriate security clearances.

(b) DUTIES OF COMMISSION.—

(1) REVIEW OF NUCLEAR STRATEGY.—The Commission shall consider all matters of policy, force structure, nuclear stockpile stewardship, estimates of

threats and force requirements, and any other issue the Commission may consider necessary in order to assess and make recommendations about current United States nuclear strategy as envisioned in the National Security Strategy of the United States and the Nuclear Posture Review, as well as possible alternative future strategies.

(2) ASSESSMENT OF RANGE OF NUCLEAR STRATEGIES.—The Commission shall assess possible future nuclear strategies for the United States that could be pursued over the next 20 years.

(3) RELATIONS WITH RUSSIA.—The Commission shall give special attention to assessing how the United States goal of strengthening partnership with Russia may be advanced or adversely affected by each of the possible nuclear strategies considered. The Commission shall also assess how relations with China, and the overall global security environment, may be affected by each of those possible nuclear strategies.

(4) OTHER MATTERS TO BE INCLUDED.—For each of the possible nuclear strategies considered, the Commission shall include in its report under subsection (c)(1), at a minimum, the following:

(A) A discussion of the policy defining the deterrence and military-political objectives of the United States against potential adversaries.

(B) A discussion of the military requirements for United States forces, the force structure and capabilities necessary to meet those requirements, and how they relate to the achievement of the objectives identified under subparagraph (A).

(C) Appropriate quantitative and qualitative analysis, including force-on-force exchange modeling, to calculate the effectiveness of the strategy under various scenario conditions, including scenarios of strategic and tactical surprise.

(D) An assessment of the role of missile defenses in the strategy, the dependence of the strategy on missile defense effectiveness, and the effect of missile defenses on the threat environment.

(E) An assessment of the implications of the proliferation of missiles and weapons of mass destruction, the proliferation of underground facilities and mobile launch platforms, and China's modernization of strategic forces.

(F) An assessment of the implications of asymmetries between the United States and Russia, including doctrine, nonstrategic nuclear weapons, and active and passive defenses.

(G) An assessment of strategies or options for dealing with nuclear capable nations that may provide nuclear weapons to terrorist or transnational groups.

(H) An assessment of the contribution of non-proliferation strategies and programs to the overall security of the United States and how those strategies and programs may affect the overall requirements of future nuclear strategy.

(I) An assessment of the effect of the strategy on the nuclear programs of emerging nuclear weapons states, including North Korea, Iran, Pakistan, and India.

(5) RECOMMENDATIONS.—The Commission shall include in its report recommendations for any continuities or changes in nuclear strategy it believes should be taken to enhance the national security of the United States.

(6) COOPERATION FROM GOVERNMENT OFFICIALS.—(A) In carrying out its duties, the Commission shall receive the full and timely cooperation of

the Secretary of Defense, the Secretary of Energy, and any other United States Government official in providing the Commission with analyses, briefings, and other information necessary for the fulfillment of its responsibilities.

(B) The Secretary of Energy and the Secretary of Defense shall each designate at least one officer or employee of the Department of Energy and the Department of Defense, respectively, to serve as a liaison officer between the department and the Commission. The Director of Central Intelligence may designate at least one officer or employee of the Central Intelligence Agency to serve as a liaison officer between that agency and the Commission.

(c) REPORTS.—

(1) COMMISSION REPORT.—The Commission shall submit to the Secretary of Defense and to the Committees on Armed Services of the Senate and House of Representatives a report on the Commission's findings and conclusions not later than 18 months after the date of its first meeting.

(2) SECRETARY OF DEFENSE RESPONSE.—Not later than one year after the date on which the Commission submits its report under paragraph (1), the

Secretary of Defense shall submit to Congress a report—

(A) commenting on the Commission's findings and conclusions; and

(B) explaining what actions, if any, the Secretary intends to take to implement the recommendations of the Commission and, with respect to each such recommendation, the Secretary's reasons for implementing, or not implementing, the recommendation.

(d) HEARINGS AND PROCEDURES.—

(1) HEARINGS.—The Commission may, for the purpose of carrying out the purposes of this section, hold hearings and take testimony.

(2) PROCEDURES.—The federally funded research and development center referred to in subsection (a)(1) shall be responsible for establishing appropriate procedures for the Commission.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the chairman of the Commission, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

(e) FUNDING.—Funds for activities of the Commission shall be provided from amounts appropriated for the Department of Defense.

(f) TERMINATION OF COMMISSION.—The Commission shall terminate 60 days after the date of the submission of its report under subsection (c)(1).

(g) IMPLEMENTATION.—

(1) FFRDC CONTRACT.—The Secretary of Defense shall enter into the contract required under subsection (a)(1) not later than 60 days after the date of the enactment of this Act.

(2) FIRST MEETING.—The Commission shall convene its first meeting not later than 60 days after the date as of which all members of the Commission have been appointed.

SEC. 1054. EXTENSION OF COUNTERPROLIFERATION PROGRAM REVIEW COMMITTEE.

Section 1605(f) of the National Defense Authorization Act for Fiscal Year 1994 (22 U.S.C. 2751 note) is amended by striking "September 30, 2004" and inserting "September 30, 2008".

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Subtitle A—Department of Defense Civilian Personnel Generally

SEC. 1101. MODIFICATION OF THE OVERTIME PAY CAP.

Section 5542(a)(2) of title 5, United States Code, is amended—

(1) by inserting "the greater of" before "one and one-half"; and

(2) by inserting "or the hourly rate of basic pay of the employee" after "law)" the second place it appears.

SEC. 1102. MILITARY LEAVE FOR MOBILIZED FEDERAL CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Subsection (b) of section 6323 of title 5, United States Code, is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and at the end of clause (ii), as so redesignated, by inserting "or"; and

(B) by inserting "(A)" after "(2)"; and

(2) by inserting the following before the text beginning with "is entitled":

"(B) performs full-time military service as a result of a call or order to active duty in support of a contingency operation as defined in section 101(a)(13) of title 10;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to military service performed on or after the date of the enactment of this Act.

SEC. 1103. COMMON OCCUPATIONAL AND HEALTH STANDARDS FOR DIFFERENTIAL PAYMENTS AS A CONSEQUENCE OF EXPOSURE TO ASBESTOS.

(a) PREVAILING RATE SYSTEMS.—Section 5343(c)(4) of title 5, United States Code, is amended by inserting before the semicolon at the end the following: ", and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970".

(b) GENERAL SCHEDULE PAY RATES.—Section 5545(d) of such title is amended by inserting before the period at the end of the first sentence the following: ", and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible

exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970".

(c) APPLICABILITY.—Subject to any vested constitutional property rights, any administrative or judicial determination after the date of enactment of this Act concerning backpay for a differential established under sections 5343(c)(4) or 5545(d) of such title shall be based on occupational safety and health standards described in the amendments made by subsections (a) and (b).

SEC. 1104. INCREASE IN ANNUAL STUDENT LOAN REPAYMENT AUTHORITY.

Section 5379(b)(2)(A) of title 5, United States Code, is amended by striking "$6,000" and inserting "$10,000".

SEC. 1105. AUTHORIZATION FOR CABINET SECRETARIES, SECRETARIES OF MILITARY DEPARTMENTS, AND HEADS OF EXECUTIVE AGENCIES TO BE PAID ON A BIWEEKLY BASIS.

(a) AUTHORIZATION.—Section 5504 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by striking the last sentence of both subsection (a) and subsection (b); and

(3) by inserting after subsection (b) the following:

"(c) For the purposes of this section:

"(1) The term 'employee' means—

"(A) an employee in or under an Executive agency;

"(B) an employee in or under the Office of the Architect of the Capitol, the Botanic Garden, and the Library of Congress, for whom a basic administrative workweek is established under section 6101(a)(5) of this title; and

"(C) an individual employed by the government of the District of Columbia.

"(2) The term 'employee' does not include—

"(A) an employee on the Isthmus of Panama in the service of the Panama Canal Commission; or

"(B) an employee or individual excluded from the definition of employee in section 5541(2) of this title other than an employee or individual excluded by clauses (ii), (iii), and (xiv) through (xvii) of such section.

"(3) Notwithstanding paragraph (2), an individual who otherwise would be excluded from the definition of employee shall be deemed to be an employee for purposes of this section if the individual's employing agency so elects, under guidelines in regulations

promulgated by the Office of Personnel Management under subsection (d)(2).".

(b) GUIDELINES.—Subsection (d) of section 5504 of such title, as redesignated by subsection (a), is amended—

(1) by inserting "(1)" after "(d)"; and

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

"(2) The Office of Personnel Management shall provide guidelines by regulation for exemptions to be made by the heads of agencies under subsection (c)(3). Such guidelines shall provide for such exemptions only under exceptional circumstances.".

SEC. 1106. SENIOR EXECUTIVE SERVICE AND PERFORMANCE.

(a) SENIOR EXECUTIVE PAY.—Chapter 53 of title 5, United States Code, is amended—

(1) in section 5304—

(A) in subsection (g)(2)—

(i) in subparagraph (A) by striking "subparagraphs (A)–(E)" and inserting "subparagraphs (A)–(D)"; and

(ii) in subparagraph (B) by striking "subsection (h)(1)(F)" and inserting "subsection (h)(1)(D)";

(B) in subsection (h)(1)—

(i) by striking subparagraphs (B) and (C);

(ii) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (B), (C), and (D), respectively;

(iii) in clause (ii) by striking "or" at the end;

(iv) in clause (iii) by striking the period and inserting a semicolon; and

(v) by adding at the end the following new clauses:

"(iv) a Senior Executive Service position under section 3132;

"(v) a position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service under section 3151; or

"(vi) a position in a system equivalent to the system in clause (iv), as determined by the President's Pay Agent designated under subsection (d)."; and

(C) in subsection (h)(2)(B)—

(i) in clause (i)—

(I) by striking "subparagraphs (A) through (E)" and inserting "subparagraphs (A) through (C)"; and

(II) by striking "clause (i) or (ii)" and inserting "clause (i), (ii), (iii), (iv), (v), or (vii)"; and

(ii) in clause (ii)—

(I) by striking "paragraph (1)(F)" and inserting "paragraph (1)(D)"; and

(II) by striking "clause (i) or (ii)" and inserting "clause (i), (ii), (iii), (iv), (v), or (vi)";

(2) by amending section 5382 to read as follows:

"§ 5382. Establishment of rates of pay for the Senior Executive Service

"(a) Subject to regulations prescribed by the Office of Personnel Management, there shall be established a range of rates of basic pay for the Senior Executive Service, and each senior executive shall be paid at one of the rates within the range, based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance management system. The lowest rate of the range shall not be less than the minimum rate of basic pay payable under section 5376, and the highest rate, for any position under this system or an equivalent system as determined by the President's Pay Agent designated under section 5304(d), shall not exceed the rate for

level III of the Executive Schedule. The payment of the rates shall not be subject to the pay limitation of section 5306(e) or 5373.

"(b) Notwithstanding the provisions of subsection (a), the applicable maximum shall be level II of the Executive Schedule for any agency that is certified under section 5307 as having a performance appraisal system which, as designed and applied, makes meaningful distinctions based on relative performance.

"(c) No employee may suffer a reduction in pay by reason of transfer from an agency with an applicable maximum rate of pay prescribed under subsection (b) to an agency with an applicable maximum rate of pay prescribed under subsection (a)."; and

(3) in section 5383—

(A) in subsection (a) by striking "which of the rates established under section 5382 of this title" and inserting "which of the rates within a range established under section 5382"; and

(B) in subsection (c) by striking "for any pay adjustment under section 5382 of this title" and inserting "as provided in regulations prescribed by the Office under section 5385".

(b) POST-EMPLOYMENT RESTRICTIONS.—(1) Clause (ii) of section 207(c)(2)(A) of title 18, United States Code is amended to read as follows:

> *"(ii) employed in a position which is not referred to in clause (i) and for which that person is paid at a rate of basic pay which is equal to or greater than 96 percent of the rate of basic pay for level II of the Executive Schedule, or, for a period of 2 years following the enactment of the Federal Employees Pay for Performance Act of 2003, a person who, on the day prior to the enactment of that Act, was employed in a position which is not referred to in clause (i) and for which the rate of basic pay, exclusive of any locality-based pay adjustment under section 5304 or section 5304a of title 5, was equal to or greater than the rate of basic pay payable for level 5 of the Senior Executive Service on the day prior to the enactment of that Act,".*

(2) Subchapter I of chapter 73 of title 5, United States Code, is amended by inserting at the end the following new section:

"§ 7302. Post-employment notification

"(a) Not later than the effective date of the amendments made by sections 3 and 4 of the Federal Employees

Pay for Performance Act of 2003, or 180 days after the date of enactment of that Act, whichever is later, the Office of Personnel Management shall, in consultation with the Attorney General and the Office of Government Ethics, promulgate regulations requiring that each Executive branch agency notify any employee of that agency who is subject to the provisions of section 207(c)(1) of title 18, as a result of the amendment to section 207(c)(2)(A)(ii) of that title by that Act.

"(b) The regulations shall require that notice be given before, or as part of, the action that affects the employee's coverage under section 207(c)(1) of title 18, by virtue of the provisions of section 207(c)(2)(A)(ii) of that title, and again when employment or service in the covered position is terminated.".

(c) The table of sections for chapter 73 of title 5, United States Code, is amended by adding after the item relating to section 7301 the following:

"7302. Post-employment notification.".

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the first day of the first pay period beginning on or after the first January 1 following the date of enactment of this section.

(2) The amendments made by subsection (a) may not result in a reduction in the rate of basic pay for any senior

executive during the first year after the effective date of those amendments.

(3) For the purposes of subsection (c)(2), the rate of basic pay for a senior executive shall be deemed to be the rate of basic pay set for the senior executive under section 5383 of title 5, United States Code, plus applicable locality pay paid to that senior executive, as of the date of enactment of this Act.

SEC. 1107. DESIGN ELEMENTS OF PAY-FOR-PERFORMANCE SYSTEMS IN DEMONSTRATION PROJECTS.

A pay-for-performance system may not be initiated under chapter 47 of title 5, United States Code, after the date of enactment of this Act, unless it incorporates the following elements:

(1) adherence to merit principles set forth in section 2301 of such title;

(2) a fair, credible, and transparent employee performance appraisal system;

(3) a link between elements of the pay-for-performance system, the employee performance appraisal system, and the agency's strategic plan;

(4) a means for ensuring employee involvement in the design and implementation of the system;

(5) adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the pay-for-performance system;

(6) a process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review;

(7) effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance; and

(8) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system.

SEC. 1108. FEDERAL FLEXIBLE BENEFITS PLAN ADMINISTRATIVE COSTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, an agency or other employing entity of the Government which provides or plans to provide a flexible spending account option for its employees shall not impose any fee with respect to any of its employees in order to defray the administrative costs associated therewith.

(b) OFFSET OF ADMINISTRATIVE COSTS.—Each such agency or employing entity that offers a flexible spending account option under a program established or adminis-

tered by the Office of Personnel Management shall periodically forward to such Office, or entity designated by such Office, the amount necessary to offset the administrative costs of such program which are attributable to such agency.

(c) REPORTS.—(1) The Office shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate no later than March 31, 2004, specifying the administrative costs associated with the Government-wide program (referred to in subsection (b)) for fiscal year 2003, as well as the projected administrative costs of such program for each of the 5 fiscal years thereafter.

(2) At the end of each of the first 3 calendar years in which an agency or other employing entity offers a flexible spending account option under this section, such agency or entity shall submit a report to the Office of Management and Budget showing the amount of its employment tax savings in such year which are attributable to such option, net of administrative fees paid under section (b).

SEC. 1109. CLARIFICATION TO HATCH ACT; LIMITATION ON DISCLOSURE OF CERTAIN RECORDS.

(a) CLARIFICATION TO HATCH ACT.—No Federal employee or individual who voluntarily separates from the civil service (including by transferring to an international organization in the circumstances described in section

3582(a) of title 5, United States Code) shall be subject to enforcement of the provisions of section 7326 of such title (including any loss of rights under subchapter IV of chapter 35 of such title resulting from any proceeding under such section 7326), except that this subsection shall not apply in the event that such employee or individual subsequently becomes reemployed in the civil service. The preceding sentence shall apply to any complaint which is filed with or pending before the Merit Systems Protection Board after the date of the enactment of this Act.

(b) LIMITATION ON DISCLOSURE OF CERTAIN RECORDS.—Notwithstanding any other provision of law, rule, or regulation, nothing described in paragraph (2) or (3) of use "q" of the proposed revisions published in the Federal Register on July 12, 2001 (66 Fed. Reg. 36613) shall be considered to constitute a routine use of records maintained by the Office of Special Counsel.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "Federal employee or individual" means any employee or individual, as referred to in section 7326 of title 5, United States Code;

(2) the term "civil service" has the meaning given such term by section 2101 of title 5, United States Code;

(3) the term "international organization" has the meaning given such term by section 3581 of title 5, United States Code; and

(4) the terms "routine use" and "record" have the respective meanings given such terms under section 552a(a) of title 5, United States Code.

SEC. 1110. EMPLOYEE SURVEYS.

(a) IN GENERAL.—Each agency shall conduct an annual survey of its employees (including survey questions unique to the agency and questions prescribed under subsection (b)) to assess—

(1) leadership and management practices that contribute to agency performance; and

(2) employee satisfaction with—

(A) leadership policies and practices;

(B) work environment;

(C) rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission;

(D) opportunity for professional development and growth; and

(E) opportunity to contribute to achieving organizational mission.

(b) REGULATIONS.—The Office of Personnel Management shall issue regulations prescribing survey questions

that should appear on all agency surveys under subsection (a) in order to allow a comparison across agencies.

(c) AVAILABILITY OF RESULTS.—The results of the agency surveys under subsection (a) shall be made available to the public and posted on the website of the agency involved, unless the head of such agency determines that doing so would jeopardize or negatively impact national security.

(d) AGENCY DEFINED.—For purposes of this section, the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code).

Subtitle B—Department of Defense National Security Personnel System

SEC. 1111. DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM.

(a) IN GENERAL.—(1) Subpart I of part III of title 5, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 99—DEPARTMENT OF DEFENSE NATIONAL SECURITY PERSONNEL SYSTEM

"Sec.
"9901. Definitions.
"9902. Establishment of human resources management system.
"9903. Attracting highly qualified experts.
"9904. Employment of older Americans.
"9905. Special pay and benefits for certain employees outside the United States.

"§ 9901. Definitions

"For purposes of this chapter—

"(1) the term 'Director' means the Director of the Office of Personnel Management; and

"(2) the term 'Secretary' means the Secretary of Defense.

"§ 9902. Establishment of human resources management system

"(a) IN GENERAL.—Notwithstanding any other provision of this part, the Secretary may, in regulations prescribed jointly with the Director, establish, and from time to time adjust, a human resources management system for some or all of the organizational or functional units of the Department of Defense. If the Secretary certifies that issuance or adjustment of a regulation, or the inclusion, exclusion, or modification of a particular provision therein, is essential to the national security, the Secretary may, subject to the decision of the President, waive the requirement in the preceding sentence that the regulation or adjustment be issued jointly with the Director.

"(b) SYSTEM REQUIREMENTS.—Any system established under subsection (a) shall—

"(1) be flexible;

"(2) be contemporary;

"(3) not waive, modify, or otherwise affect—

"(A) the public employment principles of merit and fitness set forth in section 2301, in-

cluding the principles of hiring based on merit, fair treatment without regard to political affiliation or other nonmerit considerations, equal pay for equal work, and protection of employees against reprisal for whistleblowing;

"(B) any provision of section 2302, relating to prohibited personnel practices;

"(C)(i) any provision of law referred to in section 2302(b)(1), (8), and (9); or

"(ii) any provision of law implementing any provision of law referred to in section 2302(b)(1), (8), and (9) by—

"(I) providing for equal employment opportunity through affirmative action; or

"(II) providing any right or remedy available to any employee or applicant for employment in the public service;

"(D) any other provision of this part (as described in subsection (c)); or

"(E) any rule or regulation prescribed under any provision of law referred to in this paragraph;

"(4) ensure that employees may organize, bargain collectively as provided for in this chapter, and participate through labor organizations of their own

choosing in decisions which affect them, subject to the provisions of this chapter and any exclusion from coverage or limitation on negotiability established pursuant to law;

"(5) not be limited by any specific law or authority under this title that is waivable under this chapter or by any provision of this chapter or any rule or regulation prescribed under this title that is waivable under this chapter, except as specifically provided for in this section; and

"(6) include a performance management system that incorporates the following elements:

"(A) adherence to merit principles set forth in section 2301;

"(B) a fair, credible, and transparent employee performance appraisal system;

"(C) a link between the performance management system and the agency's strategic plan;

"(D) a means for ensuring employee involvement in the design and implementation of the system;

"(E) adequate training and retraining for supervisors, managers, and employees in the implementation and operation of the performance management system;

"(F) a process for ensuring ongoing performance feedback and dialogue between supervisors, managers, and employees throughout the appraisal period, and setting timetables for review;

"(G) effective safeguards to ensure that the management of the system is fair and equitable and based on employee performance; and

"(H) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the performance management system.

"(c) OTHER NONWAIVABLE PROVISIONS.—The other provisions of this part referred to in subsection (b)(3)(D) are (to the extent not otherwise specified in this title)—

"(1) subparts A, B, E, G, and H of this part; and

"(2) chapters 41, 45, 47, 55 (except subchapter V thereof), 57, 59, 72, 73, and 79, and this chapter.

"(d) LIMITATIONS RELATING TO PAY.—(1) Nothing in this section shall constitute authority to modify the pay of any employee who serves in an Executive Schedule position under subchapter II of chapter 53 of this title.

"(2) Except as provided for in paragraph (1), the total amount in a calendar year of allowances, differentials, bo-

nuses, awards, or other similar cash payments paid under this title to any employee who is paid under section 5376 or 5383 of this title or under title 10 or under other comparable pay authority established for payment of Department of Defense senior executive or equivalent employees may not exceed the total annual compensation payable to the Vice President under section 104 of title 3.

"(3) To the maximum extent practicable, the rates of compensation for civilian employees at the Department of Defense shall be adjusted at the same rate, and in the same proportion, as are rates of compensation for members of the uniformed services.

"(e) PROVISIONS TO ENSURE COLLABORATION WITH EMPLOYEE REPRESENTATIVES.—(1) In order to ensure that the authority of this section is exercised in collaboration with, and in a manner that ensures the participation of, employee representatives in the planning, development, and implementation of any human resources management system or adjustments to such system under this section, the Secretary and the Director shall provide for the following:

"(A) The Secretary and the Director shall, with respect to any proposed system or adjustment—

"(i) provide to the employee representatives representing any employees who might be af-

fected a written description of the proposed system or adjustment (including the reasons why it is considered necessary);

"(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review and make recommendations with respect to the proposal; and

"(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration in deciding whether or how to proceed with the proposal.

"(B) Following receipt of recommendations, if any, from such employee representatives with respect to a proposal described in subparagraph (A), the Secretary and the Director shall accept such modifications to the proposal in response to the recommendations as they determine advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

"(i) notify Congress of those parts of the proposal, together with the recommendations of the employee representatives;

"(ii) meet and confer for not less than 30 calendar days with the employee representatives,

in order to attempt to reach agreement on whether or how to proceed with those parts of the proposal; and

"(iii) at the Secretary's option, or if requested by a majority of the employee representatives participating, use the services of the Federal Mediation and Conciliation Service during such meet and confer period to facilitate the process of attempting to reach agreement.

"(C)(i) Any part of the proposal as to which the representatives do not make a recommendation, or as to which the recommendations are accepted by the Secretary and the Director, may be implemented immediately.

"(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted by the Secretary and the Director, at any time after 30 calendar days have elapsed since the initiation of the congressional notification, consultation, and mediation procedures set forth in subparagraph (B), if the Secretary, in his discretion, determines that further consultation and mediation is unlikely to produce agreement, the Secretary may implement any or all of such parts (including any modifications made in response to the recommendations as

the Secretary determines advisable), but only after 30 days have elapsed after notifying Congress of the decision to implement the part or parts involved (as so modified, if applicable).

"(iii) The Secretary shall notify Congress promptly of the implementation of any part of the proposal and shall furnish with such notice an explanation of the proposal, any changes made to the proposal as a result of recommendations from the employee representatives, and of the reasons why implementation is appropriate under this subparagraph.

"(D) If a proposal described in subparagraph (A) is implemented, the Secretary and the Director shall—

"(i) develop a method for the employee representatives to participate in any further planning or development which might become necessary; and

"(ii) give the employee representatives adequate access to information to make that participation productive.

"(2) The Secretary may, at the Secretary's discretion, engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

"(3) In the case of any employees who are not within a unit with respect to which a labor organization is accorded exclusive recognition, the Secretary and the Director may develop procedures for representation by any appropriate organization which represents a substantial percentage of those employees or, if none, in such other manner as may be appropriate, consistent with the purposes of this subsection.

"(f) PROVISIONS REGARDING NATIONAL LEVEL BARGAINING.—(1) Any human resources management system implemented or modified under this chapter may include employees of the Department of Defense from any bargaining unit with respect to which a labor organization has been accorded exclusive recognition under chapter 71 of this title.

"(2) For any bargaining unit so included under paragraph (1), the Secretary may bargain at an organizational level above the level of exclusive recognition. Any such bargaining shall—

"(A) be binding on all subordinate bargaining units at the level of recognition and their exclusive representatives, and the Department of Defense and its subcomponents, without regard to levels of recognition;

"(B) supersede all other collective bargaining agreements, including collective bargaining agreements negotiated with an exclusive representative at the level of recognition, except as otherwise determined by the Secretary;

"(C) not be subject to further negotiations for any purpose, including bargaining at the level of recognition, except as provided for by the Secretary; and

"(D) except as otherwise specified in this chapter, not be subject to review or to statutory third-party dispute resolution procedures outside the Department of Defense.

"(3) The National Guard Bureau and the Army and Air Force National Guard are excluded from coverage under this subsection.

"(4) Any bargaining completed pursuant to this subsection with a labor organization not otherwise having national consultation rights with the Department of Defense or its subcomponents shall not create any obligation on the Department of Defense or its subcomponents to confer national consultation rights on such a labor organization.

"(g) PROVISIONS RELATING TO APPELLATE PROCEDURES.—(1) The Secretary shall—

"(A) establish an appeals process that provides that employees of the Department of Defense are enti-

tled to fair treatment in any appeals that they bring in decisions relating to their employment; and

"(B) in prescribing regulations for any such appeals process—

"(i) ensure that employees of the Department of Defense are afforded the protections of due process; and

"(ii) toward that end, be required to consult with the Merit Systems Protection Board before issuing any such regulations.

"(2) Any regulations establishing the appeals process required by paragraph (1) that relate to any matters within the purview of chapter 77 shall—

"(A) provide for an independent review panel, appointed by the President, which shall not include the Secretary or the Deputy Secretary of Defense or any of their subordinates;

"(B) be issued only after—

"(i) notification to the appropriate committees of Congress; and

"(ii) consultation with the Merit Systems Protection Board and the Equal Employment Opportunity Commission;

"(C) ensure the availability of procedures that—

"(i) are consistent with requirements of due process; and

"(ii) provide, to the maximum extent practicable, for the expeditious handling of any matters involving the Department of Defense; and

"(D) modify procedures under chapter 77 only insofar as such modifications are designed to further the fair, efficient, and expeditious resolution of matters involving the employees of the Department of Defense.

"(h) PROVISIONS RELATED TO SEPARATION AND RETIREMENT INCENTIVES.—(1) The Secretary may establish a program within the Department of Defense under which employees may be eligible for early retirement, offered separation incentive pay to separate from service voluntarily, or both. This authority may be used to reduce the number of personnel employed by the Department of Defense or to restructure the workforce to meet mission objectives without reducing the overall number of personnel. This authority is in addition to, and notwithstanding, any other authorities established by law or regulation for such programs.

"(2) For purposes of this section, the term 'employee' means an employee of the Department of Defense, serving under an appointment without time limitation, except that such term does not include—

"(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of this title, or another retirement system for employees of the Federal Government;

"(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in paragraph (1); or

"(C) for purposes of eligibility for separation incentives under this section, an employee who is in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

"(3) An employee who is at least 50 years of age and has completed 20 years of service, or has at least 25 years of service, may, pursuant to regulations promulgated under this section, apply and be retired from the Department of Defense and receive benefits in accordance with chapter 83 or 84 if the employee has been employed continuously within the Department of Defense for more than 30 days before the date on which the determination to conduct a reduction or restructuring within 1 or more Department of Defense components is approved pursuant to the program established under subsection (a).

"(4)(A) Separation pay shall be paid in a lump sum or in installments and shall be equal to the lesser of—

"(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of this title, if the employee were entitled to payment under such section; or

"(ii) $25,000.

"(B) Separation pay shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit. Separation pay shall not be taken into account for the purpose of determining the amount of any severance pay to which an individual may be entitled under section 5595 of this title, based on any other separation.

"(C) Separation pay, if paid in installments, shall cease to be paid upon the recipient's acceptance of employment by the Federal Government, or commencement of work under a personal services contract as described in paragraph (5).

"(5)(A) An employee who receives separation pay under such program may not be reemployed by the Department of Defense for a 12-month period beginning on the effective date of the employee's separation, unless this prohibition is waived by the Secretary on a case-by-case basis.

"(B) An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Re-

structuring Act of 1994 (Public Law 103–236; 108 Stat. 111) and accepts employment with the Government of the United States, or who commences work through a personal services contract with the United States within 5 years after the date of the separation on which payment of the separation pay is based, shall be required to repay the entire amount of the separation pay to the Department of Defense. If the employment is with an Executive agency (as defined by section 105 of this title) other than the Department of Defense, the Director may, at the request of the head of that agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is within the Department of Defense, the Secretary may waive the repayment if the individual involved is the only qualified applicant available for the position. If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

"(6) Under this program, early retirement and separation pay may be offered only pursuant to regulations established by the Secretary, subject to such limitations or conditions as the Secretary may require.

"(i) PROVISIONS RELATING TO REEMPLOYMENT.—If annuitant receiving an annuity from the Civil Service Retirement and Disability Fund becomes employed in a position within the Department of Defense, his annuity shall continue. An annuitant so reemployed shall not be considered an employee for purposes of chapter 83 or 84.

"(j) ADDITIONAL PROVISIONS RELATING TO PERSONNEL MANAGEMENT.—Notwithstanding subsection (c), the Secretary may exercise authorities that would otherwise be available to the Secretary under paragraphs (1), (3), and (8) of section 4703(a) of this title.

"§ 9903. Attracting highly qualified experts

"(a) IN GENERAL.—The Secretary may carry out a program using the authority provided in subsection (b) in order to attract highly qualified experts in needed occupations, as determined by the Secretary.

"(b) AUTHORITY.—Under the program, the Secretary may—

"(1) appoint personnel from outside the civil service and uniformed services (as such terms are defined in section 2101 of this title) to positions in the

Department of Defense without regard to any provision of this title governing the appointment of employees to positions in the Department of Defense;

"(2) prescribe the rates of basic pay for positions to which employees are appointed under paragraph (1) at rates not in excess of the maximum rate of basic pay authorized for senior-level positions under section 5376 of this title, as increased by locality-based comparability payments under section 5304 of this title, notwithstanding any provision of this title governing the rates of pay or classification of employees in the executive branch; and

"(3) pay any employee appointed under paragraph (1) payments in addition to basic pay within the limits applicable to the employee under subsection (d).

"(c) LIMITATION ON TERM OF APPOINTMENT.—(1) Except as provided in paragraph (2), the service of an employee under an appointment made pursuant to this section may not exceed 5 years.

"(2) The Secretary may, in the case of a particular employee, extend the period to which service is limited under paragraph (1) by up to 1 additional year if the Secretary determines that such action is necessary to promote the Department of Defense's national security missions.

"(d) LIMITATIONS ON ADDITIONAL PAYMENTS.—(1) The total amount of the additional payments paid to an employee under this section for any 12-month period may not exceed the lesser of the following amounts:

"(A) $50,000 in fiscal year 2004, which may be adjusted annually thereafter by the Secretary, with a percentage increase equal to one-half of 1 percentage point less than the percentage by which the Employment Cost Index, published quarterly by the Bureau of Labor Statistics, for the base quarter of the year before the preceding calendar year exceeds the Employment Cost Index for the base quarter of the second year before the preceding calendar year.

"(B) The amount equal to 50 percent of the employee's annual rate of basic pay.

For purposes of this paragraph, the term 'base quarter' has the meaning given such term by section 5302(3).

"(2) An employee appointed under this section is not eligible for any bonus, monetary award, or other monetary incentive for service except for payments authorized under this section.

"(3) Notwithstanding any other provision of this subsection or of section 5307, no additional payments may be paid to an employee under this section in any calendar year if, or to the extent that, the employee's total annual

compensation will exceed the maximum amount of total annual compensation payable at the salary set in accordance with section 104 of title 3.

"(e) SAVINGS PROVISIONS.—In the event that the Secretary terminates this program, in the case of an employee who, on the day before the termination of the program, is serving in a position pursuant to an appointment under this section—

"(1) the termination of the program does not terminate the employee's employment in that position before the expiration of the lesser of—

"(A) the period for which the employee was appointed; or

"(B) the period to which the employee's service is limited under subsection (c), including any extension made under this section before the termination of the program; and

"(2) the rate of basic pay prescribed for the position under this section may not be reduced as long as the employee continues to serve in the position without a break in service.

"§ 9904. Employment of older Americans

"(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may appoint older Americans

into positions in the excepted service for a period not to exceed 2 years, provided that—

"(1) any such appointment shall not result in—

"(A) the displacement of individuals currently employed by the Department of Defense (including partial displacement through reduction of nonovertime hours, wages, or employment benefits); or

"(B) the employment of any individual when any other person is in a reduction-in-force status from the same or substantially equivalent job within the Department of Defense; and

"(2) the individual to be appointed is otherwise qualified for the position, as determined by the Secretary.

"(b) EFFECT ON EXISTING RETIREMENT BENEFITS.—Notwithstanding any other provision of law, an individual appointed pursuant to subsection (a) who otherwise is receiving an annuity, pension, retired pay, or other similar payment shall not have the amount of said annuity, pension, or other similar payment reduced as a result of such employment.

"(c) EXTENSION OF APPOINTMENT.—Notwithstanding subsection (a), the Secretary may extend an appointment made pursuant to this section for up to an additional 2

years if the individual employee possesses unique knowledge or abilities that are not otherwise available to the Department of Defense.

"(d) DEFINITION.—For purposes of this section, the term 'older American' means any citizen of the United States who is at least 55 years of age.

"§ 9905. Special pay and benefits for certain employees outside the United States

"The Secretary may provide to certain civilian employees of the Department of Defense assigned to activities outside the United States as determined by the Secretary to be in support of Department of Defense activities abroad hazardous to life or health or so specialized because of security requirements as to be clearly distinguishable from normal Government employment—

"(1) allowances and benefits—

"(A) comparable to those provided by the Secretary of State to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (Public Law 96–465, 22 U.S.C. 4081 et seq.) or any other provision of law; or

"(B) comparable to those provided by the Director of Central Intelligence to personnel of the Central Intelligence Agency; and

"(2) special retirement accrual benefits and disability in the same manner provided for by the Central Intelligence Agency Retirement Act (50 U.S.C. 2001 et seq.) and in section 18 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403r).".

(2) The table of chapters for part III of such title is amended by adding at the end of subpart I the following new item:

"99. Department of Defense National Security Personnel System ..... 9901".

(b) IMPACT ON DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL.—(1) Any exercise of authority under chapter 99 of such title (as added by subsection (a)), including under any system established under such chapter, shall be in conformance with the requirements of this subsection.

(2) No other provision of this Act or of any amendment made by this Act may be construed or applied in a manner so as to limit, supersede, or otherwise affect the provisions of this section, except to the extent that it does so by specific reference to this section.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

SEC. 1201. EXPANSION OF AUTHORITY TO PROVIDE ADMINISTRATIVE SUPPORT AND SERVICES AND TRAVEL AND SUBSISTENCE EXPENSES FOR CERTAIN FOREIGN LIAISON OFFICERS.

(a) ADMINISTRATIVE SUPPORT AND SERVICES.—Subsection (a) of section 1051a of title 10, United States Code, is amended—

(1) by striking "involved in a coalition with the United States";

(2) by striking "temporarily"; and

(3) by striking " in connection with the planning for, or conduct of, a coalition operation".

(b) TRAVEL, SUBSISTENCE, AND OTHER EXPENSES.—Subsection (b) of such section is amended—

(1) by striking "(1)";

(2) by striking "expenses specified in paragraph (2)" and inserting "travel, subsistence, and similar personal expenses";

(3) by striking "developing country" and inserting "developing nation";

(4) by striking "in connection with the assignment of that officer to the headquarters of a combatant command as described in subsection (a)" and in-

serting "involved in a coalition while the liaison officer is assigned temporarily to a headquarters described in subsection (a) in connection with the planning for, or conduct of, a coalition operation"; and

(5) by striking paragraph (2).

(c) REIMBURSEMENT.—Subsection (c) of such section is amended by striking "by" before "subsection (a)" and inserting "under".

(d) CLERICAL AMENDMENTS.—(1) The heading for section 1051a of such title is amended to read as follows:

"§ 1051a. Foreign officers: administrative services and support; travel, subsistence, and other personal expenses".

(2) The subsection heading for subsection (a) is amended by striking "AUTHORITY" and inserting "ADMINISTRATIVE SERVICES AND SUPPORT".

(3) The item relating to such section in the table of sections at the beginning of chapter 53 of each title is amended to read as follows:

"1051a. Foreign officers: administrative services and support; travel, subsistence, and other personal expenses.".

SEC. 1202. RECOGNITION OF SUPERIOR NONCOMBAT ACHIEVEMENTS OR PERFORMANCE BY MEMBERS OF FRIENDLY FOREIGN FORCES AND OTHER FOREIGN NATIONALS.

(a) AUTHORITY.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1051a the following new section:

"§ 1051b. Bilateral or regional cooperation programs: awards and mementos funds to recognize superior noncombat achievements or performance

"(a) GENERAL AUTHORITY.—The Secretary of Defense may present awards and mementos purchased with funds appropriated for operation and maintenance of the armed forces to recognize superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals that significantly enhance or support the National Security Strategy of the United States.

"(b) ACTIVITIES THAT MAY BE RECOGNIZED.—Activities that may be recognized under subsection (a) include superior achievement or performance that—

"(1) plays a crucial role in shaping the international security environment in ways that protect and promote United States interests;

"(2) supports or enhances United States overseas presence and peacetime engagement activities, includ-

ing defense cooperation initiatives, security assistance training and programs, and training and exercises with the armed forces;

"(3) helps to deter aggression and coercion, build coalitions, and promote regional stability; or

"(4) serves as a role model for appropriate conduct by military forces in emerging democracies.

"(c) LIMITATION.—Expenditures for the purchase or production of mementos for award under this section may not exceed the 'minimal value' established in accordance with section 7342(a)(5) of title 5.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1051a the following new item:

"1051b. Bilateral or regional cooperation programs: awards and mementos to recognize superior noncombat achievements or performance.".

SEC. 1203. EXPANSION OF AUTHORITY TO WAIVE CHARGES FOR COSTS OF ATTENDANCE AT GEORGE C. MARSHALL EUROPEAN CENTER FOR SECURITY STUDIES.

Section 1306(b)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2892) is amended by striking "of cooperation partner states of the North Atlantic Council or the Partnership for Peace" and inserting "from states located in Europe or the territory of the former Soviet Union".

SEC. 1204. IDENTIFICATION OF GOODS AND TECHNOLOGIES CRITICAL FOR MILITARY SUPERIORITY.

(a) IN GENERAL.—(1) Subchapter II of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2508. Goods and technologies critical for military superiority: list

"(a) REQUIREMENT TO MAINTAIN LIST.—(1) The Secretary of Defense shall maintain a list of any goods or technology that, if obtained by a potential adversary, could undermine the military superiority or qualitative military advantage of the United States over potential adversaries.

"(2) In this section, the term 'goods or technology' means—

"(A) any article, natural or manmade substance, material, supply, or manufactured product, including inspection and test equipment; and

"(B) any information and know-how (whether in tangible form, such as models, prototypes, drawings, sketches, diagrams, blueprints, or manuals, or in intangible form, such as training or technical services) that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data.

"(b) MATTERS TO BE INCLUDED ON LIST.—The Secretary shall include on the list the following:

"(1) Any technology or developing critical technology (including conventional weapons, weapons of mass destruction, and delivery systems) that could enhance a potential adversary's military capabilities or that is critical to the United States maintaining its military superiority and qualitative military advantage.

"(2) Any dual-use good, material, or know-how that could enhance a potential adversary's military capabilities or that is critical to the United States maintaining its military superiority and qualitative military advantage, including those used to manufacture weapons of mass destruction and their associated delivery systems.

"(c) REQUIREMENTS.—The Secretary shall ensure that—

"(1) the list is subject to a systematic, ongoing assessment and analysis of dual-use technologies; and

"(2) the list is updated not less often than every two months.

"(d) AVAILABILITY.—The list shall be made available—

"(1) in unclassified form on the Department of Defense public website, in a usable form; and

"(2) in classified form to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.".

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

"2508. Goods and technologies critical for military superiority: list.".

(b) DEADLINE FOR ESTABLISHMENT.—The list required by section 2508 of title 10, United States Code, as added by subsection (a), shall be established not later than 180 days after the enactment of this Act.

SEC. 1205. REPORT ON ACQUISITION BY IRAQ OF ADVANCED WEAPONS.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and International Relations of the House of Representatives a report on the acquisition by Iraq of weapons of mass destruction and associated delivery systems and the acquisition by Iraq of advanced conventional weapons.

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

(1) A description of how Iraq was able to obtain any materials, technology, and know-how for its nuclear, chemical, biological, ballistic missile, and un-

manned aerial vehicle programs, and advanced conventional weapons programs, from 1979 through April 2003 from entities (including Iraqi citizens) outside of Iraq.

(2) An assessment of the degree to which United States, foreign, and multilateral export control regimes prevented acquisition by Iraq of weapons of mass destruction-related technology and materials and advanced conventional weapons and delivery systems since the commencement of international inspections in Iraq.

(3) An assessment of the effectiveness of United Nations sanctions at halting the flow of militarily-useful contraband to Iraq from 1991 until the end of Operation Iraqi Freedom.

(4) An assessment of how Iraq was able to evade International Atomic Energy Agency and United Nations inspections regarding chemical, nuclear, biological, and missile weapons and related capabilities.

(5) Identification and a catalogue of the entities and countries that transferred militarily useful contraband to Iraq between 1991 and the end of Operation Iraqi Freedom, and the nature of that contraband.

(c) FORM OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1206. AUTHORITY FOR CHECK CASHING AND CURRENCY EXCHANGE SERVICES TO BE PROVIDED TO FOREIGN MILITARY MEMBERS PARTICIPATING IN CERTAIN ACTIVITIES WITH UNITED STATES FORCES.

(a) AUTHORITY.—Subsection (b) of section 3342 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(8) A member of the military forces of an allied or coalition nation who is participating in a joint operation, joint exercise, humanitarian mission, or peacekeeping mission with the Armed Forces of the United States, but—

"(A) only if—

"(i) such disbursing official action for members of the military forces of that nation is approved by the senior United States military commander assigned to that operation or mission; and

"(ii) that nation has guaranteed payment for any deficiency resulting from such disbursing official action; and

"(B) in the case of negotiable instruments, only for a negotiable instrument drawn on a financial institution located in the United States or on a foreign branch of such an institution.".

(b) TECHNICAL AMENDMENTS.—That subsection is further amended—

(1) by striking "only for—" in the matter preceding paragraph (1) and inserting "only for the following:";

(2) by striking "an" at the beginning of paragraph (1) and inserting "An";

(3) by striking "personnel" in paragraphs (2) and (6) and inserting "Personnel";

(4) by striking "a" at the beginning of paragraphs (3), (4), (5), and (7) and inserting "A";

(5) by striking the semicolon at the end of paragraphs (1) through (5) and inserting a period;

(6) by striking "; or" at the end of paragraph (6) and inserting a period; and

(7) by striking "1752(1))" in paragraph (7) and inserting "1752(1)))".

SEC. 1207. REQUIREMENTS FOR TRANSFER TO FOREIGN COUNTRIES OF CERTAIN SPECIFIED TYPES OF EXCESS AIRCRAFT.

(a) EXPANSION OF TRANSFER REQUIREMENT.—Section 2581 of title 10, United States Code, is amended—

(1) in subsection (a)(1), by striking "UH–1 Huey helicopter or AH–1 Cobra helicopter" and inserting "UH–1 Huey aircraft, AH–1 Cobra aircraft, T–2 Buckeye aircraft, or T–37 Tweet aircraft"; and

(2) by striking "helicopter" each subsequent place it appears in such section and inserting "aircraft".

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

"§ 2581. Specified excess aircraft: requirements for transfer to foreign countries".

(2) The item relating to such section in the table of sections at the beginning of chapter 153 of such title is amended to read as follows:

"2581. Specified excess aircraft: requirements for transfer to foreign countries.".

SEC. 1208. LIMITATION ON NUMBER OF UNITED STATES MILITARY PERSONNEL IN COLOMBIA.

(a) LIMITATION.—None of the funds available to the Department of Defense for any fiscal year may be used to support or maintain more than 500 members of the Armed Forces on duty in the Republic of Colombia at any time.

(b) EXCLUSION OF CERTAIN MEMBERS.—For purposes of determining compliance with the limitation in subsection (a), the Secretary of Defense may exclude the following military personnel:

(1) A member of the Armed Forces in the Republic of Colombia for the purpose of rescuing or retrieving United States military or civilian Government personnel, except that the period for which such a member may be so excluded may not exceed 30 days unless expressly authorized by law.

(2) A member of the Armed Forces assigned to the United States Embassy in Colombia as an attaché, as a member of the security assistance office, or as a member of the Marine Corps security contingent.

(3) A member of the Armed Forces in Colombia to participate in relief efforts in responding to a natural disaster.

(4) Nonoperational transient military personnel.

(5) A member of the Armed Forces making a port call from a military vessel in Colombia.

(c) NATIONAL SECURITY WAIVER.—(1) The Secretary of Defense may waive the limitation in subsection (a) if the Secretary determines that such waiver is in the national security interest of the United States.

(2) The Secretary shall notify the congressional defense committees not later 15 days after the date of the exercise of the waiver authority under paragraph (1).

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

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2004 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 2004 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $450,800,000 authorized to be appropriated to the Department of Defense for fiscal year 2004 in section 301(19) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $86,400,000.

(2) For strategic nuclear arms elimination in Ukraine, $3,900,000.

(3) For nuclear weapons transportation security in Russia, $23,200,000.

(4) For nuclear weapons storage security in Russia, $48,000,000.

(5) For activities designated as Other Program Support, $13,100,000.

(6) For defense and military contacts, $11,100,000.

(7) For chemical weapons destruction in Russia, $171,500,000.

(8) For biological weapons proliferation prevention in the former Soviet Union, $54,200,000.

(9) For weapons of mass destruction proliferation prevention in the states of the former Soviet Union, $39,400,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2004 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (9) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2004 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2004 for a purpose listed in any of the paragraphs in subsection (a) in excess of the specific amount authorized for that purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for a purpose stated in any of paragraphs (5) through (8) of subsection (a) in excess of 125 percent of the specific amount authorized for such purpose.

SEC. 1303. LIMITATION ON USE OF FUNDS UNTIL CERTAIN PERMITS OBTAINED.

(a) LIMITATION ON USE OF FUNDS.—With respect to a new project or an incomplete project carried out by the Department of Defense under Cooperative Threat Reduction programs, not more than 35 percent of the total costs of the project may be obligated or expended from Cooperative Threat Reduction funds for any fiscal year until—

(1) the Secretary of Defense determines—

(A) in the case of a new project, the number and type of permits that may be required for the lifetime of the project in the proposed location or locations of the project; and

(B) in the case of an incomplete project, the number and type of permits that may be re-

quired for the remaining lifetime of the project; and

(2) the government of the state of the former Soviet Union in which the project is being or is proposed to be carried out obtains and transmits copies of all such permits to the Department of Defense.

(b) DEFINITIONS.—In this section, with respect to a project under Cooperative Threat Reduction programs:

(1) NEW PROJECT.—The term "new project" means a project for which no funds have been obligated or expended as of the date of the enactment of this Act.

(2) INCOMPLETE PROJECT.—The term "incomplete project" means a project for which funds have been obligated or expended before the date of the enactment of this Act and which is not completed as of such date.

(3) PERMIT.—The term "permit" means any local or national permit for development, general construction, environmental, land use, or other purposes that is required in the state of the former Soviet Union in which the project is being or is proposed to be carried out.

SEC. 1304. LIMITATION ON USE OF FUNDS FOR BIOLOGICAL RESEARCH IN THE FORMER SOVIET UNION.

Of the funds authorized to be appropriated for biological weapons proliferation prevention pursuant to section 1302, no funds may be obligated for cooperative biodefense research or bioattack early warning and preparedness under a Cooperative Threat Reduction program at a site in a state of the former Soviet Union until the Secretary of Defense notifies Congress that—

(1) the Secretary has determined, through access to the site, that no biological weapons research prohibited by international law is being conducted at the site;

(2) the Secretary has assessed the vulnerability of the site to external or internal attempts to exploit or obtain dangerous pathogens illicitly; and

(3) the Secretary has begun to implement appropriate security measures at the site to reduce that vulnerability and to prevent the diversion of dangerous pathogens from legitimate research.

SEC. 1305. AUTHORITY AND FUNDS FOR NONPROLIFERATION AND DISARMAMENT.

The Secretary of Defense is authorized to transfer $50,000,000 in prior year Cooperative Threat Reduction funds from the Department of Defense to the Department of State Nonproliferation and Disarmament Fund for dis-

armament and nonproliferation purposes outside the territory of the former Soviet Union.

SEC. 1306. REQUIREMENT FOR ON-SITE MANAGERS.

(a) ON-SITE MANAGER REQUIREMENT.—Before obligating any Cooperative Threat Reduction funds for a project described in subsection (b), the Secretary of Defense shall appoint a United States Federal Government employee as an on-site manager.

(b) PROJECTS COVERED.—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Defense is expected to exceed $25,000,000.

(c) DUTIES OF ON-SITE MANAGER.—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the project, a list of those steps or activities critical to achieving the project's disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled step or activity on time, unless directed by the Secretary of Defense to resume United States participation.

(d) STEPS OR ACTIVITIES.—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in section 1303(b)).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(e) NOTIFICATION TO CONGRESS.—In any case in which the Secretary of Defense directs an on-site manager

to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

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

SEC. 1307. PROVISIONS RELATING TO FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

(a) INAPPLICABILITY OF LIMITATION ON USE OF FUNDS.—(1) The conditions described in section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 22 U.S.C. 5952 note) shall not apply to the obligation and expenditure of funds available for obligation during fiscal year 2004 for the planning, design, or construction of a chemical weapons destruction facility in Russia if the President submits to Congress a written certification that includes—

(A) a statement as to why waiving the conditions is important to the national security interests of the United States;

(B) a full and complete justification for exercising this waiver; and

(C) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(2) The authority under paragraph (1) shall expire on September 30, 2004.

(b) AVAILABILITY OF FUNDS.—(1) Except as provided in paragraph (2), of the funds that may be obligated for a chemical weapons destruction facility in Russia as specified in section 1302(a)(7), the Secretary of Defense may not obligate an amount greater than two times the amount obligated by Russia and any other state for the planning, design, construction, or operation of a chemical weapons destruction facility in Russia.

(2) Of the funds that may be obligated for a chemical weapons destruction facility in Russia as specified in section 1302(a)(7), $71,500,000 shall be available for obligation on and after October 1, 2003.

TITLE XIV—SERVICES ACQUISITION REFORM

SEC. 1401. SHORT TITLE.

This title may be cited as the "Services Acquisition Reform Act of 2003".

SEC. 1402. EXECUTIVE AGENCY DEFINED.

In this title, the term "executive agency" has the meaning given that term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)), unless specifically stated otherwise.

Subtitle A—Acquisition Workforce and Training

SEC. 1411. DEFINITION OF ACQUISITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended by adding at the end the following:

"(16) The term 'acquisition'—

"(A) means the process of acquiring, with appropriated funds, by contract for purchase or lease, property or services (including construction) that support the missions and goals of an executive agency, from the point at which the requirements of the executive agency are established in consultation with the chief acquisition officer of the executive agency; and

"(B) includes—

"(i) the process of acquiring property or services that are already in existence, or that must be created, developed, demonstrated, and evaluated;

"(ii) the description of requirements to satisfy agency needs;

"(iii) solicitation and selection of sources;

"(iv) award of contracts;

"(v) contract performance;

"(vi) contract financing:

"(vii) management and measurement of contract performance through final delivery and payment; and

"(viii) technical and management functions directly related to the process of fulfilling agency requirements by contract.".

SEC. 1412. ACQUISITION WORKFORCE TRAINING FUND.

(a) PURPOSES.—The purposes of this section are to ensure that the Federal acquisition workforce—

(1) adapts to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; and

(2) acquires new skills and a new perspective to enable it to contribute effectively in the changing environment of the 21st century.

(b) ESTABLISHMENT OF FUND.—Section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. 433) is amended by adding at the end of subsection (h) the following new paragraph:

"(3) ACQUISITION WORKFORCE TRAINING FUND.—(A) The Administrator of General Services shall establish an acquisition workforce training fund.

The Administrator shall manage the fund through the Federal Acquisition Institute to support the training of the acquisition workforce of the executive agencies other than the Department of Defense. The Administrator shall consult with the Administrator for Federal Procurement Policy in managing the fund.

"(B) There shall be credited to the acquisition workforce training fund 5 percent of the fees collected by executive agencies (other than the Department of Defense) under the following contracts:

"(i) Governmentwide task and delivery-order contracts entered into under sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i).

"(ii) Governmentwide contracts for the acquisition of information technology as defined in section 11101 of title 40, United States Code, and multiagency acquisition contracts for such technology authorized by section 11314 of such title.

"(iii) Multiple-award schedule contracts entered into by the Administrator of General Services.

"(C) The head of an executive agency that administers a contract described in subparagraph (B) shall remit to the General Services Administration the amount required to be credited to the fund with respect to such contract at the end of each quarter of the fiscal year.

"(D) The Administrator of General Services, through the Office of Federal Acquisition Policy, shall ensure that funds collected for training under this section are not used for any purpose other than the purpose specified in subparagraph (A).

"(E) Amounts credited to the fund shall be in addition to funds requested and appropriated for education and training referred to in paragraph (1).

"(F) Amounts credited to the fund shall remain available until expended.".

(c) EXCEPTION.—This section and the amendments made by this section shall not apply to the acquisition workforce of the Department of Defense.

SEC. 1413. ACQUISITION WORKFORCE RECRUITMENT PROGRAM.

(a) AUTHORITY TO CARRY OUT PROGRAM.—For purposes of sections 3304, 5333, and 5753 of title 5, United States Code, the head of a department or agency of the United States (including the Secretary of Defense) may de-

termine that certain Federal acquisition positions are "shortage category" positions in order to recruit and appoint directly to positions of employment in the department or agency highly qualified persons, such as any person who—

(1) holds a bachelor's degree from an accredited institution of higher education;

(2) holds, from an accredited law school or an accredited institution of higher education—

(A) a law degree; or

(B) a masters or equivalent degree in business administration, public administration, or systems engineering; or

(3) has significant experience with commercial acquisition practices, terms, and conditions.

(b) REQUIREMENTS.—The exercise of authority to take a personnel action under this section shall be subject to policies prescribed by the Office of Personnel Management that govern direct recruitment, including policies requiring appointment of a preference eligible who satisfies the qualification requirements.

(c) TERMINATION OF AUTHORITY.—The head of a department or agency may not appoint a person to a position of employment under this section after September 30, 2007.

(d) REPORT.—Not later than March 31, 2007, the Administrator for Federal Procurement Policy shall submit to Congress a report on the implementation of this section. The report shall include—

(1) the Administrator's assessment of the efficacy of the exercise of the authority provided in this section in attracting employees with unusually high qualifications to the acquisition workforce; and

(2) any recommendations considered appropriate by the Administrator on whether the authority to carry out the program should be extended.

SEC. 1414. ARCHITECTURAL AND ENGINEERING ACQUISITION WORKFORCE.

The Administrator for Federal Procurement Policy, in consultation with the Secretary of Defense, the Administrator of General Services, and the Director of the Office of Personnel Management, shall develop and implement a plan to ensure that the Federal Government maintains the necessary capability with respect to the acquisition of architectural and engineering services to—

(1) ensure that Federal Government employees have the expertise to determine agency requirements for such services;

(2) establish priorities and programs (including acquisition plans);

(3) establish professional standards;

(4) develop scopes of work; and

(5) award and administer contracts for such services.

Subtitle B—Adaptation of Business Acquisition Practices

PART I—ADAPTATION OF BUSINESS MANAGEMENT PRACTICES

SEC. 1421. CHIEF ACQUISITION OFFICERS.

(a) APPOINTMENT OF CHIEF ACQUISITION OFFICERS.—(1) Section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. 414) is amended to read as follows:

"SEC. 16. CHIEF ACQUISITION OFFICERS.

"(a) ESTABLISHMENT OF AGENCY CHIEF ACQUISITION OFFICERS.—The head of each executive agency (other than the Department of Defense) shall appoint or designate a non-career employee as Chief Acquisition Officer for the agency, who shall—

"(1) have acquisition management as that official's primary duty; and

"(2) advise and assist the head of the executive agency and other agency officials to ensure that the mission of the executive agency is achieved through the management of the agency's acquisition activities.

"(b) AUTHORITY AND FUNCTIONS OF AGENCY CHIEF ACQUISITION OFFICERS.—The functions of each Chief Acquisition Officer shall include—

"(1) monitoring the performance of acquisition activities and acquisition programs of the executive agency, evaluating the performance of those programs on the basis of applicable performance measurements, and advising the head of the executive agency regarding the appropriate business strategy to achieve the mission of the executive agency;

"(2) increasing the use of full and open competition in the acquisition of property and services by the executive agency by establishing policies, procedures, and practices that ensure that the executive agency receives a sufficient number of sealed bids or competitive proposals from responsible sources to fulfill the Government's requirements (including performance and delivery schedules) at the best value considering the nature of the property or service procured;

"(3) making acquisition decisions consistent with all applicable laws and establishing clear lines of authority, accountability, and responsibility for acquisition decisionmaking within the executive agency;

"(4) managing the direction of acquisition policy for the executive agency, including implementation of

the unique acquisition policies, regulations, and standards of the executive agency;

"(5) developing and maintaining an acquisition career management program in the executive agency to ensure that there is an adequate professional workforce; and

"(6) as part of the strategic planning and performance evaluation process required under section 306 of title 5, United States Code, and sections 1105(a)(28), 1115, 1116, and 9703 of title 31, United States Code—

"(A) assessing the requirements established for agency personnel regarding knowledge and skill in acquisition resources management and the adequacy of such requirements for facilitating the achievement of the performance goals established for acquisition management;

"(B) in order to rectify any deficiency in meeting such requirements, developing strategies and specific plans for hiring, training, and professional development; and

"(C) reporting to the head of the executive agency on the progress made in improving acquisition management capability.".

(2) The item relating to section 16 in the table of contents in section 1(b) of such Act is amended to read as follows:

"Sec. 16. Chief Acquisition Officers.".

(b) REFERENCES TO SENIOR PROCUREMENT EXECUTIVE.—

(1) AMENDMENT TO THE OFFICE OF FEDERAL POLICY ACT.—

(A) Subsections (a)(2)(A) and (b) of section 20 of the Office of Federal Procurement Policy Act (41 U.S.C. 418(a)(2)(A), (b)) are amended by striking "senior procurement executive" each place it appears and inserting "Chief Acquisition Officer".

(B) Subsection (c)(2)(A)(ii) of section 29 of the Office of Federal Procurement Policy Act (41 U.S.C. 425(c)(2)(A)(ii)) is amended by striking "senior procurement executive" and inserting "Chief Acquisition Officer".

(C) Subsection (c) of section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. 433(c)) is amended—

(i) by striking "SENIOR PROCUREMENT EXECUTIVE" in the heading and inserting "CHIEF ACQUISITION OFFICER"; and

(ii) by striking "senior procurement executive" each place it appears and inserting "Chief Acquisition Officer".

(2) AMENDMENT TO TITLE III OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—Sections 302C(b) and 303(f)(1)(B)(iii) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252c, 253) are amended by striking "senior procurement executive" each place it appears and inserting "Chief Acquisition Officer".

(3) AMENDMENT TO TITLE 10, UNITED STATES CODE.—The following sections of title 10, United States Code are amended by striking "senior procurement executive" each place it appears and inserting "Chief Acquisition Officer":

(A) Section 133(c)(1).

(B) Subsections (d)(2)(B) and (f)(1) of section 2225.

(C) Section 2302c(b).

(D) Section 2304(f)(1)(B)(iii).

(E) Section 2359a(i).

(4) REFERENCES.—Any reference to a senior procurement executive of a department or agency of the United States in any other provision of law or regulation, document, or record of the United States

shall be deemed to be a reference to the Chief Acquisition Officer of the department or agency.

(c) TECHNICAL CORRECTION.—Section 1115(a) of title 31, United States Code, is amended by striking "section 1105(a)(29)" and inserting "section 1105(a)(28)".

SEC. 1422. CHIEF ACQUISITION OFFICERS COUNCIL.

(a) ESTABLISHMENT OF COUNCIL.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 16 the following new section:

"SEC. 16A. CHIEF ACQUISITION OFFICERS COUNCIL.

"(a) ESTABLISHMENT.—There is established in the executive branch a Chief Acquisition Officers Council.

"(b) MEMBERSHIP.—The members of the Council shall be as follows:

"(1) The Deputy Director for Management of the Office of Management and Budget, who shall act as Chairman of the Council.

"(2) The Administrator for Federal Procurement Policy.

"(3) The chief acquisition officer of each executive agency.

"(4) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(5) Any other officer or employee of the United States designated by the Chairman.

"(c) LEADERSHIP; SUPPORT.—(1) The Administrator for Federal Procurement Policy shall lead the activities of the Council on behalf of the Deputy Director for Management.

"(2)(A) The Vice Chairman of the Council shall be selected by the Council from among its members.

"(B) The Vice Chairman shall serve a 1-year term, and may serve multiple terms.

"(3) The Administrator of General Services shall provide administrative and other support for the Council.

"(d) PRINCIPAL FORUM.—The Council is designated the principal interagency forum for monitoring and improving the Federal acquisition system.

"(e) FUNCTIONS.—The Council shall perform functions that include the following:

"(1) Develop recommendations for the Director of the Office of Management and Budget on Federal acquisition policies and requirements.

"(2) Share experiences, ideas, best practices, and innovative approaches related to Federal acquisition.

"(3) Assist the Administrator in the identification, development, and coordination of multiagency

projects and other innovative initiatives to improve Federal acquisition.

"(4) Promote effective business practices that ensure the timely delivery of best value products to the Federal Government and achieve appropriate public policy objectives.

"(5) Further integrity, fairness, competition, openness, and efficiency in the Federal acquisition system.

"(6) Work with the Office of Personnel Management to assess and address the hiring, training, and professional development needs of the Federal Government related to acquisition.

"(7) Work with the Administrator and the Federal Acquisition Regulatory Council to promote the business practices referred to in paragraph (4) and other results of the functions carried out under this subsection.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 16 the following new item:

"Sec. 16A. Chief Acquisition Officers Council.".

SEC. 1423. STATUTORY AND REGULATORY REVIEW.

(a) ESTABLISHMENT.—Not later than 90 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall establish an advisory

panel to review laws and regulations regarding the use of commercial practices, performance-based contracting, the performance of acquisition functions across agency lines of responsibility, and the use of Governmentwide contracts.

(b) MEMBERSHIP.—The panel shall be composed of at least nine individuals who are recognized experts in acquisition law and Government acquisition policy. In making appointments to the panel, the Administrator shall—

(1) consult with the Secretary of Defense, the Administrator of General Services, the Committees on Armed Services and Government Reform of the House of Representatives, and the Committees on Armed Services and Governmental Affairs of the Senate, and

(2) ensure that the members of the panel reflect the diverse experiences in the public and private sectors.

(c) DUTIES.—The panel shall—

(1) review all Federal acquisition laws and regulations with a view toward ensuring effective and appropriate use of commercial practices and performance-based contracting; and

(2) make any recommendations for the repeal or amendment of such laws or regulations that are considered necessary as a result of such review—

(A) to eliminate any provisions in such laws or regulations that are unnecessary for the effective, efficient, and fair award and administration of contracts for the acquisition by the Federal Government of goods and services;

(B) to ensure the continuing financial and ethical integrity of acquisitions by the Federal Government; and

(C) to protect the best interests of the Federal Government.

(d) REPORT.—Not later than one year after the establishment of the panel, the panel shall submit to the Administrator and to the Committees on Armed Services and Government Reform of the House of Representatives and the Committees on Armed Services and Governmental Affairs of the Senate a report containing a detailed statement of the findings, conclusions, and recommendations of the panel.

PART II—OTHER ACQUISITION IMPROVEMENTS

SEC. 1426. EXTENSION OF AUTHORITY TO CARRY OUT FRANCHISE FUND PROGRAMS.

Section 403(f) of the Federal Financial Management Act of 1994 (Public Law 103–356; 31 U.S.C. 501 note) is amended by striking "October 1, 2003" and inserting "October 1, 2006".

SEC. 1427. AGENCY ACQUISITION PROTESTS.

(a) DEFENSE CONTRACTS.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2305a the following new section:

"§ 2305b. Protests

"(a) IN GENERAL.—An interested party may protest an acquisition of supplies or services by an agency based on an alleged violation of an acquisition law or regulation, and a decision regarding such alleged violation shall be made by the agency in accordance with this section.

"(b) RESTRICTION ON CONTRACT AWARD PENDING DECISION.—(1) Except as provided in paragraph (2), a contract may not be awarded by an agency after a protest concerning the acquisition has been submitted under this section and while the protest is pending.

"(2) The head of the acquisition activity responsible for the award of the contract may authorize the award of a contract, notwithstanding pending protest under this section, upon making a written finding that urgent and compelling circumstances do not allow for waiting for a decision on the protest.

"(c) RESTRICTION ON CONTRACT PERFORMANCE PENDING DECISION.—(1) Except as provided in paragraph (2), performance of a contract may not be authorized (and performance of the contract shall cease if performance has already begun) in any case in which a protest of the con-

tract award is submitted under this section before the later of—

"(A) the date that is 10 days after the date of contract award; or

"(B) the date that is five days after an agency debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required, under section 2305(b)(5) of this title.

"(2) The head of the acquisition activity responsible for the award of a contract may authorize performance of the contract notwithstanding a pending protest under this section upon making a written finding that urgent and compelling circumstances do not allow for waiting for a decision on the protest.

"(d) DEADLINE FOR DECISION.—The head of an agency shall issue a decision on a protest under this section not later than the date that is 20 working days after the date on which the protest is submitted to such head of an agency.

"(e) CONSTRUCTION.—Nothing in this section shall affect the right of an interested party to file a protest with the Comptroller General under subchapter V of chapter 35 of title 31 or in the United States Court of Federal Claims.

"(f) DEFINITIONS.—In this section, the terms 'protest' and 'interested party' have the meanings given such terms in section 3551 of title 31.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305a the following new item:

"2305b. Protests.".

(b) OTHER AGENCIES.—Title III of the Federal Property and Administrative Services Act of 1949 is amended by inserting after section 303M (41 U.S.C. 253m) the following new section:

"SEC. 303N. PROTESTS.

"(a) IN GENERAL.—An interested party may protest an acquisition of supplies or services by an executive agency based on an alleged violation of an acquisition law or regulation, and a decision regarding such alleged violation shall be made by the agency in accordance with this section.

"(b) RESTRICTION ON CONTRACT AWARD PENDING DECISION.—(1) Except as provided in paragraph (2), a contract may not be awarded by an agency after a protest concerning the acquisition has been submitted under this section and while the protest is pending.

"(2) The head of the acquisition activity responsible for the award of a contract may authorize the award of the contract, notwithstanding a pending protest under this section, upon making a written finding that urgent and compelling circumstances do not allow for waiting for a decision on the protest.

"(c) RESTRICTION ON CONTRACT PERFORMANCE PENDING DECISION.—(1) Except as provided in paragraph (2), performance of a contract may not be authorized (and performance of the contract shall cease if performance has already begun) in any case in which a protest of the contract award is submitted under this section before the later of—

"(A) the date that is 10 days after the date of contract award; or

"(B) the date that is five days after an agency debriefing date offered to an unsuccessful offeror for any debriefing that is requested and, when requested, is required, under section 303B(e) of this title.

"(2) The head of the acquisition activity responsible for the award of a contract may authorize performance of the contract notwithstanding a pending protest under this section upon making a written finding that urgent and compelling circumstances do not allow for waiting for a decision on the protest.

"(d) DEADLINE FOR DECISION.—The head of an executive agency shall issue a decision on a protest under this section not later than the date that is 20 working days after the date on which the protest is submitted to the executive agency.

"(e) CONSTRUCTION.—Nothing in this section shall affect the right of an interested party to file a protest with the Comptroller General under subchapter V of chapter 35 of title 31, United States Code, or in the United States Court of Federal Claims.

"(f) DEFINITIONS.—In this section, the terms 'protest' and 'interested party' have the meanings given such terms in section 3551 of title 31, United States Code.".

(c) CONFORMING AMENDMENT.—Section 3553(d)(4) of title 31, United States Code, is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) by striking the period at the end of subparagraph (B) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(C) in the case of a protest of the same matter regarding such contract that is submitted under section 2305b of title 10 or section 303N of the Federal Property and Administrative Services Act of 1949, the date that is 5 days after the date on which a decision on that protest is issued.".

SEC. 1428. IMPROVEMENTS IN CONTRACTING FOR ARCHITECTURAL AND ENGINEERING SERVICES.

(a) TITLE 10.—Section 2855(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by striking "$85,000" and inserting "$300,000"; and

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

"(4) The selection and competition requirements described in subsection (a) shall apply to any contract for architectural and engineering services (including surveying and mapping services) that is entered into by the head of an agency (as such term is defined in section 2302 of this title).".

(b) ARCHITECTURAL AND ENGINEERING SERVICES.—Architectural and engineering services (as defined in section 1102 of title 40, United States Code) shall not be offered under multiple-award schedule contracts entered into by the Administrator of General Services or under Government-wide task and delivery-order contracts entered into under sections 2304a and 2304b of title 10, United States Code, or sections 303H and 303I of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h and 253i) unless such services—

(1) are performed under the direct supervision of a professional engineer licensed in a State; and

(2) are awarded in accordance with the selection procedures set forth in chapter 11 of title 40, United States Code.

SEC. 1429. AUTHORIZATION OF TELECOMMUTING FOR FEDERAL CONTRACTORS.

(a) AMENDMENT TO THE FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council shall amend the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) to permit telecommuting by employees of Federal Government contractors in the performance of contracts entered into with executive agencies.

(b) CONTENT OF AMENDMENT.—The regulation issued pursuant to subsection (a) shall, at a minimum, provide that solicitations for the acquisition of property or services may not set forth any requirement or evaluation criteria that would—

(1) render an offeror ineligible to enter into a contract on the basis of the inclusion of a plan of the offeror to permit the offeror's employees to telecommute; or

(2) reduce the scoring of an offer on the basis of the inclusion in the offer of a plan of the offeror to

permit the offeror's employees to telecommute, unless the contracting officer concerned first—

(A) determines that the requirements of the agency, including the security requirements of the agency, cannot be met if the telecommuting is permitted; and

(B) documents in writing the basis for that determination.

(c) GAO REPORT.—Not later than one year after the date on which the regulation required by subsection (a) is published in the Federal Register, the Comptroller General shall submit to Congress—

(1) an evaluation of—

(A) the conformance of the regulations with law; and

(B) the compliance by executive agencies with the regulations; and

(2) any recommendations that the Comptroller General considers appropriate.

(d) DEFINITION.—In this section, the term "executive agency" has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

Subtitle C—Contract Incentives

SEC. 1431. INCENTIVES FOR CONTRACT EFFICIENCY.

(a) INCENTIVES FOR CONTRACT EFFICIENCY.—The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by adding at the end the following new section:

"SEC. 41. INCENTIVES FOR EFFICIENT PERFORMANCE OF SERVICES CONTRACTS.

"(a) OPTIONS FOR SERVICES CONTRACTS.—An option included in a contract for services to extend the contract by one or more periods may provide that it be exercised on the basis of exceptional performance by the contractor. A contract that contains such an option provision shall include performance standards for measuring performance under the contract, and to the maximum extent practicable be performance-based. Such option provision shall only be exercised in accordance with applicable provisions of law or regulation that set forth restrictions on the duration of the contract containing the option.

"(b) DEFINITION OF PERFORMANCE-BASED.—In this section, the term 'performance-based', with respect to a contract, task order, or contracting, means that the contract, task order, or contracting, respectively, includes the use of performance work statements that set forth contract require-

ments in clear, specific, and objective terms with measurable outcomes.".

(b) CLERICAL AND TECHNICAL AMENDMENTS.—(1) The table of contents in section 1(b) of such Act is amended by striking the last item and inserting the following:

"Sec. 40. Protection of constitutional rights of contractors.
"Sec. 41. Incentives for efficient performance of services contracts.".

(2) The section before section 41 of such Act (as added by subsection (a)) is redesignated as section 40.

Subtitle D—Acquisitions of Commercial Items

SEC. 1441. ADDITIONAL INCENTIVE FOR USE OF PERFORMANCE-BASED CONTRACTING FOR SERVICES.

(a) OTHER CONTRACTS.—Section 41 of the Office of Federal Procurement Policy Act, as added by section 1431, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) INCENTIVE FOR USE OF PERFORMANCE-BASED SERVICES CONTRACTS.—(1) A performance-based contract for the procurement of services entered into by an executive agency or a performance-based task order for services issued by an executive agency may be treated as a contract for the procurement of commercial items if—

"(A) the contract or task order sets forth specifically each task to be performed and, for each task—

"(i) defines the task in measurable, mission-related terms; and

"(ii) identifies the specific end products or output to be achieved; and

"(B) the source of the services provides similar services to the general public under terms and conditions similar to those offered to the Federal Government.

"(2) The regulations implementing this subsection shall require agencies to collect and maintain reliable data sufficient to identify the contracts or task orders treated as contracts for commercial items using the authority of this subsection. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

"(3) Not later than two years after the date of the enactment of this subsection, the Director of the Office of Management and Budget shall prepare and submit to the Committees on Governmental Affairs and on Armed Services of the Senate and the Committees on Government Reform and on Armed Services of the House of Representatives a report on the contracts or task orders treated as contracts for commercial items using the authority of this subsection. The

report shall include data on the use of such authority both government-wide and for each department and agency.

"(4) The authority under this subsection shall expire 10 years after the date of the enactment of this subsection.".

(b) CENTER OF EXCELLENCE IN SERVICE CONTRACTING.—Not later than 180 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall establish a center of excellence in contracting for services. The center of excellence shall assist the acquisition community by identifying, and serving as a clearinghouse for, best practices in contracting for services in the public and private sectors.

(c) REPEAL OF SUPERSEDED PROVISION.—Subsection (b) of section 821 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–218) is repealed.

SEC. 1442. AUTHORIZATION OF ADDITIONAL COMMERCIAL CONTRACT TYPES.

Section 8002(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3387; 41 U.S.C. 264 note) is amended—

(1) in paragraph (1), by striking "and";

(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) authority for use of a time and materials contract or a labor-hour contract for the procurement of commercial services that are commonly sold to the general public through such contracts."

SEC. 1443. CLARIFICATION OF COMMERCIAL SERVICES DEFINITION.

Subparagraph (F) of section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)(F)) is amended—

(1) by striking "catalog or"; and

(2) by inserting "or specific outcomes to be achieved" after "performed".

SEC. 1444. DESIGNATION OF COMMERCIAL BUSINESS ENTITIES.

(a) IN GENERAL.—Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403), as amended by section 1411, is further amended—

(1) by adding at the end of paragraph (12) the following new subparagraph:

"(I) Items or services produced or provided by a commercial entity."; and

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

"(17) The term 'commercial entity' means any enterprise whose primary customers are other than the Federal Government. In order to qualify as a commercial entity, at least 90 percent (in dollars) of the sales of the enterprise over the past three business years must have been made to private sector entities.".

(b) COLLECTION OF DATA.—Regulations implementing the amendments made by subsection (a) shall require agencies to collect and maintain reliable data sufficient to identify the contracts entered into or task orders awarded for items or services produced or provided by a commercial entity. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

(c) OMB REPORT.—Not later than two years after the date of the enactment of this subsection, the Director of the Office of Management and Budget shall prepare and submit to the Committees on Governmental Affairs and on Armed Services of the Senate and the Committees on Government Reform and on Armed Services of the House of Representatives a report on the contracts entered into or task orders awarded for items or services produced or provided by a commercial entity. The report shall include data on the use

of such authority both government-wide and for each department and agency.

(d) COMPTROLLER GENERAL REVIEW.—The Comptroller General shall review the implementation of the amendments made by subsection (a) to evaluate the effectiveness of such implementation in increasing the availability of items and services to the Federal Government at fair and reasonable prices.

Subtitle E—Other Matters

SEC. 1451. AUTHORITY TO ENTER INTO CERTAIN PROCUREMENT-RELATED TRANSACTIONS AND TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by adding at the end the following new section:

"SEC. 318. AUTHORITY TO ENTER INTO CERTAIN TRANSACTIONS FOR DEFENSE AGAINST OR RECOVERY FROM TERRORISM OR NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL ATTACK.

"(a) AUTHORITY.—

"(1) IN GENERAL.—The head of an executive agency who engages in basic research, applied research, advanced research, and development projects that—

"(A) are necessary to the responsibilities of such official's executive agency in the field of research and development, and

"(B) have the potential to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack,

may exercise the same authority (subject to the same restrictions and conditions) with respect to such research and projects as the Secretary of Defense may exercise under section 2371 of title 10, United States Code, except for subsections (b) and (f) of such section 2371.

"(2) PROTOTYPE PROJECTS.—The head of an executive agency may, under the authority of paragraph (1), carry out prototype projects that meet the requirements of subparagraphs (A) and (B) of paragraph (1) in accordance with the requirements and conditions provided for carrying out prototype projects under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note). In applying the requirements and conditions of that section 845—

"(A) subsection (c) of that section shall apply with respect to prototype projects carried out under this paragraph; and

"(B) the Director of the Office of Management and Budget shall perform the functions of the Secretary of Defense under subsection (d) of that section.

"(3) APPLICABILITY TO SELECTED EXECUTIVE AGENCIES.—

"(A) OMB AUTHORIZATION REQUIRED.—The head of an executive agency may exercise authority under this subsection only if authorized by the Director of the Office of Management and Budget to do so.

"(B) RELATIONSHIP TO AUTHORITY OF DEPARTMENT OF HOMELAND SECURITY.—The authority under this subsection shall not apply to the Secretary of Homeland Security while section 831 of the Homeland Security Act of 2002 (Public Law 107-296; 116 Stat. 2224) is in effect.

"(b) ANNUAL REPORT.—The annual report of the head of an executive agency that is required under subsection (h) of section 2371 of title 10, United States Code, as applied to the head of the executive agency by subsection (a), shall be submitted to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

"(c) REGULATIONS.—The Director of the Office of Management and Budget shall prescribe regulations to carry out this section.".

SEC. 1452. AUTHORITY TO MAKE INFLATION ADJUSTMENTS TO SIMPLIFIED ACQUISITION THRESHOLD.

Section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)) is amended by inserting before the period at the end the following: ", except that such amount may be adjusted by the Administrator every five years to the amount equal to $100,000 in constant fiscal year 2003 dollars (rounded to the nearest $10,000)".

SEC. 1453. TECHNICAL CORRECTIONS RELATED TO DUPLICATIVE AMENDMENTS.

(a) REPEAL OF SUPERSEDED SUBCHAPTER AND RELATED CONFORMING AMENDMENTS.—(1) Subchapter II of chapter 35 of title 44, United States Code, is repealed.

(2) Subchapter III of such chapter is redesignated as subchapter II.

(3) Section 3549 of title 44, United States Code, is amended by striking the sentence beginning with "While this subchapter".

(4) The table of sections at the beginning of chapter 35 of title 44, United States Code, is amended—

(A) by striking the items relating to sections 3531 through 3538; and

(B) by striking the heading "SUBCHAPTER III—INFORMATION SECURITY".

(5) Section 2224a of title 10, United States Code, is repealed, and the table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to such section.

(b) CONFORMING AMENDMENTS RELATED TO REPEALS OF SHARE-IN-SAVINGS AND SOLUTIONS-BASED CONTRACTING PILOT PROGRAMS.—(1) Chapter 115 of title 40, United States Code, is repealed.

(2) The table of chapters at the beginning of subtitle III of such title is amended by striking the item relating to chapter 115.

(c) AMENDMENTS MADE BY E-GOVERNMENT ACT MADE APPLICABLE.—The following provisions of law shall read as if the amendments made by title X of the Homeland Security Act of 2002 (Public Law 107–296) to such provisions did not take effect:

(1) Section 2224 of title 10, United States Code.

(2) Sections 20 and 21 of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3 and 278g-4).

(3) Sections 11331 and 11332 of title 40, United States Code.

(4) Subtitle G of title X of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398; 44 U.S.C. 3531 note).

(5) Sections 3504(g), 3505, and 3506(g) of title 44, United States Code.

(d) CORRECTION OF CROSS REFERENCE.—Section 2224(c) of title 10, United States Code, as amended by section 301(c)(1)(B)(iii) of the E-Government Act of 2002 (Public Law 107–347; 116 Stat. 2955), is amended by striking "subchapter III" and inserting "subchapter II".

SEC. 1454. PROHIBITION ON USE OF QUOTAS.

(a) IN GENERAL.—After the date of enactment of this Act, the Office of Management and Budget may not establish, apply, or enforce any numerical goal, target, or quota for subjecting the employees of a department or agency of the Government to public-private competitions or converting such employees or the work performed by such employees to contractor performance under Office of Management and Budget Circular A-76 or any other administrative regulation, directive, or policy unless the goal, target, or quota is based on considered research and sound analysis of past activities and is consistent with the stated mission of the department or agency.

(b) LIMITATIONS.—Subsection (a) shall not—

(1) otherwise affect the implementation or enforcement of the Government Performance and Results Act of 1993 (107 Stat. 285); or

(2) prevent any agency of the Executive branch from subjecting work performed by Federal employees or private contractors to public-private competition or conversions.

SEC. 1455. APPLICABILITY OF CERTAIN PROVISIONS TO SOLE SOURCE CONTRACTS FOR GOODS AND SERVICES TREATED AS COMMERCIAL ITEMS.

(a) IN GENERAL.—Notwithstanding the amendments made by subtitle D of this Act, no contract for the procurement of services or goods awarded on a sole source basis shall be exempt from—

(1) cost accounting standards promulgated pursuant to section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. 422); and

(2) cost or pricing data requirements (commonly referred to as truth in negotiating) under section 2306a of title 10, United States Code, and section 304A of title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b).

(b) LIMITATION.—This section shall not apply to any contract in an amount not greater than $15,000,000.

SEC. 1456. PUBLIC DISCLOSURE OF NONCOMPETITIVE CONTRACTING FOR THE RECONSTRUCTION OF INFRASTRUCTURE IN IRAQ.

(a) DISCLOSURE REQUIRED.—

(1) PUBLICATION AND PUBLIC AVAILABILITY.—The head of an executive agency of the United States that enters into a contract for the repair, maintenance, or construction of infrastructure in Iraq without full and open competition shall publish in the Federal Register or Commerce Business Daily and otherwise make available to the public, not later than 30 days after the date on which the contract is entered into, the following information:

(A) The amount of the contract.

(B) A brief description of the scope of the contract.

(C) A discussion of how the executive agency identified, and solicited offers from, potential contractors to perform the contract, together with a list of the potential contractors that were issued solicitations for the offers.

(D) The justification and approval documents on which was based the determination to use procedures other than procedures that provide for full and open competition.

(2) INAPPLICABILITY TO CONTRACTS AFTER FISCAL YEAR 2013.—Paragraph (1) does not apply to a contract entered into after September 30, 2013.

(b) CLASSIFIED INFORMATION.—

(1) AUTHORITY TO WITHHOLD.—The head of an executive agency may—

(A) withhold from publication and disclosure under subsection (a) any document that is classified for restricted access in accordance with an Executive order in the interest of national defense or foreign policy; and

(B) redact any part so classified that is in a document not so classified before publication and disclosure of the document under subsection (a).

(2) AVAILABILITY TO CONGRESS.—In any case in which the head of an executive agency withholds information under paragraph (1), the head of such executive agency shall make available an unredacted version of the document containing that information to the chairman and ranking member of each of the following committees of Congress:

(A) The Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

(B) The Committees on Appropriations of the Senate and House of Representatives.

(C) Each committee that the head of the executive agency determines has legislative jurisdiction for the operations of such department or agency to which the information relates.

(c) FISCAL YEAR 2003 CONTRACTS.—This section shall apply to contracts entered into on or after October 1, 2002, except that, in the case of a contract entered into before the date of the enactment of this Act, subsection (a) shall be applied as if the contract had been entered into on the date of the enactment of this Act.

(d) RELATIONSHIP TO OTHER DISCLOSURE LAWS.—Nothing in this section shall be construed as affecting obligations to disclose United States Government information under any other provision of law.

(e) DEFINITIONS.—In this section, the terms "executive agency" and "full and open competition" have the meanings given such terms in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 2004".

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$5,500,000
Alaska	Fort Wainwright	$138,800,000
California	Fort Irwin	$3,350,000
Colorado	Fort Carson	$2,150,000
Georgia	Fort Benning	$34,500,000
	Fort Stewart/Hunter Army Air Field	$138,550,000
Hawaii	Helemano Military Reservation	$1,400,000
	Schofield Barracks	$128,100,000
Kansas	Fort Leavenworth	$115,000,000
	Fort Riley	$40,000,000
Kentucky	Fort Knox	$5,500,000
Louisiana	Fort Polk	$72,000,000
Maryland	Fort Meade	$9,600,000
Massachusetts	Soldier Systems Center, Natick	$5,500,000
Missouri	Fort Leonard Wood	$5,900,000
New Jersey	Naval Air Engineering Center, Lakehurst	$2,250,000
	Picatinny Arsenal	$11,800,000
New York	Fort Drum	$139,300,000
North Carolina	Fort Bragg	$163,400,000
Oklahoma	Fort Sill	$5,500,000
Texas	Fort Bliss	$5,400,000

Army: Inside the United States—*Continued*

State	Installation or location	Amount
	Fort Hood	*$56,700,000*
Virginia	*Fort Belvoir*	*$7,000,000*
	Fort Lee	*$3,850,000*
	Fort Myer	*$9,000,000*
Washington	*Fort Lewis*	*$3,900,000*
	Total	*$1,108,500,000*

(b) OUTSIDE THE UNITED STATES.—Subject to subsection (c), using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	*Grafenwoehr*	*$76,000,000*
	Heidelberg	*$17,000,000*
	Hohenfels	*$13,200,000*
	Vilseck	*$31,000,000*
Italy	*Aviano Air Base*	*$28,500,000*
	Livorno	*$22,000,000*
Korea	*Camp Humphreys*	*$191,150,000*
Kwajalein	*Kwajalein*	*$9,400,000*
	Total	*$388,250,000*

(c) CONDITION ON PROJECTS AUTHORIZATION.—The authority of the Secretary of the Army to proceed with the projects at Camp Humphreys, Korea, referred to in the table in subsection (b), and to obligate amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2) in connection with such project, is subject to the condition that the Secretary submit to the congressional defense committees written notice in advance that

the United States and the Republic of Korea have entered into an agreement to ensure the availability and use of land sufficient for such projects.

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	140 Units	$64,000,000
Arizona	Fort Huachuca	220 Units	$41,000,000
Kansas	Fort Riley	62 Units	$16,700,000
Kentucky	Fort Knox	178 Units	$41,000,000
New Mexico	White Sands Missile Range	58 Units	$14,600,000
Oklahoma	Fort Sill	120 Units	$25,373,000
Virginia	Fort Lee	90 Units	$18,000,000
		Total:	$220,673,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $34,488,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $156,030,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,056,697,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $902,000,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $359,350,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $22,550,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $128,580,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $409,191,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,043,026,000.

(6) For the construction of phase 3 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2105 of this Act, $33,000,000.

(7) For the construction of phase 3 of a barracks complex, 17th and B Streets, at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $48,000,000.

(8) For the construction of phase 2 of a barracks complex, Capron Road, at Schofield Barracks, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $49,000,000.

(9) For the construction of phase 2 of a barracks complex, Range Road, at Fort Campbell, Kentucky, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $49,000,000.

(10) For the construction of phase 2 of a consolidated maintenance complex at Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681), $13,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $32,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks, Fort Stewart/Hunter Army Airfield, Georgia).

(3) $87,000,000 (the balance of the amount authorized under section 2101(a) for construction of the Lewis and Clark Instructional Facility, Fort Leavenworth, Kansas).

(4) $43,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Wheeler Army Airfield, Fort Drum, New York).

(5) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Bastogne Drive, Fort Bragg, North Carolina).

(6) $18,900,000 (the balance of the amount authorized under section 2101(b) for construction of a barracks complex, Vilseck, Germany).

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1281), as amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2689), is further amended—

(1) in the item relating to Fort Richardson, Alaska, by striking "$115,000,000" in the amount column and inserting "$117,000,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,364,750,000".

(b) CONFORMING AMENDMENT.—Section 2104(b)(2) of that Act (115 Stat. 1284) is amended by striking "$52,000,000" and inserting "$54,000,000".

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$22,230,000
California	Marine Corps Air-Ground Task Force Training Center, Twentynine Palms	$42,090,000
	Marine Corps Air Station, Miramar	$7,640,000
	Marine Corps Base, Camp Pendleton	$73,580,000
	Naval Air Facility, San Clemente Island	$18,940,000
	Naval Air Station, Lemoore	$34,510,000
	Naval Air Station, North Island	$49,240,000
	Naval Air Warfare Center, China Lake	$12,230,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$6,150,000
	Naval Postgraduate School, Monterey	$42,560,000
	Naval Station, San Diego	$49,710,000
Connecticut	Naval Submarine Base, New London	$3,120,000
District of Columbia	Marine Corps Barracks	$1,550,000
Florida	Blount Island (Jacksonville)	$115,711,000

***Navy: Inside the United States**—Continued*

State	Installation or location	Amount
	Naval Air Station, Jacksonville	*$9,190,000*
	Naval Air Station, Whiting Field, Milton	*$4,830,000*
	Naval Surface Warfare Center, Coastal Systems Station, Panama City	*$9,550,000*
Georgia	*Strategic Weapons Facility Atlantic, Kings Bay*	*$11,510,000*
Hawaii	*Fleet and Industrial Supply Center, Pearl Harbor*	*$32,180,000*
	Naval Magazine, Lualualei	*$6,320,000*
	Naval Shipyard, Pearl Harbor	*$7,010,000*
Illinois	*Naval Training Center, Great Lakes*	*$137,120,000*
Indiana	*Naval Surface Warfare Center, Crane*	*$11,400,000*
Maryland	*Naval Air Warfare Center, Patuxent River*	*$28,270,000*
	Naval Surface Warfare Center, Indian Head	*$14,850,000*
Mississippi	*Naval Air Station, Meridian*	*$4,570,000*
	Naval Station, Pascagoula	*$6,100,000*
Nevada	*Naval Air Station, Fallon*	*$4,700,000*
New Jersey	*Naval Air Warfare Center, Lakehurst*	*$20,681,000*
	Naval Weapons Station, Earle	*$123,720,000*
North Carolina	*Marine Corps Air Station, New River*	*$6,240,000*
	Marine Corps Base, Camp Lejeune	*$29,450,000*
Rhode Island	*Naval Station, Newport*	*$16,140,000*
	Naval Undersea Warfare Center, Newport	*$10,890,000*
South Carolina	*Naval Weapons Station, Charleston*	*$2,350,000*
Texas	*Naval Air Station, Corpus Christi*	*$5,400,000*
Virginia	*Henderson Hall, Arlington*	*$1,970,000*
	Marine Corps Combat Development Command, Quantico	*$3,700,000*
	Naval Air Station, Oceana	*$10,000,000*
	Naval Amphibious Base, Little Creek	*$3,810,000*
	Naval Space Command Center, Dahlgren	*$24,020,000*
	Naval Station, Norfolk	*$182,240,000*
	Norfolk Naval Shipyard, Portsmouth	*$17,770,000*
Washington	*Naval Air Station, Whidbey Island*	*$4,350,000*
	Naval Magazine, Indian Island	*$2,240,000*
	Naval Shipyard, Puget Sound	*$12,120,000*
	Naval Submarine Base, Bangor	*$33,820,000*
	Strategic Weapons Facility Pacific, Bangor	*$6,530,000*
Various Locations	*Various Locations, CONUS*	*$56,360,000*
	Total	*$1,340,662,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	*Naval Support Activity, Bahrain*	*$18,030,000*
Guam	*Commander, United States Naval Forces, Marianas*	*$1,700,000*
Italy	*Naval Air Station, Sigonella*	*$48,749,000*
	Naval Support Activity, La Maddalena	*$39,020,000*
United Kingdom	*Joint Maritime Facility, St. Mawgan*	*$7,070,000*
	Total	*$114,569,000*

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	*Naval Air Station, Lemoore*	*187 Units*	*$41,585,000*
Florida	*Naval Air Station, Pensacola*	*25 Units*	*$4,447,000*
North Carolina	*Marine Corps Air Station, Cherry Point*	*339 Units*	*42,803,000*
	Marine Corps Base, Camp Lejeune	*519 Units*	*$68,531,000*
		Total	*$157,366,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $8,381,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $20,446,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,288,917,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $1,005,882,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $114,569,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $13,624,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,141,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $184,193,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $852,778,000.

(6) For construction of a bachelors enlisted quarters shipboard ashore at Naval Shipyard Norfolk, Virginia, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107-314; 116 Stat. 2687), $46,730,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the sum of the following:

(1) The total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(2) $25,690,000 (the balance of the amount authorized under section 2101(a) for construction of a tertiary sewage treatment facility, Marine Corp Base, Camp Pendleton, California).

(3) $58,190,000 (the balance of the amount authorized under section 2101(a) for construction of a battle station training facility, Naval Training Center, Great Lakes, Illinois).

(4) $96,980,000 (the balance of the amount authorized under section 2101(a) for construction of a general purpose berthing pier, Naval Weapons Station Earle, New Jersey).

(5) $118,170,000 (the balance of the amount authorized under section 2101(a) for construction of the Pier 11 replacement, Naval Station, Norfolk, Virginia).

(6) $28,750,000 (the balance of the amount authorized under section 2101(a) for construction of outlying landing field facilities, various locations in the continental United States).

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	*Maxwell Air Force Base*	*$26,000,000*
Alaska	*Eielson Air Force Base*	*$33,261,000*
	Elmendorf Air Force Base	*$2,000,000*
Arizona	*Davis-Monthan Air Force Base*	*$10,062,000*
Arkansas	*Little Rock Air Force Base*	*$7,445,000*
California	*Beale Air Force Base*	*$22,750,000*
	Edwards Air Force Base	*$26,744,000*
	Vandenberg Air Force Base	*$16,500,000*
Colorado	*Buckley Air Force Base*	*$7,019,000*
District of Columbia	*Bolling Air Force Base*	*$9,300,000*
Florida	*Hurlburt Field*	*$27,200,000*
	Tyndall Air Force Base	*$20,720,000*
Georgia	*Robins Air Force Base*	*$37,164,000*
Hawaii	*Hickam Air Force Base*	*$73,296,000*
Idaho	*Mountain Home Air Force Base*	*$5,445,000*
Illinois	*Scott Air Force Base*	*$1,900,000*
Mississippi	*Columbus Air Force Base*	*$2,200,000*
	Keesler Air Force Base	*$2,900,000*
Missouri	*Whiteman Air Force Base*	*$11,600,000*
New Jersey	*McGuire Air Force Base*	*$11,861,000*
New Mexico	*Kirtland Air Force Base*	*$11,247,000*
	Tularosa Radar Test Site	*$3,600,000*
North Carolina	*Pope Air Force Base*	*$24,499,000*
	Seymour Johnson Air Force Base	*$23,022,000*
North Dakota	*Minot Air Force Base*	*$3,190,000*
Ohio	*Wright-Patterson Air Force Base*	*$21,100,000*
Oklahoma	*Altus Air Force Base*	*$1,167,000*
	Tinker Air Force Base	*$19,444,000*
South Carolina	*Charleston Air Force Base*	*$9,042,000*
	Shaw Air Force Base	*$8,500,000*
Texas	*Goodfellow Air Force Base*	*$20,335,000*
	Lackland Air Force Base	*$57,360,000*
	Laughlin Air Force Base	*$12,400,000*
	Sheppard Air Force Base	*$38,167,000*
Utah	*Hill Air Force Base*	*$15,848,000*
Virginia	*Langley Air Force Base*	*$25,474,000*
Washington	*McChord Air Force Base*	*$19,000,000*
	Total	*$668,762,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	*Ramstein Air Base*	*$41,866,000*
	Spangdahlem Air Base	*$5,411,000*
Italy	*Aviano Air Base*	*$14,025,000*
Korea	*Kunsan Air Base*	*$7,059,000*
	Osan Air Base	*$16,638,000*
Portugal	*Lajes Field, Azores*	*$4,086,000*
Turkey	*Incirlik Air Base*	*$3,262,000*
United Kingdom	*Royal Air Force, Lakenheath*	*$42,487,000*
	Royal Air Force, Mildenhall	*$10,558,000*
Wake Island	*Wake Island*	*$24,000,000*
	Total	*$169,392,000*

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation or location	Amount
Unspecified Worldwide	*Classified Location*	*$29,501,000*
	Total	*$29,501,000*

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	*Davis-Monthan Air Force Base*	*93 Units*	*$19,357,000*
California	*Travis Air Force Base*	*56 Units*	*$12,723,000*
Delaware	*Dover Air Force Base*	*112 Units*	*$19,601,000*
Florida	*Eglin Air Force Base*	*279 Units*	*$32,166,000*
Idaho	*Mountain Home Air Force Base*	*186 Units*	*$37,126,000*
Maryland	*Andrews Air Force Base*	*50 Units*	*$20,233,000*
Missouri	*Whiteman Air Force Base*	*100 Units*	*$18,221,000*
Montana	*Malmstrom Air Force Base*	*94 Units*	*$19,368,000*
North Carolina	*Seymour Johnson Air Force Base*	*138 Units*	*$18,336,000*
North Dakota	*Grand Forks Air Force Base*	*144 Units*	*$29,550,000*
	Minot Air Force Base	*200 Units*	*$41,117,000*
South Dakota	*Ellsworth Air Force Base*	*75 Units*	*$16,240,000*
Texas	*Dyess Air Force Base*	*116 Units*	*$19,973,000*
	Randolph Air Force Base	*96 Units*	*$13,754,000*
Korea	*Osan Air Base*	*111 Units*	*$44,765,000*
Portugal	*Lajes Field, Azores*	*42 Units*	*$13,428,000*
United Kingdom	*Royal Air Force, Lakenheath*	*89 Units*	*$23,640,000*
		Total	*$399,598,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $33,488,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Unites States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $227,979,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,477,609,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $660,282,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $169,392,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2301(c), $28,981,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $12,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $115,421,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $657,065,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $834,468,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a).

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(1), the Secretary of Defense 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:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Marine Corps Base, Camp Lejeune, North Carolina	$15,259,000
Defense Logistics Agency	Defense Distribution Depot, New Cumberland, Pennsylvania	$27,700,000
	Eglin Air Force Base, Florida	$4,800,000
	Eielson Air Force Base, Alaska	$17,000,000
	Hickam Air Force Base, Hawaii	$14,100,000
	Hurlburt Field, Florida	$4,100,000

Defense Agencies: Inside the United States—*Continued*

Agency	Installation or location	Amount
	Offutt Air Force Base, Nebraska	*$13,400,000*
	Langley Air Force Base, Virginia	*$13,000,000*
	Laughlin Air Force Base, Texas	*$4,688,000*
	McChord Air Force Base, Washington	*$8,100,000*
	Naval Air Station, Kingsville, Texas	*$9,200,000*
	Nellis Air Force Base, Nevada	*$12,800,000*
National Security Agency	*Fort Meade, Maryland*	*$1,842,000*
Special Operations Command	*Dam Neck, Virginia*	*$15,281,000*
	Fort Benning, Georgia	*$2,100,000*
	Fort Bragg, North Carolina	*$36,300,000*
	Fort Campbell, Kentucky	*$7,800,000*
	Harrisburg International Airport, Pennsylvania	*$3,000,000*
	Hurlburt Field, Florida	*$6,000,000*
	MacDill, Air Force Base, Florida	*$25,500,000*
	Naval Amphibious Base, Coronado, California	*$2,800,000*
TRICARE Management Activity	*Fort Hood, Texas*	*$9,400,000*
	Naval Station, Anacostia, District of Columbia	*$15,714,000*
	Naval Submarine Base, New London, Connecticut	*$6,700,000*
	United States Air Force Academy, Colorado	*$22,100,000*
	Walter Reed Medical Center, District of Columbia	*$9,000,000*
Washington Headquarters Services	*Arlington, Virginia*	*$38,086,000*
	Total	*$345,770,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	*Grafenwoehr, Germany*	*$36,247,000*
	Heidelberg, Germany	*$3,086,000*
	Vilseck, Germany	*$1,773,000*
	Sigonella, Italy	*$30,234,000*
	Vicenza, Italy	*$16,374,000*
	Camp Humphreys, Korea	*$31,683,000*
Special Operations Command	*Stuttgart, Germany*	*$11,400,000*
TRICARE Management Activity	*Anderson Air Force Base, Guam*	*$26,000,000*

***Defense Agencies: Outside the United States**—Continued*

Agency	*Installation or location*	*Amount*
	Grafenwoehr, Germany	*$12,585,000*
	Total	*$169,382,000*

SEC. 2402. FAMILY HOUSING.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $300,000.

SEC. 2403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $50,000.

SEC. 2404. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2405(a)(6), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $69,500,000.

SEC. 2405. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,223,066,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $343,570,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $152,017,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,153,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $8,960,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $66,834,000.

(6) For energy conservation projects authorized by section 2404, $69,500,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $370,427,000.

(8) For military family housing functions:

(A) For planning, design, and improvement of military family housing and facilities, $350,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $49,440,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $300,000.

(9) For construction of the Defense Threat Reduction Center at Fort Belvoir, Virginia, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695), $25,700,000.

(10) For the construction of phase 5 of an ammunition demilitarization facility at Pueblo Depot Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201;

110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $88,388,000.

(11) For the construction of phase 6 of an ammunition demilitarization facility at Newport Army Ammunition Plant, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $15,207,000.

(12) For the construction of phase 4 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of the Military Con-

struction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2698), $16,220,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2003, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $169,300,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2003, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $253,788,000; and

(B) for the Army Reserve, $89,840,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $45,762,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $123,408,000; and

(B) for the Air Force Reserve, $61,143,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2007.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security

Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2006; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2007 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 2001 PROJECT.

(a) EXTENSION OF CERTAIN PROJECT.—Notwithstanding section 2701 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–407), the authorization set forth in the table in subsection (b), as provided in section 2102 of that Act, shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Army: Extension of 2001 Project Authorization

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—GFOQ	$250,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), the authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2700), shall remain in effect until October 1, 2004, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2005, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) is as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	$6,000,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-purpose Range-Heavy	$13,500,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

(1) October 1, 2003; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. INCREASE IN MAXIMUM AMOUNT OF AUTHORIZED ANNUAL EMERGENCY CONSTRUCTION.

Section 2803(c)(1) of title 10, United States Code, is amended by striking "$30,000,000" and inserting "$45,000,000".

SEC. 2802. AUTHORITY TO LEASE MILITARY FAMILY HOUSING UNITS IN ITALY.

Section 2828(e)(2) of title 10, United States Code, is amended by striking "2,000 units" and inserting "2,800 units".

SEC. 2803. CHANGES TO ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) SPACE LIMITATIONS BY PAY GRADE.—Section 2880(b)(2) of title 10, United States Code, is amended by

striking "unless the unit is located on a military installation".

(b) DEPARTMENT OF DEFENSE HOUSING FUND.—(1) Section 2883 of such title is amended by striking subsections (a), (b), and (c) and inserting the following new subsections (a) and (b):

"(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Housing Improvement Fund (in this section referred to as the 'Fund').

"(b) CREDITS TO FUND.—There shall be credited to the Fund the following:

"(1) Amounts authorized for and appropriated to the Fund.

"(2) Subject to subsection (e), any amounts that the Secretary of Defense transfers, in such amounts as are provided for in appropriation Acts, to the Fund from amounts authorized and appropriated to the Department of Defense for the acquisition or construction of military family housing or military unaccompanied housing.

"(3) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title for the purpose of carrying out activities under this

subchapter with respect to military family housing or military unaccompanied housing.

"(4) Income derived from any activities under this subchapter with respect to military family housing or military unaccompanied housing, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

"(5) Any amounts that the Secretary of the Navy transfers to the Fund pursuant to section 2814(i)(3) of this title, subject to the restrictions on the use of the transferred amounts specified in that section.".

(2) Such section is further amended—

(A) by redesignating subsections (d) through (g) as (c) through (f), respectively;

(B) in subsection (c), as so redesignated—

(i) in the subsection heading, by striking "FUNDS" and inserting "FUND";

(ii) in paragraph (1)—

(I) by striking "subsection (e)" and inserting "subsection (d)"; and

(II) by striking "Department of Defense Family Housing Improvement Fund" and inserting "Fund";

(iii) by striking paragraph (2); and

(iv) by redesignating paragraph (3) as paragraph (2);

(C) in subsection (e), as so redesignated, by striking "a Fund under paragraph (1)(B) or (2)(B) of subsection (c)" and inserting "the Fund under subsection (b)(2)"; and

(D) in subsection (f), as so redesignated, by striking "$850,000,000" in paragraph (1) and inserting "$900,000,000".

(c) TRANSFER OF UNOBLIGATED AMOUNTS.—(1) The Secretary of Defense shall transfer to the Department of Defense Housing Improvement Fund established under section 2883(a) of title 10, United States Code (as amended by subsection (b)), any amounts in the Department of Defense Family Housing Improvement Fund and the Department of Defense Military Unaccompanied Housing Improvement that remain available for obligation as of the date of the enactment of this Act.

(2) Amounts transferred to the Department of Defense Housing Improvement Fund under paragraph (1) shall be merged with amounts in that Fund, and shall be available for the same purposes, and subject to the same conditions and limitations, as other amounts in that Fund.

(d) CONFORMING AMENDMENTS.—(1) Paragraph (3) of section 2814(i) of such title is amended—

(A) by striking subparagraph (A) and inserting the following new subparagraph (A):

"(A) The Secretary may transfer funds from the Ford Island Improvement Account to the Department of Defense Housing Improvement Fund established by section 2883(a) of this title."; and

(B) in subparagraph (B), by striking "a fund" and inserting "the Fund".

(2) Section 2871(6) of such title is amended by striking "Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund" and inserting "Department of Defense Housing Improvement Fund".

(3) Section 2875(e) of such title is amended by striking "Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund" and inserting "Department of Defense Housing Improvement Fund".

(e) CLERICAL AMENDMENTS.—(1) The section heading for section 2883 of such title is amended to read as follows:

"§ 2883. Department of Defense Housing Improvement Fund".

(2) The table of sections at the beginning subchapter IV of chapter 169 of such title is amended by striking the

item relating to section 2883 and inserting the following new item:

"2883. Department of Defense Housing Improvement Fund.".

SEC. 2804. ADDITIONAL MATERIAL FOR ANNUAL REPORT ON HOUSING PRIVATIZATION PROGRAM.

Section 2884(b) of title 10, United States Code, is amended—

(1) in paragraph (2), by inserting before the period at the end the following: ", and such recommendations as the Secretary considers necessary for improving the extent and effectiveness of the use of such authorities in the future"; and

(2) by striking paragraph (3) and inserting the following new paragraphs:

"(3) A review of activities of the Secretary under this subchapter during such preceding fiscal year, shown for military family housing, military unaccompanied housing, dual military family housing and military unaccompanied housing, and ancillary supporting facilities.

"(4) If a contract for the acquisition or construction of military family housing, military unaccompanied housing, or dual military family housing and military unaccompanied housing entered into during the preceding fiscal year did not include the acquisition or construction of the types of ancillary sup-

porting facilities specifically referred to in section 2871(1) of this title, a explanation of the reasons why such ancillary supporting facilities were not included.

"(5) A description of the Secretary's plans for housing privatization activities under this subchapter (A) during the fiscal year for which the budget is submitted, and (B) during the period covered by the then-current future-years defense plan under section 221 of this title.".

SEC. 2805. AUTHORITY TO CONVEY PROPERTY AT MILITARY INSTALLATIONS CLOSED OR TO BE CLOSED IN EXCHANGE FOR MILITARY CONSTRUCTION ACTIVITIES.

(a) IN GENERAL.—(1) Subchapter III of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2869. Conveyance of property at military installations closed or to be closed in exchange for military construction activities

"(a) CONVEYANCE AUTHORIZED; CONSIDERATION.—The Secretary of Defense may enter into an agreement to convey real property, including any improvements thereon, located on a military installation that is closed or realigned under a base closure law to any person who agrees, in exchange for the real property—

"(1) to carry out, or provide services in connection with, an authorized military construction project; or

"(2) to transfer to the Secretary of Defense housing that is constructed or provided by the person and located at or near a military installation at which there is a shortage of suitable military family housing or military unaccompanied housing (or both).

"(b) CONDITIONS ON CONVEYANCE AUTHORITY.—A conveyance of real property may be made under subsection (a) only if—

"(1) the fair market value of the consideration to be received in exchange for the real property conveyed under subsection (a) is equal to or greater than the fair market value of the property, including any improvements thereon, as determined by the Secretary concerned; and

"(2) in the event the fair market value of the consideration to be received is equal to at least 90 percent, but less than 100 percent, of the fair market value of the real property to be conveyed, including any improvements thereon, the recipient of the property agrees to pay to the Secretary of Defense an amount equal to the difference in the fair market values.

"(c) USE OF AUTHORITY.—(1) To the maximum extent practicable, the Secretary of Defense shall use the authority provided by subsection (a) to convey at least 20 percent of the total acreage conveyed each fiscal year at military installations closed or realigned under the base closure laws. Notice of the proposed use of this authority shall be provided in such manner as the Secretary may prescribe, including publication in the Federal Register and otherwise. In determining such total acreage for a fiscal year, the Secretary shall exclude real property identified in a redevelopment plan as property essential to the reuse or redevlopment of a military installation closed or to be closed under a base closure law.

"(2) To the maximum extent practicable, the Secretary of Defense shall endeavor to use the authority provided by subsection (a) to obtain military construction and military housing services having a total value of at least $200,000,000 each fiscal year for each of the military departments.

"(3) The Secretary concerned shall utilize the authority provided in subsection (a) in lieu of obligating and expending funds appropriated for military construction and military housing projects that are authorized by law.

"(d) DEPOSIT OF FUNDS.—The Secretary of Defense may deposit funds received under subsection (b)(2) in the

Department of Defense Housing Improvement Fund established under section 2883(a) of this title.

"(e) ANNUAL REPORT.—The Secretary of Defense shall include each year in the materials that the Secretary submits to Congress in support of the budget submitted by the President pursuant to section 1105 of title 31 a report detailing the extent to which the Secretary used the authority provided by subsection (a) to convey real property in exchange for military construction and military housing and plans for the use of such authority for the future. The report shall include the following:

"(1) The total value of the real property that was actually conveyed during the preceding fiscal year using the authority provided by subsection (a).

"(2) The total value of the military construction and military housing services obtained in exchange, and, if the dollar goal specified in subsection (c)(2) was not achieved for a military department, an explanation regarding the reasons why the goal was not achieved.

"(3) The current inventory of unconveyed lands at military installations closed or realigned under a base closure law.

"(4) A description of the results of conveyances under subsection (a) during the preceding fiscal year

and plans for such conveyances for the current fiscal year, the fiscal year covered by the budget, and the period covered by the current future-years defense program under section 221 of this title.

"(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property conveyed under subsection (a) shall be determined by surveys satisfactory to the Secretary of Defense.

"(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of Defense may require such additional terms and conditions in connection with a conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.".

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

"2869. Conveyance of property at military installations closed or to be closed in exchange for military construction activities.".

(b) EXCEPTION TO REQUIREMENT FOR AUTHORIZATION OF NUMBER OF HOUSING UNITS.—Section 2822 of such title is amended by adding at the end the following new paragraph:

"(6) Housing units constructed or provided under section 2869 of this title.".

(c) CONFORMING AMENDMENT TO DEPARTMENT OF DEFENSE HOUSING IMPROVEMENT FUND.—Section

2883(b) of such title, as amended by section 2803, is further amended by adding at the end the following new paragraph:

"(6) Any amounts that the Secretary concerned transfers to the Fund pursuant to section 2869 of this title.".

(d) CONFORMING REPEALS TO BASE CLOSURE LAWS.—(1) Section 204(e) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is repealed.

(2) Section 2905(f) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is repealed.

SEC. 2806. CONGRESSIONAL NOTIFICATION AND REPORTING REQUIREMENTS AND LIMITATIONS REGARDING USE OF OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION.

(a) IN GENERAL.—Subchapter I of chapter 169 of title 10, United States Code, is amended by inserting after section 2809 the following new section:

"§ 2810. Use of operation and maintenance funds for construction: notification and reporting requirements and limitations

"(a) ADVANCE NOTIFICATION OF OBLIGATION OF FUNDS.—(1) The Secretary concerned shall submit to the appropriate committees of Congress advance written notice

before appropriations available for operation and maintenance are obligated for construction described in paragraph (2). The notice shall be submitted not later than 14 days before the date on which appropriations available for operation and maintenance are first obligated for that construction and shall contain the information required by subsection (c).

"(2) Paragraph (1) applies with respect to any construction having an estimated total cost of more than $1,500,000, but not more than $5,000,000, which is paid for in whole or in part using appropriations available for operation and maintenance, if—

"(A) the construction is necessary to meet urgent military operational requirements of a temporary nature;

"(B) the construction was not carried out at a military installation where the United States is reasonably expected to have a long-term interest or presence;

"(C) the United States has no intention of using the construction after the operational requirement has been satisfied; and

"(D) the level of construction is the minimum necessary to meet the temporary operational need.

"(b) WAIVER AUTHORITY; CONGRESSIONAL NOTIFICATION.—(1) The Secretary concerned may waive the advance notice requirement under subsection (a) on a case-by-case basis if the Secretary determines that—

"(A) the project is vital to the national security or to the protection of health, safety, or the quality of the environment; and

"(B) the requirement for the construction is so urgent that deferral of the construction during the period specified in subsection (a)(1) would be inconsistent with national security or the protection of health, safety, or environmental quality, as the case may be.

"(2) Not later than five days after the date on which a waiver is granted under paragraph (1), the Secretary concerned shall provide to the appropriate committees of Congress written notice containing the reasons for the waiver and the information required by subsection (c) with regard to the construction for which the waiver was granted.

"(c) CONTENT OF NOTICE.—The notice provided under subsection (a) or (b) with regard to construction funded using appropriations available for operation and maintenance shall include the following:

"(1) A description of the purpose for which the funds are being obligated.

"(2) An estimate of the total amount to be obligated for the construction.

"(3) The reasons appropriations available for operation and maintenance are being used.

"(d) LIMITATIONS ON USE OF OPERATION AND MAINTENANCE FUNDS.—(1) The Secretary concerned shall not use appropriations available for operation and maintenance to carry out any construction having an estimated total cost of more than $5,000,000.

"(2) The total cost of construction carried out by the Secretaries concerned in whole or in part using appropriations available for operation and maintenance shall not exceed $200,000,000 in any fiscal year.

"(e) QUARTERLY REPORT.—The Secretary concerned shall submit to the appropriate committees of Congress a quarterly report on the worldwide obligation and expenditure of appropriations available for operation and maintenance by the Secretary concerned for construction during the preceding quarter.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2809 the following new item:

"2810. Use of operation and maintenance funds for construction: notification and reporting requirements and limitations.".

SEC. 2807. INCREASE IN AUTHORIZED MAXIMUM LEASE TERM FOR FAMILY HOUSING AND OTHER FACILITIES IN CERTAIN FOREIGN COUNTRIES.

(a) LEASE OF MILITARY FAMILY HOUSING.—Section 2828(d)(1) of title 10, United States Code, is amended by striking "ten years," and inserting "10 years, or 15 years in the case of leases in Korea,".

(b) LEASES OF OTHER FACILITIES.—Section 2675 of such title is amended by inserting after "five years," the following: "or 15 years in the case of a lease in Korea,".

Subtitle B—Real Property and Facilities Administration

SEC. 2811. REAL PROPERTY TRANSACTIONS.

(a) INCREASE IN LAND ACQUISITION AUTHORITY COST THRESHOLD.—Section 2672 of title 10, United States Code, is amended by striking "$500,000" both places it appears and inserting "$1,500,000".

(b) PROMPT NOTIFICATION OF CERTAIN LAND ACQUISITIONS.—Section 2672a of such title is amended—

(1) in subsection (a)(1), by striking "he or his designee" and inserting "the Secretary";

(2) in subsection (b), by striking the last sentence; and

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

"(c) Not later than 10 days after the determination is made under subsection (a)(1) that acquisition of an interest in land is needed in the interest of the national defense, the Secretary of the military department making that determination shall provide to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives written notice containing a description of the property and interest to be acquired and the reasons for the acquisition.".

(c) MODIFICATION OF RELATED NOTIFICATION REQUIREMENTS.—Section 2662 of such title is amended—

(1) in subsection (a)—

(A) by striking "30 days" and all that follows through "is submitted" and inserting "14 days after the beginning of the month with respect to which a single report containing the facts concerning such transaction and all other such proposed transactions for that month is submitted, not later than the first day of that month,"; and

(B) by striking "$500,000" each place it appears and inserting "$1,500,000";

(2) in subsection (b), by striking "more than" and all that follows through "$500,000" and inserting "more than $250,000 but not more than $1,500,000";

(3) in subsection (e)—

(A) by striking "$500,000" and inserting "$1,000,000"; and

(B) by striking "thirty days" and inserting "14 days"; and

(4) in subsection (g)(3), by striking "30 days" and inserting "14 days".

(d) CLERICAL AMENDMENTS.—(1) The heading of section 2672 of such title is amended to read as follows:

"§ 2672. Authority to acquire low-cost interests in land".

(2) The item relating to section 2672 in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2672. Authority to acquire low-cost interests in land.".

Subtitle C—Land Conveyances

SEC. 2821. TERMINATION OF LEASE AND CONVEYANCE OF ARMY RESERVE FACILITY, CONWAY, ARKANSAS.

(a) TERMINATION OF LEASE.—Upon the completion of the replacement facility authorized for the Army Reserve facility located in Conway, Arkansas, the Secretary of the Army may terminate the 99-year lease between the Secretary and the University of Central Arkansas for the property on which the old facility is located.

(b) CONVEYANCE OF FACILITY.—As part of the termination of the lease under subsection (a), the Secretary may convey, without consideration, to the University of Central Arkansas all right, title, and interest of the United States in and to the Army Reserve facility located on the leased property.

(c) ASSUMPTION OF LIABILITY.—The University of Central Arkansas shall expressly accept any and all liability pertaining to the physical condition of the Army Reserve facility conveyed under subsection (b) and shall hold the United States harmless from any and all liability arising from the facility's physical condition.

SEC. 2822. ACTIONS TO QUIET TITLE, FALLIN WATERS SUBDIVISION, EGLIN AIR FORCE BASE, FLORIDA.

(a) AUTHORITY TO QUIET TITLE.—Notwithstanding the restoration provisions under the heading "QUARTERMASTER CORPS" in the Second Deficiency Appropriation Act, 1940 (Act of June 27, 1940; chapter 437; 54 Stat. 655), the Secretary of the Air Force may take appropriate action to quiet title to tracts of land referred to in paragraph (2) on, at, adjacent, adjoining, or near Eglin Air Force Base, Florida. The Secretary may take such action in order to resolve encroachments upon private property by the United States and upon property of the United States by private parties, which resulted from reliance on inaccurate surveys.

(2) The tracts of land referred to in paragraph (1) are generally described as south of United States Highway 98 and bisecting the north/south section line of sections 13 and 14, township 2 south, range 25 west, located in the platted subdivision of Fallin Waters, Okaloosa County, Florida. The exact acreage and legal description of such tracts of land shall be determined by a survey satisfactory to the Secretary.

(b) AUTHORIZED ACTIONS.—In carrying out subsection (a), appropriate action by the Secretary may include any of the following:

(1) Disclaiming, on behalf of the United States, any intent by the United States to acquire by prescription any property at or in the vicinity of Eglin Air Force Base.

(2) Disposing of tracts of land owned by the United States.

(3) Acquiring tracts of land by purchase, by donation, or by exchange for tracts of land owned by the United States at or adjacent to Eglin Air Force Base.

(c) ACREAGE LIMITATIONS.—Individual tracts of land acquired or conveyed by the Secretary under paragraph (2) or (3) of subsection (a) may not exceed .10 acres. The total acreage so acquired may not exceed two acres.

(d) CONSIDERATION.—Any conveyance by the Secretary under this section may be made, at the discretion of the Secretary, without consideration, or by exchange for tracts of land adjoining Eglin Air Force Base in possession of private parties who mistakenly believed that they had acquired title to such tracts.

SEC. 2823. MODIFICATION OF LAND CONVEYANCE, EGLIN AIR FORCE BASE, FLORIDA.

(a) MODIFICATION.—Public Law 91-347 (84 Stat. 447) is amended—

(1) in the first section, by inserting "or for other public purposes" before the period at the end; and

(2) in section 3(1)—

(A) by inserting "or for other public purposes" after "schools"; and

(B) by striking "such purpose" and inserting "such a purpose".

(b) ALTERATION OF LEGAL INSTRUMENT.—The Secretary of the Air Force shall execute and file in the appropriate office an amended deed or other appropriate instrument effectuating the modification of the reversionary interest retained by the United States in connection with the conveyance made pursuant to Public Law 91-347.

SEC. 2824. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY AND TENNESSEE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the department of transportation of the State of Tennessee (in this section referred to as the "department") all right, title, and interest of the United States in and to a parcel of real property (right-of-way), including any improvements thereon, located at Fort Campbell, Kentucky and Tennessee, for the purpose of realigning and upgrading United States Highway 79 from a two-lane highway to a four-lane highway.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the department shall pay from any source (including Federal funds made available to the State from the Highway Trust Fund) all of the costs of the Secretary incurred—

(A) to convey the property, including costs related to the preparation of documents under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), surveys (including all surveys required under subsection (c)), cultural reviews, and administrative oversight;

(B) to relocate a cemetery to permit the highway realignment and upgrading;

(C) to acquire approximately 200 acres of mission-essential replacement property required to support the training mission at Fort Campbell; and

(D) to dispose of residual Federal property located south of the realigned highway.

(2) The Secretary may accept funds under this subsection from the Federal Highway Administration or the State of Tennessee to pay costs described in paragraph (1) and credit them to the appropriate Department of the Army accounts for the purpose of paying such costs.

(3) All funds accepted by the Secretary under this subsection shall remain available until expended.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) or acquired and disposed of under section (b) shall be determined by surveys satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, ARMY AND AIR FORCE EXCHANGE SERVICE PROPERTY, DALLAS, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of Defense may authorize the Army and Air Force Exchange

Service, a nonappropriated fund instrumentality of the United States, to convey, by sale, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, located at 1515 Roundtable Drive in Dallas, Texas.

(b) CONSIDERATION.—As consideration for conveyance under subsection (a), the purchaser shall pay to the Secretary, in a single lump sum payment, an amount equal to the fair market value of the real property conveyed, as determined by the Secretary. Section 574(a) of title 40, United States Code, shall apply with respect to the amounts received by the Secretary under this subsection.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, NAVAL RESERVE CENTER, ORANGE, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Orange, Texas (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of unimproved real property consisting of approximately 2.5 acres at Naval Reserve Center, Orange, Texas for the purpose of permitting the City to use the property for road construction, economic development, and other public purposes.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under such subsection.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require the City to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the City in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actu-

ally incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the City.

(2) Amounts received as reimbursement under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) EXEMPTION FROM FEDERAL SCREENING.—The conveyance authorized by subsection (a) is exempt from the requirement to screen the property for other Federal use pursuant to sections 2693 and 2696 of title 10, United States Code.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2841. REDESIGNATION OF YUMA TRAINING RANGE COMPLEX AS BOB STUMP TRAINING RANGE COMPLEX.

The military aviation training facility located in southwestern Arizona and southeastern California and known as the Yuma Training Range Complex shall be known and designated as the "Bob Stump Training Range Complex". Any reference to such training range complex in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Bob Stump Training Range Complex.

SEC. 2842. MODIFICATION OF AUTHORITY TO CONDUCT A ROUND OF REALIGNMENTS AND CLOSURES OF MILITARY INSTALLATIONS IN 2005.

(a) REVISION TO FORCE STRUCTURE PLAN FOR 2005 ROUND.—Section 2912(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3001 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342), is amended—

(1) by striking subparagraph (A) of paragraph (1) and inserting the following:

"(A) A force-structure plan for the Armed Forces that—

"(i) at a minimum, assumes the force structure under the 1991 Base Force force structure (as defined in paragraph (5)) that is also known as the 'Cheney-Powell force structure'; and

"(ii) includes such consideration as the Secretary considers appropriate of an assessment by the Secretary of—

"(I) the probable threats to the national security during the 20-year period beginning with fiscal year 2005;

"(II) the probable end-strength levels and major military force units (including land force divisions, carrier and other major combatant vessels, air wings, and other comparable units) needed to meet those threats; and

"(III) the anticipated levels of funding that will be available for national defense purposes during such period.";

(2) in paragraph (2)(A), by inserting before the period at the end the following: ", based upon an as-

sumption that there are no installations available outside the United States for the permanent basing of elements of the Armed Forces";

(3) in paragraph (4), by inserting after the first sentence the following new sentence: "Any such revision shall be consistent with this subsection."; and

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

"(5) BASE FORCE.—In this subsection, the term '1991 Base Force force structure' means the force structure plan for the Armed Forces, known as the 'Base Force', that was adopted by the Secretary of Defense in November 1990 based upon recommendations of the Chairman of the Joint Chiefs of Staff and as incorporated in the President's budget for fiscal year 1992, as submitted to Congress in February 1991 and that assumed the following force structure:

"(A) For the Department of Defense, 1,600,000 members of the Armed Forces on active duty and 900,000 members in an active status in the reserve components.

"(B) For the Army, 12 active divisions, six National Guard divisions, and two cadre divisions or their equivalents.

"(C) For the Navy, 12 aircraft carrier battle groups or their equivalents and 451 naval vessels, including 85 attack submarines.

"(D) For the Marine Corps, three active and one Reserve divisions and three active and one Reserve air wings.

"(E) For the Air Force, 15 active fighter wings and 11 National Guard fighter wings or their equivalents.".

(b) PREPARATION OF LIST OF MILITARY INSTALLATIONS EXCLUDED FROM CONSIDERATION IN 2005 ROUND.—Section 2913 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3002 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1344), is amended by adding at the end the following new subsections:

"(g) BASE EXCLUSION CRITERIA.—In preparing the selection criteria required by this section that will be used in making recommendations for the closure or realignment of military installations inside the United States, the Secretary shall ensure that the final criteria reflect the requirement to develop a list of those military installations to be excluded from the base closure and realignment process, as provided in subsection (h).

"(h) LIST OF INSTALLATIONS EXCLUDED FROM CONSIDERATION FOR CLOSURE OR REALIGNMENT.—(1) Before preparing the list required by section 2914(a) of the military installations inside the United States that the Secretary recommends for closure or realignment, the Secretary shall prepare a list of core military installations that the Secretary considers absolutely essential to the national defense and that should not be considered for closure.

"(2) Not later than April 1, 2005, the Secretary shall submit to the congressional defense committees, publish in the Federal Register, and send to the Commission the list required by paragraph (1). The list shall contain at least 50 percent of the total number of military installations located inside the United States as of the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004.

"(3) The Commission shall consider the list based on the final criteria developed under subsection (e). The Commission may modify this list, in the manner provided in section 2903(d) and section 2914(d), if the Commission finds that the inclusion of a military installation on the list substantially violates the criteria. The Commission shall forward to the President, not later than April 30, 2005, a report containing its recommendations regarding the list, which must comply with the percentages specified in para-

graph (2). The Comptroller General shall also comply with section 2903(d)(5) by that date.

"(4) If the Commission submits a report to the President under paragraph (3), the President shall notify Congress, not later than May 10, 2005, regarding whether the President approves or disapproves the report. If the President disapproves the report, the Commission shall be dissolved, and the process by which military installations may be selected for closure or realignment under this part in 2005 shall be terminated.

"(5) A military installation included on the exclusion list approved under this subsection may not be included on the closure and realignment list prepared under section 2914(a) or otherwise considered for closure or realignment as part of the base closure process in 2005.".

SEC. 2843. USE OF FORCE-STRUCTURE PLAN FOR THE ARMED FORCES IN PREPARATION OF SELECTION CRITERIA FOR BASE CLOSURE ROUND.

Section 2913(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3002 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1344), is amended by adding at the end the following new paragraph:

"(3) USE OF FORCE-STRUCTURE PLAN.—In preparing the proposed and final criteria to be used by the Secretary in making recommendations under section 2914 for the closure or realignment of military installations inside the United States, the Secretary shall use the force-structure plan for the Armed Forces prepared under section 2912(a)."

SEC. 2844. REQUIREMENT FOR UNANIMOUS VOTE OF DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION TO RECOMMEND CLOSURE OF MILITARY INSTALLATION NOT RECOMMENDED FOR CLOSURE BY SECRETARY OF DEFENSE.

Section 2914(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3003 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 155 Stat, 1346) and amended by section 2854 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2728), is amended—

(1) in paragraph (3), by striking "TO ADD" and inserting "TO CONSIDER ADDITIONS"; and

(2) in paragraph (5)—

(A) by inserting "AND UNANIMOUS VOTE" after "SITE VISIT"; and

(B) by inserting before the period at the end the following: "and the decision of the Commission to recommend the closure of the installation is unanimous".

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,822,075,000, to be allocated as follows:

(1) For weapons activities, $6,393,000,000.

(2) For defense nuclear nonproliferation activities, $1,312,695,000.

(3) For naval reactors, $768,400,000.

(4) For the Office of the Administrator for Nuclear Security, $347,980,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary of Energy may carry out, for weapons activities, the following new plant projects:

Project 04–D–101, test capabilities revitalization, Sandia National Laboratories, Albuquerque, New Mexico, $36,450,000.

Project 04–D–102, exterior communications infrastructure modernization, Sandia National Laboratories, Albuquerque, New Mexico, $20,000,000.

Project 04–D–103, project engineering and design, various locations, $2,000,000.

Project 04–D–104, national security sciences building, Los Alamos National Laboratory, Los Alamos, New Mexico, $38,000,000.

Project 04–D–125, chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, New Mexico, $20,500,000.

Project 04–D–126, Building 12-44 production cells upgrade, Pantex plant, Amarillo, Texas, $8,780,000.

Project 04–D–127, cleaning and loading modifications, Savannah River Site, Aiken, South Carolina, $2,750,000.

Project 04–D–128, TA–18 Mission relocation project, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,820,000.

Project 04–D–203, facilities and infrastructure recapitalization program, project engineering and design, various locations, $3,719,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for environmental management activities in carrying out programs necessary for national security in the amount of $6,819,314,000, to be allocated as follows:

(1) For defense site acceleration completion, $5,824,135,000.

(2) For defense environmental services, $995,179,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available

for carrying out plant projects, the Secretary of Energy may carry out, for defense site acceleration completion, the following new plant projects:

Project 04–D–408, glass waste storage building #2, Savannah River Site, Aiken, South Carolina, $20,259,000.

Project 04–D–414, project engineering and design, various locations, $23,500,000.

Project 04–D–423, 3013 container surveillance capability in 235-F, Savannah River Site, Aiken, South Carolina, $1,134,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for other defense activities in carrying out programs necessary for national security in the amount of $497,331,000.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $430,000,000.

SEC. 3105. ENERGY SUPPLY.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2004 for energy supply activities in carrying out programs necessary for national security in the amount of $110,473,000.

Subtitle B—Program Authorizations, Restrictions, and Limitations

SEC. 3111. MODIFICATION OF PROHIBITION RELATING TO LOW-YIELD NUCLEAR WEAPONS.

Section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 2121 note) is amended—

*(1) in the section heading, by striking "**RESEARCH AND DEVELOPMENT**" and inserting "**DEVELOPMENT AND PRODUCTION**";*

(2) in subsection (a), by striking "conduct research and development which could lead to the production by the United States of" and insert "develop or produce";

(3) in subsection (b)—

(A) by striking "conduct, or provide for the conduct of, research and development which could lead to the production by the United States of" and insert "develop, produce, or provide for the development or production of,"; and

(B) by striking "the date of the enactment of this Act," and inserting "November 30, 1993,";

(4) in subsection (c)—

(A) by striking "RESEARCH AND" in the subsection heading;

(B) by striking "research and" in the matter preceding paragraph (1); and

(C) by inserting ", including assessment of low-yield nuclear weapons development by other nations that may pose a national security risk to the United States" before the period at the end of paragraph (3);

(5) by redesignating subsection (d) as subsection (e); and

(6) by inserting after subsection (c) the following new subsection (d):

"(d) EFFECT ON STUDIES AND DESIGN WORK.—Nothing in this section shall prohibit the Secretary of Energy from conducting, or providing for the conduct of, concept definition studies, feasibility studies, or detailed engineering design work.".

SEC. 3112. TERMINATION OF REQUIREMENT FOR ANNUAL UPDATES OF LONG-TERM PLAN FOR NUCLEAR WEAPONS STOCKPILE LIFE EXTENSION PROGRAM.

Section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (42 U.S.C. 2121 note) is amended by adding at the end the following new subsection:

"(g) TERMINATION OF ANNUAL UPDATES.—Effective December 31, 2004, the requirements of subsections (c), (d), (e), and (f) shall terminate.".

SEC. 3113. EXTENSION TO ALL DOE FACILITIES OF AUTHORITY TO PROHIBIT DISSEMINATION OF CERTAIN UNCLASSIFIED INFORMATION.

Subsection a. of section 148 of the Atomic Energy Act of 1954 (42 U.S.C. 2168) is amended in paragraph (1)—

(1) in the matter preceding subparagraph (A), by striking ", with respect to atomic energy defense programs,";

(2) in subparagraph (A), by striking "production facilities or utilization facilities" and inserting "production facilities, utilization facilities, nuclear waste storage facilities, or uranium enrichment facilities, or any other facilities at which activities relating to nuclear weapons or nuclear materials are carried out, that are under the control or jurisdiction of the Secretary of Energy"; and

(3) in subparagraph (B), by striking "production or utilization facilities" and inserting "such facilities".

SEC. 3114. DEPARTMENT OF ENERGY PROJECT REVIEW GROUPS NOT SUBJECT TO FEDERAL ADVISORY COMMITTEE ACT BY REASON OF INCLUSION OF EMPLOYEES OF DEPARTMENT OF ENERGY MANAGEMENT AND OPERATING CONTRACTORS.

An officer or employee of a management and operating contractor of the Department of Energy, when serving as a member of a group reviewing or advising on matters related to any one or more management and operating contracts of the Department, shall be treated as an officer or employee of the Department for purposes of determining whether the group is an advisory committee within the meaning of section 3 of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 3115. AVAILABILITY OF FUNDS.

Section 3628 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2760; 42 U.S.C. 7386h) is amended to read as follows:

"SEC. 3628. AVAILABILITY OF FUNDS.

"(a) IN GENERAL.—Except as provided in subsection (b), amounts appropriated pursuant to a DOE national security authorization for a fiscal year—

"(1) shall remain available to be expended only in that fiscal year and the two succeeding fiscal years, in the case of amounts for the National Nuclear Security Administration; and

"(2) may, when so specified in an appropriations Act, remain available until expended, in all other cases.

"(b) PROGRAM DIRECTION.—Amounts appropriated pursuant to a DOE national security authorization for a fiscal year for program direction shall remain available to be obligated only until the end of that fiscal year.".

SEC. 3116. LIMITATION ON OBLIGATION OF FUNDS FOR NUCLEAR TEST READINESS PROGRAM.

Not more than 40 percent of the funds made available to the Secretary of Energy for fiscal year 2004 for the Nuclear Test Readiness program of the Department of Energy may be obligated until—

(1) the Secretary of Energy submits to the Committees on Armed Services of the Senate and the House of Representatives the report required by section 3142(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law

107–314; 116 Stat. 2733), relating to plans for achieving enhanced readiness postures for resumption by the United States of underground nuclear weapons tests; and

(2) a period of 30 days has passed after the date on which such report is received by those committees.

SEC. 3117. REQUIREMENT FOR ON-SITE MANAGERS.

(a) ON-SITE MANAGER REQUIREMENT.—Before obligating any defense nuclear nonproliferation funds for a project described in subsection (b), the Secretary of Energy shall appoint a United States Federal Government employee as an on-site manager.

(b) PROJECTS COVERED.—Subsection (a) applies to a project—

(1) to be located in a state of the former Soviet Union;

(2) which involves dismantlement, destruction, or storage facilities, or construction of a facility; and

(3) with respect to which the total contribution by the Department of Energy is expected to exceed $25,000,000.

(c) DUTIES OF ON-SITE MANAGER.—The on-site manager appointed under subsection (a) shall—

(1) develop, in cooperation with representatives from governments of countries participating in the

project, a list of those steps or activities critical to achieving the project's disarmament or nonproliferation goals;

(2) establish a schedule for completing those steps or activities;

(3) meet with all participants to seek assurances that those steps or activities are being completed on schedule; and

(4) suspend United States participation in a project when a non-United States participant fails to complete a scheduled step or activity on time, unless directed by the Secretary of Energy to resume United States participation.

(d) STEPS OR ACTIVITIES.—Steps or activities referred to in subsection (c)(1) are those activities that, if not completed, will prevent a project from achieving its disarmament or nonproliferation goals, including, at a minimum, the following:

(1) Identification and acquisition of permits (as defined in subsection (f)).

(2) Verification that the items, substances, or capabilities to be dismantled, secured, or otherwise modified are available for dismantlement, securing, or modification.

(3) Timely provision of financial, personnel, management, transportation, and other resources.

(e) NOTIFICATION TO CONGRESS.—In any case in which the Secretary of Energy directs an on-site manager to resume United States participation in a project under subsection (c)(4), the Secretary shall concurrently notify Congress of such direction.

(f) PERMIT DEFINED.—In this section, the term "permit" means any local or national permit for development, general construction, environmental, land use, or other purposes that is required in the state of the former Soviet Union in which the project is being or is proposed to be carried out.

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

Subtitle C—Consolidation of National Security Provisions

SEC. 3121. TRANSFER AND CONSOLIDATION OF RECURRING AND GENERAL PROVISIONS ON DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to assemble together, without substantive amendment but with technical and conforming amendments of a non-substantive nature, recurring and general provi-

sions of law on Department of Energy national security programs that remain in force in order to consolidate and organize such provisions of law into a single Act intended to comprise general provisions of law on such programs.

(2) CONSTRUCTION OF TRANSFERS.—The transfer of a provision of law by this section shall not be construed as amending, altering, or otherwise modifying the substantive effect of such provision.

(3) COORDINATION WITH OTHER AMENDMENTS.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately after the other provisions of this Act.

(4) TREATMENT OF SATISFIED REQUIREMENTS.—Any requirement in a provision of law transferred under this section (including a requirement that an amendment to law be executed) that has been fully satisfied in accordance with the terms of such provision of law as of the date of transfer under this section shall be treated as so fully satisfied, and shall not be treated as being revived solely by reason of transfer under this section.

(5) CLASSIFICATION.—The provisions of the Atomic Energy Defense Act, as amended by this section, shall be classified to the United States Code as a new chapter of title 50, United States Code.

(b) DIVISION HEADING.—The Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) is amended by adding at the end the following new division heading:

"DIVISION D—ATOMIC ENERGY DEFENSE PROVISIONS".

(c) SHORT TITLE; DEFINITION.—

(1) SHORT TITLE.—Section 3601 of the Atomic Energy Defense Act (title XXXVI of Public Law 107–314; 116 Stat. 2756) is—

(A) transferred to the end of the Bob Stump National Defense Authorization Act for Fiscal Year 2003;

(B) redesignated as section 4001;

(C) inserted after the heading for division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by subsection (b); and

(D) amended by striking "title" and inserting "division".

(2) DEFINITION.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new section:

"SEC. 4002. DEFINITION.

"In this division, the term 'congressional defense committees' means—

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

"(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.".

(d) ORGANIZATIONAL MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following:

"TITLE XLI—ORGANIZATIONAL MATTERS".

(2) NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization Act, 1985 (Public Law 98–525; 98 Stat. 2649) is—

(A) transferred to title XLI of division D of the Bob Stump National Defense Authorization

Act for Fiscal Year 2003, as added by paragraph (1);

(B) inserted after the title heading for such title, as so added; and

(C) amended—

(i) by striking the section heading and inserting the following new section heading: ***"SEC. 4101. NAVAL NUCLEAR PROPULSION PROGRAM."****; and*

(ii) by striking "SEC. 1634.".

(3) MANAGEMENT STRUCTURE FOR FACILITIES AND LABORATORIES.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2833) is—

(A) transferred to title XLI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4102;

(C) inserted after section 4101, as added by paragraph (2); and

(D) amended in subsection (d)(2), by striking "120 days after the date of the enactment of this Act," and inserting "January 21, 1997,".

(4) RESTRICTION ON LICENSING REQUIREMENTS FOR CERTAIN ACTIVITIES AND FACILITIES.—Section

210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3202) is—

(A) transferred to title XLI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4102, as added by paragraph (3); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading: ***"SEC. 4103. RESTRICTION ON LICENSING REQUIREMENT FOR CERTAIN DEFENSE ACTIVITIES AND FACILITIES."****;*

(ii) by striking "SEC. 210."; and

(iii) by striking "this or any other Act" and inserting "the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540) or any other Act".

(e) NUCLEAR WEAPONS STOCKPILE MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

"Subtitle A—Stockpile Stewardship and Weapons Production".

(2) STOCKPILE STEWARDSHIP PROGRAM.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946), as amended by section 3152(e) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2042), is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4201; and

(C) inserted after the heading for subtitle A of such title, as so added.

(3) STOCKPILE STEWARDSHIP CRITERIA.—Section 3158 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2257), as amended, is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4202; and

(C) inserted after section 4201, as added by paragraph (2).

(4) PLAN FOR STEWARDSHIP, MANAGEMENT, AND CERTIFICATION OF WARHEADS IN STOCKPILE.—Section 3151 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2041) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4203; and

(C) inserted after section 4202, as added by paragraph (3).

(5) STOCKPILE LIFE EXTENSION PROGRAM.—Section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4204;

(C) inserted after section 4203, as added by paragraph (4); and

(D) amended in subsection (c)(1) by striking "the date of the enactment of this Act" and inserting "October 5, 1999".

(6) ANNUAL ASSESSMENTS AND REPORTS ON CONDITION OF STOCKPILE.—Section 3141 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2730) is—

(A) transferred to title XLII of division D of such Act, as amended by this subsection;

(B) redesignated as section 4205;

(C) inserted after section 4204, as added by paragraph (5); and

(D) amended in subsection (d)(3)(B) by striking "section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note)" and inserting "section 4212".

(7) FORM OF CERTAIN CERTIFICATIONS REGARDING STOCKPILE.—Section 3194 of the Floyd D. Spence National Defense Authorization Act for Fiscal

Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4206; and

(C) inserted after section 4205, as added by paragraph (6).

(8) NUCLEAR TEST BAN READINESS PROGRAM.—Section 1436 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100–456; 102 Stat. 2075) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4207;

(C) inserted after section 4206, as added by paragraph (7); and

(D) amended in the section heading by adding a period at the end.

(9) STUDY ON NUCLEAR TEST READINESS POSTURES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law

104–106; 110 Stat. 623), as amended by section 3192 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4208; and

(C) inserted after section 4207, as added by paragraph (8).

(10) REQUIREMENTS FOR REQUESTS FOR NEW OR MODIFIED NUCLEAR WEAPONS.—Section 3143 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2733) is—

(A) transferred to title XLII of division D of such Act, as amended by this subsection;

(B) redesignated as section 4209; and

(C) inserted after section 4208, as added by paragraph (9).

(11) LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS.—Subsection (f) of section 507 of the Energy and Water Development Appropriations Act, 1993 (Public Law 102–337; 106 Stat. 1345) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4209, as added by paragraph (10); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4210. LIMITATION ON UNDERGROUND NUCLEAR WEAPONS TESTS."*; and*

(ii) by striking "(f)".

(12) TESTING OF NUCLEAR WEAPONS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4211;

(C) inserted after section 4210, as added by paragraph (11); and

(D) amended—

(i) in subsection (a), by inserting "of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160)" after "section 3101(a)(2)"; and

(ii) in subsection (b), by striking "this Act" and inserting "the National Defense Authorization Act for Fiscal Year 1994".

(13) MANUFACTURING INFRASTRUCTURE FOR STOCKPILE.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620), as amended by section 3132 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2829), is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4212;

(C) inserted after section 4211, as added by paragraph (12); and

(D) amended in subsection (d) by inserting "of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)" after "section 3101(b)".

(14) REPORTS ON CRITICAL DIFFICULTIES AT LABORATORIES AND PLANTS.—Section 3159 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2842), as amended by section 1305 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1954) and section 3163 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 944), is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4213; and

(C) inserted after section 4212, as added by paragraph (13).

(15) SUBTITLE HEADING ON TRITIUM.—Title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Tritium".

(16) TRITIUM PRODUCTION PROGRAM.—Section 3133 of the National Defense Authorization Act for

Fiscal Year 1996 (Public Law 104–106; 110 Stat. 618) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4231;

(C) inserted after the heading for subtitle B of such title XLII, as added by paragraph (15); and

(D) amended—

(i) by striking "the date of the enactment of this Act" each place it appears and inserting "February 10, 1996"; and

(ii) in subsection (b), by inserting "of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106)" after "section 3101".

(17) TRITIUM RECYCLING.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 620) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4232; and

(C) inserted after section 4231, as added by paragraph (16).

(18) TRITIUM PRODUCTION.—Subsections (c) and (d) of section 3133 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830) are—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4232, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4233. TRITIUM PRODUCTION."*;*

(ii) by redesignating such subsections as subsections (a) and (b), respectively; and

(iii) in subsection (a), as so redesignated, by inserting "of Energy" after "The Secretary".

(19) MODERNIZATION AND CONSOLIDATION OF TRITIUM RECYCLING FACILITIES.—Section 3134 of the

National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4234;

(C) inserted after section 4233, as added by paragraph (18); and

(D) amended in subsection (b) by inserting "of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)" after "section 3101".

(20) PROCEDURES FOR MEETING TRITIUM PRODUCTION REQUIREMENTS.—Section 3134 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927) is—

(A) transferred to title XLII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4235; and

(C) inserted after section 4234, as added by paragraph (19).

(f) PROLIFERATION MATTERS.—

(1) TITLE HEADING.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new title heading:

"TITLE XLIII—PROLIFERATION MATTERS".

(2) INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.—Section 3133 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2036), as amended by sections 1069 and 3131 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2136, 2246), is—

(A) transferred to title XLIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4301;

(C) inserted after the heading for such title, as so added; and

(D) amended in subsection (b)(3) by striking "of this Act" and inserting "of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)".

(3) NONPROLIFERATION INITIATIVES AND ACTIVITIES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 927) is—

(A) transferred to title XLIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4302;

(C) inserted after section 4301, as added by paragraph (2); and

(D) amended in subsection (b)(1) by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65)".

(4) ANNUAL REPORT ON MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.—Section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–475) is—

(A) transferred to title XLIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4303;

(C) inserted after section 4302, as added by paragraph (3); and

(D) amended in subsection (c)(1) by striking "this Act" and inserting "the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398)".

(5) NUCLEAR CITIES INITIATIVE.—Section 3172 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1645A–476) is—

(A) transferred to title XLIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4304; and

(C) inserted after section 4303, as added by paragraph (4).

(6) PROGRAMS ON FISSILE MATERIALS.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617), as amended by section 3152 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2738), is—

(A) transferred to title XLIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4305; and

(C) inserted after section 4304, as added by paragraph (5).

(g) ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

"Subtitle A—Environmental Restoration and Waste Management".

(2) DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT ACCOUNT.—Section 3134 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1575) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4401; and

(C) inserted after the heading for subtitle A of such title, as so added.

(3) FUTURE USE PLANS FOR ENVIRONMENTAL MANAGEMENT PROGRAM.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4402;

(C) inserted after section 4401, as added by paragraph (2); and

(D) amended—

(i) in subsection (d), by striking "the date of the enactment of this Act" and inserting "September 23, 1996,"; and

(ii) in subsection (h)(1), by striking "the date of the enactment of this Act" and inserting "September 23, 1996".

(4) INTEGRATED FISSILE MATERIALS MANAGEMENT PLAN.—Section 3172 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 948) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4403; and

(C) inserted after section 4402, as added by paragraph (3).

(5) BASELINE ENVIRONMENTAL MANAGEMENT REPORTS.—Section 3153 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1950), as amended by section 3160 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3094), section 3152 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2839), and section 3160 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048), is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4404; and

(C) inserted after section 4403, as added by paragraph (4).

(6) ACCELERATED SCHEDULE OF ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.—Section 3156 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4405;

(C) inserted after section 4404, as added by paragraph (5); and

(D) amended in subsection (b)(2) by inserting before the period the following: ", the predecessor provision to section 4404 of this Act".

(7) DEFENSE WASTE CLEANUP TECHNOLOGY PROGRAM.—Section 3141 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1679) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4406;

(C) inserted after section 4405, as added by paragraph (6); and

(D) amended in the section heading by adding a period at the end.

(8) REPORT ON ENVIRONMENTAL RESTORATION EXPENDITURES.—Section 3134 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4407;

(C) inserted after section 4406, as added by paragraph (7); and

(D) amended in the section heading by adding a period at the end.

(9) PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.—Subsection (e) of section 3160 of the National

Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4407, as added by paragraph (8); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4408. PUBLIC PARTICIPATION IN PLANNING FOR ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT AT DEFENSE NUCLEAR FACILITIES."*; and*

(ii) by striking "(e) PUBLIC PARTICIPATION IN PLANNING.—".

(10) SUBTITLE HEADING ON CLOSURE OF FACILITIES.—Title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Closure of Facilities".

(11) PROJECTS TO ACCELERATE CLOSURE ACTIVITIES AT DEFENSE NUCLEAR FACILITIES.—Section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4421;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10); and

(D) amended in subsection (i), by striking "the expiration of the 15-year period beginning on the date of the enactment of this Act" and inserting "September 23, 2011".

(12) REPORTS IN CONNECTION WITH PERMANENT CLOSURE OF DEFENSE NUCLEAR FACILITIES.—Section 3156 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1683) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4422;

(C) inserted after section 4421, as added by paragraph (11); and

(D) amended in the section heading by adding a period at the end.

(13) SUBTITLE HEADING ON PRIVATIZATION.—Title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Privatization".

(14) DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION PROJECTS.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034) is—

(A) transferred to title XLIV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4431;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (13); and

(D) amended—

(i) in subsections (a), (c)(1)(B)(i), and (d), by inserting "of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)" after "section 3102(i)"; and

(ii) in subsections (c)(1)(B)(ii) and (f), by striking "the date of enactment of this Act" and inserting "November 18, 1997".

(h) SAFEGUARDS AND SECURITY MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

"Subtitle A—Safeguards and Security".

(2) PROHIBITION ON INTERNATIONAL INSPECTIONS OF FACILITIES WITHOUT PROTECTION OF RESTRICTED DATA.—Section 3154 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 624) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization

Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4501;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) by striking "(1) The" and inserting "The"; and

(ii) by striking "(2) For purposes of paragraph (1)," and inserting "(c) RESTRICTED DATA DEFINED.—In this section,".

(3) RESTRICTIONS ON ACCESS TO LABORATORIES BY FOREIGN VISITORS FROM SENSITIVE COUNTRIES.—Section 3146 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4502;

(C) inserted after section 4501, as added by paragraph (2); and

(D) amended—

(i) in subsection (b)(2)—

(I) in the matter preceding subparagraph (A), by striking "30 days after the date of the enactment of this Act" and inserting "on November 4, 1999,"; and

(II) in subparagraph (A), by striking "The date that is 90 days after the date of the enactment of this Act" and inserting "January 3, 2000";

(ii) in subsection (d)(1), by striking "the date of the enactment of this Act," and inserting "October 5, 1999,"; and

(iii) in subsection (g), by adding at the end the following new paragraphs:

"(3) The term 'national laboratory' means any of the following:

"(A) Lawrence Livermore National Laboratory, Livermore, California.

"(B) Los Alamos National Laboratory, Los Alamos, New Mexico.

"(C) Sandia National Laboratories, Albuquerque, New Mexico and Livermore, California.

"(4) The term 'Restricted Data' has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).".

(4) BACKGROUND INVESTIGATIONS ON CERTAIN PERSONNEL.—Section 3143 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 934) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4503;

(C) inserted after section 4502, as added by paragraph (3); and

(D) amended—

(i) in subsection (b), by striking "the date of the enactment of this Act" and inserting "October 5, 1999,"; and

(ii) by adding at the end the following new subsection:

"(c) DEFINITIONS.—In this section, the terms 'national laboratory' and 'Restricted Data' have the meanings given such terms in section 4502(g)).".

(5) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—

(A) DEPARTMENT OF ENERGY COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1376) is—

(i) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504;

(iii) inserted after section 4503, as added by paragraph (4); and

(iv) amended in subsection (c) by striking "section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public Law 106–65; 42 U.S.C. 7383h)" and inserting "section 4504A".

(B) COUNTERINTELLIGENCE POLYGRAPH PROGRAM.—Section 3154 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 941), as amended by section 3135 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as

enacted into law by Public Law 106–398; 114 Stat. 1654A–456), is—

(i) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4504A;

(iii) inserted after section 4504, as added by subparagraph (A); and

(iv) amended in subsection (h) by striking "180 days after the date of the enactment of this Act," and inserting "April 5, 2000,".

(6) NOTICE OF SECURITY AND COUNTERINTELLIGENCE FAILURES.—Section 3150 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 939) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4505;

(C) inserted after section 4504A, as added by paragraph (5)(B).

(7) ANNUAL REPORT ON SECURITY FUNCTIONS AT NUCLEAR WEAPONS FACILITIES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2049) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4506;

(C) inserted after section 4505, as added by paragraph (6); and

(D) amended in subsection (b) by inserting "of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2048; 42 U.S.C. 7251 note)" after "section 3161".

(8) REPORT ON COUNTERINTELLIGENCE AND SECURITY PRACTICES AT LABORATORIES.—Section 3152 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4507;

(C) inserted after section 4506, as added by paragraph (7); and

(D) amended by adding at the end the following new subsection:

"(c) NATIONAL LABORATORY DEFINED.—In this section, the term 'national laboratory' has the meaning given that term in section 4502(g)(3).".

(9) REPORT ON SECURITY VULNERABILITIES OF NATIONAL LABORATORY COMPUTERS.—Section 3153 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 940) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4508;

(C) inserted after section 4507, as added by paragraph (8); and

(D) amended by adding at the end the following new subsection:

"(f) NATIONAL LABORATORY DEFINED.—In this section, the term 'national laboratory' has the meaning given that term in section 4502(g)(3).".

(10) SUBTITLE HEADING ON CLASSIFIED INFORMATION.—Title XLV of division D of the Bob Stump

National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Classified Information".

(11) REVIEW OF CERTAIN DOCUMENTS BEFORE DECLASSIFICATION AND RELEASE.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 625) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4521; and

(C) inserted after the heading for subtitle B of such title, as added by paragraph (10).

(12) PROTECTION AGAINST INADVERTENT RELEASE OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3161 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2259), as amended by section 1067(3) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 774) and section 3193 of the Floyd

D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4522;

(C) inserted after section 4521, as added by paragraph (11); and

(D) amended—

(i) in subsection (c)(1), by striking "the date of the enactment of this Act" and inserting "October 17, 1998,";

(ii) in subsection (f)(1), by striking "the date of the enactment of this Act" and inserting "October 17, 1998"; and

(iii) in subsection (f)(2), by striking "The Secretary" and inserting "Commencing with inadvertent releases discovered on or after October 30, 2000, the Secretary".

(13) SUPPLEMENT TO PLAN FOR DECLASSIFICATION OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.—Section 3149 of the National De-

fense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 938) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4523;

(C) inserted after section 4522, as added by paragraph (12); and

(D) amended—

(i) in subsection (a), by striking "subsection (a) of section 3161 of the Strom Thurmond National Defense Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2260; 50 U.S.C. 435 note)" and inserting "subsection (a) of section 4522";

(ii) in subsection (b)—

(I) by striking "section 3161(b)(1) of that Act" and inserting "subsection (b)(1) of section 4522"; and

(II) by striking "the date of the enactment of that Act" and inserting "October 17, 1998,";

(iii) in subsection (c)—

(I) by striking "section 3161(c) of that Act" and inserting "subsection (c) of section 4522"; and

(II) by striking "section 3161(a) of that Act" and inserting "subsection (a) of such section"; and

(iv) in subsection (d), by striking "section 3161(d) of that Act" and inserting "subsection (d) of section 4522".

(14) PROTECTION OF CLASSIFIED INFORMATION DURING LABORATORY-TO-LABORATORY EXCHANGES.—Section 3145 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4524; and

(C) inserted after section 4523, as added by paragraph (13).

(15) IDENTIFICATION IN BUDGETS OF AMOUNT FOR DECLASSIFICATION ACTIVITIES.—Section 3173 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 949) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4525;

(C) inserted after section 4524, as added by paragraph (14); and

(D) amended in subsection (b) by striking "the date of the enactment of this Act" and inserting "October 5, 1999,".

(16) SUBTITLE HEADING ON EMERGENCY RESPONSE.—Title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Emergency Response".

(17) RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 626) is—

(A) transferred to title XLV of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4541; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (16).

(i) PERSONNEL MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLVI—PERSONNEL MATTERS

"Subtitle A—Personnel Management".

(2) AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3095), as amended by section 3139 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2040), sections 3152 and 3155 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2253, 2257), and section 3191 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001

(as enacted into law by Public Law 106–398; 114 Stat. 1654A–480), is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4601; and

(C) inserted after the heading for subtitle A of such title, as so added.

(3) WHISTLEBLOWER PROTECTION PROGRAM.—Section 3164 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 946) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4602;

(C) inserted after section 4601, as added by paragraph (2); and

(D) amended in subsection (n) by striking "60 days after the date of the enactment of this Act," and inserting "December 5, 1999,".

(4) EMPLOYEE INCENTIVES FOR WORKERS AT CLOSURE PROJECT FACILITIES.—Section 3136 of the

Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–458) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4603;

(C) inserted after section 4602, as added by paragraph (3); and

(D) amended—

(i) in subsections (c) and (i)(1)(A), by striking "section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)" and inserting "section 4421"; and

(ii) in subsection (g), by striking "section 3143(h) of the National Defense Authorization Act for Fiscal Year 1997" and inserting "section 4421(h)".

(5) DEFENSE NUCLEAR FACILITY WORKFORCE RESTRUCTURING PLAN.—Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644), as amended by section 1070(c)(2) of the National Defense Authorization

Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2857), Public Law 105–277 (112 Stat. 2681–419, 2681–430), and section 1048(h)(1) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1229), is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4604;

(C) inserted after section 4603, as added by paragraph (4); and

(D) amended—

(i) in subsection (a), by striking "(hereinafter in this subtitle referred to as the 'Secretary')"; and

(ii) by adding at the end the following new subsection:

"(g) DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITY DEFINED.—In this section, the term 'Department of Energy defense nuclear facility' means—

"(1) a production facility or utilization facility (as those terms are defined in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014)) that is under the control or jurisdiction of the Secretary and that

is operated for national security purposes (including the tritium loading facility at Savannah River, South Carolina, the 236 H facility at Savannah River, South Carolina; and the Mound Laboratory, Ohio), but the term does not include any facility that does not conduct atomic energy defense activities and does not include any facility or activity covered by Executive Order Number 12344, dated February 1, 1982, pertaining to the naval nuclear propulsion program;

"(2) a nuclear waste storage or disposal facility that is under the control or jurisdiction of the Secretary;

"(3) a testing and assembly facility that is under the control or jurisdiction of the Secretary and that is operated for national security purposes (including the Nevada Test Site, Nevada; the Pinnellas Plant, Florida; and the Pantex facility, Texas);

"(4) an atomic weapons research facility that is under the control or jurisdiction of the Secretary (including Lawrence Livermore, Los Alamos, and Sandia National Laboratories); or

"(5) any facility described in paragraphs (1) through (4) that—

"(A) is no longer in operation;

"(B) was under the control or jurisdiction of the Department of Defense, the Atomic Energy Commission, or the Energy Research and Development Administration; and

"(C) was operated for national security purposes.".

(6) AUTHORITY TO PROVIDE CERTIFICATE OF COMMENDATION TO EMPLOYEES.—Section 3195 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–481) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4605; and

(C) inserted after section 4604, as added by paragraph (5).

(7) SUBTITLE HEADING ON TRAINING AND EDUCATION.—Title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Education and Training".

(8) EXECUTIVE MANAGEMENT TRAINING.—Section 3142 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1680) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4621;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (7); and

(D) amended in the section heading by adding a period at the end.

(9) STOCKPILE STEWARDSHIP RECRUITMENT AND TRAINING PROGRAM.—Section 3131 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3085) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4622;

(C) inserted after section 4621, as added by paragraph (8); and

(D) amended—

(i) in subsection (a)(1), by striking "section 3138 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note)" and inserting "section 4201"; and

(ii) in subsection (b)(2), by inserting "of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337)" after "section 3101(a)(1)".

(10) FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO NUCLEAR WEAPONS COMPLEX.—Section 3140 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat 621), as amended by section 3162 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 943), is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4623; and

(C) inserted after section 4622, as added by paragraph (9).

(11) SUBTITLE HEADING ON WORKER SAFETY.—Title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Worker Safety".

(12) WORKER PROTECTION AT NUCLEAR WEAPONS FACILITIES.—Section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4641;

(C) inserted after the heading for subtitle C of such title, as added by paragraph (11); and

(D) amended in subsection (e) by inserting "of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190)" after "section 3101(9)(A)".

(13) SAFETY OVERSIGHT AND ENFORCEMENT AT DEFENSE NUCLEAR FACILITIES.—Section 3163 of the

National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3097) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4642;

(C) inserted after section 4641, as added by paragraph (12); and

(D) amended in subsection (b) by striking "90 days after the date of the enactment of this Act," and inserting "January 5, 1995,".

(14) PROGRAM TO MONITOR WORKERS AT DEFENSE NUCLEAR FACILITIES EXPOSED TO HAZARDOUS OR RADIOACTIVE SUBSTANCES.—Section 3162 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2646) is—

(A) transferred to title XLVI of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4643;

(C) inserted after section 4642, as added by paragraph (13); and

(D) amended—

(i) in subsection (b)(6), by striking "1 year after the date of the enactment of this Act" and inserting "October 23, 1993";

(ii) in subsection (c), by striking "180 days after the date of the enactment of this Act," and inserting "April 23, 1993,"; and

(iii) by adding at the end the following new subsection:

"(c) DEFINITIONS.—In this section:

"(1) The term 'Department of Energy defense nuclear facility' has the meaning given that term in section 4604(g).

"(2) The term 'Department of Energy employee' means any employee of the Department of Energy employed at a Department of Energy defense nuclear facility, including any employee of a contractor of subcontractor of the Department of Energy employed at such a facility.".

(j) BUDGET AND FINANCIAL MANAGEMENT MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS

"Subtitle A—Recurring National Security Authorization Provisions".

(2) RECURRING NATIONAL SECURITY AUTHORIZATION PROVISIONS.—Sections 3620 through 3631 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2756) are—

(A) transferred to title XLVII of division D of such Act, as added by paragraph (1);

(B) redesignated as sections 4701 through 4712, respectively;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) in section 4702, as so redesignated, by striking "sections 3629 and 3630" and inserting "sections 4710 and 4711";

(ii) in section 4706(a)(3)(B), as so redesignated, by striking "section 3626" and inserting "section 4707";

(iii) in section 4707(c), as so redesignated, by striking "section 3625(b)(2)" and inserting "section 4706(b)(2)";

(iv) in section 4710(c), as so redesignated, by striking "section 3621" and inserting "section 4702";

(v) in section 4711(c), as so redesignated, by striking "section 3621" and inserting "section 4702"; and

(vi) in section 4712, as so redesignated, by striking "section 3621" and inserting "section 4702".

(3) SUBTITLE HEADING ON PENALTIES.—Title XLVII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Penalties".

(4) RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER ENVIRONMENTAL LAWS.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 4063) is—

(A) transferred to title XLVII of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4721;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (3); and

(D) amended in the section heading by adding a period at the end.

(5) RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER CLEAN AIR ACT.—Section 211 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540; 94 Stat. 3203) is—

(A) transferred to title XLVII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4721, as added by paragraph (4); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading: ***"SEC. 4722. RESTRICTION ON USE OF FUNDS TO PAY PENALTIES UNDER CLEAN AIR ACT."****;*

(ii) by striking SEC. 211."; and

(iii) by striking "this or any other Act" and inserting "the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (Public Law 96–540) or any other Act".

(6) SUBTITLE HEADING ON OTHER MATTERS.—Title XLVII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Other Matters".

(7) SINGLE REQUEST FOR AUTHORIZATION OF APPROPRIATIONS FOR COMMON DEFENSE AND SECURITY PROGRAMS.—Section 208 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979 (Public Law 95–509; 92 Stat. 1779) is—

(A) transferred to title XLVII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle C of such title, as added by paragraph (6); and

(C) amended—

(i) by striking the section heading and inserting the following new section heading:

"SEC. 4731. SINGLE REQUEST FOR AUTHORIZATION OF APPROPRIATIONS FOR COMMON DEFENSE AND SECURITY PROGRAMS."*; and*

(ii) by striking "SEC. 208.".

(k) ADMINISTRATIVE MATTERS.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLVIII—ADMINISTRATIVE MATTERS

"Subtitle A—Contracts".

(2) COSTS NOT ALLOWED UNDER CERTAIN CONTRACTS.—Section 1534 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 774), as amended by section 3131 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1238), is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4801;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (b)(1), by striking "the date of the enactment of this Act," and inserting "November 8, 1985,".

(3) PROHIBITION ON BONUSES TO CONTRACTORS OPERATING DEFENSE NUCLEAR FACILITIES.—Section 3151 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1682) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4802;

(C) inserted after section 4801, as added by paragraph (2); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking "the date of the enactment of this Act" and inserting "November 29, 1989";

(iii) in subsection (b), by striking "6 months after the date of the enactment of this Act," and inserting "May 29, 1990,"; and

(iv) in subsection (d), by striking "90 days after the date of the enactment of this Act" and inserting "March 1, 1990".

(4) CONTRACTOR LIABILITY FOR INJURY OR LOSS OF PROPERTY ARISING FROM ATOMIC WEAPONS TESTING PROGRAMS.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1837) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4803;

(C) inserted after section 4802, as added by paragraph (3); and

(D) amended—

(i) in the section heading, by adding a period at the end; and

(ii) in subsection (d), by striking "the date of the enactment of this Act" each place it appears and inserting "November 5, 1990,".

(5) SUBTITLE HEADING ON RESEARCH AND DEVELOPMENT.—Title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Research and Development".

(6) LABORATORY-DIRECTED RESEARCH AND DEVELOPMENT.—Section 3132 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1832) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4811;

(C) inserted after the heading for subtitle B of such title, as added by paragraph (5); and

(D) amended in the section heading by adding a period at the end.

(7) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—

(A) LIMITATIONS ON USE OF FUNDS FOR LABORATORY DIRECTED RESEARCH AND DEVELOPMENT.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038) is—

(i) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812;

(iii) inserted after section 4811, as added by paragraph (6); and

(iv) amended—

(I) in subsection (b), by striking "section 3136(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2831; 42 U.S.C. 7257b)" and inserting "section 4812A(b)";

(II) in subsection (d)—

(aa) by striking "section 3136(b)(1)" and inserting "section 4812A(b)(1)"; and

(bb) by striking "section 3132(c) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(c))" and inserting "section 4811(c)"; and

(III) in subsection (e), by striking "section 3132(d) of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 7257a(d))" and inserting "section 4811(d)".

(B) LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2830), as amended by section 3137 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038), is—

(i) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4812A;

(iii) inserted after section 4812, as added by paragraph (7); and

(iv) amended in subsection (a) by inserting "of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201)" after "section 3101".

(8) CRITICAL TECHNOLOGY PARTNERSHIPS.—Section 3136 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1577), as amended by section 203(b)(3) of Public Law 103–35 (107 Stat. 102), is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4813; and

(C) inserted after section 4812A, as added by paragraph (7)(B).

(9) UNIVERSITY-BASED RESEARCH COLLABORATION PROGRAM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4814;

(C) inserted after section 4813, as added by paragraph (8); and

(D) amended in subsection (c) by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85)".

(10) SUBTITLE HEADING ON FACILITIES MANAGEMENT.—Title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Facilities Management".

(11) TRANSFERS OF REAL PROPERTY AT CERTAIN FACILITIES.—Section 3158 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2046) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4831; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (10).

(12) ENGINEERING AND MANUFACTURING RESEARCH, DEVELOPMENT, AND DEMONSTRATION AT CERTAIN NUCLEAR WEAPONS PRODUCTION PLANTS.—Section 3156 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–467) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4832; and

(C) inserted after section 4831, as added by paragraph (11).

(13) PILOT PROGRAM ON USE OF PROCEEDS OF DISPOSAL OR UTILIZATION OF CERTAIN ASSETS.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2039) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4833;

(C) inserted after section 4832, as added by paragraph (12); and

(D) amended in subsection (d) by striking "sections 202 and 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483 and 484(j))" and inserting "subchapter II of chapter 5 and section 549 of title 40, United States Code,".

(14) SUBTITLE HEADING ON OTHER MATTERS.—Title XLVIII of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle D—Other Matters".

(15) SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.—Subsection (f) of section 3153 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2044) is—

(A) transferred to title XLVIII of division D of the Bob Stump National Defense Authoriza-

tion Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after the heading for subtitle D of such title, as added by paragraph (14); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4851. SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE."*;*

(ii) by striking "(f) SEMIANNUAL REPORTS ON LOCAL IMPACT ASSISTANCE.—"; and

(iii) by striking "section 3161(c)(6) of the National Defense Authorization Act of Fisca Year 1993 (42 U.S.C. 7274h(c)(6))" and inserting "section 4604(c)(6)".

(l) MATTERS RELATING TO PARTICULAR FACILITIES.—

(1) HEADINGS.—Division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this section, is further amended by adding at the end the following new headings:

"TITLE XLIX—MATTERS RELATING TO PARTICULAR FACILITIES

"Subtitle A—Hanford Reservation, Washington".

(2) SAFETY MEASURES FOR WASTE TANKS.—Section 3137 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1833) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as added by paragraph (1);

(B) redesignated as section 4901;

(C) inserted after the heading for subtitle A of such title, as so added; and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking "Within 90 days after the date of the enactment of this Act," and inserting "Not later than February 3, 1991,";

(iii) in subsection (b), by striking "Within 120 days after the date of the en-

actment of this Act," and inserting "Not later than March 5, 1991,";

(iv) in subsection (c), by striking "Beginning 120 days after the date of the enactment of this Act," and inserting "Beginning March 5, 1991,"; and

(v) in subsection (d), by striking "Within six months of the date of the enactment of this Act," and inserting "Not later than May 5, 1991,".

(3) PROGRAMS FOR PERSONS WHO MAY HAVE BEEN EXPOSED TO RADIATION RELEASED FROM HANFORD RESERVATION.—Section 3138 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1834), as amended by section 3138 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3087), is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4902;

(C) inserted after section 4901, as added by paragraph (2); and

(D) amended—

(i) in the section heading, by adding a period at the end;

(ii) in subsection (a), by striking "this title" and inserting "title XXXI of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510)"; and

(iii) in subsection (c)—

(I) in paragraph (2), by striking "six months after the date of the enactment of this Act," and inserting "May 5, 1991,"; and

(II) in paragraph (3), by striking "18 months after the date of the enactment of this Act," and inserting "May 5, 1992,".

(4) WASTE TANK CLEANUP PROGRAM.—Section 3139 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2250), as amended by section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–463) and section 3135 of the National Defense Authoriza-

tion Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368), is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4903;

(C) inserted after section 4902, as added by paragraph (3); and

(D) amended in subsection (d) by striking "30 days after the date of the enactment of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001," and inserting "November 29, 2000,".

(5) RIVER PROTECTION PROJECT.—Subsection (a) of section 3141 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–462) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4903, as added by paragraph (4); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4904. RIVER PROTECTION PROJECT."*; and*

(ii) by striking "(a) REDESIGNATION OF PROJECT.—".

(6) FUNDING FOR TERMINATION COSTS OF RIVER PROTECTION PROJECT.—Section 3131 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–454) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4905;

(C) inserted after section 4904, as added by paragraph (5); and

(D) amended—

(i) by striking "section 3141" and inserting "section 4904"; and

(ii) by striking "the date of the enactment of this Act" and inserting "October 30, 2000".

(7) SUBTITLE HEADING ON SAVANNAH RIVER SITE, SOUTH CAROLINA.—Title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle B—Savannah River Site, South Carolina".

(8) ACCELERATED SCHEDULE FOR ISOLATING HIGH-LEVEL NUCLEAR WASTE AT DEFENSE WASTE PROCESSING FACILITY.—Section 3141 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as 4911; and

(C) inserted after the heading for subtitle B of such title, as added by paragraph (7).

(9) MULTI-YEAR PLAN FOR CLEAN-UP.—Subsection (e) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2834) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4911, as added by paragraph (8); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4912. MULTI-YEAR PLAN FOR CLEAN-UP."*; and*

(ii) by striking "(e) MULTI-YEAR PLAN FOR CLEAN-UP AT SAVANNAH RIVER SITE.—The Secretary" and inserting "The Secretary of Energy".

(10) CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.—

(A) FISCAL YEAR 2001.—Subsection (a) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat 1654A–460) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Au-

thorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4912, as added by paragraph (9); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4913. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS."*; and*

(II) by striking "(a) CONTINUATION.—".

(B) FISCAL YEAR 2000.—Section 3132 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 924) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4913A; and

(iii) inserted after section 4913, as added by subparagraph (A).

(C) FISCAL YEAR 1999.—Section 3135 of the Strom Thurmond National Defense Author-

ization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2248) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4913B; and

(iii) inserted after section 4913A, as added by subparagraph (B).

(D) FISCAL YEAR 1998.—Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2038) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4913B, as added by subparagraph (C); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4913C. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS."*; and*

(II) by striking "(b) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—".

(E) FISCAL YEAR 1997.—Subsection (f) of section 3142 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4913C, as added by subparagraph (D); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4913D. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS."*;*

(II) by striking "(f) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Sec-

retary" and inserting "The Secretary of Energy"; and

(III) by striking "subsection (e)" and inserting "section 4912".

(11) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—Subsection (b) of section 3137 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–460) is—

(A) transferred to title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4913D, as added by paragraph (10)(E); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4914. LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY."*;*

(ii) by striking "(b) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—";

(iii) by striking "this or any other Act" and inserting "the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) or any other Act"; and

(iv) by striking "the Secretary" in the matter preceding paragraph (1) and inserting "the Secretary of Energy".

(12) DISPOSITION OF PLUTONIUM.—

(A) DISPOSITION OF WEAPONS USABLE PLUTONIUM.—Section 3182 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2747) is—

(i) transferred to title XLIX of division D of such Act, as amended by this subsection;

(ii) redesignated as section 4915; and

(iii) inserted after section 4914, as added by paragraph (11).

(B) DISPOSITION OF SURPLUS DEFENSE PLUTONIUM.—Section 3155 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1378) is—

(i) transferred to title XLIX of division D of the Bob Stump National Defense Au-

thorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4915A; and

(iii) inserted after section 4915, as added by subparagraph (A).

(13) SUBTITLE HEADING ON OTHER FACILITIES.—Title XLIX of division D of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection, is further amended by adding at the end the following new subtitle heading:

"Subtitle C—Other Facilities".

(14) PAYMENT OF COSTS OF OPERATION AND MAINTENANCE OF INFRASTRUCTURE AT NEVADA TEST SITE.—Section 3144 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2838) is—

(A) transferred to title XLIX of division D of such Act, as amended by this subsection;

(B) redesignated as section 4921; and

(C) inserted after the heading for subtitle C of such title, as added by paragraph (13).

(m) CONFORMING AMENDMENTS.—(1) Title XXXVI of the Bob Stump National Defense Authorization Act for Fis-

cal Year 2003 (Public Law 107–314; 116 Stat. 1756) is repealed.

(2) Subtitle E of title XXXI of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274h et seq.) is repealed.

(3) Section 8905a(d)(5)(A) of title 5, United States Code, is amended by striking "section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)" and inserting "section 4421 of the Atomic Energy Defense Act".

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2004, $19,559,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2004, the National Defense Stockpile Manager may obligate up to $69,701,000 of the funds in the National De-

fense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3302. REVISIONS TO OBJECTIVES FOR RECEIPTS FOR FISCAL YEAR 2000 DISPOSALS.

(a) IN GENERAL.—Section 3402(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 972; 59 U.S.C. 98d note) is amended—

(1) by striking "and" at the end of paragraph (2); and

(2) by striking paragraph (3) and inserting the following new paragraphs:

"(3) $310,000,000 before the end of fiscal year 2008; and

"(4) $320,000,000 before the end of fiscal year 2009.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2003, or the date of the enactment of this Act, whichever is later.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $16,500,000 for fiscal year 2004 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

Subtitle A—General Provisions

SEC. 3501. SHORT TITLE.

This title may be cited as the "Maritime Security Act of 2003".

SEC. 3502. DEFINITIONS.

In this subtitle:

(1) BULK CARGO.—The term "bulk cargo" means cargo that is loaded and carried in bulk without mark or count.

(2) CONTRACTOR.—The term "contractor" means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary under section 3512.

(3) FLEET.—The term "Fleet" means the Maritime Security Fleet established under section 3511(a).

(4) FOREIGN COMMERCE.—The term "foreign commerce"—

(A) subject to subparagraph (B), means commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

(B) includes, in the case of liquid and dry bulk cargo carrying services, trading between for-

eign ports in accordance with normal commercial bulk shipping practices in such manner as will permit United States-documented vessels freely to compete with foreign-flag bulk carrying vessels in their operation or in competing for charters, subject to rules and regulations promulgated by the Secretary of Transportation pursuant to subtitle B or C.

(5) FORMER PARTICIPATING FLEET VESSEL.—The term "former participating fleet vessel" means—

(A) any vessel that—

(i) on October 1, 2005—

(I) will meet the requirements of paragraph (1), (2), (3), or (4) of section 3511(c); and

(II) will be less than 25 years of age, or less than 30 years of age in the case of a LASH vessel; and

(ii) on December 31, 2003, is covered by an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1187 et seq.); and

(B) any vessel that—

(i) is a replacement for a vessel described in subparagraph (A);

(ii) is controlled by the person that controls such replaced vessel;

(iii) is eligible to be included in the Fleet under section 3511(b);

(iv) is approved by the Secretary and the Secretary of Defense; and

(v) begins operation under an operating agreement under subtitle B by not later than the end of the 30-month period beginning on the date the operating agreement is entered into by the Secretary.

(6) LASH VESSEL.—The term "LASH vessel" means a lighter aboard ship vessel.

(7) PERSON.—The term "person" includes corporations, partnerships, and associations existing under or authorized by the laws of the United States, or any State, Territory, District, or possession thereof, or of any foreign country.

(8) PRODUCT TANK VESSEL.—The term "product tank vessel" means a double hulled tank vessel capable of carrying simultaneously more than 2 separated grades of refined petroleum products.

(9) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(10) UNITED STATES.—The term "United States" includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands.

(11) UNITED STATES-DOCUMENTED VESSEL.—The term "United States-documented vessel" means a vessel documented under chapter 121 of title 46, United States Code.

Subtitle B—Maritime Security Fleet

SEC. 3511. ESTABLISHMENT OF MARITIME SECURITY FLEET.

(a) IN GENERAL.—The Secretary of Transportation shall establish a fleet of active, militarily useful, privately owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-documented vessels for which there are in effect operating agreements under this subtitle, and shall be known as the Maritime Security Fleet.

(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if—

(1) the vessel meets the requirements of paragraph (1), (2), (3), or (4) of subsection (c);

(2) the vessel is operated (or in the case of a vessel to be constructed, will be operated) in providing transportation in foreign commerce;

(3) the vessel is self-propelled and is—

(A) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units and that is 15 years of age or less on the date the vessel is included in the Fleet;

(B) a tank vessel that is constructed in the United States after the date of the enactment of this subtitle;

(C) a tank vessel that is 10 years of age or less on the date the vessel is included in the Fleet;

(D) a LASH vessel that is 25 years of age or less on the date the vessel is included in the Fleet; or

(E) any other type of vessel that is 15 years of age or less on the date the vessel is included in the Fleet;

except that the Secretary of Transportation shall waive the application of an age restriction under this paragraph if the waiver is requested by the Secretary of Defense;

(4) the vessel is determined by the Secretary of Defense to be suitable for use by the United States for

national defense or military purposes in time of war or national emergency; and

(5) the vessel—

(A) is a United States-documented vessel; or

(B) is not a United States-documented vessel, but—

(i) the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of title 46, United States Code, if it is included in the Fleet; and

(ii) at the time an operating agreement for the vessel is entered into under this subtitle, the vessel is eligible for documentation under chapter 121 of title 46, United States Code.

(c) REQUIREMENTS REGARDING CITIZENSHIP OF OWNERS AND CHARTERERS.—

(1) VESSEL OWNED AND OPERATED BY SECTION 2 CITIZENS.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this subtitle that applies to the vessel, the vessel will be owned and operated by persons one or more persons that are citizens of the United

States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802).

(2) VESSEL OWNED BY SECTION 2 CITIZEN AND CHARTERED TO DOCUMENTATION CITIZEN.—A vessel meets the requirements of this paragraph if—

(A) during the period of an operating agreement under this subtitle that applies to the vessel, the vessel will be—

(i) owned by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802); and

(ii) demise chartered to a person—

(I) that is eligible to document the vessel under chapter 121 of title 46, United States Code;

(II) the chairman of the board of directors, chief executive officer, and a majority of the members of the board of directors of which are citizens of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802), and are appointed and subjected to removal only upon approval by the Secretary; and

(III) that certifies that there are no treaties, statutes, regulations, or other laws that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this subtitle; and

(B) in the case of a vessel that will be chartered to a person that is owned or controlled by another person that is not a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802), the other person enters into an agreement with the Secretary not to influence the operation of the vessel in a manner that will adversely affect the interests of the United States.

(3) VESSEL OWNED AND OPERATED BY DEFENSE CONTRACTOR.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this subtitle that applies to the vessel, the vessel will be owned and operated by one or more persons that—

(A) are eligible to document a vessel under chapter 121 of title 46, United States Code;

(B) operates or manages other United States-documented vessels for the Secretary of

Defense, or charters other vessels to the Secretary of Defense;

(C) has entered into a Special Security Agreement for purposes of this paragraph with the Secretary of Defense;

(D) makes the certification described in paragraph (2)(A)(ii)(III); and

(E) in the case of a vessel described in paragraph (2)(B), enters into an agreement referred to in that paragraph.

(4) VESSEL OWNED BY DOCUMENTATION CITIZEN AND CHARTERED TO SECTION 2 CITIZEN.—A vessel meets the requirements of this paragraph if, during the period of an operating agreement under this subtitle that applies to the vessel, the vessel will be—

(A) owned by a person that is eligible to document a vessel under chapter 121 of title 46, United States Code; and

(B) demise chartered to a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802).

(d) REQUEST BY SECRETARY OF DEFENSE.—The Secretary of Defense shall request the Secretary of Homeland Security to issue any waiver under the first section of Pub-

lic Law 81–891 (64 Stat. 1120; 46 App. U.S.C. note prec. 3) that is necessary for purposes of this subtitle.

SEC. 3512. AWARD OF OPERATING AGREEMENTS.

(a) IN GENERAL.—The Secretary shall require, as a condition of including any vessel in the Fleet, that the person that is the owner or charterer of the vessel for purposes of section 3511(c) enter into an operating agreement with the Secretary under this section.

(b) PROCEDURE FOR APPLICATIONS.—

(1) ACCEPTANCE OF APPLICATIONS.—Beginning no later than 30 days after the effective date of this subtitle, the Secretary shall accept applications for enrollment of vessels in the Fleet.

(2) ACTION ON APPLICATIONS.—Within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall enter into an operating agreement with the applicant or provide in writing the reason for denial of that application.

(c) PRIORITY FOR AWARDING AGREEMENTS.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

(A) NEW TANK VESSELS.—First, for any tank vessel that—

(i) is constructed in the United States after the effective date of this subtitle;

(ii) is eligible to be included in the Fleet under section 3511(b); and

(iii) during the period of an operating agreement under this subtitle that applies to the vessel, will be owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802),

except that the Secretary shall not enter into operating agreements under this subparagraph for more than 5 such vessels.

(B) FORMER PARTICIPATING VESSELS.—Second, to the extent amounts are available after applying subparagraphs (A), for any former participating fleet vessel, except that the Secretary shall not enter into operating agreements under this subparagraph for more than 47 vessels.

(C) CERTAIN VESSELS OPERATED BY SECTION 2 CITIZENS.—Third, to the extent amounts are available after applying subparagraphs (A) and (B), for any other vessel that is eligible to be included in the Fleet under section 3511(b),

and that, during the period of an operating agreement under this subtitle that applies to the vessel, will be—

(i) owned and operated by one or more persons that are citizens of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802); or

(ii) owned by a person that is eligible to document the vessel under chapter 121 of title 46, United States Code, and operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802).

(D) OTHER ELIGIBLE VESSELS.—Fourth, to the extent amounts are available after applying subparagraphs (A), (B), and (C), for any other vessel that is eligible to be included in the Fleet under section 3511(b).

(2) REDUCTION IN NUMBER OF SLOTS FOR FORMER PARTICIPATING FLEET VESSELS.—The number in paragraph (1)(B) shall be reduced by 1—

(A) for each former participating fleet vessel for which an application for enrollment in the Fleet is not received by the Secretary within the

90-day period beginning on the effective date of this subtitle; and

(B) for each former participating fleet vessel for which an application for enrollment in the Fleet received by the Secretary is not approved by the Secretary of Defense within the 90-day period beginning on the date of such receipt.

(3) DISCRETION WITHIN PRIORITY.—The Secretary—

(A) subject to subparagraph (B), may award operating agreements within each priority under paragraph (1) as the Secretary considers appropriate; and

(B) shall award operating agreement within a priority—

(i) in accordance with operational requirements specified by the Secretary of Defense; and

(ii) subject to the approval of the Secretary of Defense.

(4) TREATMENT OF TANK VESSEL TO BE REPLACED.—(A) For purposes of the application of paragraph (1)(A) with respect to the award of an operating agreement, the Secretary may treat an existing tank vessel that is eligible to be included in the

Fleet under section 3511(b) as a vessel that is constructed in the United States after the effective date of this subtitle, if—

(i) a binding contract for construction in the United States of a replacement vessel to be operated under the operating agreement is executed by not later than 9 months after the first date amounts are available to carry out this subtitle; and

(ii) the replacement vessel is eligible to be included in the Fleet under section 3511(b).

(B) No payment under this subtitle may be made for an existing tank vessel for which an operating agreement is awarded under this paragraph after the earlier of—

(i) 4 years after the first date amounts are available to carry out this subtitle; or

(ii) the date of delivery of the replacement tank vessel.

(d) LIMITATION.—The Secretary may not award operating agreements under this subtitle that require payments under section 3515 for a fiscal year for more than 60 vessels.

SEC. 3513. EFFECTIVENESS OF OPERATING AGREEMENTS.

(a) EFFECTIVENESS, GENERALLY.—The Secretary may enter into an operating agreement under this subtitle

for fiscal year 2006. Except as provided in subsection (b), the agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations, for each subsequent fiscal year through the end of fiscal year 2015.

(b) VESSELS UNDER CHARTER TO U.S.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel that is, on the date of entry into an operating agreement, on charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 3516, shall be the expiration or termination date of the Government charter covering the vessel, or any earlier date the vessel is withdrawn from that charter.

(c) TERMINATION.—

(1) IN GENERAL.—If the contractor with respect to an operating agreement fails to comply with the terms of the agreement—

(A) the Secretary shall terminate the operating agreement; and

(B) any budget authority obligated by the agreement shall be available to the Secretary to carry out this subtitle.

(2) EARLY TERMINATION.—An operating agreement under this subtitle shall terminate on a date

specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement.

(d) NONRENEWAL FOR LACK OF FUNDS.—

(1) NOTIFICATION OF CONGRESS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by this subtitle for that fiscal year, then the Secretary shall notify the Congress that operating agreements authorized under this subtitle for which sufficient funds are not available will not be renewed for that fiscal year if sufficient funds are not appropriated by the 60th day of that fiscal year.

(2) RELEASE OF VESSELS FROM OBLIGATIONS.—If funds are not appropriated under the authority provided by this subtitle for any fiscal year by the 60th day of that fiscal year, then each vessel covered by an operating agreement under this subtitle for which funds are not available—

(A) is thereby released from any further obligation under the operating agreement;

(B) the owner or operator of the vessel may transfer and register such vessel under a foreign registry that is acceptable to the Secretary of

Transportation and the Secretary of Defense, notwithstanding section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808); and

(C) if section 902 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1242) is applicable to such vessel after registration of the vessel under such a registry, then the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902 of such Act.

SEC. 3514. OBLIGATIONS AND RIGHTS UNDER OPERATING AGREEMENTS.

(a) OPERATION OF VESSEL.—An operating agreement under this subtitle shall require that, during the period a vessel is operating under the agreement—

(1) the vessel—

(A) shall be operated exclusively in the foreign commerce or in mixed foreign commerce and domestic trade allowed under a registry endorsement issued under section 12105 of title 46, United States Code; and

(B) shall not otherwise be operated in the coastwise trade; and

(2) the vessel shall be documented under chapter 121 of title 46, United States Code.

(b) ANNUAL PAYMENTS BY SECRETARY.—

(1) IN GENERAL.—An operating agreement under this subtitle shall require, subject to the availability of appropriations, that the Secretary make a payment each fiscal year to the contractor in accordance with section 3515.

(2) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this subtitle constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

(c) DOCUMENTATION REQUIREMENT.—Each vessel covered by an operating agreement (including an agreement terminated under section 3513(c)(2)) shall remain documented under chapter 121 of title 46, United States Code, until the date the operating agreement would terminate according to its terms.

(d) NATIONAL SECURITY REQUIREMENTS.—

(1) IN GENERAL.—A contractor with respect to an operating agreement (including an agreement terminated under section 3513(c)(2)) shall continue to be bound by the provisions of section 3516 until the date the operating agreement would terminate according to its terms.

(2) EMERGENCY PREPAREDNESS AGREEMENT.—All terms and conditions of an Emergency Preparedness Agreement entered into under section 3516 shall remain in effect until the date the operating agreement would terminate according to its terms, except that the terms of such Emergency Preparedness Agreement may be modified by the mutual consent of the contractor and the Secretary of Transportation and the Secretary of Defense.

(e) TRANSFER OF OPERATING AGREEMENTS.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person that is eligible to enter into that operating agreement under this subtitle, if the transfer is approved by the Secretary and the Secretary of Defense.

SEC. 3515. PAYMENTS.

(a) ANNUAL PAYMENT.—

(1) IN GENERAL.—The Secretary, subject to the availability of appropriations and the other provisions of this section, shall pay to the contractor for an operating agreement, for each vessel that is covered by the operating agreement, an amount equal to—

(A) $2,600,000 for each of fiscal years 2006 and 2007, and

(B) such amount, not less than $2,600,000, for each fiscal year thereafter for which the agreement is in effect as the Secretary, with the concurrence of the Secretary of Defense, considers to be necessary to meet the operational requirements of the Secretary of Defense.

(2) TIMING.—The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

(b) CERTIFICATION REQUIRED FOR PAYMENT.—As a condition of receiving payment under this section for a fiscal year for a vessel, the contractor for the vessel shall certify, in accordance with regulations issued by the Secretary, that the vessel has been and will be operated in accordance with section 3514(a)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

(c) LIMITATIONS.—The Secretary of Transportation shall not make any payment under this subtitle for a vessel with respect to any days for which the vessel is—

(1) under a charter to the United States Government, other than a charter pursuant to an Emergency Preparedness Agreement under section 3516;

(2) not operated or maintained in accordance with an operating agreement under this subtitle; or

(3) more than—

(A) 25 years of age, except as provided in subparagraph (B) or (C);

(B) 20 years of age, in the case of a tank vessel; or

(C) 30 years of age, in the case of a LASH vessel.

(d) REDUCTIONS IN PAYMENTS.—With respect to payments under this subtitle for a vessel covered by an operating agreement, the Secretary—

(1) except as provided in paragraph (2), shall not reduce any payment for the operation of the vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 App. U.S.C. 1241–1), section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States;

(2) shall not make any payment for any day that the vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b of the Merchant

Marine Act, 1936 (46 App. U.S.C. 1241(a), 1241(b), or 1241f), that is cargo; and

(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that the vessel is not operated in accordance with section 3514(a)(1), with days during which the vessel is drydocked or undergoing survey, inspection, or repair considered to be days on which the vessel is operated.

SEC. 3516. NATIONAL SECURITY REQUIREMENTS.

(a) EMERGENCY PREPAREDNESS AGREEMENT REQUIRED.—The Secretary shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary shall include in each operating agreement under this subtitle a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this subtitle.

(b) TERMS OF AGREEMENT.—

(1) IN GENERAL.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, or whenever determined

by the Secretary of Defense to be necessary for national security or contingency operation (as that term is defined in section 101 of title 10, United States Code), a contractor for a vessel covered by an operating agreement under this subtitle shall make available commercial transportation resources (including services).

(2) BASIC TERMS.—(A) The basic terms of the Emergency Preparedness Agreement shall be established (subject to subparagraph (B)) pursuant to consultations among the Secretary and the Secretary of Defense.

(B) In any Emergency Preparedness Agreement, the Secretary and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances if those terms have been approved by the Secretary of Defense.

(c) PARTICIPATION AFTER EXPIRATION OF OPERATING AGREEMENT.—Except as provided by section 3514(c), the Secretary may not require, through an Emergency Preparedness Agreement or operating agreement, that a contractor continue to participate in an Emergency Preparedness Agreement after the operating agreement with the contractor has expired according to its terms or is otherwise no longer in effect. After expiration of an Emergency Pre-

paredness Agreement, a contractor may volunteer to continue to participate in such an agreement.

(d) RESOURCES MADE AVAILABLE.—The commercial transportation resources to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, intermodal and management services, and other related services, or any agreed portion of such non-vessel resources for activation as the Secretary of Defense may determine to be necessary, seeking to minimize disruption of the contractor's service to commercial shippers.

(e) COMPENSATION.—

(1) IN GENERAL.—The Secretary shall include in each Emergency Preparedness Agreement provisions approved by the Secretary of Defense under which the Secretary of Defense shall pay fair and reasonable compensation for all commercial transportation resources provided pursuant to this section.

(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

(A) shall not be less than the contractor's commercial market charges for like transportation resources;

(B) shall be fair and reasonable considering all circumstances;

(C) shall be provided from the time that a vessel or resource is required by the Secretary of Defense until the time that it is redelivered to the contractor and is available to reenter commercial service; and

(D) shall be in addition to and shall not in any way reflect amounts payable under section 3515.

(f) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 App. U.S.C. 1241–1), section 901(a), 901(b), or 901b of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241(a), 1241(b), or 1241f), or any other cargo preference law of the United States—

(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated by the Secretary of Defense under an Emergency Preparedness Agreement or under a primary Department of Defense-approved sealift readiness program; and

(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of

title 10, United States Code, the Act of March 26, 1934 (46 App. U.S.C. 1241–1), and sections 901(a), 901(b), and 901b of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241(a), 1241(b), and 1241b) to the same extent as the eligibility of the vessel or vessel capacity replaced.

(g) REDELIVERY AND LIABILITY OF U.S. FOR DAMAGES.—

(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Secretary of Defense shall fully compensate the contractor for any necessary repair or replacement.

(2) LIMITATION ON LIABILITY OF U.S.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor's commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources under an Emergency Preparedness Agreement.

SEC. 3517. REGULATORY RELIEF.

(a) OPERATION IN FOREIGN COMMERCE.—A contractor for a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction.

(b) OTHER RESTRICTIONS.—The restrictions of section 901(b)(1) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1241(b)(1)) concerning the building, rebuilding, or documentation of a vessel in a foreign country shall not apply to a vessel for any day the operator of that vessel is receiving payments for operation of that vessel under an operating agreement under this subtitle.

SEC. 3518. SPECIAL RULE REGARDING AGE OF FORMER PARTICIPATING FLEET VESSEL.

Sections 3511(b)(3) and 3515(c)(3) shall not apply to a former participating fleet vessel described in section 3502(5)(A), during the 30-month period referred to in section 3502(5)(B)(v) with respect to the vessel, if the Secretary determines that the contractor for the vessel has entered into an arrangement to obtain and operate under the operating agreement for the former participating fleet vessel a replacement vessel that, upon commencement of such operation, will be eligible to be included in the Fleet under section 3511(b).

SEC. 3519. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for payments under section 3515, to remain available until expended, $156,000,000 for each of fiscal years 2006 and 2007, and such sums as may be necessary for each fiscal year thereafter through fiscal year 2015.

SEC. 3520. AMENDMENT TO SHIPPING ACT, 1916.

Section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808) is amended by adding at the end the following:

"(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

"(1)(A) the Secretary, with the concurrence of the Secretary of Defense, determines that at least one replacement vessel of like capability and of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code, by the owner of the vessel placed under the foreign registry; and

"(B) the replacement vessel is not more than 10 years of age on the date of that documentation; and

"(2) an operating agreement covering the vessel under the Maritime Security Act of 2003 has expired.".

SEC. 3521. REGULATIONS.

(a) IN GENERAL.—The Secretary of Transportation and the Secretary of Defense may each prescribe rules as necessary to carry out this subtitle and the amendments made by this subtitle.

(b) INTERIM RULES.—The Secretary of Transportation and the Secretary of Defense may each prescribe interim rules necessary to carry out this subtitle and the amendments made by this subtitle. For this purpose, the Secretaries are excepted from compliance with the notice and comment requirements of section 553 of title 5, United States Code. All interim rules prescribed under the authority of this subsection that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of this subtitle.

SEC. 3522. REPEALS AND CONFORMING AMENDMENTS.

(a) REPEALS.—The following provisions are repealed:

(1) Subtitle B of title VI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1187 et seq.).

(2) Section 804 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1222).

(b) CONFORMING AMENDMENT.—Section 12102(d)(4) of title 46, United States Code, is amended by inserting "or section 3511(b) of the Maritime Security Act of 2003" after "Merchant Marine Act, 1936".

SEC. 3523. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), this subtitle shall take effect October 1, 2004.

(b) REPEALS AND CONFORMING AMENDMENTS.—Section 3522 shall take effect October 1, 2005.

(c) REGULATIONS.—Section 3521 and this section shall take effect on the date of the enactment of this Act.

Subtitle C—National Defense Tank Vessel Construction Assistance

SEC. 3531. NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM.

The Secretary of Transportation shall establish a program for the provision of financial assistance for the construction in the United States of a fleet of up to 5 privately owned product tank vessels—

(1) to be operated in commercial service in foreign commerce; and

(2) to be available for national defense purposes in time of war or national emergency pursuant to an Emergency Preparedness Plan approved by the Sec-

retary of Defense pursuant to section 3533(e) of this subtitle.

SEC. 3532. APPLICATION PROCEDURE. –

(a) REQUEST FOR PROPOSALS.—Within 90 days after the date of the enactment of this subtitle, and on an as-needed basis thereafter, the Secretary, in consultation with the Secretary of Defense, shall publish in the Federal Register a request for competitive proposals for the construction of new product tank vessels necessary to meet the commercial and national security needs of the United States and to be built with assistance under this subtitle.

(b) QUALIFICATION.—Any citizen of the United States or any shipyard in the United States may submit a proposal to the Secretary of Transportation for purposes of constructing a product tank vessel with assistance under this subtitle.

(c) REQUIREMENT.—The Secretary, with the concurrence of the Secretary of Defense, may enter into an agreement with the submitter of a proposal for assistance under this subtitle if the Secretary determines that—

(1) the plans and specifications call for construction of a new product tank vessel of not less than 35,000 deadweight tons and not greater than 60,000 deadweight tons, that—

(A) will meet the requirements of foreign commerce;

(B) is capable of carrying militarily useful petroleum products, and will be suitable for national defense or military purposes in time of war, national emergency, or other military contingency; and

(C) will meet the construction standards necessary to be documented under the laws of the United States;

(2) the shipyard in which the vessel will be constructed has the necessary capacity and expertise to successfully construct the proposed number and type of product tank vessels in a reasonable period of time as determined by the Secretary of Transportation, taking into consideration the recent prior commercial shipbuilding history of the proposed shipyard in delivering a vessel or series of vessels on time and in accordance with the contract price and specifications; and

(3) the person proposed to be the operator of the proposed vessel possesses the ability, experience, financial resources, and any other qualifications determined to be necessary by the Secretary for the operation and maintenance of the vessel.

(d) PRIORITY.—The Secretary—

(1) subject to paragraph (2), shall give priority consideration to a proposal submitted by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916 (46 App. U.S.C. 802); and

(2) may give priority to consideration of proposals that provide the best value to the Government, taking into consideration—

(A) the costs of vessel construction; and

(B) the commercial and national security needs of the United States.

SEC. 3533. AWARD OF ASSISTANCE.

(a) IN GENERAL.—If after review of a proposal, the Secretary determines that the proposal fulfills the requirements under this subtitle, the Secretary may enter into a contract with the proposed purchaser and the proposed shipyard for the construction of a product tank vessel with assistance under this subtitle.

(b) AMOUNT OF ASSISTANCE.—The contract shall provide that the Secretary shall pay, subject to the availability of appropriations, up to 75 percent of the actual construction cost of the vessel, but in no case more than $50,000,000 per vessel.

(c) CONSTRUCTION IN UNITED STATES.—A contract under this section shall require that construction of a vessel

with assistance under this subtitle shall be performed in a shipyard in the United States.

(d) DOCUMENTATION OF VESSEL.—

(1) CONTRACT REQUIREMENT.—A contract under this section shall require that, upon delivery of a vessel constructed with assistance under the contract, the vessel shall be documented under chapter 121 of title 46, United States Code with a registry endorsement only.

(2) RESTRICTION ON COASTWISE ENDORSEMENT.—A vessel constructed with assistance under this subtitle shall not be eligible for a certificate of documentation with a coastwise endorsement.

(3) AUTHORITY TO REFLAG NOT APPLICABLE.—Section 9(e) of the Shipping Act, 1916, (46 App. U.S.C. 808(e)) shall not apply to a vessel constructed with assistance under this subtitle.

(e) EMERGENCY PREPAREDNESS AGREEMENT.—

(1) IN GENERAL.—A contract under this section shall require that the person who will be the operator of a vessel constructed with assistance under the contract shall enter into an Emergency Preparedness Agreement for the vessel under section 3516.

(2) TREATMENT AS CONTRACTOR.—For purposes of the application, under paragraph (1), of section

3516 to a vessel constructed with assistance under this subtitle, the term "contractor" as used in section 3516 means the person who will be the operator of a vessel constructed with assistance under this subtitle.

(f) ADDITIONAL TERMS.—The Secretary shall incorporate in the contract the requirements set forth in this subtitle, and may incorporate in the contract any additional terms the Secretary considers necessary.

SEC. 3534. PRIORITY FOR TITLE XI ASSISTANCE.

Section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273) is amended by adding at the end the following:

"(i) PRIORITY.—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall give priority to guarantees and commitments for vessels that are otherwise eligible for a guarantee under this section and that are constructed with assistance under subtitle C of the Maritime Security Act of 2003.".

SEC. 3535. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary to carry out this subtitle a total of $250,000,000 for fiscal years after fiscal year 2004.

Subtitle D—Maritime Administration Authorization

SEC. 3541. AUTHORIZATION OF APPROPRIATIONS FOR MARITIME ADMINISTRATION FOR FISCAL YEAR 2004.

Funds are hereby authorized to be appropriated for fiscal year 2004, 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, $104,400,000, of which $13,000,000 is for capital improvements at the United States Merchant Marine Academy.

(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.), $39,498,000, of which—

(A) $35,000,000 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) $4,498,000 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, $20,000,000.

SEC. 3542. AUTHORITY TO CONVEY VESSEL USS HOIST (ARS–40).

(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 HOIST (ARS–40), to the Last Patrol Museum, located in Toledo, Ohio (a not-for-profit corporation, in this section referred to as the "recipient"), for use as a military museum, if—

(1) the recipient agrees to use the vessel as a nonprofit military museum;

(2) the vessel is not used for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government when the Secretary requires use of the vessel by the Government;

(4) the recipient agrees that when the recipient no longer requires the vessel for use as a military museum—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State of New York, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes;

(5) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, or lead paint after conveyance of the vessel, except for claims arising from use by the Government under paragraph (3) or (4); and

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a writ-

ten loan commitment, financial resources of at least $100,000.

(b) DELIVERY OF VESSEL.—If a conveyance is made under this section, the Secretary shall deliver the vessel at the place where the vessel is located on the date of enactment of this Act, in its present condition, and without cost to the Government.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may also convey any unneeded equipment from other vessels in the National Defense Reserve Fleet in order to restore the USS HOIST (ARS–40) to museum quality.

(d) RETENTION OF VESSEL IN NDRF.—

(1) IN GENERAL.—The Secretary shall retain in the National Defense Reserve Fleet the vessel authorized to be conveyed under subsection (a), until the earlier of—

(A) 2 years after the date of the enactment of this Act; or

(B) the date of conveyance of the vessel under subsection (a).

(2) LIMITATION.—Paragraph (1) does not require the Secretary to retain the vessel in the National Defense Reserve Fleet if the Secretary determines that retention of the vessel in the fleet will pose an unacceptable risk to the marine environment.

Amend the title so as to read: ''A bill to authorize appropriations for fiscal year 2004 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.''.

Union Calendar No. 53

108TH CONGRESS
1ST SESSION

H. R. 1588

[Report No. 108–106]

A BILL

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

MAY 16, 2003

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed