108TH CONGRESS
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REPORT
108–354

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

CONFERENCE REPORT

TO ACCOMPANY

H.R. 1588

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108TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT 108–354

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

NOVEMBER 7 (legislative day, NOVEMBER 6), 2003.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 1588]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1588), 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

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

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.

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.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.

Subtitle B—Army Programs

Sec. 111. Stryker vehicle program.
Sec. 112. CH–47 helicopter program.

Subtitle C—Navy Programs

Sec. 121. Multiyear procurement authority for F/A–18 aircraft program.
Sec. 122. Multiyear procurement authority for Tactical Tomahawk cruise missile program.
Sec. 123. Multiyear procurement authority for Virginia class submarine program.
Sec. 124. Multiyear procurement authority for E–2C aircraft program.
Sec. 125. Multiyear procurement authority for Phalanx Close In Weapon System program.
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Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Termination or modification of authority to carry out certain fiscal year 2003 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 2002 projects.
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TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
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TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
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TITLE XXIV—DEFENSE AGENCIES

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Sec. 2402. Family housing.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
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TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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Sec. 2502. Authorization of appropriations, NATO.

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TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

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

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Short title.

Subtitle A—Maritime Administration Reauthorization

Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.
Sec. 3512. Conveyance of obsolete vessels under title V, Merchant Marine Act, 1936.
Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).
Sec. 3514. Cargo preference.
Sec. 3515. Maritime education and training.
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Subtitle D—National Defense Tank Vessel Construction Assistance

Sec. 3541. National defense tank vessel construction program.
Sec. 3542. Application procedure.
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TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

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Subtitle B—Relations Between the United States and Russia

Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.
Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.
Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.
Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

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

Subtitle B—Army Programs

Sec. 111. Stryker vehicle program.
Sec. 112. CH–47 helicopter program.

Subtitle C—Navy Programs

Sec. 121. Multiyear procurement authority for F/A–18 aircraft program.
Sec. 122. Multiyear procurement authority for Tactical Tomahawk cruise missile program.
Sec. 123. Multiyear procurement authority for Virginia class submarine program.
Sec. 124. Multiyear procurement authority for E–2C aircraft program.
Sec. 125. Multiyear procurement authority for Phalanx Close In Weapon System program.
Sec. 126. Pilot program for flexible funding of cruiser conversions and overhauls.

Subtitle D—Air Force Programs

Sec. 131. Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft.
Sec. 132. Limitation on retiring C–5 aircraft.
Sec. 133. Limitation on obligation of funds for procurement of F/A–22 aircraft.
Sec. 134. Aircraft for performance of aerial refueling mission.
Sec. 135. Procurement of tanker aircraft.

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, $2,098,985,000.

(2) For missiles, $1,549,462,000.

(3) For weapons and tracked combat vehicles, $1,997,304,000.

(4) For ammunition, $1,413,305,000.

(5) For other procurement, $4,365,246,000.

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, $9,009,948,000.

(2) For weapons, including missiles and torpedoes, $2,233,534,000.

(3) For shipbuilding and conversion, $11,729,984,000.

(4) For other procurement, $4,739,143,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement for the Marine Corps in the amount of $1,123,499,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2004 for procurement of ammunition for the Navy and the Marine Corps in the amount of $924,355,000.

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, $12,035,151,000.

(2) For ammunition, $1,284,725,000.

(3) For missiles, $4,298,505,000.

(4) For other procurement, $11,631,859,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2004 for Defense-wide procurement in the amount of $3,768,506,000.

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 80 percent 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 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 brigades designated as "Stryker brigade combat teams" 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.—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.

SEC. 112. CH–47 HELICOPTER PROGRAM.

(a) REQUIREMENT FOR STUDY.—The Secretary of the Army shall conduct a study of the feasibility and the costs and benefits of providing for the participation of a second source in the production of gears for the helicopter transmissions incorporated into CH–47 helicopters to be procured by the Army with funds authorized to be appropriated by this Act.

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study under subsection (a).

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.

(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 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.

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

(1) determines on the basis of operational testing that the Tactical Tomahawk Cruise Missile is effective for fleet use; and

(2) submits notice of such determination to the congressional defense committees.

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 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.

(c) APPLICABILITY OF SHIPBUILDER TEAMING LAW.—Paragraphs (2)(A), (3), and (4) of section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1648) shall apply in the exercise of authority to enter into a multiyear contract under subsection (a).

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 E–2C and 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 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. MULTIYEAR PROCUREMENT AUTHORITY FOR PHALANX CLOSE IN WEAPON SYSTEM 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 for the Phalanx Close In Weapon System program, Block 1B.

SEC. 126. PILOT PROGRAM FOR FLEXIBLE FUNDING OF CRUISER CONVERSIONS AND OVERHAULS.

(a) ESTABLISHMENT.—The Secretary of the Navy may carry out a pilot program of flexible funding of conversions and overhauls of cruisers of the Navy in accordance with this section.

(b) AUTHORITY.—Under the pilot program, the Secretary may, subject to subsection (d), transfer amounts described in subsection (c) to the appropriation for the Navy for procurement for shipbuilding and conversion for any fiscal year to continue to provide funds for any conversion or overhaul of a cruiser of the Navy for which funds were initially provided from the appropriation to which transferred.

(c) FUNDS AVAILABLE FOR TRANSFER.—The amounts available for transfer under this section are amounts appropriated to the Navy for any fiscal year after fiscal year 2003 and before fiscal year 2013 for the following purposes:

(1) For procurement, as follows:

(A) For shipbuilding and conversion.

(B) For weapons procurement.

(C) For other procurement.

(2) For operation and maintenance.

(d) LIMITATIONS.—(1) A transfer may be made with respect to a cruiser under this section only to meet either (or both) of the following requirements:

(A) An increase in the size of the workload for conversion or overhaul to meet existing requirements for the cruiser.

(B) A new conversion or overhaul requirement resulting from a revision of the original baseline conversion or overhaul program for the cruiser.

(2) A transfer may not be made under this section before the date that is 30 days after the date on which the Secretary of the Navy transmits to the congressional defense committees a written notification of the intended transfer. The notification shall include the following matters:

(A) The purpose of the transfer.

(B) The amounts to be transferred.

(C) Each account from which the funds are to be transferred.

(D) Each program, project, or activity from which the funds are to be transferred.

(E) Each account to which the funds are to be transferred.

(F) A discussion of the implications of the transfer for the total cost of the cruiser conversion or overhaul program for which the transfer is to be made.

(e) MERGER OF FUNDS.—Amounts transferred to an appropriation with respect to the conversion or overhaul of a cruiser under this section shall be credited to and merged with other funds in the appropriation to which transferred and shall be available for the conversion or overhaul of such cruiser for the same period as the appropriation to which transferred.

(f) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The authority to transfer funds under this section is in addition to any other authority provided by law to transfer appropriated funds and is not subject to any restriction, limitation, or procedure that is applicable to the exercise of any such other authority.

(g) FINAL REPORT.—Not later than October 1, 2011, the Secretary of the Navy shall submit to the congressional defense committees a report containing the Secretary's evaluation of the efficacy of the authority provided under this section.

(h) TERMINATION OF PROGRAM.—No transfer may be made under this section after September 30, 2012.

Subtitle D—Air Force Programs

SEC. 131. ELIMINATION OF QUANTITY LIMITATIONS ON MULTIYEAR PROCUREMENT AUTHORITY FOR C–130J AIRCRAFT.

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 "up to 40 C–130J aircraft in the CC–130J configuration and up to 24 C–130J aircraft in the KC–130J configuration" and inserting "C–130J aircraft in the CC–130J and KC–130J configurations".

SEC. 132. 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 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. 133. 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 five aircraft designated to participate in the initial operational test and evaluation program for the F/A–22 aircraft, plus the avionics software test aircraft, have each been equipped with the avionics software operational flight program that is configured for initial operational test and evaluation; and

(2) before the commencement of that initial operational test and evaluation program, the six aircraft specified in paragraph (1) demonstrate, on average, a mean time between covered avionics anomalies of at least five hours.

(b) COVERED AVIONICS ANOMALIES.—For purposes of subsection (a), the term "covered avionics anomalies" means any of the following:

(1) A software event referred to as a Type 1 failure.

(2) A software event referred to as a Type 2 failure.

(3) A hardware event referred to as a Type 5 failure.

(c) 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 pe-

riod beginning on the date on which the Secretary's notification is received by those committees.

SEC. 134. AIRCRAFT FOR PERFORMANCE OF AERIAL REFUELING MISSION.

(a) RESTRICTION ON RETIREMENT OF KC–135E AIRCRAFT.—The Secretary of the Air Force shall ensure that the number of KC–135E aircraft of the Air Force that are retired in fiscal year 2004, if any, does not exceed 12 such aircraft.

(b) REQUIRED ANALYSIS.—Not later than March 1, 2004, the Secretary of the Air Force shall submit to the congressional defense committees an analysis of alternatives for meeting the aerial refueling requirements that the Air Force has the mission to meet. The Secretary shall provide for the analysis to be performed by a federally funded research and development center or another entity independent of the Department of Defense.

SEC. 135. PROCUREMENT OF TANKER AIRCRAFT.

(a) LEASED AIRCRAFT.—The Secretary of the Air Force may lease no more than 20 tanker aircraft under the multiyear aircraft lease pilot program referred to in subsection (d).

(b) MULTIYEAR PROCUREMENT AUTHORITY.—(1) Beginning with the fiscal year 2004 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the purchase of tanker aircraft necessary to meet the requirements of the Air Force for which leasing of tanker aircraft is provided for under the multiyear aircraft lease pilot program but for which the number of tanker aircraft leased under the authority of subsection (a) is insufficient.

(2) The total number of tanker aircraft purchased through a multiyear contract under this subsection may not exceed 80.

(3) Notwithstanding subsection (k) of section 2306b of title 10, United States Code, a contract under this subsection may be for any period not in excess of 10 program years.

(4) A multiyear contract under this subsection may be initiated or continued for any fiscal year for which sufficient funds are available to pay the costs of such contract for that fiscal year, without regard to whether funds are available to pay the costs of such contract for any subsequent fiscal year. Such contract shall provide, however, that performance under the contract during the subsequent year or years of the contract is contingent upon the appropriation of funds and shall also provide for a cancellation payment to be made to the contractor if such appropriations are not made.

(c) STUDY OF LONG-TERM TANKER AIRCRAFT MAINTENANCE AND TRAINING REQUIREMENTS.—(1) The Secretary of Defense shall carry out a study to identify alternative means for meeting the long-term requirements of the Air Force for—

(A) the maintenance of tanker aircraft leased under the multiyear aircraft lease pilot program or purchased under subsection (b); and

(B) training in the operation of tanker aircraft leased under the multiyear aircraft lease pilot program or purchased under subsection (b).

(2) Not later than April 1, 2004, the Secretary of Defense shall submit a report on the results of the study to the congressional defense committees.

(d) MULTIYEAR AIRCRAFT LEASE PILOT PROGRAM DEFINED.—In this section, the term "multiyear aircraft lease pilot program" means the aerial refueling aircraft program authorized under section 8159 of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2284).

(e) SENSE OF CONGRESS.—It is the sense of Congress that, in budgeting for a program to acquire new tanker aircraft for the Air Force, the President should ensure that sufficient budgetary resources are provided to the Department of Defense to fully execute the program and to further ensure that all other critical defense programs are fully and properly funded.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

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

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Collaborative program for development of electromagnetic gun technology.
Sec. 212. Leadership and duties of Department of Defense Test Resource Management Center.
Sec. 213. Development of the Joint Tactical Radio System.
Sec. 214. Future Combat Systems.
Sec. 215. Extension of reporting requirement for RAH–66 Comanche aircraft program.
Sec. 216. Studies of fleet platform architectures for the Navy.

Subtitle C—Ballistic Missile Defense

Sec. 221. Enhanced flexibility for ballistic missile defense systems.
Sec. 222. Fielding of ballistic missile defense capabilities.
Sec. 223. Oversight of procurement, performance criteria, and operational test plans for ballistic missile defense programs.
Sec. 224. Renewal of authority to assist local communities affected by ballistic missile defense system test bed.
Sec. 225. Prohibition on use of funds for nuclear-armed interceptors in missile defense systems.
Sec. 226. Follow-on research, development, test, and evaluation related to system improvements for missile defense programs transferred to military departments.

Subtitle D—Other Matters

Sec. 231. Global Research Watch program in the Office of the Director of Defense Research and Engineering.
Sec. 232. Defense Advanced Research Projects Agency biennial strategic plan.
Sec. 233. Enhancement of authority of Secretary of Defense to support science, mathematics, engineering, and technology education.
Sec. 234. Department of Defense program to expand high-speed, high-bandwidth capabilities for network-centric operations.
Sec. 235. Blue forces tracking initiative.

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, $9,544,833,000.

(2) For the Navy, $14,845,503,000.

(3) For the Air Force, $20,555,667,000.

(4) For Defense-wide activities, $18,438,718,000, 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, $11,029,557,000 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 Director of Defense Research and Engineering, the Secretary of the Army, the Secretary of the Navy, the Director of the Defense Advanced Research Projects Agency, and other appropriate officials of the Department of Defense, as determined by the Secretary. The program shall include the following activities:

(1) Identification of technical objectives, quantified technical barriers, and enabling technologies associated with development of the objective electromagnetic 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 plan and schedule for development of electromagnetic gun systems for military applications, which—

(A) includes the programs currently planned within the Department of Defense;

(B) describes how enabling technologies common to such programs are developed and utilized; and

(C) provides estimated dates for decision points, prototype demonstrations, and transitions of technologies to acquisition programs.

(3) 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) TRANSITION OF TECHNOLOGIES.—The Secretary of Defense shall encourage the transition of technologies developed under the program under subsection (a) into appropriate acquisition programs of the military departments.

(e) REPORT.—Not later than March 31, 2004, the Director of Defense Research and Engineering, in collaboration with the other officials who entered into the memorandum of agreement under subsection (b), shall 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 plan and schedule required by subsection (b)(2).

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

(4) Identification of funding required for fiscal years 2004 and 2005 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. LEADERSHIP AND DUTIES OF DEPARTMENT OF DEFENSE TEST RESOURCE MANAGEMENT CENTER.

(a) AUTHORITY TO SELECT CIVILIAN EMPLOYEE AS DIRECTOR.—Subsection (b)(1) of section 196 of title 10, United States Code, is amended—

(1) by striking "on active duty. The Director" and inserting "on active duty or from among senior civilian officers and employees of the Department of Defense. A commissioned officer serving as the Director"; and

(2) by adding at the end the following: "A civilian officer or employee serving as the Director, while so serving, has a pay level equivalent in grade to lieutenant general.".

(b) EXPANSION OF DUTIES OF DIRECTOR.—(1) Subsection (c)(1)(B) of such section is amended by inserting after "Department of Defense" the following: ", other than budgets and expenditures for activities described in section 139(i) of this title".

(2) Subsection (e)(1) of such section is amended—

(A) by striking ", the Director of Operational Test and Evaluation,"; and

(B) by striking ", Director's, or head's" and inserting "or Defense Agency head's".

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

(a) PLAN FOR MANAGEMENT OF DEVELOPMENT PROGRAM.—The Secretary of Defense shall develop a plan for implementation of management of the development program for the Joint Tactical Radio System under a single joint program office. As part of such plan, the Secretary shall designate an office for such purpose. The Secretary shall include in the plan measures to ensure that—

(1) the Joint Tactical Radio Program has a program management structure that provides strong and effective joint management;

(2) the head of the joint program office has sufficient control and authority to properly execute that development program; and

(3) effective processes are established to resolve disputes between military departments with respect to that program.

(b) 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 systems engineering and the performance and design specifications for the Joint Tactical Radio System;

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

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

(c) PROGRAM REQUIREMENTS.—The Secretary shall ensure—

(1) that there is developed and implemented a single, unified concept of operations for all users of the Joint Tactical Radio System; and

(2) that the responsibility for the coordination of the operational requirements for that system is vested in the Chairman of the Joint Chiefs of Staff, with the participation of the Joint Tactical Radio System program office.

(d) REPORT ON PLAN.—The Secretary shall submit the plan required by subsection (a) to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 2004.

(e) IMPLEMENTATION DEADLINE.—The Secretary shall implement the plan required by subsection (a) not later than December 1, 2004.

SEC. 214. FUTURE COMBAT SYSTEMS.

(a) LIMITATION.—Of the funds authorized to be appropriated under section 201(1) for development and demonstration of systems for the Future Combat Systems program, $170,000,000 may not 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 three projects requested under program element 64645A, a breakdown of the costs of that project for fiscal year 2004 at a level of detail sufficient to justify the amount requested for that project in the budget submitted by the President.

(b) SEPARATE PROGRAM ELEMENTS.—For fiscal years beginning with 2004, the Secretary of Defense shall ensure that the following matters (referred to as projects under program element 64645A in the budget justification materials submitted in support of the President's budget for fiscal year 2004) are each planned, programmed, and budgeted for as a separate, dedicated program element:

(1) The Future Combat Systems project.

(2) The Networked Fires System Technology project.

(3) The Objective Force Indirect Fires project.

(c) ANNUAL REPORT.—At the same time that the President submits the budget for a fiscal year to Congress under section 1105(a) of title 31, United States Code, the Secretary of the Army shall submit to the congressional defense committees a report on the programs and projects comprising the Future Combat Systems program. The report shall include—

(1) for each such program or project, a breakdown of the costs of that program or project for that fiscal year at a level of detail sufficient to justify the amount requested for that program or project in that budget; and

(2) any updated analysis of alternatives for the program.

SEC. 215. 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. 216. STUDIES OF FLEET PLATFORM ARCHITECTURES FOR THE NAVY.

(a) INDEPENDENT STUDIES.—(1) The Secretary of Defense shall provide for the performance of two independent studies of 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 January 15, 2005.

(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 study shall be performed by a federally funded research and development center.

(2) The other study shall be performed by the Office of Force Transformation within the Office of the Secretary of Defense and shall include participants from (A) the Office of Net Assessment within the Office of the Secretary of Defense, (B) the Department of the Navy, and (C) the Joint Staff.

(c) PERFORMANCE OF STUDIES.—(1) The Secretary of Defense shall require the two studies under this section to be conducted independently of each other.

(2) In performing a study under this section, the organization performing the study, while being aware of the current and pro-

jected fleet platform architectures, shall not be limited by the current or projected fleet platform architecture and 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 for United States naval forces.

(E) Other government and non-government analyses that would contribute to the study through variations in study assumptions or potential scenarios.

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

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

(d) STUDY RESULTS.—The results of each study under this section shall—

(1) present the alternative fleet platform architectures considered, with assumptions and possible scenarios identified for each;

(2) provide for presentation of minority views of study participants; and

(3) for the recommended architecture, provide—

(A) 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; and

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

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 element 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)".

SEC. 222. FIELDING OF BALLISTIC MISSILE DEFENSE CAPABILITIES.

Funds authorized to be appropriated under section 201(4) for the Missile Defense Agency may be used for the development and fielding of an initial set of ballistic missile defense capabilities.

SEC. 223. OVERSIGHT OF PROCUREMENT, PERFORMANCE CRITERIA, AND OPERATIONAL TEST PLANS FOR BALLISTIC MISSILE DEFENSE PROGRAMS.

(a) PROCUREMENT.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 223 the following new section:

"§ 223a. Ballistic missile defense programs: procurement

"(a) BUDGET JUSTIFICATION MATERIALS.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the Secretary of Defense shall specify, for each ballistic missile defense system element for which the Missile Defense Agency is engaged in planning for production and initial fielding, the following information:

"(1) The production rate capabilities of the production facilities planned to be used for production of that element.

"(2) The potential date of availability of that element for initial fielding.

"(3) The estimated date on which the administration of the acquisition of that element is to be transferred from the Director of the Missile Defense Agency to the Secretary of a military department.

"(b) FUTURE-YEARS DEFENSE PROGRAM.—The Secretary of Defense shall include in the future-years defense program submitted to Congress each year under section 221 of this title an estimate of the amount necessary for procurement for each ballistic missile defense system element, together with a discussion of the underlying factors and reasoning justifying the estimate.

"(c) PERFORMANCE CRITERIA.— The Director of the Missile Defense Agency shall include in the performance criteria prescribed for planned development phases of the ballistic missile defense system and its elements a description of the intended effectiveness of each such phase against foreign adversary capabilities.

"(d) TESTING PROGRESS.—The Director of Operational Test and Evaluation shall make available for review by the congressional defense committees the developmental and operational test plans established to assess the effectiveness of the ballistic missile defense system and its elements with respect to the performance criteria described in subsection (c).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 223 the following new item:

"223a. Ballistic missile defense programs: procurement.".

(b) IMPLEMENTATION OF REQUIREMENT FOR AVAILABILITY OF TEST PLANS.—Subsection (d) of section 223a of title 10, United States Code, as added by subsection (a), shall be implemented not later than March 1, 2004.

SEC. 224. RENEWAL OF AUTHORITY TO ASSIST LOCAL COMMUNITIES AFFECTED BY BALLISTIC MISSILE DEFENSE SYSTEM TEST BED.

Section 235(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1041) is amended—

(1) in paragraph (1), by inserting "or 2004" after "for fiscal year 2002"; and

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

"(3) Not later than 60 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary of Defense shall submit to the congressional defense committees a report on the community assistance projects under this subsection that are to be supported using funds referred to in paragraph (1) for fiscal year 2004. The report shall include, for each such project, a description of the project and an estimate of the total cost of the project.".

SEC. 225. PROHIBITION ON USE OF FUNDS FOR NUCLEAR-ARMED INTERCEPTORS IN MISSILE DEFENSE SYSTEMS.

No funds authorized to be appropriated for the Department of Defense by this Act may be obligated or expended for research, development, test, and evaluation, procurement, or deployment of nuclear-armed interceptors in a missile defense system.

SEC. 226. FOLLOW-ON RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATED TO SYSTEM IMPROVEMENTS FOR MISSILE DEFENSE PROGRAMS TRANSFERRED TO MILITARY DEPARTMENTS.

(a) REQUIREMENT FOR DELINEATION OF RESPONSIBILITY FOR FOLLOW-ON RDT&E.—Subsection (e) of section 224 of title 10, United States Code, is amended—such section is amended—

(1) by striking "for each" and inserting "before a";

(2) by inserting "is" before "transferred";

(3) by striking "responsibility" and inserting "roles and responsibilities"; and

(4) by striking "remains with the Director" and inserting "are clearly delineated".

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking "a Department of Defense missile defense program described in subsection (b)" and inserting "the integration of a ballistic missile defense element into the overall ballistic missile defense architecture".

Subtitle D—Other Matters

SEC. 231. GLOBAL RESEARCH WATCH PROGRAM IN THE OFFICE OF THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING.

(a) PROGRAM REQUIRED.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2364 the following new section:

"§ 2365. Global Research Watch Program

"(a) PROGRAM.—The Director of Defense Research and Engineering shall carry out a Global Research Watch program in accordance with this section.

"(b) PROGRAM GOALS.—The goals of the program are as follows:

"(1) To monitor and analyze the basic and applied research activities and capabilities of foreign nations in areas of military interest, including allies and competitors.

"(2) To provide standards for comparison and comparative analysis of research capabilities of foreign nations in relation to the research capabilities of the United States.

"(3) To assist Congress and Department of Defense officials in making investment decisions for research in technical areas where the United States may not be the global leader.

"(4) To identify areas where significant opportunities for cooperative research may exist.

"(5) To coordinate and promote the international cooperative research and analysis activities of each of the armed forces and Defense Agencies.

"(6) To establish and maintain an electronic database on international research capabilities, comparative assessments of capabilities, cooperative research opportunities, and ongoing cooperative programs.

"(c) FOCUS OF PROGRAM.—The program shall be focused on research and technologies at a technical maturity level equivalent to Department of Defense basic and applied research programs.

"(d) COORDINATION.—(1) The Director shall coordinate the program with the international cooperation and analysis activities of the military departments and Defense Agencies.

"(2) The Secretaries of the military departments and the directors of the Defense Agencies shall provide the Director of Defense Research and Engineering such assistance as the Director may require for purposes of the program.

"(e) CLASSIFICATION OF DATABASE INFORMATION.—Information in electronic databases of the Global Research Watch program shall be maintained in unclassified form and, as determined necessary by the Director, in classified form in such databases.

"(f) TERMINATION.—The requirement to carry out the program under this section shall terminate on September 30, 2006.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after section 2364 the following new item:

"2365. Global Research Watch Program.".

SEC. 232. DEFENSE ADVANCED RESEARCH PROJECTS AGENCY BIENNIAL STRATEGIC PLAN.

(a) REQUIREMENT FOR PLAN.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2351 the following new section:

"§ 2352. Defense Advanced Research Projects Agency: biennial strategic plan

"(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (c), the Director of the Defense Advanced Research Projects Agency shall prepare a strategic plan for the activities of that agency.

"(b) CONTENTS.—The strategic plan required by subsection (a) shall include the following matters:

"(1) The long-term strategic goals of that agency.

"(2) Identification of the research programs of that agency that support—

"(A) achievement of those strategic goals; and

"(B) exploitation of opportunities that hold the potential for yielding significant military benefits.

"(3) The connection of the activities and programs of that agency to activities and missions of the armed forces.

"(4) A technology transition strategy for the programs of that agency.

"(5) A description of the policies of that agency on the management, organization, and personnel of that agency.

"(c) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2351 the following new item:

"2352. Defense Advanced Research Projects Agency: biennial strategic plan.".

SEC. 233. ENHANCEMENT OF AUTHORITY OF SECRETARY OF DEFENSE TO SUPPORT SCIENCE, MATHEMATICS, ENGINEERING, AND TECHNOLOGY EDUCATION.

Section 2192 of title 10, United States Code, is amended—

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

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

"(b)(1) In furtherance of the authority of the Secretary of Defense under any provision of this chapter or any other provision of law to support educational programs in science, mathematics, engineering, and technology, the Secretary of Defense may, unless otherwise specified in such provision—

"(A) enter into contracts and cooperative agreements with eligible entities;

"(B) make grants of financial assistance to eligible entities;

"(C) provide cash awards and other items to eligible entities;

"(D) accept voluntary services from eligible entities; and

"(E) support national competition judging, other educational event activities, and associated award ceremonies in connection with these educational programs.

"(2) In this subsection:

"(A) The term 'eligible entity' includes a department or agency of the Federal Government, a State, a political subdivision of a State, an individual, and a not-for-profit or other organization in the private sector.

"(B) The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and any other territory or possession of the United States.".

SEC. 234. DEPARTMENT OF DEFENSE PROGRAM TO EXPAND HIGH-SPEED, HIGH-BANDWIDTH CAPABILITIES FOR NETWORK-CENTRIC OPERATIONS.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program of research and development to promote the development of high-speed, high-bandwidth communications capabilities for support of network-centric operations by the Armed Forces.

(b) PURPOSES.—The purposes of the program required by subsection (a) are as follows:

(1) To accelerate the development and fielding by the Armed Forces of network-centric operational capabilities (including expanded use of unmanned vehicles, satellite communications, and sensors) through the promotion of research and development, and the focused coordination of programs, to achieve high-speed, high-bandwidth connectivity to military assets.

(2) To provide for the development of equipment and technologies for military high-speed, high-bandwidth communications capabilities for support of network-centric operations.

(c) DESCRIPTION OF PROGRAM.—In carrying out the program of research and development required by subsection (a), the Secretary shall—

(1) identify areas of advanced wireless communications in which research and development, or the use of emerging technologies, has significant potential to improve the performance, efficiency, cost, and flexibility of advanced communications systems for support of network-centric operations;

(2) develop a coordinated plan for research and development on—

(A) improved spectrum access through spectrum-efficient communications for support of network-centric operations;

(B) high-speed, high-bandwidth communications;

(C) networks, including complex ad hoc adaptive network structures;

(D) communications devices, including efficient receivers and transmitters;

(E) computer software and wireless communication applications, including robust security and encryption; and

(F) any other matters that the Secretary considers appropriate for the purposes described in subsection (b);

(3) ensure joint research and development, and promote joint systems acquisition and deployment, among the military departments and defense agencies, including the development of common cross-service technology requirements and doctrine, so as to enhance interoperability among the military services and defense agencies;

(4) conduct joint experimentation among the Armed Forces, and coordinate with the Joint Forces Command, on experimentation to support the development of network-centric warfare capabilities from the operational to the small unit level in the Armed Forces;

(5) consult with other Federal entities and with private industry to develop cooperative research and development efforts, to the extent that such efforts are practicable.

(d) REPORT.—(1) The Secretary shall submit to the congressional defense committees, together with the budget justification materials submitted to Congress in support of the Department of Defense budget for fiscal year 2006 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a report on the activities carried out under this section through the date on which the report is submitted.

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

(A) A description of the research and development activities carried out under subsection (a), including the particular activities carried out under the plan required by subsection (c)(2).

(B) Current and proposed funding for the particular activities carried out under that plan, as set forth in each of subparagraphs (A) through (F) of subsection (c)(2).

(C) A description of the joint research and development activities required by subsection (c)(3).

(D) A description of the joint experimentation activities required by subsection (c)(4).

(E) An analysis of the effects on recent military operations of limitations on communications bandwidth and access to radio frequency spectrum.

(F) An assessment of the effect of additional resources on the ability to achieve the purposes described in subsection (b).

(G) Such recommendations for additional activities under this section as the Secretary considers appropriate to meet the purposes described in subsection (b).

SEC. 235. BLUE FORCES TRACKING INITIATIVE.

(a) GOAL.—It shall be a goal of the Department of Defense to coordinate fully the various efforts of the Chairman of the Joint Chiefs of Staff, the commanders of the combatant commands, and the Secretaries of the military departments to develop an effective system for tracking of United States and other friendly forces (known as "blue forces") during combat operations.

(b) JOINT BLUE FORCES TRACKING EXPERIMENT.—(1) The Secretary of Defense, acting through the commander of the United States Joint Forces Command, shall carry out a joint experiment during fiscal year 2004 to demonstrate and evaluate available joint blue forces tracking technologies.

(2) The objectives of the experiment under paragraph (1) are as follows:

(A) To explore various options for tracking United States and other friendly forces during combat operations.

(B) To determine an optimal, achievable, and upgradable solution for the development, acquisition, and fielding of a system for tracking all United States military forces that is coordinated and interoperable and also accommodates the participation of military forces of allied nations with United States forces in combat operations.

(c) REPORT.—Not later than 60 days after the conclusion of the experiment under subsection (b), but not later than December 1, 2004, the Secretary shall submit to the congressional defense committees a report on the results of the experiment, together with a comprehensive plan for the development, acquisition, and fielding of a functional, near real-time blue forces tracking system.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
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Subtitle B—Environmental Provisions

Sec. 311. Reauthorization and modification of title I of Sikes Act.
Sec. 312. Clarification of Department of Defense response to environmental emergencies.
Sec. 313. Repeal of authority to use environmental restoration account funds for relocation of a contaminated facility.
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Sec. 315. Inclusion of environmental response equipment and services in Navy definitions of salvage facilities and salvage services.
Sec. 316. Repeal of model program for base closure environmental restoration.
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Sec. 318. Military readiness and conservation of protected species.
Sec. 319. Military readiness and marine mammal protection.
Sec. 320. Report regarding impact of civilian community encroachment and certain legal requirements on military installations and ranges and plan to address encroachment.
Sec. 321. Cooperative water use management related to Fort Huachuca, Arizona, and Sierra Vista subwatershed.
Sec. 322. Task force on resolution of conflict between military training and endangered species protection at Barry M. Goldwater Range, Arizona.
Sec. 323. Public health assessment of exposure to perchlorate.
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Subtitle C—Workplace and Depot Issues

Sec. 331. Exemption of certain firefighting service contracts from prohibition on contracts for performance of firefighting functions.
Sec. 332. Technical amendment relating to closure of Sacramento Army Depot, California.
Sec. 333. Exception to competition requirement for depot-level maintenance and repair workloads performed by depot-level activities.
Sec. 334. Resources-based schedules for completion of public-private competitions for performance of Department of Defense functions.
Sec. 335. Delayed implementation of revised Office of Management and Budget Circular A–76 by Department of Defense pending report.
Sec. 336. Pilot program for best-value source selection for performance of information technology services.

Sec. 337. High-performing organization business process reengineering pilot program.
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Subtitle D—Other Matters

Sec. 341. Cataloging and standardization for defense supply management.
Sec. 342. Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract.
Sec. 343. Permanent authority for purchase of certain municipal services at installations in Monterey County, California.
Sec. 344. Department of Defense telecommunications benefit.
Sec. 345. Independent assessment of material condition of the KC–135 aerial refueling fleet.

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, $24,627,037,000.
(2) For the Navy, $27,975,559,000.
(3) For the Marine Corps, $3,426,056,000.
(4) For the Air Force, $26,089,670,000.
(5) For Defense-wide activities, $16,243,157,000.
(6) For the Army Reserve, $1,966,009,000.
(7) For the Naval Reserve, $1,171,921,000.
(8) For the Marine Corps Reserve, $173,952,000.
(9) For the Air Force Reserve, $2,179,188,000.
(10) For the Army National Guard, $4,256,331,000.
(11) For the Air National Guard, $4,406,146,000.
(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, $252,619,000.
(18) For Overseas Humanitarian, Disaster, and Civic Aid programs, $59,000,000.
(19) For Cooperative Threat Reduction programs, $450,800,000.
(20) Overseas Contingencies Program, $5,000,000.

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, $1,062,762,000.

(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, $15,401,509,000, of which—

(1) $15,007,887,000 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, $1,530,261,000, of which—

(A) $1,199,168,000 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, of which—

(1) $160,049,000 is for Operation and Maintenance;

(2) $2,100,000 is for Research, Development, Test, and Evaluation; and

(3) $300,000 is for Procurement.

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 and 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.—(1) Section 101 of the Sikes Act (16 U.S.C. 670a) is amended by adding at the end the following new subsection:

"(g) PILOT PROGRAM FOR INVASIVE SPECIES MANAGEMENT FOR MILITARY INSTALLATIONS IN GUAM.—

"(1) INCLUSION OF INVASIVE SPECIES MANAGEMENT.—During fiscal years 2004 through 2008, the Secretary of Defense shall, to the extent practicable and conducive to military readiness, incorporate in integrated natural resources management plans for military installations in Guam the management, control, and eradication of invasive species—

"(A) that are not native to the ecosystem of the military installation; and

"(B) the introduction of which cause or may cause harm to military readiness, the environment, or human health and safety.

"(2) CONSULTATION.—The Secretary of Defense shall carry out this subsection in consultation with the Secretary of the Interior.".

(2) Section 101(g) of the Sikes Act, as added 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 such Act on or after the date of the enactment of this Act; and

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

SEC. 312. 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)(1) The Secretary of Defense may use the authority provided by subsection (a) 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, but only if other sources to provide such transportation are not readily available.

"(2) Notwithstanding subsection (a), the Secretary of Defense may require reimbursement for costs incurred by the Department of Defense to transport supplies under this subsection.".

(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";

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

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

"(e) LIMITATION ON TRANSPORTATION ASSISTANCE.—Transportation services authorized under subsection (b) may be provided in response to a manmade or natural disaster to prevent serious harm to the environment, when human lives are not at risk, only if other sources to provide such transportation are not readily available.".

(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 Secretary of Defense may use the authority provided by paragraph (1) 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, but only if other sources to provide such transportation are not readily available. The

Secretary may require reimbursement for costs incurred by the Department of Defense to transport supplies under this paragraph.".

SEC. 313. REPEAL OF AUTHORITY TO USE ENVIRONMENTAL RESTORATION ACCOUNT FUNDS FOR RELOCATION OF A CONTAMINATED FACILITY.

(a) REPEAL.—Effective October 1, 2003, section 2703(c) of title 10, United States Code, is amended—

(1) in paragraph (1) by striking "only—" and all that follows through the period at the end and inserting "only to carry out the environmental restoration functions of the Secretary of Defense and the Secretaries of the military departments under this chapter and under any other provision of law.";

(2) by striking paragraphs (2) and (3); and

(3) by redesignating paragraph (4) as paragraph (2) and striking the second sentence of such paragraph.

(b) EFFECT OF REPEAL ON EXISTING AGREEMENTS.—An agreement in effect on September 30, 2003, under section 2703(c)(1)(B) of title 10, United States Code, as in effect on that date, to pay for the costs of permanently relocating a facility because of a release or threatened release of hazardous substances, pollutants, or contaminants shall remain in effect after that date, subject to the terms of the agreement, and costs may be paid in accordance with the terms of the agreement, notwithstanding the amendments made by subsection (a).

SEC. 314. AUTHORIZATION FOR DEPARTMENT OF DEFENSE PARTICIPATION IN WETLAND MITIGATION BANKS.

(a) DOD PARTICIPATION.—(1) 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 or regulation.

"(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.".

(2) 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.".

(b) MITIGATION AND MITIGATION BANKING REGULATIONS.—(1) To ensure opportunities for Federal agency participation in mitigation banking, the Secretary of the Army, acting through the Chief of Engineers, shall issue regulations establishing performance standards and criteria for the use, consistent with section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344), of on-site, off-site, and in-lieu fee mitigation and mitigation banking as compensation for lost wetlands functions in permits issued by the Secretary of the Army under such section. To the maximum extent practicable, the regulatory standards and criteria shall maximize available credits and opportunities for mitigation, provide flexibility for regional variations in wetland conditions, functions and values, and apply equivalent standards and criteria to each type of compensatory mitigation.

(2) Final regulations shall be issued not later than two years after the date of the enactment of this Act.

SEC. 315. 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.".

(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. 316. REPEAL OF MODEL PROGRAM FOR BASE CLOSURE ENVIRONMENTAL RESTORATION.

Section 2926 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is repealed.

SEC. 317. 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. 318. MILITARY READINESS AND CONSERVATION OF PROTECTED SPECIES.

(a) 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 in writing that such plan provides a benefit to the species for which critical habitat is proposed for designation.

"(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.".

(b) 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. 319. MILITARY READINESS AND MARINE MAMMAL PROTECTION.

(a) DEFINITION OF HARASSMENT FOR MILITARY READINESS ACTIVITIES.—Section 3(18) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(18)) is amended by striking subparagraphs (B) and (C) and inserting the following new subparagraphs:

"(B) In the case of a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) or a scientific research activity conducted by or on behalf of the Federal Government consistent with section 104(c)(3), 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.

"(C) The term 'Level A harassment' means harassment described in subparagraph (A)(i) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(i).

"(D) The term 'Level B harassment' means harassment described in subparagraph (A)(ii) or, in the case of a military readiness activity or scientific research activity described in subparagraph (B), harassment described in subparagraph (B)(ii).".

(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 action 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.

"(4) Not later than 30 days after issuing an exemption under paragraph (1) or an additional exemption under paragraph (3), the Secretary of Defense shall submit to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate notice describing the exemption and the reasons therefor. The notice may be provided in classified form if the Secretary of Defense determines that use of the classified form is necessary for reasons of national security.".

(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 redesignating clauses (i) and (ii) and subclauses (I) and (II) as subclauses (I) and (II) and items (aa) and (bb), respectively;

(B) by inserting "(i)" after "(5)(A)"; and

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

"(ii) For a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), a determination of 'least practicable adverse impact on such species or stock' under clause (i)(II)(aa) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

"(iii) Notwithstanding clause (i), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), the Secretary shall publish the notice required by such clause only in the Federal Register.";

(2) in subparagraph (D), by adding at the end the following new clauses:

"(vi) For a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), a determination of 'least practicable adverse impact on such species or stock' under clause (i)(I) shall include consideration of personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity. Before making the required determination, the Secretary shall consult with the Department of Defense regarding personnel safety, practicality of implementation, and impact on the effectiveness of the military readiness activity.

"(vii) Notwithstanding clause (iii), for any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note), the Secretary shall

publish the notice required by such clause only in the Federal Register."; and

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

"(F) Notwithstanding the provisions of this subsection, any authorization affecting a military readiness activity (as defined in section 315(f) of Public Law 107–314; 16 U.S.C. 703 note) shall not be subject to the following requirements:

"(i) In subparagraph (A), 'within a specified geographical region' and 'within that region of small numbers'.

"(ii) In subparagraph (B), 'within a specified geographical region' and 'within one or more regions'.

"(iii) In subparagraph (D), 'within a specific geographic region', 'of small numbers', and 'within that region'.".

SEC. 320. REPORT REGARDING IMPACT OF CIVILIAN COMMUNITY ENCROACHMENT AND CERTAIN LEGAL REQUIREMENTS ON MILITARY INSTALLATIONS AND RANGES AND PLAN TO ADDRESS ENCROACHMENT.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on the impact, if any, of the following types of encroachment issues affecting 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, electromagnetic 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 COMMUNITY 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 COMPLIANCE WITH 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) PLAN TO RESPOND TO ENCROACHMENT ISSUES.—On the basis of the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c), the Secretary of Defense shall prepare a plan to respond to the encroachment issues described in subsection (a) affecting military installations and operational ranges.

(e) REPORTING REQUIREMENTS.—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 the following reports regarding the study conducted under subsection (a), including the specific matters required to be addressed by subsections (b) and (c):

(1) Not later than January 31, 2004, an interim report describing the progress made in conducting the study and containing the information collected under the study as of that date.

(2) Not later than January 31, 2006, a report containing the results of the study and the encroachment response plan required by subsection (d).

(3) Not later than January 31, 2007, and each January 31 thereafter through January 31, 2010, a report describing the progress made in implementing the encroachment response plan.

SEC. 321. COOPERATIVE WATER USE MANAGEMENT RELATED TO FORT HUACHUCA, ARIZONA, AND SIERRA VISTA SUBWATERSHED.

(a) LIMITATION ON FEDERAL RESPONSIBILITY FOR CIVILIAN WATER CONSUMPTION IMPACTS.—

(1) LIMITATION.—For purposes of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), concerning any present and future Federal agency action at Fort Huachuca, Arizona, water consumption by State, local, and private entities off of the installation that is not a direct or indirect effect of the agency action or an effect of other activities that are interrelated or interdependent with that agency action, shall not be considered in determining whether such agency action is likely to jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modification of designated critical habitat.

(2) VOLUNTARY REGIONAL CONSERVATION EFFORTS.—Nothing in this subsection shall prohibit Federal agencies operating at Fort Huachuca from voluntarily undertaking efforts to mitigate water consumption.

(3) DEFINITION OF WATER CONSUMPTION.—In this subsection, the term "water consumption" means all water use off of the installation from any source.

(4) EFFECTIVE DATE.—This subsection applies only to Federal agency actions regarding which the Federal agency involved determines that consultation, or reinitiation of consultation, under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) is required with regard to an agency action at Fort Huachuca on or after the date of the enactment of this Act.

(b) RECOGNITION OF UPPER SAN PEDRO PARTNERSHIP.—Congress hereby recognizes the Upper San Pedro Partnership, Arizona, a partnership of Fort Huachuca, Arizona, other Federal, State, and local governmental and nongovernmental entities, and its efforts to establish a collaborative water use management program in the Sierra Vista Subwatershed, Arizona, to achieve the sustainable yield of the regional aquifer, so as to protect the Upper San Pedro River, Arizona, and the San Pedro Riparian National Conservation Area, Arizona.

(c) REPORT ON WATER USE MANAGEMENT AND CONSERVATION OF REGIONAL AQUIFER.—

(1) IN GENERAL.—The Secretary of Interior shall prepare, in consultation with the Secretary of Agriculture and the Secretary of Defense and in cooperation with the other members of the Partnership, a report on the water use management and conservation measures that have been implemented and are needed to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011. The Secretary of the Interior shall submit the report to Congress not later than December 31, 2004.

(2) PURPOSE.—The purpose of the report is to set forth measurable annual goals for the reduction of the overdrafts of

the groundwater of the regional aquifer, to identify specific water use management and conservation measures to facilitate the achievement of such goals, and to identify impediments in current Federal, State, and local laws that hinder efforts on the part of the Partnership to mitigate water usage in order to restore and maintain the sustainable yield of the regional aquifer by and after September 30, 2011.

(3) REPORT ELEMENTS.—The report shall use data from existing and ongoing studies and include the following elements:

(A) The net quantity of water withdrawn from and recharged to the regional aquifer in the one-year period preceding the date of the submission of the report.

(B) The quantity of the overdraft of the regional aquifer to be reduced by the end of each of fiscal years 2005 through 2011 to achieve sustainable yield.

(C) With respect to the reduction of overdraft for each fiscal year as specified under subparagraph (B), an allocation of responsibility for the achievement of such reduction among the water-use controlling members of the Partnership who have the authority to implement measures to achieve such reduction.

(D) The water use management and conservation measures to be undertaken by each water-use controlling member of the Partnership to contribute to the reduction of the overdraft for each fiscal year as specified under subparagraph (B), and to meet the responsibility of each such member for each such reduction as allocated under subparagraph (C), including—

(i) a description of each measure;

(ii) the cost of each measure;

(iii) a schedule for the implementation of each measure;

(iv) a projection by fiscal year of the amount of the contribution of each measure to the reduction of the overdraft; and

(v) a list of existing laws that impede full implementation of any measure.

(E) The monitoring and verification activities to be undertaken by the Partnership to measure the reduction of the overdraft for each fiscal year and the contribution of each member of the Partnership to the reduction of the overdraft.

(d) ANNUAL REPORT ON PROGRESS TOWARD SUSTAINABLE YIELD.—

(1) IN GENERAL.—Not later than October 31, 2005, and each October 31 thereafter through 2011, the Secretary of the Interior shall submit, on behalf of the Partnership, to Congress a report on the progress of the Partnership during the preceding fiscal year toward achieving and maintaining the sustainable yield of the regional aquifer by and after September 30, 2011.

(2) REPORT ELEMENTS.—Each report shall include the following:

(A) The quantity of the overdraft of the regional aquifer reduced during the reporting period, and whether such reduction met the goal specified for such fiscal year under subsection (c)(3)(B).

(B) The water use management and conservation measures undertaken by each water-use controlling member of the Partnership in the fiscal year covered by such report, including the extent of the contribution of such measures to the reduction of the overdraft for such fiscal year.

(C) The legislative accomplishments made during the fiscal year covered by such report in removing legal impediments that hinder the mitigation of water use by members of the Partnership.

(e) VERIFICATION INFORMATION.—Information used to verify overdraft reductions of the regional aquifer shall include at a minimum the following:

(1) The annual report of the Arizona Corporation Commission on annual groundwater pumpage of the private water companies in the Sierra Vista Subwatershed.

(2) The San Pedro base flow monitoring record of the Charleston flow gauge of the United States Geological Survey.

(3) Current surveys of the groundwater levels in area wells as reported by the Arizona Department of Water Resources and by Federal agencies.

(f) SENSE OF CONGRESS.—It is the sense of Congress that any future appropriations to the Partnership should take into account whether the Partnership has met its annual goals for overdraft reduction.

(g) DEFINITIONS.—In this section:

(1) The term "Partnership" means the Upper San Pedro Partnership, Arizona.

(2) The term "regional aquifer" means the Sierra Vista Subwatershed regional aquifer, Arizona.

(3) The term "water-use controlling member" has the meaning given that term by the Partnership.

SEC. 322. TASK FORCE ON RESOLUTION OF CONFLICT BETWEEN MILITARY TRAINING AND ENDANGERED SPECIES PROTECTION AT BARRY M. GOLDWATER RANGE, ARIZONA.

(a) TASK FORCE.—The Secretary of Defense shall establish a task force to determine and assess various means of resolving the conflict between the dual objectives at Barry M. Goldwater Range, Arizona, of the full utilization of live ordnance delivery areas for military training and the protection of endangered species that are present at Barry M. Goldwater Range.

(b) COMPOSITION.—The task force shall be composed of the following members:

(1) The Air Force range officer, who shall serve as chairperson of the task force.

(2) The range officer at Barry M. Goldwater Range.

(3) The commander of Luke Air Force Base, Arizona.

(4) The commander of Marine Corps Air Station, Yuma, Arizona.

(5) The Director of the United States Fish and Wildlife Service.

(6) The manager of the Cabeza Prieta National Wildlife Refuge, Arizona.

(7) A representative of the Department of Game and Fish of the State of Arizona, selected by the Secretary in consultation with the Governor of the State of Arizona.

(8) A representative of a wildlife interest group in the State of Arizona, selected by the Secretary in consultation with wildlife interest groups in the State of Arizona.

(9) A representative of an environmental interest group (other than a wildlife interest group) in the State of Arizona, as selected by the Secretary in consultation with environmental interest groups in the State of Arizona.

(c) DUTIES.—The task force shall—

(1) assess the effects of the presence of endangered species on military training activities in the live ordnance delivery areas at Barry M. Goldwater Range and in any other areas of the range that are adversely effected by the presence of endangered species;

(2) determine various means of addressing any significant adverse effects on military training activities on Barry M. Goldwater Range that are identified pursuant to paragraph (1); and

(3) determine the benefits and costs associated with the implementation of each means identified under paragraph (2).

(d) USE OF EXPERTS.—The chairperson of the task force may secure for the task force the services of such experts with respect to the duties of the task force as the chairperson considers advisable to carry out such duties.

(e) REPORT.—Not later than February 28, 2005, the task force shall submit to Congress a report containing—

(1) a description of the assessments and determinations made under subsection (c);

(2) such recommendations for legislative and administrative action as the task force considers appropriate; and

(3) an evaluation of the utility of task force proceedings as a means of resolving conflicts between military training objectives and protection of endangered species at other military training and testing ranges.

SEC. 323. PUBLIC HEALTH ASSESSMENT OF EXPOSURE TO PERCHLORATE.

(a) EPIDEMIOLOGICAL STUDY OF EXPOSURE TO PERCHLORATE.—The Secretary of Defense shall provide for an independent epidemiological study of exposure to perchlorate in drinking water. The entity conducting the study shall—

(1) assess the incidence of thyroid disease and measurable effects of thyroid function in relation to exposure to perchlorate;

(2) ensure that the study is of sufficient scope and scale to permit the making of meaningful conclusions of the measurable public health threat associated with exposure to perchlorate, especially the threat to sensitive subpopulations; and

(3) examine thyroid function, including measurements of urinary iodine and thyroid hormone levels, in a sufficient number of pregnant women, neonates, and infants exposed to perchlorate in drinking water and match measurements of perchlorate levels in the drinking water of each study participant in order to permit the development of meaningful conclusions on the public health threat to individuals exposed to perchlorate.

(b) REVIEW OF EFFECTS OF PERCHLORATE ON ENDOCRINE SYSTEM.—The Secretary shall provide for an independent review of the

effects of perchlorate on the human endocrine system. The entity conducting the review shall assess—

(1) available data on human exposure to perchlorate, including clinical data and data on exposure of sensitive subpopulations, and the levels at which health effects were observed; and

(2) available data on other substances that have endocrine effects similar to perchlorate to which the public is frequently exposed.

(c) PERFORMANCE OF STUDY AND REVIEW.—(1) The Secretary shall provide for the performance of the study under subsection (a) through the Centers for Disease Control, the National Institutes of Health, or another Federal entity with experience in environmental toxicology selected by the Secretary.

(2) The Secretary shall provide for the performance of the review under subsection (b) through the Centers for Disease Control, the National Institutes of Health, or another appropriate Federal research entity with experience in human endocrinology selected by the Secretary. The Secretary shall ensure that the panel conducting the review is composed of individuals with expertise in human endocrinology.

(d) REPORTING REQUIREMENTS.—Not later than June 1, 2005, the Federal entities conducting the study and review under this section shall submit to the Secretary reports containing the results of the study and review.

SEC. 324. COMPTROLLER GENERAL REVIEW OF ARCTIC MILITARY ENVIRONMENTAL COOPERATION PROGRAM.

(a) REQUIREMENT FOR REVIEW.—The Comptroller General shall conduct a review of the Arctic Military Environmental Cooperation program, including—

(1) the current and proposed technology development and demonstration role of the program in United States nonproliferation efforts; and

(2) the relationship of the program to the Cooperative Threat Reduction Program 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) ELEMENTS OF REVIEW.—The review shall include an assessment of the following:

(1) Whether the conditions in the Western Pacific region require an expansion of the Arctic Military Environmental Cooperation program to include that region.

(2) The extent to which foreign countries, including Russia, make financial contributions to the program.

(3) The extent to which the Cooperative Threat Reduction Program and the G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction Initiative use the program.

(4) Whether the program is important to the disarmament and nonproliferation functions of the Cooperative Threat Reduction Program.

(5) Future-year funding and program plans of the Department of Defense for the program.

(c) REPORT ON REVIEW.—Not later than May 1, 2004, the Comptroller General shall submit to Congress a report containing the results of the review.

Subtitle C—Workplace and Depot Issues

SEC. 331. EXEMPTION OF CERTAIN FIREFIGHTING SERVICE CONTRACTS FROM PROHIBITION ON CONTRACTS FOR PERFORMANCE OF FIREFIGHTING FUNCTIONS.

(a) ADDITIONAL EXEMPTION.—Section 2465(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) A contract for the performance of firefighting functions if the contract is—

"(A) for a period of one year or less; and

"(B) covers only the performance of firefighting functions that, in the absence of the contract, would have to be performed by members of the armed forces who are not readily available to perform such functions by reason of a deployment.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking "apply—" and inserting "apply to the following contracts:";

(2) by striking "to a" at the beginning of paragraphs (1), (2), and (3) and inserting "A";

(3) by striking the semicolon at the end of paragraph (1) and inserting a period; and

(4) by striking "; or" at the end of paragraph (2) and inserting a period.

SEC. 332. TECHNICAL AMENDMENT RELATING TO CLOSURE OF SACRAMENTO ARMY DEPOT, CALIFORNIA.

Section 2466 of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 333. EXCEPTION TO COMPETITION REQUIREMENT FOR DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS PERFORMED BY DEPOT-LEVEL ACTIVITIES.

Section 2469 of title 10, United States Code, is amended—

(1) in subsection (b), by striking "Subsection" and inserting "Except as provided in subsection (c), subsection";

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

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

"(c) EXCEPTION FOR PUBLIC-PRIVATE PARTNERSHIPS.—The requirements of subsection (a) may be waived in the case of a depot-level maintenance and repair workload that is performed at a Center of Industrial and Technical Excellence designated under subsection (a) of section 2474 of this title by a public-private partnership entered into under subsection (b) of such section consisting of a depot-level activity and a private entity.".

SEC. 334. RESOURCES-BASED SCHEDULES FOR COMPLETION OF PUBLIC-PRIVATE COMPETITIONS FOR PERFORMANCE OF DEPARTMENT OF DEFENSE FUNCTIONS.

(a) APPLICATION OF TIMEFRAMES.—Any interim or final deadline or other schedule-related milestone for the completion of a Department of Defense public-private competition shall be established solely on the basis of considered research and sound analysis regarding the availability of sufficient personnel, training, and technical resources to the Department of Defense to carry out such competition in a timely manner.

(b) EXTENSION OF TIMEFRAMES.—(1) The Department of Defense official responsible for managing a Department of Defense public-private competition shall extend any interim or final deadline or other schedule-related milestone established (consistent with subsection (a)) for the completion of the competition if the official determines that the personnel, training, or technical resources available to the Department of Defense to carry out the competition in a timely manner are insufficient.

(2) A determination under this subsection shall be made pursuant to procedures prescribed by the Secretary of Defense.

SEC. 335. 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 the revised Office of Management and Budget Circular A–76 dated May 29, 2003 (68 Fed. Reg. 32134), relating to the possible contracting out of commercial activities 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 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 revised circular will ensure that employees of the Department of Defense have the opportunity to compete to retain their jobs.

(2) The extent to which the revised circular will provide appeal and protest rights to employees of the Department of Defense.

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

(4) The plans of the Department to ensure an appropriate phase-in period for the revised circular, as recommended by the Commercial Activities Panel of the Government Accounting Office in its April 2002 report to Congress, including recommendations for any legislative changes that may be required to ensure a smooth and efficient phase-in period.

(5) The plans of the Department to provide training to employees of the Department of Defense regarding the revised circular, including how the training will be funded, how employees will be selected to receive the training, and the number of employees likely to receive the training.

(6) The plans 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 circular.

SEC. 336. PILOT PROGRAM FOR BEST-VALUE SOURCE SELECTION FOR PERFORMANCE OF INFORMATION TECHNOLOGY SERVICES.

(a) AUTHORITY TO USE BEST-VALUE CRITERION.—The Secretary of Defense may carry out a pilot program for the procurement of information technology services for the Department of Defense that uses a best-value criterion in the selection of the source for the performance of the information technology services.

(b) REQUIRED EXAMINATION UNDER PILOT PROJECT.—Under the pilot program, the Secretary of Defense shall modify the examination otherwise required by section 2461(b)(3)(A) of title 10, United States Code, to be an examination of the performance of an information technology services function by Department of Defense civilian employees and by one or more private contractors to demonstrate whether—

(1) a change to performance by the private sector will result in the best value to the Government over the life of the contract, as determined in accordance with the competition requirements of Office of Management and Budget Circular A–76; and

(2) certain benefits exist, in addition to price, that warrant performance of the function by a private sector source at a cost higher than that of performance by Department of Defense civilian employees.

(c) EXEMPTION FOR PILOT PROGRAM.—Section 2462(a) of title 10, United States Code, does not apply to the procurement of information technology services under the pilot program.

(d) DURATION OF PILOT PROGRAM.—(1) The authority to carry out the pilot program begins on the date on which the Secretary of Defense submits to Congress the report on the effect of the recent revisions to Office of Management and Budget Circular A–76, as required by section 335 of this Act, and expires on September 30, 2008.

(2) The expiration of the pilot program shall not affect the selection of the source for the performance of an information technology services function for the Department of Defense for which the analysis required by section 2461(b)(3) of title 10, United States Code, has been commenced before the expiration date or for which a solicitation has been issued before the expiration date.

(e) GAO REVIEW.—Not later than February 1, 2008, the Comptroller General shall submit to Congress a report containing—

(1) a review of the pilot program to assess the extent to which the pilot program is effective and is equitable for the potential public sources and the potential private sources of information technology services for the Department of Defense; and

(2) any other conclusions of the Comptroller General resulting from the review.

(f) INFORMATION TECHNOLOGY SERVICE DEFINED.—In this section, the term "information technology service" means any service performed in the operation or maintenance of information technology (as defined in section 11101 of title 40, United States Code) that is necessary for or beneficial to the accomplishment of the authorized functions of the Department of Defense (other than func-

tions which the Secretary of Defense determines must be performed by military or Government personnel).

SEC. 337. HIGH-PERFORMING ORGANIZATION BUSINESS PROCESS REENGINEERING PILOT PROGRAM.

(a) PILOT PROGRAM.—The Secretary of Defense shall establish a pilot program under which the Secretary concerned shall create, or continue the implementation of, high-performing organizations through the conduct of a Business Process Reengineering initiative at selected military installations and facilities under the jurisdiction of the Secretary concerned.

(b) EFFECT OF PARTICIPATION IN PILOT PROGRAM.—(1) During the period of an organization's participation in the pilot program, including the periods referred to in paragraphs (2) and (3) of subsection (f), the Secretary concerned may not require the organization to undergo any Office of Management and Budget Circular A–76 competition or other public-private competition involving any function of the organization covered by the Business Process Reengineering initiative. The organization may elect to undergo such a competition as part of the initiative.

(2) Civilian employee or military personnel positions of the participating organization that are part of the Business Process Reengineering initiative shall be counted toward any numerical goals, target, or quota that the Secretary concerned is required or requested to meet during the term of the pilot program regarding the number of positions to be covered by public-private competitions.

(c) ELIGIBLE ORGANIZATIONS.—Subject to subsection (d), the Secretary concerned may select two types of organizations 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.

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

(2) To be eligible for selection to participate in the pilot program under subsection (c)(2), an organization described in such subsection shall identify, to the satisfaction of the Secretary concerned—

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

(B) adequate resources 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.

(e) LIMITATION ON NUMBER OF PARTICIPANTS.—Total participants in the pilot program is limited to eight military installations and facilities, with some participants to be drawn from organizations described in subsection (c)(1) and some participants to be drawn from organizations described in subsection (c)(2).

(f) IMPLEMENTATION AND DURATION.—(1) 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 or facility at which the Business Process Reengineering initiative is carried out.

(2) An organization selected to participate in the pilot program shall be given a reasonable initial period, to be determined by the Secretary concerned, in which the organization must implement the Business Process Reengineering initiative. At the end of this period, the Secretary concerned shall determine whether the organization has achieved initial progress toward designation as a high-performing organization. In the absence of such progress, the Secretary concerned shall terminate the organization's participation in the pilot program.

(3) If an organization successfully completes implementation of the Business Process Reengineering initiative under paragraph (2), the Secretary concerned shall designate the organization as a high-performing organization and grant the organization an additional five-year period in which to achieve projected or planned efficiencies and savings under the pilot program.

(g) REVIEWS AND REPORTS.—The Secretary concerned shall conduct annual performance reviews of the participating organizations or functions under the jurisdiction of the Secretary concerned. 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.

(h) PERFORMANCE MEASURES.—Performance measures utilized in the pilot program 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.

(i) DEFINITIONS.—In this section

(1) 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.

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

(3) The term "Secretary concerned" means the Secretary of a military department and the Secretary of Defense, with respect to matters concerning the Defense Agencies.

SEC. 338. 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 carry out 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, the head of 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 proposed to be implemented under the demonstration project; and

(2) that describes the improvements in cost, quality, or schedule of work that are anticipated to result from the participation in the demonstration project.

(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 year.

(d) FUNDING SOURCE.—Appropriations 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 of the report to the Comptroller General. Within 90 days after receiving the report, the Comptroller General shall submit to Congress an evaluation of the report.

Subtitle D—Other Matters

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

Section 2451 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) The Secretary shall coordinate with the Administrator of General Services to enable the use of commercial identifiers for commercial items within the Federal cataloging system.".

SEC. 342. SALE OF DEFENSE INFORMATION SYSTEMS AGENCY SERVICES TO CONTRACTORS PERFORMING THE NAVY-MARINE CORPS INTRANET CONTRACT.

(a) AUTHORITY.—The Secretary of Defense may sell working-capital funded services of the Defense Information Systems Agency to a person outside the Department of Defense for use by that person in the performance of the Navy-Marine Corps Intranet contract.

(b) REIMBURSEMENT.—The Secretary shall require reimbursement of each working-capital fund for the costs of services sold under subsection (a) that were paid for out of such fund. The sources of the reimbursement shall be the appropriation or appropriations funding the Navy-Marine Corps Intranet contract or any cash payments received by the Secretary for the services.

(c) NAVY-MARINE CORPS INTRANET CONTRACT DEFINED.—In this section, the term "Navy-Marine Corps Intranet contract" has the meaning given such term in section 814 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–217)).

SEC. 343. PERMANENT AUTHORITY FOR PURCHASE OF CERTAIN MUNICIPAL SERVICES AT INSTALLATIONS IN MONTEREY COUNTY, CALIFORNIA.

(a) AUTHORITY.—Subject to section 2465 of title 10, United States Code, public works, utility, and other municipal services needed for the operation of any Department of Defense asset in Monterey County, California, may be purchased from government agencies located in that county.

(c) REPEAL OF EXISTING TEMPORARY AUTHORITY.—Section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820) is repealed.

SEC. 344. DEPARTMENT OF DEFENSE TELECOMMUNICATIONS BENEFIT.

(a) PROVISION OF PREPAID PHONE CARDS.—As soon as possible after the date of the enactment of this Act, the Secretary of Defense shall provide, wherever practicable, prepaid phone cards, or an equivalent telecommunications benefit which includes access to telephone service, to members of the Armed Forces stationed outside the United States who (as determined by the Secretary) are eligible for combat zone tax exclusion benefits due to their service in direct support of Operation Enduring Freedom and Operation Iraqi Freedom to enable those members to make telephone calls without cost to the member.

(b) MONTHLY BENEFIT.—The value of the benefit provided under subsection (a) to any member in any month, to the extent the benefit is provided from amounts available to the Department of Defense, may not exceed—

(1) $40; or

(2) 120 calling minutes, if the cost to the Department of Defense of providing such number of calling minutes is less than the amount specified in paragraph (1).

(c) END OF PROGRAM.—The program established by subsection (a) shall terminate on September 30, 2004.

(d) FUNDING.—(1)(A) In carrying out the program under this section, the Secretary shall maximize the use of existing Department of Defense telecommunications programs and capabilities, free or reduced-cost services of private sector entities, and programs to enhance morale and welfare.

(B) The Secretary may not award a contract to a commercial firm for the purposes of subparagraph (A) other than through the use of competitive procedures.

(2) The Secretary may accept gifts and donations in order to defray the costs of the program under this section. Such gifts and donations may be accepted from—

(A) any foreign government;

(B) any foundation or other charitable organization, including any that is organized or operates under the laws of a foreign country; and

(C) any source in the private sector of the United States or a foreign country.

(e) DEPLOYMENT OF ADDITIONAL TELEPHONE EQUIPMENT.—If the Secretary of Defense determines that, in order to implement this section as quickly as practicable, it is necessary to provide additional telephones in any area to facilitate telephone calling for which benefits are provided under this section, the Secretary may, consistent with the availability of resources, award competitively bid contracts to one or more commercial entities for the provision and installation of telephones in that area.

(f) NO COMPROMISE OF MILITARY MISSION.—The Secretary of Defense should not take any action under this section that would compromise the military objectives or mission of the Department of Defense.

SEC. 345. INDEPENDENT ASSESSMENT OF MATERIAL CONDITION OF THE KC–135 AERIAL REFUELING FLEET.

Not later than May 1, 2004, the Secretary of Defense shall submit to the congressional defense committees an assessment, conducted by an entity outside of the Department of Defense, of the material condition of the fleet of KC–135 aerial refueling aircraft of the Air Force. The assessment shall include the following:

(1) Trend analysis for operational readiness for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003.

(2) Trend analysis for the number of manhours of organizational-level and depot-level maintenance required for KC–135E and KC–135R aircraft from fiscal year 1996 through fiscal year 2003, setting forth separately the manhours required for control and treatment of corrosion.

(3) The number of KC–135E and KC–135R aircraft grounded due to corrosion for each year, and the length of time each aircraft was grounded pending corrosion repair, based on maintenance conducted from fiscal year 1996 through fiscal year 2003.

(4) An itemization of improved corrosion repair processes for KC–135E and KC–135R aircraft used between fiscal year 1996 and fiscal year 2003 which resulted in a decrease in the number of manhours required for control and treatment of corrosion.

(5) An analysis of the relationship between manhours for corrosion repair as set forth under paragraph (2) and the processes set forth under paragraph (4).

(6) An analysis of major structural repairs required due to corrosion for KC–135E and KC–135R aircraft annually from fiscal year 1996 through fiscal year 2003.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent active duty end strength minimum levels.
Sec. 403. Personnel strength authorization and accounting process.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2004 limitations on non-dual status technicians.
Sec. 415. Permanent limitations on number of non-dual status technicians.

Subtitle C—Authorizations of Appropriations

Sec. 421. Military personnel.
Sec. 422. Armed Forces Retirement Home.

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, 482,400.

(2) The Navy, 373,800.

(3) The Marine Corps, 175,000.

(4) The Air Force, 359,300.

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

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 "482,400".

(2) NAVY.—Paragraph (2) is amended by striking "375,700" and inserting "373,800".

(3) AIR FORCE.—Paragraph (4) is amended by striking "359,000" and inserting "359,300".

SEC. 403. PERSONNEL STRENGTH AUTHORIZATION AND ACCOUNTING PROCESS.

(a) QUARTERLY STRENGTH LEVELS.—Section 115 of title 10, United States Code, is amended—

(1) by redesignating subsections (c), (e), and (g) as subsections (e), (g), and (c), respectively, and by transferring—

(A) subsection (e), as so redesignated, so as to appear after subsection (d);

(B) subsection (g), as so redesignated, so as to appear after subsection (f); and

(C) subsection (c), as so redesignated, so as to appear after subsection (b);

(2) by transferring subsection (d) to the end of such section and redesignating that subsection as subsection (h); and

(3) by inserting after subsection (c), as redesignated and transferred by paragraph (1), the following new subsection (d):

"(d) END-OF-QUARTER STRENGTH LEVELS.—(1) The Secretary of Defense shall prescribe and include in the budget justification documents submitted to Congress in support of the President's budget for the Department of Defense for any fiscal year the Secretary's proposed end-of-quarter strengths for each of the first three quarters of the fiscal year for which the budget is submitted, in addition to the Secretary's proposed fiscal-year end-strengths for that fiscal year. Such end-of-quarter strengths shall be submitted for each category of personnel for which end strengths are required to be authorized by law under subsection (a) or (c). The Secretary shall ensure that resources are provided in the budget at a level sufficient to support the end-of-quarter and fiscal-year end-strengths as submitted.

"(2)(A) After annual end-strength levels required by subsections (a) and (c) are authorized by law for a fiscal year, the Secretary of Defense shall promptly prescribe end-of-quarter strength levels for the first three quarters of that fiscal year applicable to each such end-strength level. Such end-of-quarter strength levels shall be established for any fiscal year as levels to be achieved in meeting each of those annual end-strength levels authorized by law in accordance with subsection (a) (as such levels may be adjusted pursuant to subsection (e)) and subsection (c).

"(B) At least annually, the Secretary of Defense shall establish for each of the armed forces (other than the Coast Guard) the maximum permissible variance of actual strength for an armed force at the end of any given quarter from the end-of-quarter strength established pursuant to subparagraph (A). Such variance shall be such that it promotes the maintaining of the strength necessary to achieve the end-strength levels authorized in accordance with subsection (a) (as adjusted pursuant to subsection (e)) and subsection (c).

"(3) Whenever the Secretary establishes an end-of-quarter strength level under subparagraph (A) of paragraph (2), or modifies a strength level under the authority provided in subparagraph (B) of paragraph (2), the Secretary shall notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of that strength level or of that modification, as the case may be.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting "ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS TO BE AUTHORIZED BY LAW.—" after "(a)";

(2) in subsection (b), by inserting "LIMITATION ON APPROPRIATIONS FOR MILITARY PERSONNEL.—" after "(b)";

(3) in subsection (c), as redesignated and transferred by subsection (a)(1), by inserting "MILITARY TECHNICIAN (DUAL STATUS) END STRENGTHS TO BE AUTHORIZED BY LAW.—" after "(c)";

(4) in subsection (e), as redesignated and transferred by subsection (a)(1), by inserting "AUTHORITY FOR SECRETARY OF

DEFENSE VARIANCES FOR ACTIVE-DUTY AND SELECTED RESERVE END STRENGTHS.—" after "(e)";

(5) in subsection (f)—

(A) by inserting "AUTHORITY FOR SERVICE SECRETARY VARIANCES FOR ACTIVE-DUTY END STRENGTHS.—" after "(f)"; and

(B) in paragraph (2), by striking "subsection (c)(1)" and inserting "subsection (e)(1)";

(6) in subsection (g), as redesignated and transferred by subsection (a)(1), by inserting "ADJUSTMENT WHEN COAST GUARD IS OPERATING AS A SERVICE IN THE NAVY.—" after "(g)"; and

(7) in subsection (h), as redesignated and transferred by subsection (a)(2), by inserting "CERTAIN ACTIVE-DUTY PERSONNEL EXCLUDED FROM COUNTING FOR ACTIVE-DUTY END STRENGTHS.—" after "(h)".

(c) CROSS REFERENCE AMENDMENTS.—Section 10216 of such title is amended by striking "section 115(g)" each place it appears and inserting "section 115(c)".

(d) EFFECTIVE DATE.—Subsection (d) of section 115 of title 10, United States Code, as added by subsection (a)(3), shall apply with respect to the budget request for fiscal year 2005 and thereafter.

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, 107,030.

(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, 25,599.

(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, 12,191.

(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 Reserve, 6,949.

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

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

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

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

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2004, may not exceed the following:

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

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

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2004, may not exceed 910.

(3) The number of non-dual status technicians employed by the Air Force Reserve as of September 30, 2004, may not exceed 90.

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

SEC. 415. 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 $98,908,400,000. 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—Officer Personnel Matters

Sec. 501. Standardization of qualifications for appointment as service chief.
Sec. 502. Eligibility for appointment as Chief of Army Veterinary Corps.
Sec. 503. Repeal of required grade of defense attaché in France.
Sec. 504. Repeal of termination provisions for certain authorities relating to management of general and flag officers in certain grades.
Sec. 505. Retention of health professions officers to fulfill active-duty service commitments following promotion nonselection.
Sec. 506. Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander.
Sec. 507. Contingent exclusion from officer strength and distribution-in-grade limitations for officer serving as Associate Director of Central Intelligence for Military Support.
Sec. 508. Reappointment of incumbent Chief of Naval Operations.
Sec. 509. Secretary of Defense approval required for practice of wearing uniform insignia of higher grade known as "frocking".

Subtitle B—Reserve Component Matters

Sec. 511. Streamlined process for continuation of officers on the Reserve Active-Status List.
Sec. 512. Consideration of Reserve officers for position vacancy promotions in time of war or national emergency.
Sec. 513. Authority for delegation of required secretarial special finding for placement of certain retired members in Ready Reserve.
Sec. 514. Authority to provide expenses of Army and Air Staff personnel and National Guard Bureau personnel attending national conventions of certain military associations.
Sec. 515. Expanded authority for use of Ready Reserve in response to terrorism.
Sec. 516. National Guard officers on active duty in command of National Guard units.
Sec. 517. Presidential report on mobilization of reserve component personnel and Secretary of Defense assessment.
Sec. 518. Authority for the use of operation and maintenance funds for promotional activities of the National Committee for Employer Support of the Guard and Reserve.

Subtitle C—ROTC and Military Service Academies

Sec. 521. Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships.
Sec. 522. Increase in allocation of scholarships under Army Reserve ROTC scholarship program to students at military junior colleges.
Sec. 523. Authority for nonscholarship senior ROTC sophomores to voluntarily contract for and receive subsistence allowance.

Sec. 524. Appointments to military service academies from nominations made by delegates from Guam, Virgin Islands, and American Samoa.
Sec. 525. Readmission to service academies of certain former cadets and midshipmen.
Sec. 526. Defense task force on sexual harassment and violence at the military service academies.
Sec. 527. Actions to address sexual harassment and violence at the service academies.
Sec. 528. Study and report related to permanent professors at the United States Air Force Academy.
Sec. 529. Dean of the faculty of the United States Air Force Academy.

Subtitle D—Other Military Education and Training Matters

Sec. 531. Authority for the Marine Corps University to award the degree of Master of Operational Studies.
Sec. 532. Authorization for Naval Postgraduate School to provide instruction to enlisted members participating in certain programs.
Sec. 533. Cost reimbursement requirements for personnel receiving instruction at the Air Force Institute of Technology.
Sec. 534. Inclusion of accrued interest in amounts that may be repaid under Selected Reserve critical specialties education loan repayment program.
Sec. 535. Funding of education assistance enlistment incentives to facilitate national service through Department of Defense Education Benefits Fund.
Sec. 536. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 537. Impact aid eligibility for heavily impacted local educational agencies affected by privatization of military housing.

Subtitle E—Administrative Matters

Sec. 541. High-tempo personnel management and allowance.
Sec. 542. Enhanced retention of accumulated leave for high-deployment members.
Sec. 543. Standardization of statutory authorities for exemptions from requirement for access to secondary schools by military recruiters.
Sec. 544. Procedures for consideration of applications for award of the Purple Heart medal to veterans held as prisoners of war before April 25, 1962.
Sec. 545. Authority for Reserve and retired regular officers to hold State and local office notwithstanding call to active duty.
Sec. 546. Policy on public identification of casualties.
Sec. 547. Space personnel career fields.
Sec. 548. Department of Defense Joint Advertising, Market Research, and Studies program.
Sec. 549. Limitation on force structure reductions in Naval and Marine Corps Reserve aviation squadrons.

Subtitle F—Military Justice Matters

Sec. 551. Extended limitation period for prosecution of child abuse cases in courts-martial.
Sec. 552. Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel.

Subtitle G—Benefits

Sec. 561. Additional classes of individuals eligible to participate in the Federal long-term care insurance program.
Sec. 562. Authority to transport remains of retirees and retiree dependents who die in military treatment facilities.
Sec. 563. Eligibility for dependents of certain mobilized reservists stationed overseas to attend defense dependents schools overseas.

Subtitle H—Domestic Violence

Sec. 571. Travel and transportation for dependents relocating for reasons of personal safety.
Sec. 572. Commencement and duration of payment of transitional compensation.
Sec. 573. Exceptional eligibility for transitional compensation.
Sec. 574. Types of administrative separations triggering coverage.
Sec. 575. Comptroller General review and report.
Sec. 576. Fatality reviews.
Sec. 577. Sense of Congress.

Subtitle I—Other Matters

Sec. 581. Recognition of military families.
Sec. 582. Permanent authority for support for certain chaplain-led military family support programs.
Sec. 583. Department of Defense-Department of Veterans Affairs Joint Executive Committee.
Sec. 584. Review of the 1991 death of Marine Corps Colonel James E. Sabow.
Sec. 585. Policy on concurrent deployment to combat zones of both military spouses of military families with minor children.
Sec. 586. Congressional notification of amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation.
Sec. 587. Study of National Guard Challenge Program.
Sec. 588. Findings and sense of Congress on reward for information leading to resolution of status of members of the Armed Forces who remain unaccounted for.

Subtitle A—Officer Personnel 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 "from the 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 "from the general officers of the Marine Corps".

SEC. 502. ELIGIBILITY FOR APPOINTMENT AS CHIEF OF ARMY VETERINARY CORPS.

(a) APPOINTMENT FROM AMONG MEMBERS OF THE CORPS.—Section 3084 of title 10, United States Code, is amended by inserting after "The Chief of the Veterinary Corps of the Army" the following: "shall be appointed from among officers of the Veterinary Corps. The Chief of the Veterinary Corps".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to appointments of the Chief of the Veterinary Corps of the Army that are made on or after the date of the enactment of this Act.

SEC. 503. REPEAL OF REQUIRED GRADE OF DEFENSE ATTACHÉ IN FRANCE.

(a) IN GENERAL.—Section 714 of title 10, United States Code, is repealed.

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 41 of such title is amended by striking the item relating to section 714.

SEC. 504. REPEAL OF TERMINATION PROVISIONS FOR CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) SENIOR JOINT OFFICER POSITIONS.—Section 604 of title 10, United States Code, is amended by striking subsection (c)

(b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5) of such title is amended by striking subparagraph (C).

(c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b) of such title is amended by striking paragraph (3).

SEC. 505. 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

(2) 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. 506. PERMANENT AUTHORITY TO REDUCE THREE-YEAR TIME-IN-GRADE REQUIREMENT FOR RETIREMENT IN GRADE FOR OFFICERS IN GRADES ABOVE MAJOR AND LIEUTENANT COMMANDER.

(a) ACTIVE COMPONENT OFFICERS.—Subsection (a)(2)(A) of section 1370 of title 10, United States Code, is amended by striking "in the case of retirements effective during the period beginning on October 1, 2002, and ending on December 31, 2003".

(b) RESERVE COMPONENT OFFICERS.—Subsection (d)(5)(A) of such section is amended by striking "2 years" and all that follows and inserting "two years.".

SEC. 507. CONTINGENT EXCLUSION FROM OFFICER STRENGTH AND DISTRIBUTION-IN-GRADE LIMITATIONS FOR OFFICER SERVING AS ASSOCIATE DIRECTOR OF CENTRAL INTELLIGENCE FOR MILITARY SUPPORT.

(a) ASSOCIATE DIRECTOR NOT COUNTED.—Chapter 32 of title 10, United State Code, is amended by adding at the end the following new section:

"§ 528. Exclusion: officer serving as Associate Director of Central Intelligence for Military Support

"(a) When none of the individuals serving in a position specified in subsection (b) is an officer of the armed forces, an officer of the armed forces assigned to the position of Associate Director of Central Intelligence for Military Support, while serving in that position, shall not be counted against the numbers and percentages of officers of the grade of that officer authorized for that officer's armed force.

"(b) The positions referred to in subsection (a) are the following:

"(1) Director of Central Intelligence.

"(2) Deputy Director of Central Intelligence.

"(3) Deputy Director of Central Intelligence for Community Management.".

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

"528. Exclusion: Associate Director of Central Intelligence for Military Support.".

SEC. 508. REAPPOINTMENT OF INCUMBENT CHIEF OF NAVAL OPERATIONS.

Notwithstanding the provisions of section 5033(a)(1) of title 10, United States Code, the President, by and with the advice and consent of the Senate, may reappoint the officer serving as Chief of Naval Operations on October 1, 2003, for an additional term as Chief of Naval Operations. Such a reappointment shall be for a term of not more than two years.

SEC. 509. SECRETARY OF DEFENSE APPROVAL REQUIRED FOR PRACTICE OF WEARING UNIFORM INSIGNIA OF HIGHER GRADE KNOWN AS "FROCKING".

(a) OSD APPROVAL REQUIRED.—Section 777(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting "; and"; and

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

"(3) in the case of an officer selected for promotion to a grade above colonel or, in the case of an officer of the Navy, a grade above captain—

"(A) authority for that officer to wear the insignia of that grade has been approved by the Secretary of Defense (or a civilian officer within the Office of the Secretary of Defense whose appointment was made with the advice and consent of the Senate and to whom the Secretary delegates such approval authority); and

"(B) the Secretary of Defense has submitted to Congress a written notification of the intent to authorize the officer to wear the insignia for that grade and a period of 30 days has elapsed after the date of the notification.".

(b) EFFECTIVE DATE.—Paragraph (3) of subsection (b) of section 777 of title 10, United States Code, as added by subsection (a), shall not apply with respect to the wearing by an officer of insignia for a grade that was authorized under that section before the date of the enactment of this Act.

Subtitle B—Reserve Component Matters

SEC. 511. 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. 512. 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 section 123(a) 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. 513. 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 Assistant Secretary; 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. 514. 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 "the National Guard Association of the United States" and inserting "the Enlisted Association of the National Guard of the United States, the 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.

SEC. 515. EXPANDED AUTHORITY FOR USE OF READY RESERVE IN RESPONSE TO TERRORISM.

Section 12304 of title 10, United States Code, is amended—

(1) in subsection (b)(2), by striking "catastrophic" and inserting "significant"; and

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

"(3) No unit or member of a reserve component may be ordered to active duty under this section to provide assistance referred to in subsection (b) unless the President determines that the requirements for responding to an emergency referred to in that subsection have exceeded, or will exceed, the response capabilities of local, State, and Federal civilian agencies.".

SEC. 516. NATIONAL GUARD OFFICERS ON ACTIVE DUTY IN COMMAND OF NATIONAL GUARD UNITS.

(a) CONTINUATION IN STATE STATUS.—Subsection (a) of section 325 of title 32, United States Code, is amended—

(1) by striking "(a) Each" and inserting "(a) RELIEF REQUIRED.—(1) Except as provided in paragraph (2), each"; and

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

"(2) An officer of the Army National Guard of the United States or the Air National Guard of the United States is not relieved from duty in the National Guard of his State or Territory, or of Puerto Rico or the District of Columbia, under paragraph (1) while serving on active duty in command of a National Guard unit if—

"(A) the President authorizes such service in both duty statuses; and

"(B) the Governor of his State or Territory or Puerto Rico, or the commanding general of the District of Columbia National Guard, as the case may be, consents to such service in both duty statuses.".

(b) FORMAT AMENDMENT.—Subsection (b) of such section is amended by inserting "RETURN TO STATE STATUS.—" after "(b)".

SEC. 517. PRESIDENTIAL REPORT ON MOBILIZATION OF RESERVE COMPONENT PERSONNEL AND SECRETARY OF DEFENSE ASSESSMENT.

(a) PRESIDENTIAL REPORT—Not later than six months after the date of the enactment of this Act, the President shall transmit to Congress a report on the mobilization during fiscal years 2002 and 2003 of members of the reserve components. The report shall include, for each of those fiscal years, the following:

(1) The number of members of the reserve components who were called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code.

(2) Of the members counted under paragraph (1), the number who, under a call or order to active duty referred to in paragraph (1), served on active duty for one year or more (including any extension on active duty) and, for those members, specification of their military specialties and the number of such members in each such specialty.

(3) Of the members counted under paragraph (1), the number who, under a provision of law referred to in paragraph (1), were called or ordered to active duty more than once and, for those members, specification of their military specialties and the number of such members in each such specialty.

(b) ASSESSMENT BY SECRETARY OF DEFENSE.—Not later than one year 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 the following:

(1) A description of the effects on reserve component recruitment and retention that have resulted from—

(A) the calls and orders of Reserves to active duty during fiscal years 2002 and 2003; and

(B) the tempo of the service of the Reserves on the active duty to which called or ordered.

(2) A description of changes in the Armed Forces, including any changes in the allocation of roles and missions, in force

structure, and in capabilities between the active components and the reserve components of the Armed Forces, that are envisioned by the Secretary of Defense on the basis of—

(A) the effects discussed under paragraph (1); or

(B) the lessons learned from calling and ordering the reserve components to active duty during fiscal years 2002 and 2003.

(C) future military force structure and capabilities requirements.

(3) On the basis of the lessons learned as a result of calling and ordering members of the reserve components to active duty during fiscal years 2002 and 2003, an assessment of the process for calling and ordering such members to active duty, preparing such members for active duty, processing such members into the force upon entry onto active duty, and deploying such members, including an assessment of the adequacy of the alert and notification process from the perspectives of individual members, of reserve component units, and of employers of such members.

SEC. 518. AUTHORITY FOR THE USE OF OPERATION AND MAINTENANCE FUNDS FOR PROMOTIONAL ACTIVITIES OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE.

Section 2241 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) ACTIVITIES OF THE NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE.—Amounts appropriated for operation and maintenance may, under regulations prescribed by the Secretary of Defense, be used by the Secretary for official reception, representation, and advertising activities and materials of the National Committee for Employer Support of the Guard and Reserve to further employer commitments to their employees who are members of a reserve component.".

Subtitle C—ROTC and Military Service Academies

SEC. 521. 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 another 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 another amount determined 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. 522. 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. 523. 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). That allowance may be paid to the member by reason of such agreement 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) AUTHORITY.—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) ELIGIBILTY REQUIREMENTS.—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) PARENTAL CONSENT FOR MINORS.—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.

"(d) TERMINATION OF AUTHORITY.—No contract may be entered into under subsection (a)(1) after December 31, 2006.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2103 the following new item:

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

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004.

SEC. 524. 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 ap-

pointment 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. 525. 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 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 department 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 supersede 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. 526. 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 sex-

ual 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 Department of the Army and the Department of the Navy may more effectively address matters relating to sexual harassment and violence at the United States Military Academy and the United States Naval Academy, respectively. The report shall include an assessment of, and recommendations (including any recommended changes in law) for measures to improve, with respect to sexual harassment and violence at those academies, the following:

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

(3) Within 90 days after 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 Rights of the Department of Education.

(B) A representative from the Centers for Disease Control and Prevention of the Department of Health and Human Services.

(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 Services 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).

SEC. 527. ACTIONS TO ADDRESS SEXUAL HARASSMENT AND VIOLENCE AT THE SERVICE ACADEMIES.

(a) POLICY ON SEXUAL HARASSMENT AND VIOLENCE.—(1) Under guidance prescribed by the Secretary of Defense—

(A) the Secretary of the Army shall direct the Superintendent of the United States Military Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Military Academy;

(B) the Secretary of the Navy shall direct the Superintendent of the United States Naval Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Naval Academy; and

(C) the Secretary of the Air Force shall direct the Superintendent of the United States Air Force Academy to prescribe a policy on sexual harassment and violence applicable to the personnel of the United States Air Force Academy.

(2) The policy on sexual harassment and violence prescribed for an academy under paragraph (1) shall specify the following:

(A) Programs to promote awareness of the incidence of rape, acquaintance rape, and other sexual offenses of a criminal nature that involve academy personnel.

(B) Procedures that a cadet or midshipman should follow in the case of an occurrence of sexual harassment or violence, including—

(i) a specification of the person or persons to whom the alleged offense should be reported;

(ii) a specification of any other person whom the victim should contact; and

(iii) procedures on the preservation of evidence potentially necessary for proof of criminal sexual assault.

(C) Procedures for disciplinary action in cases of alleged criminal sexual assault involving academy personnel.

(D) Any other sanction authorized to be imposed in a substantiated case of harassment or violence involving academy

personnel in rape, acquaintance rape, or any other criminal sexual offense, whether forcible or nonforcible.

(E) Required training on the policy for all academy personnel, including the specific training required for personnel who process allegations of sexual harassment or violence involving academy personnel.

(3) In prescribing the policy on sexual harassment and violence for an academy under paragraph (1), the Superintendent of that academy shall take into consideration—

(A) the findings, conclusions, and recommendations of the panel established pursuant to title V of the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11; 117 Stat. 609) to review sexual misconduct allegations at the United States Air Force Academy; and

(B) the findings, conclusions, and recommendations of other previous reviews and investigations of sexual harassment and violence conducted with respect to one or more of the academies covered by paragraph (1).

(4) The policy for each such academy required by paragraph (1) shall be prescribed not later than June 1, 2004.

(b) ANNUAL ASSESSMENT.—(1) The Secretary of Defense, through the Secretaries of the military departments, shall direct each Superintendent to conduct at the academy under the jurisdiction of that Superintendent an assessment during each academy program year to determine the effectiveness of the academy's policies, training, and procedures on sexual harassment and violence to prevent criminal sexual harassment and violence involving academy personnel.

(2) For the assessment for each of the 2004, 2005, 2006, 2007, and 2008 academy program years, the Superintendent shall conduct a survey of all academy personnel—

(A) to measure—

(i) the incidence, during that program year, of sexual harassment and violence events, on or off the academy reservation, that have been reported to officials of the academy; and

(ii) the incidence, in that program year, of sexual harassment and violence events, on or off the academy reservation, that have not been reported to officials of the academy; and

(B) to assess the perceptions of academy personnel on—

(i) the policies, training, and procedures on sexual harassment and violence involving academy personnel;

(ii) the enforcement of such policies;

(iii) the incidence of sexual harassment and violence involving academy personnel in such program year; and

(iv) any other issues relating to sexual harassment and violence involving academy personnel.

(c) ANNUAL REPORT.—(1) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall direct the Superintendent of the United States Military Academy, the Superintendent of the United States Naval Academy, and the Superintendent of the United States Air Force Academy, respectively, to submit to the Secretary a report on sexual harassment and violence

involving academy personnel for each of the 2004, 2005, 2006, 2007, and 2008 academy program years.

(2) The annual report for an academy under paragraph (1) shall contain, for the academy program year covered by the report, the following matters:

(A) The number of sexual assaults, rapes, and other sexual offenses involving academy personnel that have been reported to academy officials during the program year, and the number of the reported cases that have been substantiated.

(B) The policies, procedures, and processes implemented by the Secretary of the military department concerned and the leadership of the academy in response to sexual harassment and violence involving academy personnel during the program year.

(C) In the report for the 2004 academy program year, a discussion of the survey conducted under subsection (b), together with an analysis of the results of the survey and a discussion of any initiatives undertaken on the basis of such results and analysis.

(D) In the report for each of the subsequent academy program years, the results of the annual survey conducted in such program year under subsection (b).

(E) A plan for the actions that are to be taken in the following academy program year regarding prevention of and response to sexual harassment and violence involving academy personnel.

(3) The Secretary of a military department shall transmit the annual report on an academy under this subsection, together with the Secretary's comments on the report, to the Secretary of Defense and the Board of Visitors of the academy.

(4) The Secretary of Defense shall transmit the annual report on each academy under this subsection, together with the Secretary's comments on the report to, the Committees on Armed Services of the Senate and the House of Representatives.

(5) The report for the 2004 academy program year for an academy shall be submitted to the Secretary of the military department concerned not later than one year after the date of the enactment of this Act.

(6) In this subsection, the term "academy program year" with respect to a year, means the academy program year that ends in that year.

SEC. 528. STUDY AND REPORT RELATED TO PERMANENT PROFESSORS AT THE UNITED STATES AIR FORCE ACADEMY.

(a) SECRETARY OF AIR FORCE RECOMMENDATIONS.—Not later than six months after the date of the enactment of the Act, the Secretary of the Air Force shall submit to the Secretary of Defense a report containing recommended changes in policy and law pertaining to the selection, tenure, utilization, responsibilities, and qualifications of the permanent professors at the Air Force Academy.

(b) SECRETARY OF DEFENSE RECOMMENDATIONS.—Not later than one month after receiving the report of the Secretary of the Air Force under subsection (a), the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives the report received from the Secretary of the Air Force,

together with the recommendations of the Secretary of Defense for action and proposals for legislation.

(c) MATTERS TO BE CONSIDERED BY SECRETARY OF AIR FORCE.—The Secretary of the Air Force in preparing the report required by subsection (a), shall, at a minimum, do the following:

(1) Conduct a comprehensive review and assessment of the existing faculty system at the Air Force Academy, including both civilian and military permanent professorships.

(2) Take into account the findings, conclusions, and recommendation regarding faculty and permanent professorships at the Air Force Academy of—

(A) the report of the Panel to Review Sexual Misconduct Allegations at the U.S. Air Force Academy (referred to as the "Fowler Panel"), dated September 22, 2003;

(B) the report released on June 19, 2003, of the special working group appointed by the Secretary of the Air Force known as the Working Group Concerning the Deterrence of and Response to Incidents of Sexual Assault at the U.S. Air Force Academy, which was led by the General Counsel of the Department of the Air Force; and

(C) the Agenda for Change of the Air Force Academy dated March 26, 2003.

(3) Solicit information regarding the faculty and permanent professorship systems at the United States Naval Academy and the United States Military Academy and consider that information as part of the required assessment.

(4) Consult with experts on higher education outside the Department of Defense.

SEC. 529. DEAN OF THE FACULTY OF THE UNITED STATES AIR FORCE ACADEMY.

(a) AUTHORITY TO APPOINT DEAN FROM PERSONS OTHER THAN AIR FORCE ACADEMY FACULTY HEADS OF DEPARTMENTS.—Subsection (a) of section 9335 of title 10, United States Code, is amended to read as follows:

"(a) The Dean of the Faculty is responsible to the Superintendent for developing and sustaining the curriculum and overseeing the faculty of the Academy. The qualifications, selection procedures, training, pay grade, and retention of the Dean shall be prescribed by the Secretary of the Air Force. If a person appointed as the Dean is not an officer on active duty, the person shall be appointed as a member of the Senior Executive Service.".

(b) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended—

(1) in the first sentence—

(A) by striking "of the Air Force" and inserting "on active duty"; and

(B) by inserting "(or the equivalent)" after "brigadier general" both places it appears; and

(2) in the last sentence—

(A) by inserting "applicable" before "limitation"; and

(C) by striking "of the Air Force".

(c) STATUTORY STATUS AS PERMANENT PROFESSOR.—(1) Section 9331(b)(2) of such title is amended by striking "dean of the Faculty, who is a permanent professor" and inserting "Dean of the Faculty".

(2) Section 9336(a) of such title is amended by striking ", other than the Dean of the Faculty,".

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to any Dean of the Faculty of the United States Air Force Academy selected on or after the date of the enactment of this Act.

Subtitle D—Other Military Education and Training Matters

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 Command 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.

SEC. 532. AUTHORIZATION FOR NAVAL POSTGRADUATE SCHOOL TO PROVIDE INSTRUCTION TO ENLISTED MEMBERS PARTICIPATING IN CERTAIN PROGRAMS.

(a) EXPANDED ELIGIBILITY FOR ENLISTED PERSONNEL.—Subsection (a)(2) of section 7045 of title 10, United States Code, is amended to read as follows:

"(2)(A) The Secretary may permit an enlisted member of the armed forces to receive instruction at the Naval Postgraduate School through attendance at an executive level seminar.

"(B) The Secretary may permit an eligible enlisted member of the armed forces to receive instruction at the Postgraduate School in connection with pursuit of a program of education in information assurance as a participant in the Information Security Scholarship program under chapter 112 of this title. To be eligible for instruction under this subparagraph, the enlisted member must have been awarded a baccalaureate degree by an institution of higher education.

"(C) In addition to instruction authorized under subparagraphs (A) and (B), the Secretary may, on a space-available basis, permit an enlisted member of the armed forces who is assigned perma-

nently to the staff of the Postgraduate School or to a nearby command to receive instruction at the Postgraduate School.".

(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)(2)(C)" 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 requirements for payment of costs and fees under paragraph (1) shall be subject to such exceptions as the Secretary of Defense may prescribe for members of the armed forces who receive instruction at the Postgraduate School in connection with pursuit of a degree or certification as participants in the Information Security Scholarship program under chapter 112 of this title.".

SEC. 533. COST REIMBURSEMENT REQUIREMENTS FOR PERSONNEL RECEIVING INSTRUCTION AT THE AIR FORCE INSTITUTE OF TECHNOLOGY

(a) REIMBURSEMENT FROM OTHER SERVICES.—Section 9314 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) REIMBURSEMENT.—(1) The Department of the Army, the Department of the Navy, and the Department of Homeland Security shall bear the cost of the instruction at the Air Force Institute of Technology that is received by members of the armed forces detailed for that instruction by the Secretaries of the Army, Navy, and Homeland Security, respectively.

"(2) Members of the Army, Navy, Marine Corps, and Coast Guard may only be detailed for instruction at the Institute on a space-available basis.

"(3) In the case of an enlisted member of the Army, Navy, Marine Corps, and Coast Guard permitted to receive instruction at the Institute, the Secretary of the Air Force shall charge that member only for such costs and fees as the Secretary considers appropriate (taking into consideration the admission of enlisted members on a space-available basis).".

(b) STYLISTIC AMENDMENTS.—(1) Subsection (a) of such section is amended by inserting "AUTHORITY TO CONFER DEGREES.—" after "(a)".

(2) Subsection (b) of such section is amended by inserting "CIVILIAN FACULTY.—" after "(b)".

(c) CLARIFYING AMENDMENT.—Subsection (a) of such section is further amended—

(1) by striking "When the" and all that follows through "the Commander" and inserting "(1) The Commander";

(2) by striking "that Institute" and inserting "the United States Air Force Institute of Technology"; and

(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. 537. IMPACT AID ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.

(a) TRANSITION.—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, a heavily impacted local educational agency that received a basic support payment under this paragraph 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.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect beginning with basic support payments under section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) for fiscal year 2003.

Subtitle D—Administrative Matters

SEC. 541. HIGH-TEMPO PERSONNEL MANAGEMENT AND ALLOWANCE.

(a) DEPLOYMENT MANAGEMENT.—Subsection (a) of section 991 of title 10, United States Code, is amended to read as follows:

"(a) MANAGEMENT RESPONSIBILITIES.—(1) The deployment (or potential deployment) of a member of the armed forces shall be

managed to ensure that the member is not deployed, or continued in a deployment, on any day on which the total number of days on which the member has been deployed—

"(A) out of the preceding 365 days would exceed the one-year high-deployment threshold; or

"(B) out of the preceding 730 days would exceed the two-year high-deployment threshold.

"(2) In this subsection:

"(A) The term 'one-year high-deployment threshold' means—

"(i) 220 days; or

"(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

"(B) The term 'two-year high-deployment threshold' means—

"(i) 400 days; or

"(ii) a lower number of days prescribed by the Secretary of Defense, acting through the Under Secretary of Defense for Personnel and Readiness.

"(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 in a general or flag officer position who has been selected for promotion to the grade of brigadier general or rear admiral (lower half) in a report of a selection board convened under section 611(a) or 14101(a) of this title that has been approved by the President).".

(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, acting through the Under Secretary of Defense for Personnel and Readiness);

"(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, acting through the Under Secretary of Defense for Personnel and Readiness); or

"(C) in the case of a member of a reserve component, is on active duty—

"(i) 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; or

"(ii) for a period of more than 30 days under a provision of law referred to in section 101(a)(13)(B) of title 10, if such period begins within one year after the date on which the member was released from previous service on active duty for a period of more than 30 days under a call or order issued under such a provision of law.".

(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 by adding at the end the following new subsections:

"(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, acting through the Under Secretary of Defense for Personnel and Readiness. 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.

"(h) PAYMENT FROM OPERATION AND MAINTENANCE FUNDS.—The monthly allowance payable to a member under this section shall be paid from appropriations available for operation and maintenance for the armed force in which the member serves.".

(4) Such section is further amended—

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

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

(C) in subsection (f)—

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

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

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

"§ 436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations".

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

"436. High-deployment allowance: lengthy or numerous deployments; frequent mobilizations.".

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

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 by adding at the end the following new subsection:

"(d) PROCEDURES FOR AWARD.—In determining whether a former prisoner of war who submits an application for the award of the Purple Heart under subsection (a) is eligible for that award, the Secretary concerned shall apply the following procedures:

"(1) Failure of the applicant to provide any documentation as required by the Secretary shall not in itself disqualify the application from being considered.

"(2) In evaluating the application, the Secretary shall consider (A) historical information as to the prison camp or other circumstances in which the applicant was held captive, and (B) the length of time that the applicant was held captive.

"(3) To the extent that information is readily available, the Secretary shall assist the applicant in obtaining information or identifying the sources of information referred to in paragraph (2).

"(4) The Secretary shall review a completed application under this section based upon the totality of the information presented, taking 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.".

SEC. 545. AUTHORITY FOR RESERVE AND RETIRED REGULAR OFFICERS TO HOLD STATE AND LOCAL OFFICE NOTWITHSTANDING CALL TO ACTIVE DUTY.

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

(1) by redesignating paragraph (4) as paragraph (5);

(2) in paragraph (3)—

(A) by inserting "by reason of subparagraph (A) of paragraph (1)" after "applies"; and

(B) by striking ", the District of Columbia," and all that follows through "such government)" and inserting "(or of any political subdivision of a State)"; and

(3) by inserting after paragraph (3) the following new paragraph (4):

"(4)(A) An officer to whom this subsection applies by reason of subparagraph (B) or (C) of paragraph (1) may not hold, by election or appointment, a civil office in the government of a State (or of any political subdivision of a State) if the holding of such office while this subsection so applies to the officer—

"(i) is prohibited under the laws of that State; or

"(ii) as determined by the Secretary of Defense or by the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, interferes with the performance of the officer's duties as an officer of the armed forces.

"(B) Except as otherwise authorized by law, while an officer referred to in subparagraph (A) is serving on active duty, the officer may not exercise the functions of a civil office held by the officer as described in that subparagraph."; and

(4) by adding at the end the following

"(6) In this subsection, the term 'State' includes the District of Columbia and a territory, possession, or commonwealth of the United States.".

SEC. 546. POLICY ON PUBLIC IDENTIFICATION OF CASUALTIES.

(a) REQUIREMENT FOR POLICY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe the policy of the Department of Defense on public release of 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.

(b) GUIDANCE ON TIMING OF RELEASE.—The policy under subsection (a) shall include guidance for ensuring that any public release of information on a member under the policy occurs only after the lapse of an appropriate period following notification of the next-of-kin regarding the casualty status of such member.

SEC. 547. SPACE PERSONNEL CAREER FIELDS.

(a) STRATEGY REQUIRED.—The Secretary of Defense shall develop a strategy for the Department of Defense that will—

(1) promote the development of space personnel career fields within each of the military departments; and

(2) ensure that the space personnel career fields developed by the military departments are integrated with each other to the maximum extent practicable.

(b) REPORT.—Not later than February 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the strategy developed under subsection (a). The report shall include the following:

(1) A statement of the strategy developed under subsection (a), together with an explanation of that strategy.

(2) An assessment of the measures required for the Department of Defense and the military departments to integrate the space personnel career fields of the military departments.

(3) A comprehensive assessment of the adequacy of the actions of the Secretary of Air Force pursuant to section 8084 of title 10, United States Code, to establish for Air Force officers a career field for space.

(c) GENERAL ACCOUNTING OFFICE REVIEW AND REPORTS.—(1) The Comptroller General shall review the strategy developed under subsection (a) and the status of efforts by the military departments in developing space personnel career fields.

(2) The Comptroller General shall submit to the committees referred to in subsection (b) two reports on the review under paragraph (1), as follows:

(A) Not later than June 15, 2004, the Comptroller General shall submit a report that assesses how effective that Department of Defense strategy and the efforts by the military departments, when implemented, are likely to be for developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and operation of space systems.

(B) Not later than March 15, 2005, the Comptroller General shall submit a report that assesses, as of the date of the report—

(i) the effectiveness of that Department of Defense strategy and the efforts by the military departments in developing the personnel required by each of the military departments who are expert in development of space doctrine and concepts of space operations, the development of space systems, and in operation of space systems; and

(ii) progress made in integrating the space career fields of the military departments.

SEC. 548. DEPARTMENT OF DEFENSE JOINT ADVERTISING, MARKET RESEARCH, AND STUDIES PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of Defense may carry out a joint advertising, market research, and studies program to complement the recruiting advertising programs of the military departments and improve the ability of the military departments to attract and recruit qualified individuals to serve in the Armed Forces.

(b) FUNDING.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $7,500,000 may be made available to carry out the joint advertising, market research, and studies program.

SEC. 549. LIMITATION ON FORCE STRUCTURE REDUCTIONS IN NAVAL AND MARINE CORPS RESERVE AVIATION SQUADRONS.

The Secretary of the Navy may not reduce or disestablish a Naval Reserve or Marine Corps Reserve aviation squadron before February 1, 2004.

Subtitle E—Military Justice Matters

SEC. 551. EXTENDED LIMITATION PERIOD FOR PROSECUTION OF CHILD ABUSE CASES IN COURTS-MARTIAL.

Subsection (b) of section 843 of title 10, United States Code (article 43 of the Uniform Code of Military Justice), is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

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

"(2)(A) A person charged with having committed a child abuse offense against a child is liable to be tried by court-martial if the sworn charges and specifications are received before the child attains the age of 25 years by an officer exercising summary court-martial jurisdiction with respect to that person.

"(B) In subparagraph (A), the term 'child abuse offense' means an act that involves sexual or physical abuse of a person who has not attained the age of 16 years and constitutes any of the following offenses:

"(i) Rape or carnal knowledge in violation of section 920 of this title (article 120).

"(ii) Maiming in violation of section 924 of this title (article 124).

"(iii) Sodomy in violation of section 925 of this title (article 126).

"(iv) Aggravated assault or assault consummated by a battery in violation of section 928 of this title (article 128).

"(v) Indecent assault, assault with intent to commit murder, voluntary manslaughter, rape, or sodomy, or indecent acts or liberties with a child in violation of section 934 of this title (article 134).".

SEC. 552. CLARIFICATION OF BLOOD ALCOHOL CONTENT LIMIT FOR THE OFFENSE UNDER THE UNIFORM CODE OF MILITARY JUSTICE OF DRUNKEN OPERATION OF A VEHICLE, AIRCRAFT, OR VESSEL.

Section 911 of title 10, United States Code (article 111 of the Uniform Code of Military Justice), is amended—

(1) in subsection (a)(2), by striking "is in excess of" and inserting "is equal to or exceeds"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

"(A) In the case of the operation or control of a vehicle, aircraft, or vessel in the United States, such limit is the lesser of—

"(i) the blood alcohol content limit under the law of the State in which the conduct occurred, except as may be provided under paragraph (2) for conduct on a military installation that is in more than one State; or

"(ii) the blood alcohol content limit specified in paragraph (3).";

(B) in paragraphs (1)(B) and (3), by striking "maximum"; and

(C) in paragraph (4)(A), 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.".

Subtitle F—Benefits

SEC. 561. 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 new subparagraph:

"(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".

(d) REFERENCE AMENDMENT.—Section 9001(2)(A) of title 5, United States Code, as amended by subsection (b), is further amended by striking "of this subsection".

SEC. 562. AUTHORITY TO TRANSPORT REMAINS OF RETIREES AND RETIREE DEPENDENTS WHO DIE IN MILITARY TREATMENT FACILITIES.

(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. 563. ELIGIBILITY FOR DEPENDENTS OF CERTAIN MOBILIZED RESERVISTS STATIONED OVERSEAS TO ATTEND DEFENSE DEPENDENTS SCHOOLS OVERSEAS.

(a) TUITION 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.

"(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".

Subtitle G—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) If a determination described in subparagraph (B) is made with respect to a dependent of a member described in that subparagraph and a request described in subparagraph (C) is made by or on behalf of that dependent, the Secretary may provide a benefit authorized for a member under paragraph (1) or (3) to that dependent in lieu of providing such benefit to the member.

"(B) A determination described in this subparagraph is a determination by the commanding officer of a member that—

"(i) the member has committed a dependent-abuse offense against a dependent of the member;

"(ii) a safety plan and counseling have been provided to that dependent;

"(iii) the safety of the dependent is at risk; and

"(iv) the relocation of the dependent is advisable.

"(C) A request described in this subparagraph is a request by the spouse of a member, or by the parent of a dependent child in the case of a dependent child of a member, for relocation.

"(D) Transportation may be provided under this paragraph for household effects or a motor vehicle only if a written agreement of the member, or an order of a court of competent jurisdiction, gives possession of the effects or vehicle to the spouse or dependent of the member concerned.

"(E) In this paragraph, the term 'dependent-abuse offense' means an offense described in section 1059(c) of title 10.".

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, includes a dismissal, dishonorable discharge, bad conduct discharge, or forfeiture of all pay and allowances; or

"(ii) if there is a pretrial agreement that provides for 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; and".

(b) DURATION.—(1) Paragraph (2) of such section is amended by striking "a period of 36 months" and all that follows through "12 months" and inserting "a period of not less than 12 months and not

more than 36 months, as established in policies prescribed by the Secretary concerned".

(2) Policies under subsection (e)(2) of section 1059 of title 10, United States Code, as amended by paragraph (1), for the duration of transitional compensation payments under that section shall be prescribed under such subsection not later than six months after the date of the enactment of this Act.

(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".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to cases in which a court-martial sentence is ajudged on or after the date of the enactment of this Act.

SEC. 573. EXCEPTIONAL 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) EXCEPTIONAL ELIGIBILITY FOR DEPENDENTS OF FORMER MEMBERS.—(1) The Secretary concerned, under regulations prescribed under subsection (k), may authorize eligibility for benefits under this section for dependents and former dependents of a former member of the armed forces in a case in which the dependents or former dependents are not otherwise eligible for such benefits and the Secretary concerned determines that the former member engaged in conduct that is a dependent-abuse offense under this section and the former member was separated from active duty other than as described in subsection (b).

"(2) In a case in which the Secretary concerned, under the authority of paragraph (1), authorizes benefits to be provided under this section, such benefits shall be provided in the same manner as if the former member were an individual described in subsection (b), except that, under regulations prescribed under subsection (k), the Secretary shall make such adjustments to the commencement and duration of payment provisions of subsection (e), and may make adjustments to other provisions of this section, as the Secretary considers necessary in light of the circumstances in order to provide benefits substantially equivalent to the benefits provided in the case of an individual described in subsection (b).

"(3) The authority of the Secretary concerned under paragraph (1) may not be delegated.".

(b) EFFECTIVE DATE.—The authority under subsection (m) of section 1059 of title 10, United States Code, as added by subsection (a), may be exercised with respect to eligibility for benefits under that section only for dependents and former dependents of individuals who are separated from active duty in the Armed Forces 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. COMPTROLLER GENERAL REVIEW AND REPORT.

(a) REVIEW.—During the two-year period beginning on the date of the enactment of this Act, the Comptroller General shall review and assess the progress of the Department of Defense in implementing the recommendations of the Defense Task Force on Domestic Violence. In reviewing the status of the Department's efforts, the Comptroller General should specifically focus on—

(1) the efforts of the Department to ensure confidentiality for victims and accountability and education of commanding officers and chaplains; and

(2) the resources that the Department of Defense has provided toward such implementation, including personnel, facilities, and other administrative support, in order to ensure that necessary resources 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.

(b) REPORT.—The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the results of the review and assessment under subsection (a) not later than 30 months after the date of the enactment of this Act.

SEC. 576. FATALITY REVIEWS.

(a) ARMY.—(1) Part II of subtitle B of title 10, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 375—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

"Sec.
"4061. Fatality reviews.

"§ 4061. Fatality reviews

"(a) REVIEW OF FATALITIES.—The Secretary of the Army 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 any of the following:

"(1) A member of the Army on active duty.

"(2) A current or former dependent of a member of the Army on active duty.

"(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Army on active duty.

"(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 in-

formation, assailant demographics, and household and family information.

"(3) Legal disposition.

"(4) System intervention and failures, if any, within the Department of Defense.

"(5) A discussion of significant findings.

"(6) Recommendations for systemic changes, if any, within the Department of the Army and the Department of Defense.

"(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).".

(2) The tables of chapters at the beginning of subtitle B, and at the beginning of part II of subtitle B, of such title are each amended by inserting after the item relating to chapter 373 the following new item:

"375. Miscellaneous Investigation Requirements and Other Duties ..... 4061".

(b) NAVY AND MARINE CORPS.—(1) Chapter 555 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6036. Fatality reviews

"(a) REVIEW OF FATALITIES.—The Secretary of the Navy 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 any of the following.

"(1) A member of the naval service on active duty.

"(2) A current or former dependent of a member of the naval service on active duty.

"(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the naval service on active duty.

"(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, if any, within the Department of Defense.

"(5) A discussion of significant findings.

"(6) Recommendations for systemic changes, if any, within the Department of the Navy and the Department of Defense.

"(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).".

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

"6036. Fatality reviews.".

(c) AIR FORCE.—(1) Part II of subtitle D of such title is amended by adding at the end the following new chapter:

"CHAPTER 875—MISCELLANEOUS INVESTIGATION REQUIREMENTS AND OTHER DUTIES

"Sec.
"9061. Fatality reviews.

"§ 9061. Fatality reviews

"(a) REVIEW OF FATALITIES.—The Secretary of the Air Force 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 any of the following:

"(1) A member of the Air Force on active duty.

"(2) A current or former dependent of a member of the Air Force on active duty.

"(3) A current or former intimate partner who has a child in common or has shared a common domicile with a member of the Air Force on active duty.

"(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, if any, within the Department of Defense.

"(5) A discussion of significant findings.

"(6) Recommendations for systemic changes, if any, within the Department of the Air Force and the Department of Defense.

"(c) OSD GUIDANCE.—The Secretary of Defense shall prescribe guidance, which shall be uniform for the military departments, for the conduct of reviews by the Secretary under subsection (a).".

(2) The tables of chapters at the beginning of subtitle D, and at the beginning of part II of subtitle D, of such title are each amended by inserting after the item relating to chapter 873 the following new item:

"875. Miscellaneous Investigation Requirements and Other Duties ..... 9061".

(d) APPLICABILITY.—Sections 4061, 6036, and 9061 of title 10, United States Code, as added by this section, apply with respect to fatalities that occur on or after the date of the enactment of this Act.

SEC. 577. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Secretary of Defense should develop a Department of Defense strategic plan for domestic violence that incorporates the core principles of domestic violence intervention identified by the Defense Task Force on Domestic Violence in its third annual report under section 591(e) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 10 U.S.C. 1562 note); and

(2) the Secretary of each military department should establish and support a Victim Advocate Protocol as recommended by the Defense Task Force on Domestic Violence.

Subtitle H—Other Matters

SEC. 581. RECOGNITION OF MILITARY FAMILIES.

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

(1) The families of both active and reserve component members of the Armed Forces, through their sacrifices and their dedication to the Nation and its values, contribute immeasurably to the readiness of the 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 the perilous and challenging times of the global war on terrorism, with hundreds of thousands of active and reserve component military personnel deployed overseas in places of combat and other 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 responded to the encouragement and support of private, non-profit organizations to recognize and honor 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 recognize and honor the contributions and sacrifices of the American military family, including 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 recognition to those families; and

(3) seek the assistance and support of appropriate civilian organizations, associations, and other entities (A) in carrying out the annual celebration of the American military family, and (B) in sustaining other, longer-term efforts to support the American military family.

SEC. 582. 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 subchapter 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. 583. 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 Department 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 sec-

tion 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 "the interagency committee provided for under subsection (c)" and inserting "the Department of Veterans Affairs-Department of Defense Joint Executive Committee under 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 Executive 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 Stat. 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. 584. REVIEW OF THE 1991 DEATH OF MARINE CORPS COLONEL JAMES E. SABOW.

(a) REVIEW REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall commence a review, as specified in subsection (c), of 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 REVIEW.—The principal focus of the review under subsection (a) shall be to determine the cause of the death of Colonel Sabow, 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 the death of Colonel Sabow and the medical and forensic factors associated with that 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 review under subsection (a). The Secretary shall include in the report (1) the Secretary's conclusions as a result of the review, 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).

SEC. 585. POLICY ON CONCURRENT DEPLOYMENT TO COMBAT ZONES OF BOTH MILITARY SPOUSES OF MILITARY FAMILIES WITH MINOR CHILDREN.

(a) PUBLICATION OF POLICY.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall—

(1) prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children; and

(2) transmit the policy to the Committees on Armed Services of the Senate and the House of Representatives.

(b) DUAL-MILITARY FAMILY DEFINED.—In this section, the term "dual-military family" means a family in which both spouses are members of the Armed Forces.

SEC. 586. CONGRESSIONAL NOTIFICATION OF AMENDMENT OR CANCELLATION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO REASONABLE ACCESS TO MILITARY INSTALLATIONS FOR CERTAIN PERSONAL COMMERCIAL SOLICITATION.

An amendment to Department of Defense Directive 1344.7, "Personal Commercial Solicitation on DoD Installations", or cancellation of that directive, shall not take effect until the end of the 30-day period beginning on the date on which the Secretary of Defense submits to Congress notice of the amendment or cancellation and the reasons therefor.

SEC. 587. STUDY OF NATIONAL GUARD CHALLENGE PROGRAM.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study to evaluate—

(1) the adequacy and impact of the matching funds requirement in effect under section 509(d) of title 32, United States Code, for States to participate in the National Guard Challenge Program; and

(2) the value of the National Guard Challenge Program to the Department of Defense.

(b) CONSIDERATION OF MATCHING FUND ALTERNATIVES.—As part of the study, the Secretary shall identify potential alternatives to the matching funds structure provided for the National Guard Challenge Program under section 509(d) of title 32, United States Code, such as a range of Federal-State matching ratios, that would provide flexibility in the management of the program to better respond to temporary fiscal conditions.

(c) SUBMISSION OF STUDY.—Not later than March 1, 2004, the Secretary shall submit to Congress a report containing the results of the study and such recommendations as the Secretary considers appropriate in response to the study.

SEC. 588. FINDINGS AND SENSE OF CONGRESS ON REWARD FOR INFORMATION LEADING TO RESOLUTION OF STATUS OF MEMBERS OF THE ARMED FORCES WHO REMAIN UNACCOUNTED FOR.

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

(1) The Department of Defense estimates that there are more than 10,000 members of the Armed Forces and others who as a result of activities during the Korean War or the Vietnam War were placed in a missing status or a prisoner of war status, or who were determined to have been killed in action, although remains of those members have not been recovered, and they remain unaccounted for.

(2) One member of the Armed Forces, Navy Captain Michael Scott Speicher, remains unaccounted for from the first Persian Gulf War, and there have been credible reports of his having been seen alive in Iraq in the years since his aircraft was shot down on the first night of that war on January 16, 1991.

(3) The United States should pursue every lead and otherwise maintain a relentless and thorough quest to completely ac-

count for the fates of those members of the Armed Forces who are missing or otherwise unaccounted for.

(4) The Secretary of Defense has the authority to disburse funds as a reward to individuals who provide information leading to the conclusive resolution of cases of missing members of the Armed Forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should—

(1) use the authority available to the Secretary to disburse funds rewarding individuals who provide information leading to the conclusive resolution of the status of any missing member of the Armed Forces; and

(2) authorize and publicize a reward of $1,000,000 for information resolving the fate of any member of the Armed Forces, such as Navy Captain Michael Scott Speicher, who the Secretary has reason to believe may be alive in captivity.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2004.
Sec. 602. Revised annual pay adjustment process.
Sec. 603. Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service.
Sec. 604. Special subsistence allowance authorities for members assigned to high-cost duty location or under other unique and unusual circumstances.
Sec. 605. Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty.
Sec. 606. Temporary increase in authorized amount of family separation allowance.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Hazardous duty pay for duty involving ski-equipped aircraft on Antarctica or the Arctic icepack.
Sec. 616. Special pay for reserve officers holding positions of unusual responsibility and of critical nature.
Sec. 617. Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized.
Sec. 618. Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty.
Sec. 619. Temporary increase in authorized amount of hostile fire and imminent danger special pay.
Sec. 620. Retroactive payment of hostile fire or imminent danger pay for service in eastern Mediterranean Sea in Operation Iraqi Freedom.
Sec. 621. Expansion of overseas tour extension incentive program to officers.
Sec. 622. Repeal of congressional notification requirement for designation of critical military skills for retention bonus.
Sec. 623. Eligibility of warrant officers for accession bonus for new officers in critical skills.
Sec. 624. Special pay for service as member of Weapons of Mass Destruction Civil Support Team.
Sec. 625. Incentive bonus for conversion to military occupational specialty to ease personnel shortage.
Sec. 626. Bonus for reenlistment during service on active duty in Afghanistan, Iraq, or Kuwait.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Shipment of privately owned motor vehicle within continental United States.
Sec. 632. Transportation of dependents to presence of members of the Armed Forces retired for illness or injury incurred in active duty.
Sec. 633. Payment or reimbursement of student baggage storage costs for dependent children of members stationed overseas.
Sec. 634. Contracts for full replacement value for loss or damage to personal property transported at Government expense.
Sec. 635. Payment of lodging expenses of members during authorized leave from temporary duty location.

Subtitle D—Retired Pay and Survivor Benefits

Sec. 641. Phase-in of full concurrent receipt of military retired pay and veterans disability compensation for certain military retirees.
Sec. 642. Revisions to combat-related special compensation program.
Sec. 643. Special rule for computation of retired pay base for commanders of combatant commands.
Sec. 644. Survivor Benefit Plan annuities for surviving spouses of Reserves not eligible for retirement who die from a cause incurred or aggravated while on inactive-duty training.
Sec. 645. Survivor Benefit Plan modifications.
Sec. 646. Increase in death gratuity payable with respect to deceased members of the Armed Forces.
Sec. 647. Death benefits study.

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.
Sec. 652. Defense commissary system and exchange stores system.
Sec. 653. Limitations on private operation of defense commissary store functions.
Sec. 654. Use of appropriated funds to operate defense commissary system.
Sec. 655. Recovery of nonappropriated fund instrumentality and commissary store investments in real property at military installations closed or realigned.

Subtitle F—Other Matters

Sec. 661. Comptroller General report on adequacy of special pays and allowances for frequently deployed members.

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.—Effective on January 1, 2004, the rates of monthly basic pay for members of the uniformed services 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

COMMISSIONED OFFICERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–2 [3] ...	2,608.20	2,970.60	3,421.50	3,537.00	3,609.90
O–1 [3] ...	2,264.40	2,356.50	2,848.50	2,848.50	2,848.50
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	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] ...	3,609.90	3,609.90	3,609.90	3,609.90	3,609.90
O–1 [3] ...	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50
	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] ...	3,609.50	3,609.50	3,609.50	3,609.50	3,609.50
O–1 [3] ...	2,848.50	2,848.50	2,848.50	2,848.50	2,848.50

[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, Commandant of the Coast Guard, or commander of a unified or specified combatant command (as defined in section 161(c) of title 10, United States Code) is $14,634.20, 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	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1 [3] ...	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	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	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70
E–1 [3] ...	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40
	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	1,337.70	1,337.70	1,337.70	1,337.70	1,337.70

ENLISTED MEMBERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–1 [3] ...	1,193.40	1,193.40	1,193.40	1,193.40	1,193.40

[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 $1,104.00.

SEC. 602. REVISED ANNUAL PAY ADJUSTMENT PROCESS.

(a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—Subsection (a) of section 1009 of title 37, United States Code, is amended to read as follows:

"(a) REQUIREMENT FOR ANNUAL ADJUSTMENT.—Effective on January 1 of each year, the rates of basic pay for members of the uniformed services under section 203(a) of this title shall be increased under this section.".

(b) EFFECTIVENESS OF ADJUSTMENT.—Subsection (b) of such section is amended by striking "shall—" and all that follows and inserting "shall have the force and effect of law.".

(c) PERCENTAGE OF ADJUSTMENT; ALTERNATIVE PAY ADJUSTMENT AUTHORITY.—Such section is further amended—

(1) by striking subsections (c), (d), (e), and (g);

(2) by redesignating subsection (f) as subsection (d);

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

"(c) EQUAL PERCENTAGE INCREASE FOR ALL MEMBERS.—(1) An adjustment made under this section in a year shall provide all eligible members with an increase in the monthly basic pay that is the percentage (rounded to the nearest one-tenth of one percent) by which the ECI for the base quarter of the year before the preceding year exceeds the ECI for the base quarter of the second year before the preceding calendar year (if at all).

"(2) Notwithstanding paragraph (1), but subject to subsection (d), the percentage of the adjustment taking effect under this section during each of fiscal years 2004, 2005, and 2006, shall be one-half of one percentage point higher than the percentage that would otherwise be applicable under such paragraph.

"(3) In this subsection:

"(A) The term 'ECI' means the Employment Cost Index (wages and salaries, private industry workers) published quarterly by the Bureau of Labor Statistics.

"(B) The term 'base quarter' for any year is the three-month period ending on September 30 of such year."; and

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

"(e) PRESIDENTIAL DETERMINATION OF NEED FOR ALTERNATIVE PAY ADJUSTMENT.—(1) If, because of national emergency or serious economic conditions affecting the general welfare, the President considers the pay adjustment which would otherwise be required by this section in any year to be inappropriate, the President shall prepare and transmit to Congress before September 1 of the preceding year a plan for such alternative pay adjustments as the President considers appropriate, together with the reasons therefor.

"(2) In evaluating an economic condition affecting the general welfare under this subsection, the President shall consider pertinent economic measures including the Indexes of Leading Economic Indicators, the Gross Domestic Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

"(3) The President shall include in the plan submitted to Congress under paragraph (1) an assessment of the impact that the alternative pay adjustments proposed in the plan would have on the Government's ability to recruit and retain well-qualified persons for the uniformed services.".

SEC. 603. 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. 604. SPECIAL SUBSISTENCE ALLOWANCE AUTHORITIES FOR MEMBERS ASSIGNED TO HIGH-COST DUTY LOCATION OR UNDER OTHER UNIQUE AND UNUSUAL CIRCUMSTANCES.

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 not entitled to the meals portion of the per diem in connection with an assignment in a high-cost duty location or under other unique and unusual circumstances, as determined by the Secretary, 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.".

SEC. 605. BASIC ALLOWANCE FOR HOUSING FOR EACH MEMBER MARRIED TO ANOTHER MEMBER WITHOUT DEPENDENTS WHEN BOTH SPOUSES ARE ON SEA DUTY.

(a) ENTITLEMENT.—Section 403(f)(2)(C) of title 37, United States Code, is amended—

(1) in the first sentence, by striking "are jointly entitled to one basic allowance for housing" and inserting "are each entitled to a basic allowance for housing"; and

(2) by striking "The amount of the allowance" and all that follows and inserting "The amount of the allowance payable to a member under the preceding sentence shall be based on the without dependents rate for the pay grade of the member.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of October 1, 2003, and apply to months beginning on or after that date.

SEC. 606. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF FAMILY SEPARATION ALLOWANCE.

Section 427 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(e) TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF ALLOWANCE.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the monthly allowance authorized by subsection (a)(1) shall be increased to $250.".

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. HAZARDOUS DUTY PAY FOR DUTY INVOLVING SKI-EQUIPPED AIRCRAFT ON ANTARCTICA OR THE ARCTIC ICEPACK.

(a) ADDITIONAL TYPE OF DUTY ELIGIBLE FOR PAY.—Section 301(a) of title 37, United States Code, is amended—

(1) in paragraph (11), by striking "or" at the end;

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following new paragraph:

"(12) involving use of ski-equipped aircraft on the ground in Antarctica or on the Arctic ice-pack; or".

(b) MONTHLY AMOUNT.—Subsection (c) of such section is amended—

(1) in paragraph (1), by striking "(11)" and inserting "(12)"; and

(2) in paragraph (2)(A), by striking "(12)" and inserting "(13)".

(c) TECHNICAL AMENDMENTS.—(1) Subsections (a)(2), (b), (c), and (f)(2)(A) of such section are amended by striking "clause" each place it appears and inserting "paragraph".

(2) Subsection (c)(1) of such section is amended by striking "clauses" and inserting "paragraphs".

(d) EFFECTIVE DATE.—Paragraph (12) of section 301(a) of title 37, United States Code, as added by subsection (a)(3), shall apply to duty described in such paragraph that is performed on or after October 1, 2003.

SEC. 616. SPECIAL PAY FOR RESERVE OFFICERS HOLDING POSITIONS OF UNUSUAL RESPONSIBILITY AND OF CRITICAL NATURE.

(a) ELIGIBILITY.—Section 306 of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)";

(B) by striking "who is entitled to the basic pay of pay grade O–6 or below and" and inserting "described in paragraph (2)"; and

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

"(2) An officer of the armed forces referred to in paragraph (1) is an officer who is entitled to the basic pay under section 204 of this title, or the compensation under section 206 of this title, of pay grade O–6 or below.";

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) If an officer entitled to compensation under section 206 of this title is paid special pay under subsection (a) for the performance of duties in a position designated under such subsection, the special pay shall be paid at the rate of 1/30 of the monthly rate authorized by such subsection for each day of the performance of duties in the designated position.".

(b) LIMITATION.—Subsection (d) of such section, as redesignated by subsection (a)(2) of this section, is amended—

(1) by inserting "(1)" after "(d)";

(2) in paragraph (1), as so designated, by inserting "or mobilization in support of a contingency operation" after "training"; and

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

"(2) Of the number of officers in the Selected Reserve of the Ready Reserve of an armed force who are not on active duty (other than for training or mobilization in support of a contingency operation), not more than 5 percent of the number of such officers in each of the pay grades O–3 and below, and not more than 10 percent of the number of such officers in pay grade O–4, O–5, or O–6, may be paid special pay under subsection (b).".

SEC. 617. PAYMENT OF SELECTED RESERVE REENLISTMENT BONUS TO MEMBERS OF SELECTED RESERVE WHO ARE MOBILIZED.

Section 308b of title 37, United States Code, as amended by section 611(a), is further amended—

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

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

"(d) PAYMENT TO MOBILIZED MEMBERS.—A member entitled to a bonus under this section who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.".

SEC. 618. AVAILABILITY OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL 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 uniformed 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".

(c) EFFECTIVE DATE.—Subsections (a) and (b) of section 310 of title 37, United States Code, as added by subsection (a)(2), shall take effect as of September 11, 2001.

(d) RELATION TO TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY.—(1) The amendment made by subsection (a)(2) does not affect the authority to pay an increased amount of hostile fire and imminent danger special pay under section 310 of title 37, United States Code, pursuant to—

(A) the amendment made by subsection (a) of section 1316 of Public Law 108–11 (117 Stat. 570) during the period specified in subsection (c)(1) of such section, as modified by section 113 of Public Law 108–84 (117 Stat. 1044); or

(B) the amendment made by section 619 of this Act during the period specified in such amendment.

(2) Effective as of April 16, 2003, section 1316(c)(2) of Public Law 108–11 (117 Stat. 570) is amended by inserting "the dollar amounts specified in" before "sections".

SEC. 619. TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF HOSTILE FIRE AND IMMINENT DANGER SPECIAL PAY.

Section 310 of title 37, United States Code, as amended by section 618, is further amended by adding at the end the following new subsection:

"(e) TEMPORARY INCREASE IN AUTHORIZED AMOUNT OF SPECIAL PAY.—For the period beginning on October 1, 2003, and ending on December 31, 2004, the rate of pay authorized by subsection (a) shall be increased to $225.".

SEC. 620. RETROACTIVE PAYMENT OF HOSTILE FIRE OR IMMINENT DANGER PAY FOR SERVICE IN EASTERN MEDITERRANEAN SEA IN OPERATION IRAQI FREEDOM.

(a) PAYMENT AUTHORIZED.—The Secretary of Defense may authorize the payment of hostile fire or imminent danger pay under section 310(a) of title 37, United States Code, to members of the Armed Forces who were assigned to duty, during the period beginning on March 19, 2003, and ending on April 11, 2003, in the area specified in subsection (b) in connection with Operation Iraqi Freedom at any time during that period.

(b) SPECIFIED AREA.—The area referred to in subsection (a) is the Mediterranean Sea east of 30 degrees East Longitude (sea area only).

SEC. 621. 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) The heading of such section, and the item relating to such section in the table of sections at the beginning of chapter 40 of such title, are each amended by striking the sixth word.

SEC. 622. 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).

SEC. 623. ELIGIBILITY OF 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. 624. SPECIAL PAY FOR SERVICE AS MEMBER OF WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM.

(a) IN GENERAL.—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) SPECIAL PAY AUTHORIZED.—The Secretary of a military department may pay special pay under this subsection to members of an armed force under the jurisdiction of the Secretary who are entitled to basic pay under section 204 and are assigned by orders to duty as members of a Weapons of Mass Destruction Civil Support Team if the Secretary determines that the payment of such special pay is needed to address recruitment or retention concerns in that armed force.

"(b) MONTHLY RATE.—The monthly rate of special pay under subsection (a) may not exceed $150.

"(c) INCLUSION OF RESERVE COMPONENT MEMBERS PERFORMING INACTIVE DUTY TRAINING.—(1) To the extent funds are made available to carry out this subsection, the Secretary of a military department may pay the special pay under subsection (a) to members of a reserve component of the armed forces who are entitled to compensation under section 206 of this title and who perform duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

"(2) The amount of the special pay for a member referred to in paragraph (1) shall be equal to 1/30 of the monthly special pay rate in effect under subsection (b) for each day on which the member performs duty under orders as members of a Weapons of Mass Destruction Civil Support Team.

"(d) REGULATIONS.—Special pay under this section shall be provided in accordance with regulations prescribed by the Secretary of Defense.

"(e) 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.".

(b) CLERICAL AMENDMENT.—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.".

SEC. 625. INCENTIVE BONUS FOR CONVERSION TO MILITARY OCCUPATIONAL SPECIALTY TO EASE PERSONNEL SHORTAGE.

(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: conversion to military occupational specialty to ease personnel shortage

"(a) INCENTIVE BONUS AUTHORIZED.—The Secretary concerned may pay a bonus under this section to an eligible member of the armed forces who executes a written agreement to convert to, and serve for a period of not less than three years in, a military occupational specialty for which there is a shortage of trained and qualified personnel.

"(b) ELIGIBLE MEMBERS.—A member is eligible to enter into an agreement under subsection (a) if—

"(1) the member is entitled to basic pay; and

"(2) at the time the agreement is executed, the member is serving in—

"(A) pay grade E–6, with not more than 10 years of service computed under section 205 of this title; or

"(B) pay grade E–5 or below, regardless of years of service.

"(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 when the member's conversion to the military occupational specialty is approved by the chief personnel officer 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 such military occupational specialty for the period specified in the agreement executed under subsection (a) 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 or 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) TERMINATION OF AUTHORITY.—No agreement under this section may be entered into after December 31, 2006.".

(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: conversion to military occupational specialty to ease personnel shortage.".

SEC. 626. BONUS FOR REENLISTMENT DURING SERVICE ON ACTIVE DUTY IN AFGHANISTAN, IRAQ, OR KUWAIT.

(a) CRITICAL SKILL REENLISTMENT BONUS.—Section 308(a) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(5) The Secretary of Defense may waive the eligibility requirement in paragraph (1)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom.".

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(c) of such title is amended by adding at the end the following new paragraph:

"(3) In the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in subsection (a) while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom, the Secretary concerned may waive so much of paragraph (1)(B) or subsection (a)(2) as requires that the skill or unit in which the member reenlists or extends an enlistment be a designated skill or designated unit determined by the Secretary concerned.".

(c) READY RESERVE REENLISTMENT BONUS.—Section 308h(a) of such title is amended by adding at the end the following new paragraph:

"(4) The Secretary concerned may waive the eligibility requirement in paragraph (2)(B) in the case of a reenlistment or voluntary extension of enlistment by a member of the armed forces that is entered into as described in this subsection while the member is serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom and Operation Iraqi Freedom.".

(d) RETROACTIVE APPLICATION.—The amendments made by this section shall take effect as of March 18, 2003, and apply with respect to reenlistments or the voluntary extension of enlistments that are entered into on or after that date.

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 member's 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 presentation of proof of shipment, a monetary allowance in lieu of transportation, as established under section 404(d)(1) of this title.".

SEC. 632. TRANSPORTATION OF DEPENDENTS TO PRESENCE OF MEMBERS OF THE ARMED FORCES RETIRED FOR ILLNESS OR INJURY INCURRED IN ACTIVE DUTY.

Section 411h(a) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking "military control" and inserting "control"; and

(2) in paragraph (2)(A)—

(A) by striking "or is entitled" and inserting ", is entitled"; and

(B) by inserting before the semicolon at the end the following: ", or is retired for the illness or injury referred to in subparagraph (B)".

SEC. 633. 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. 634. CONTRACTS FOR FULL REPLACEMENT VALUE FOR LOSS OR DAMAGE TO PERSONAL PROPERTY TRANSPORTED AT GOVERNMENT EXPENSE.

(a) AUTHORITY.—Chapter 157 of title 10, United States Code, is amended by inserting after section 2636 the following new section:

"§ 2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers

"(a) PROCUREMENT OF COVERAGE.—The Secretary of Defense may include in a contract for the transportation of baggage and household effects for members of the armed forces at Government expense a clause that requires the carrier under the contract to pay the full replacement value for loss or damage to the baggage or household effects transported under the contract.

"(b) DEDUCTION UPON FAILURE OF CARRIER TO SETTLE.—In the case of a loss or damage of baggage or household effects transported under a contract with a carrier that includes a clause described in subsection (a), the amount equal to the full replacement value for the baggage or household effects may be deducted from the amount owed by the United States to the carrier under the contract upon a failure of the carrier to settle a claim for such loss or total damage within a reasonable time. The amount so deducted shall be remitted to the claimant, notwithstanding section 2636 of this title.

"(c) INAPPLICABILITY OF RELATED LIMITS.—The limitations on amounts of claims that may be settled under section 3721(b) of title 31 do not apply to a carrier's contractual obligation to pay full replacement value under this section.

"(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for administering this section. The regulations shall include policies and procedures for validating and evaluating claims, validating proper claimants, and determining reasonable time for settlement.

"(e) TRANSPORTATION DEFINED.—In this section, the terms 'transportation' and 'transport', with respect to baggage or household effects, includes packing, crating, drayage, temporary storage, and unpacking of the baggage or household effects.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2636 the following new item:

"2636a. Loss or damage to personal property transported at Government expense: full replacement value; deduction from amounts due carriers.".

SEC. 635. PAYMENT OF LODGING EXPENSES OF MEMBERS DURING AUTHORIZED LEAVE FROM TEMPORARY DUTY LOCATION.

(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—Chapter 7 of title 37, United States Code, is amended by inserting after section 404a the following new section:

"§ 404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave

"(a) PAYMENT OR REIMBURSEMENT AUTHORIZED.—The Secretary concerned may pay or reimburse a member of the armed forces assigned to temporary duty as described in subsection (b) for lodging expenses incurred by the member at the temporary duty location while the member is in an authorized leave status.

"(b) COVERED MEMBERS.—Subsection (a) applies with respect to a member assigned to temporary duty, for a period of more than 30 days, in support of a contingency operation or in other specific situations designated by the Secretary concerned if the member—

"(1) immediately before taking the authorized leave, was performing the temporary duty at a location away from the home or permanent duty station of the member;

"(2) was receiving a per diem allowance under section 404(a)(4) of this title to cover lodging and subsistence expenses incurred at the temporary 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, returns to the duty location.

"(c) PAYMENT LIMITATION.—The amount paid or reimbursed under subsection (a) for a member may not exceed the lesser of—

"(1) the actual daily cost of lodging incurred by the member at the temporary duty location while the member was in an authorized leave status; and

"(2) the lodging portion of the applicable daily per diem rate for the temporary duty location.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404a the following new item:

"404b. Travel and transportation allowances: lodging expenses at temporary duty location for members on authorized leave.".

Subtitle D—Retired Pay and Survivor Benefits

SEC. 641. PHASE-IN OF FULL CONCURRENT RECEIPT OF MILITARY RETIRED PAY AND VETERANS DISABILITY COMPENSATION FOR CERTAIN MILITARY RETIREES.

(a) CONCURRENT RECEIPT.—Section 1414 of title 10, United States Code, is amended to read as follows:

"§ 1414. Members eligible for retired pay who are also eligible for veterans' disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans' disability compensation

"(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—

"(1) IN GENERAL.—Subject to subsection (b), a member or former member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans' disability compensation for a qualifying service-connected disability (hereinafter in this section referred to as a 'qualified retiree') is entitled to be paid both for that month without regard to sections 5304 and 5305 of title 38. During the period beginning on January 1, 2004, and ending on December 31, 2013, payment of retired pay to such a qualified retiree is subject to subsection (c).

"(2) QUALIFYING SERVICE-CONNECTED DISABILITY.—In this section, the term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated as not less than 50 percent disabling by the Secretary of Veterans Affairs.

"(b) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—

"(1) CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title, or at least 20 years of service computed under section 12732 of this title, at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

"(2) DISABILITY RETIREES WITH LESS THAN 20 YEARS OF SERVICE.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title, or with less than 20 years of service computed under section 12732 of this title, at the time of the member's retirement.

"(c) PHASE-IN OF FULL CONCURRENT RECEIPT.—During the period beginning on January 1, 2004, and ending on December 31, 2013, retired pay payable to a qualified retiree shall be determined as follows:

"(1) CALENDAR YEAR 2004.—For a month during 2004, the amount of retired pay payable to a qualified retiree is the amount (if any) of retired pay in excess of the current baseline offset plus the following:

"(A) For a month for which the retiree receives veterans' disability compensation for a disability rated as total, $750.

"(B) For a month for which the retiree receives veterans' disability compensation for a disability rated as 90 percent, $500.

"(C) For a month for which the retiree receives veterans' disability compensation for a disability rated as 80 percent, $350.

"(D) For a month for which the retiree receives veterans' disability compensation for a disability rated as 70 percent, $250.

"(E) For a month for which the retiree receives veterans' disability compensation for a disability rated as 60 percent, $125.

"(F) For a month for which the retiree receives veterans' disability compensation for a disability rated as 50 percent, $100.

"(2) CALENDAR YEAR 2005.—For a month during 2005, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount specified in paragraph (1) for that qualified retiree; and

"(B) 10 percent of the difference between (i) the current baseline offset, and (ii) the amount specified in paragraph (1) for that member's disability.

"(3) CALENDAR YEAR 2006.—For a month during 2006, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (2) for that qualified retiree; and

"(B) 20 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (2) for that qualified retiree.

"(4) CALENDAR YEAR 2007.—For a month during 2007, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (3) for that qualified retiree; and

"(B) 30 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (3) for that qualified retiree.

"(5) CALENDAR YEAR 2008.—For a month during 2008, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (4) for that qualified retiree; and

"(B) 40 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (4) for that qualified retiree.

"(6) CALENDAR YEAR 2009.—For a month during 2009, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (5) for that qualified retiree; and

"(B) 50 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (5) for that qualified retiree.

"(7) CALENDAR YEAR 2010.—For a month during 2010, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (6) for that qualified retiree; and

"(B) 60 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (6) for that qualified retiree.

"(8) CALENDAR YEAR 2011.—For a month during 2011, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (7) for that qualified retiree; and

"(B) 70 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (7) for that qualified retiree.

"(9) CALENDAR YEAR 2012.—For a month during 2012, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (8) for that qualified retiree; and

"(B) 80 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (8) for that qualified retiree.

"(10) CALENDAR YEAR 2013.—For a month during 2013, the amount of retired pay payable to a qualified retiree is the sum of—

"(A) the amount determined under paragraph (9) for that qualified retiree; and

"(B) 90 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (9) for that qualified retiree.

"(11) GENERAL LIMITATION.—Retired pay determined under this subsection for a qualified retiree, if greater than the amount of retired pay otherwise applicable to that qualified retiree, shall be reduced to the amount of retired pay otherwise applicable to that qualified retiree.

"(d) COORDINATION WITH COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.—

"(1) IN GENERAL.—A person who is a qualified retiree under this section and is also an eligible combat-related disabled uniformed services retiree under section 1413a of this title may receive special compensation in accordance with that section or retired pay in accordance with this section, but not both.

"(2) ANNUAL OPEN SEASON.—The Secretary concerned shall provide for an annual period (referred to as an 'open season') during which a person described in paragraph (1) shall have the right to make an election to change from receipt of special compensation in accordance with section 1413a of this title to receipt of retired pay in accordance with this section, or the reverse, as the case may be. Any such election shall be made under regulations prescribed by the Secretary concerned. Such regulations shall provide for the form and manner for making such an election and shall provide for the date as of when such an election shall become effective. In the case of the Secretary of a military department, such regulations shall be subject to approval by the Secretary of Defense.

"(e) DEFINITIONS.—In this section:

"(1) RETIRED PAY.—The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

"(2) VETERANS' DISABILITY COMPENSATION.—The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.

"(3) DISABILITY RATED AS TOTAL.—The term 'disability rated as total' means—

"(A) a disability, or combination of disabilities, that is rated as total under the standard schedule of rating disabilities in use by the Department of Veterans Affairs; or

"(B) a disability, or combination of disabilities, for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of disabilities for which veterans' disability compensation may be paid.

"(4) CURRENT BASELINE OFFSET.—

"(A) IN GENERAL.—The term 'current baseline offset' for any qualified retiree means the amount for any month that is the lesser of—

"(i) the amount of the applicable monthly retired pay of the qualified retiree for that month; and

"(ii) the amount of monthly veterans' disability compensation to which the qualified retiree is entitled for that month.

"(B) APPLICABLE RETIRED PAY.—In subparagraph (A), the term 'applicable retired pay' for a qualified retiree means the amount of monthly retired pay to which the qualified retiree is entitled, determined without regard to this section or sections 5304 and 5305 of title 38, except that in the case of such a retiree who was retired under chapter 61 of this title, such amount is the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.".

(b) REPEAL OF SUPERCEDED SPECIAL COMPENSATION AUTHORITY.—Section 1413 of title 10, United States Code, is repealed.

(c) SOURCE OF FUNDS FOR SPECIAL COMPENSATION AUTHORITIES FOR DEPARTMENT OF DEFENSE RETIREES.—

(1) Sections 1413(g) and 1413a(h) of title 10, United States Code, are each 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 1463(a)(1) of such 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".

(3) 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 percentages determined under subsection (c)(4), rather than those determined under subsection (c)(1).".

(4) 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 with-

out 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 sections 1413, 1413a, and 1414 of this title.

"(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 sections 1413, 1413a, and 1414 of this title.

Such single level percentages shall be used for the purposes of subsection (b)(3).".

(5) 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.".

(6) The amendments made by this subsection shall take effect as of October 1, 2003. The Secretary of Defense shall provide for such administrative adjustments as necessary to provide for payments made for any period during fiscal year 2004 before the date of the enactment of this Act to be treated as having been made in accordance with such amendments and for the provisions of such amendments to be implemented as if enacted as of September 30, 2003.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of such title is amended—

(1) by striking the item relating to section 1413; and

(2) by striking the item relating to section 1414 and inserting the following:

"1414. Members eligible for retired pay who are also eligible for veterans' disability compensation for disabilities rated 50 percent or higher: concurrent payment of retired pay and veterans' disability compensation.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2004, and shall apply to payments for months beginning on or after that date.

SEC. 642. REVISIONS TO COMBAT-RELATED SPECIAL COMPENSATION PROGRAM.

(a) EXTENSION OF PROGRAM TO COMBAT-RELATED DISABILITIES RATED BELOW 60 PERCENT.—(1) Subsection (e) of section 1413a of title 10, United States Code, is amended to read as follows:

"(e) COMBAT-RELATED DISABILITY.—In this section, the term 'combat-related disability' means a disability that is compensable under the laws administered by the Secretary of Veterans Affairs and that—

"(1) is attributable to an injury for which the member was awarded the Purple Heart; or

"(2) was incurred (as determined under criteria prescribed by the Secretary of Defense)—

"(A) as a direct result of armed conflict;

"(B) while engaged in hazardous service;

"(C) in the performance of duty under conditions simulating war; or

"(D) through an instrumentality of war.".

(2) Subsection (c)(2) of such section is amended by striking "qualifying".

(b) CLARIFICATION OF SERVICE REQUIRED FOR ELIGIBILITY.—Subsection (c)(1) of such section is amended by inserting before the semicolon the following: "or is entitled to retired pay under section 12731 of this title (other than by reason of section 12731b of this title)".

(c) CLARIFICATION OF DETERMINATION OF AMOUNT OF COMPENSATION.—Subsection (b)(1) of such section is amended by striking "for a" and all that follows and inserting "under subsection (a) for any month is the amount of compensation to which the retiree is entitled under title 38 for that month, determined without regard to any disability of the retiree that is not a combat-related disability.".

(d) REVISED COORDINATION PROVISION.—Subsection (f) of such section is amended to read as follows:

"(f) COORDINATION WITH CONCURRENT RECEIPT PROVISION.—Subsection (d) of section 1414 of this title provides for coordination between benefits under that section and under this section.".

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

"§ 1413a. Combat-related special compensation".

(2) The item relating to such section in the table of sections at the beginning of chapter 71 of such title is amended to read as follows:

"1413a. Combat-related special compensation.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to payments under section 1413a of title 10, United States Code, for months beginning on or after January 1, 2004. The amendment made by subsection (d) shall take effect on January 1, 2004.

SEC. 643. SPECIAL RULE FOR COMPUTATION OF RETIRED PAY BASE FOR COMMANDERS OF COMBATANT COMMANDS.

(a) TREATMENT EQUIVALENT TO CHIEFS OF SERVICE.—Subsection (i) of section 1406 of title 10, United States Code, is amended by inserting "as a commander of a unified or specified combatant

command (as defined in section 161(c) of this title)," after "Chief of Service,".

(b) CONFORMING AMENDMENT.—The heading for such subsection is amended by inserting "COMMANDERS OF COMBATANT COMMANDS," after "CHIEFS OF SERVICE,".

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply with respect to officers who first become entitled to retired pay under title 10, United States Code, on or after such date.

SEC. 644. SURVIVOR BENEFIT PLAN ANNUITIES FOR SURVIVING SPOUSES OF RESERVES NOT ELIGIBLE FOR RETIREMENT WHO DIE FROM A CAUSE INCURRED OR AGGRAVATED WHILE ON INACTIVE-DUTY TRAINING.

(a) SURVIVING SPOUSE ANNUITY.—Paragraph (1) of section 1448(f) of title 10, United States Code, is amended to read as follows:

"(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of a person who—

"(A) is eligible to provide a reserve-component annuity and dies—

"(i) before being notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay; or

"(ii) during the 90-day period beginning on the date he receives notification under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay if he had not made an election under subsection (a)(2)(B) to participate in the Plan; or

"(B) is a member of a reserve component not described in subparagraph (A) and dies from an injury or illness incurred or aggravated in the line of duty during inactive-duty training.".

(b) CONFORMING AMENDMENT.—The heading for subsection (f) of section 1448 of such title is amended by inserting "OR BEFORE" after "DYING WHEN".

(c) EFFECTIVE DATE.—Subparagraph (B) of section 1448(f)(1) of title 10, United States Code, as added by subsection (a), shall take effect as of September 10, 2001, and shall apply with respect to performance of inactive-duty training (as defined in section 101(d) of title 10, United States Code) on or after that date.

SEC. 645. SURVIVOR BENEFIT PLAN MODIFICATIONS.

(a) ELIGIBILITY OF DEPENDENT CHILDREN FOR SURVIVOR ANNUITIES IN CASES OF DEATHS OF MEMBERS ON ACTIVE DUTY.—(1) Paragraph (2) of section 1448(d) of title 10, United States Code, is amended to read as follows:

"(2) DEPENDENT CHILDREN.—

"(A) ANNUITY WHEN NO ELIGIBLE SURVIVING SPOUSE.—In the case of a member described in paragraph (1), the Secretary concerned shall pay an annuity under this subchapter to the member's dependent children under section 1450(a)(2) of this title as applicable.

"(B) OPTIONAL ANNUITY WHEN THERE IS AN ELIGIBLE SURVIVING SPOUSE.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 and for whom there is a surviving spouse eligible for an annuity under paragraph (1), the Secretary may pay an annuity under this subchapter to the member's dependent children under section 1450(a)(3) of this title, if applicable, instead of paying an annuity to the surviving spouse under paragraph (1), if the Secretary concerned, in consultation with the surviving spouse, determines it appropriate to provide an annuity for the dependent children under this paragraph instead of an annuity for the surviving spouse under paragraph (1).".

(2) Paragraph (1) of such section is amended by striking "The Secretary concerned" and inserting "Except as provided in paragraph (2)(B), the Secretary concerned".

(b) VITIATION OF SURVIVOR ANNUITY ELECTIONS MADE BY DISABILITY RETIREES WHO DIE OF DISABILITY-RELATED CAUSES.—(1) Section 1448(b)(1) of such title is amended by adding at the end the following new subparagraph:

"(F) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

"(i) an election made by the member under paragraph (1) to provide an annuity under the Plan to any person other than a dependent of that member (as defined in section 1072(2) of this title) is vitiated; and

"(ii) the amounts by which the member's retired pay was reduced under section 1452 of this title shall be refunded and paid to the person to whom the annuity under the Plan would have been paid pursuant to such election.".

(2) Section 1458 of such title is amended by adding at the end the following new subsection:

"(j) VITIATION OF ELECTION BY DISABILITY RETIREE WHO DIES OF DISABILITY-RELATED CAUSE.—If a member retired on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004 under chapter 61 of this title dies within one year after the date on which the member is so retired and the cause of death is related to a disability for which the member was retired under that chapter (as determined under regulations prescribed by the Secretary of Defense)—

"(1) an election made by the member to provide a supplemental spouse annuity under this subchapter is vitiated; and

"(2) the amounts by which the member's retired pay was reduced under section 1460 of this title shall be refunded and paid to the person to whom the supplemental spouse annuity would have been paid pursuant to such election.".

(c) INSURABLE INTEREST ANNUITY DEEMED ELECTIONS.—Section 1448(d) of such title is amended by adding at the end the following new paragraph:

"(6) DEEMED ELECTION.—

"(A) ANNUITY FOR DEPENDENT.—In the case of a member described in paragraph (1) who dies on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004, the Secretary concerned may, if no other annuity is payable on behalf of the member under this subchapter, pay an annuity to a natural person who has an insurable interest in such member as if the annuity were elected by the member under subsection (b)(1). The Secretary concerned may pay such an annuity under this paragraph only in the case of a person who is a dependent of that member (as defined in section 1072(2) of this title).

"(B) COMPUTATION OF ANNUITY.—An annuity under this subparagraph shall be computed under section 1451(b) of this title as if the member had retired for total disability on the date of death with reductions as specified under section 1452(c) of this title, as applicable to the ages of the member and the natural person with an insurable interest.".

SEC. 646. INCREASE IN DEATH GRATUITY PAYABLE WITH RESPECT TO DECEASED MEMBERS OF THE ARMED FORCES.

(a) AMOUNT OF DEATH GRATUITY.—Section 1478(a) of title 10, United States Code, is amended by striking "$6,000" and inserting "$12,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 11, 2001, and shall apply with respect to deaths occurring on or after that date.

SEC. 647. DEATH BENEFITS STUDY.

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

(1) the sacrifices made by the members of the Armed Forces are significant and are worthy of meaningful expressions of gratitude by the United States, especially in cases of sacrifice through loss of life;

(2) the tragic events of September 11, 2001, and subsequent worldwide combat operations in the Global War on Terrorism and in Operation Iraqi Freedom have highlighted the significant disparity between the financial benefits for survivors of deceased members of the Armed Forces and the financial benefits for survivors of civilian victims of terrorism;

(3) the death benefits system composed of the death gratuity paid by the Department of Defense to survivors of members of the Armed Forces, the subsequently established Servicemembers' Group Life Insurance (SGLI) program, and other benefits for survivors of deceased members has evolved over time, but there are increasing indications that the evolution of such benefits has failed to keep pace with the expansion of indemnity and compensation available to segments of United States society outside the Armed Forces, a failure that is especially apparent in a comparison of the benefits for survivors of deceased members with the compensation provided to families of civilian victims of terrorism; and

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

"(2) The authority under this subsection to confer a degree is effective only during a period when the United States Air Force Institute of Technology is accredited with respect to the award of that degree by a nationally recognized accreditation association or authority.".

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. FUNDING OF EDUCATION ASSISTANCE ENLISTMENT INCENTIVES TO FACILITATE NATIONAL SERVICE THROUGH DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.

(a) IN GENERAL.—Subsection (j) of section 510 of title 10, United States Code, is amended to read as follows:

"(j) FUNDING.—(1) Amounts for the payment of incentives under paragraphs (1) and (2) of subsection (e) shall be derived from amounts available to the Secretary of the military department concerned for the payment of pay, allowances and other expenses of the members of the armed force concerned.

"(2) Amounts for the payment of incentives under paragraphs (3) and (4) of subsection (e) shall be derived from the Department of Defense Education Benefits Fund under section 2006 of this title.".

(b) CONFORMING AMENDMENTS.—Section 2006(b) of such title is amended—

(1) in paragraph (1), by inserting "paragraphs (3) and (4) of section 510(e) and" after "Department of Defense benefits under"; and

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

"(E) The present value of future benefits payable from the Fund for educational assistance under paragraphs (3) and (4) of section 510(e) of this title to persons who during such period become entitled to such assistance.".

SEC. 536. 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, $30,000,000 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—

(4) while the Servicemembers' Group Life Insurance (SGLI) program provides an assured source of life insurance for members of the Armed Forces that benefits the survivors of such members upon death, that program requires servicemembers to pay for that life insurance coverage and does not provide an assured minimum benefit.

(b) STUDY REQUIRED.—The Secretary of Defense shall carry out a study of the totality of all current and projected death benefits for survivors of deceased members of the Armed Forces to determine the adequacy of such benefits. In carrying out the study, the Secretary shall—

(1) compare the Federal death benefits for survivors of deceased members of the Armed Forces with—

(A) commercial and other private sector death benefits plans for segments of United States society outside the Armed Forces; and

(B) the benefits available under Public Law 107–37 (115 Stat. 219) (commonly known as the "Public Safety Officer Benefits Bill");

(2) assess the personnel policy effects that would result from a revision of the death gratuity benefit to provide a stratified schedule of entitlement amounts that places a premium on deaths resulting from participation in combat or from acts of terrorism;

(3) assess the adequacy of the current system of Survivor Benefit Plan annuities under title 10, United States Code, and dependency and indemnity compensation under title 38, United States Code, and the anticipated effects (if any) of an elimination of the offset of Survivor Benefit Plan annuities by dependency and indemnity compensation payments;

(4) examine the commercial insurability of members of the Armed Forces in high-risk military occupational specialties; and

(5) examine the extent to which private trusts and foundations engage in fundraising or otherwise provide financial benefits for survivors of deceased members of the Armed Forces.

(c) REPORT.—Not later than March 1, 2004, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the study under subsection (b). The report shall include the following:

(1) The assessments, analyses, and conclusions resulting from the study.

(2) Proposed legislation to address the deficiencies in the system of Federal death benefits for survivors of deceased members of the Armed Forces that are identified in the course of the study.

(3) An estimate of the costs of the system of death benefits provided for in the proposed legislation.

(d) COMPTROLLER GENERAL STUDY.—The Comptroller General shall conduct a study to identify the death benefits that are payable under Federal, State, and local laws for employees of the United States, State governments, and local governments. Not later than March 1, 2004, the Comptroller General shall submit a report containing the results of the study to the Committees on Armed Services of the Senate and the House of Representatives.

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.—(1) Except as provided in paragraph (2), the defense commissary system and the exchange stores system shall be operated as separate systems of the Department of Defense.

"(2) This subsection does not apply to the following:

"(A) Combined exchange and commissary stores operated under the authority provided by section 2490a of this title.

"(B) NEXMART stores of the Navy Exchange Service Command established before October 1, 2003.".

(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 that is being performed by more than 10 Department of Defense civilian employees shall not take effect until the end of the 75-day period beginning on the date on which the Secretary of Defense submits to Congress written notice of the change.".

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.".

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) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended—

(1) in the second sentence of clause (i), 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 "Subject to the limitation in clause (iii), amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,";

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause (iii):

"(iii) The aggregate amount obligated from the reserve account established under clause (i) may not exceed the following:

"(I) In fiscal year 2004, $31,000,000.

"(II) In fiscal year 2005, $24,000,000.

"(III) In fiscal year 2006, $15,000,000.".

(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 "Subject to the limitation contained in section 204(b)(7)(C)(iii) of the Defense Authorization Amendments and Base Closure and Realignment Act, amounts in the reserve account are hereby made available to the Secretary, without appropriation and until expended,".

Subtitle F—Other Matters

SEC. 661. COMPTROLLER GENERAL REPORT ON ADEQUACY OF SPECIAL PAYS AND ALLOWANCES FOR FREQUENTLY DEPLOYED MEMBERS.

Not later than April 1, 2004, the Comptroller General shall submit to Congress a report regarding the adequacy of special pays and allowances for members of the Armed Forces who are frequently deployed away from their permanent duty stations for periods of less than 30 days. The report shall include an assessment of the eligibility requirements for the family separation allowance under section 427 of title 37, United States Code, including those relating to required duration of absences from the permanent duty station.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Enhanced Benefits for Reserves

Sec. 701. Medical and dental screening for Ready Reserve members alerted for mobilization.
Sec. 702. Coverage for Ready Reserve members under TRICARE program.
Sec. 703. Earlier eligibility date for TRICARE benefits for members of reserve components.
Sec. 704. Temporary extension of transitional health care benefits.
Sec. 705. Assessment of needs of Reserves for health care benefits.
Sec. 706. Limitation on fiscal year 2004 outlays for temporary Reserve health care programs.
Sec. 707. TRICARE beneficiary counseling and assistance coordinators for reserve component beneficiaries.
Sec. 708. Eligibility of Reserve officers for health care pending orders to active duty following commissioning.

Subtitle B—Other Benefits Improvements

Sec. 711. Acceleration of implementation of chiropractic health care for members on active duty.

Sec. 712. Reimbursement of covered beneficiaries for certain travel expenses relating to specialized dental care.
Sec. 713. Eligibility for continued health benefits coverage extended to certain members of uniformed services.
Sec. 714. Authority for designated providers to enroll covered beneficiaries with other primary health insurance coverage.

Subtitle C—Planning, Programming, and Management

Sec. 721. 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.
Sec. 722. Department of Defense Medicare-Eligible Retiree Health Care Fund valuations and contributions.
Sec. 723. Surveys on continued viability of TRICARE Standard.
Sec. 724. Plan for providing health coverage information to members, former members, and dependents eligible for certain health benefits.
Sec. 725. Transfer of certain members of the Pharmacy and Therapeutics Committee to the Uniform Formulary Beneficiary Advisory Panel under the pharmacy benefits program.
Sec. 726. Working group on military health care for persons reliant on health care facilities at military installations to be closed or realigned.
Sec. 727. Joint program for development and evaluation of integrated healing care practices for members of the Armed Forces and veterans.

Subtitle A—Enhanced Benefits for Reserves

SEC. 701. MEDICAL AND DENTAL SCREENING FOR READY RESERVE MEMBERS ALERTED FOR MOBILIZATION.

Subsection (f) of section 1074a of title 10, United States Code, as amended by section 1114 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

"(f)(1) At any time after the Secretary concerned notifies members of the Ready Reserve that the members are to be called or ordered to active duty for a period of more than 30 days, the administering Secretaries may provide to each such member any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment.

"(2) The notification to members of the Ready Reserve described in paragraph (1) shall include notice that the members are eligible for screening and care under this section.

"(3) A member provided medical or dental screening or care under paragraph (1) may not be charged for the screening or care.".

SEC. 702. COVERAGE FOR READY RESERVE MEMBERS UNDER TRICARE PROGRAM.

Section 1076b of title 10, United States Code, as amended by section 1115 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

"§ 1076b. TRICARE program: coverage for members of the Ready Reserve

"(a) ELIGIBILITY.—Each member of the Selected Reserve of the Ready Reserve and each member of the Individual Ready Reserve described in section 10144(b) of this title is eligible, subject to subsection (h), to enroll in TRICARE and receive benefits under such enrollment for any period that the member—

"(1) is an eligible unemployment compensation recipient; or

"(2) is not eligible for health care benefits under an employer-sponsored health benefits plan.

"(b) TYPES OF COVERAGE.—(1) A member eligible under subsection (a) may enroll for either of the following types of coverage:

"(A) Self alone coverage.

"(B) Self and family coverage.

"(2) An enrollment by a member for self and family covers the member and the dependents of the member who are described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

"(c) OPEN ENROLLMENT PERIODS.—The Secretary of Defense shall provide for at least one open enrollment period each year. During an open enrollment period, a member eligible under subsection (a) may enroll in the TRICARE program or change or terminate an enrollment in the TRICARE program.

"(d) SCOPE OF CARE.—(1) A member and the dependents of a member enrolled in the TRICARE program under this section shall be entitled to the same benefits under this chapter as a member of the uniformed services on active duty or a dependent of such a member, respectively.

"(2) Section 1074(c) of this title shall apply with respect to a member enrolled in the TRICARE program under this section.

"(e) PREMIUMS.—(1) The Secretary of Defense shall charge premiums for coverage pursuant to enrollments under this section. The Secretary shall prescribe for each of the TRICARE program options a premium for self alone coverage and a premium for self and family coverage.

"(2) The monthly amount of the premium in effect for a month for a type of coverage under this section shall be the amount equal to 28 percent of the total amount determined by the Secretary on an appropriate actuarial basis as being reasonable for the coverage.

"(3) The premiums payable by a member under this subsection may be deducted and withheld from basic pay payable to the member under section 204 of title 37 or from compensation payable to the member under section 206 of such title. The Secretary shall prescribe the requirements and procedures applicable to the payment of premiums by members not entitled to such basic pay or compensation.

"(4) Amounts collected as premiums under this subsection shall be credited to the appropriation available for the Defense Health Program Account under section 1100 of this title, shall be merged with sums in such Account that are available for the fiscal year in which collected, and shall be available under subparagraph (B) of such section for such fiscal year.

"(f) OTHER CHARGES.—A person who receives health care pursuant to an enrollment in a TRICARE program option under this section, including a member who receives such health care, shall be subject to the same deductibles, copayments, and other nonpremium charges for health care as apply under this chapter for health care provided under the same TRICARE program option to dependents described in subparagraph (A), (D), or (I) of section 1072(2) of this title.

"(g) TERMINATION OF ENROLLMENT.—(1) A member enrolled in the TRICARE program under this section may terminate the enrollment only during an open enrollment period provided under subsection (c), except as provided in subsection (h).

"(2) An enrollment of a member for self alone or for self and family under this section shall terminate on the first day of the first month beginning after the date on which the member ceases to be eligible under subsection (a).

"(3) The enrollment of a member under this section may be terminated on the basis of failure to pay the premium charged the member under this section.

"(h) RELATIONSHIP TO TRANSITION TRICARE COVERAGE UPON SEPARATION FROM ACTIVE DUTY.—(1) A member may not enroll in the TRICARE program under this section while entitled to transitional health care under subsection (a) of section 1145 of this title or while authorized to receive health care under subsection (c) of such section.

"(2) A member who enrolls in the TRICARE program under this section within 90 days after the date of the termination of the member's entitlement or eligibility to receive health care under subsection (a) or (c) of section 1145 of this title may terminate the enrollment at any time within one year after the date of the enrollment.

"(i) CERTIFICATION OF NONCOVERAGE BY OTHER HEALTH BENEFITS PLAN.—The Secretary of Defense may require a member to submit any certification that the Secretary considers appropriate to substantiate the member's assertion that the member is not covered for health care benefits under any other health benefits plan.

"(j) ELIGIBLE UNEMPLOYMENT COMPENSATION RECIPIENT DEFINED.—In this section, the term 'eligible unemployment compensation recipient' means, with respect to any month, any individual who is determined eligible for any day of such month for unemployment compensation under State law (as defined in section 205(9) of the Federal-State Extended Unemployment Compensation Act of 1970), including Federal unemployment compensation laws administered through the State.

"(k) REGULATIONS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall prescribe regulations for the administration of this section.

"(l) TERMINATION OF AUTHORITY.—An enrollment in TRICARE under this section may not continue after December 31, 2004.".

SEC. 703. EARLIER ELIGIBILITY DATE FOR TRICARE BENEFITS FOR MEMBERS OF RESERVE COMPONENTS.

Subsection (d) of section 1074 of title 10, United States Code, as amended by section 1116 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, is amended to read as follows:

"(d)(1) For the purposes of this chapter, a member of a reserve component of the armed forces who is issued a delayed-effective-date active-duty order, or is covered by such an order, shall be treated as being on active duty for a period of more than 30 days beginning on the later of the date that is—

"(A) the date of the issuance of such order; or

"(B) 90 days before the date on which the period of active duty is to commence under such order for that member.

"(2) In this subsection, the term 'delayed-effective-date active-duty order' means an order to active duty for a period of more than 30 days in support of a contingency operation under a provision of law referred to in section 101(a)(13)(B) of this title that provides for

active-duty service to begin under such order on a date after the date of the issuance of the order.

"(3) This subsection shall cease to be effective on December 31, 2004.".

SEC. 704. TEMPORARY EXTENSION OF TRANSITIONAL HEALTH CARE BENEFITS.

(a) EXTENSION.—Subject to subsection (b), and notwithstanding section 1117 of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, during the period beginning on the date of the enactment of this Act and ending on December 31, 2004, section 1145(a) of title 10, United States Code, shall be administered by substituting for paragraph (3) the following:

"(3) Transitional health care for a member under subsection (a) shall be available for 180 days beginning on the date on which the member is separated from active duty.".

(b) EFFECTIVE DATE.—(1) Subsection (a) shall apply with respect to separations from active duty that take effect on or after the date of the enactment of this Act.

(2) Beginning on January 1, 2005, the period for which a member is provided transitional health care benefits under section 1145(a) of title 10, United States Code, shall be adjusted as necessary to comply with the limits provided under paragraph (3) of such section.

SEC. 705. ASSESSMENT OF NEEDS OF RESERVES FOR HEALTH CARE BENEFITS.

(a) GAO EVALUATION OF NEEDS OF RESERVE COMPONENTS FOR HEALTH CARE BENEFITS.—The Comptroller General shall evaluate the needs of members of the reserve components of the Armed Forces and their families for obtaining and maintaining coverage for health care benefits under health care benefits plans and programs.

(b) SPECIAL CONCERN.—In conducting the evaluation under this section, the Comptroller General shall give special consideration to the implications of the increased use of the reserve components for carrying out and supporting operations of the Armed Forces that has been experienced since the 1980s and is anticipated to continue, particularly the increased frequency and magnitude of the mobilization of Reserves and the increased length of the periods of active duty of Reserves when mobilized.

(c) MATTERS COVERED.—The evaluation under this section shall include the following matters:

(1) An examination of the extent to which Reserves and the members of their families are covered by health care benefits plans when the Reserves are not on active duty, including—

(A) the sources of the coverage;

(B) the scope of the benefits; and

(C) the extent to which the Reserves and the members of their families use the benefits available.

(2) An identification of options for providing health care benefits to Reserves and the members of their families not covered by health care benefits plans without creating an incentive for other Reserves to terminate coverage by such plans.

(3) A review of Department of Defense initiatives during fiscal years 2003 and 2004 to address the problems of access of

mobilized Reserves and their families to health care and health care benefits, including—

(A) a determination of the effectiveness of such initiatives; and

(B) a determination of the extent to which the problems continue.

(4) An identification of options for continuing, after a Reserve is mobilized, any coverage of the Reserve and the Reserve's family that exists under a health benefits plan before the Reserve is mobilized.

(5) An assessment of the effects of—

(A) the provisions of this title that authorize or require the Department of Defense to provide assistance specifically to Reserves to facilitate the access to and use of TRICARE benefits by Reserves or members of their families; and

(B) the provisions of this title that provide eligibility for health care under chapter 55 of title 10, United States Code, for Reserves who are alerted by the Department of Defense to prepare to be mobilized imminently.

(6) An examination of the existing programs under which the Department of Defense provides health care benefits to mobilized Reserves during a transitional period immediately following the release of the Reserves from the active duty for which mobilized, including an assessment of the extent to which those programs meet the needs of such Reserves for health care benefits on a transitional basis.

(d) REPORT.—Not later than May 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the results of the evaluation required by this subsection, including findings and recommendations.

(e) DEFINITIONS.—In this section:

(1) The term "mobilized" means called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of title 10, United States Code).

(2) The term "Reserves" means members of the reserve components of the Armed Forces.

SEC. 706. LIMITATION ON FISCAL YEAR 2004 OUTLAYS FOR TEMPORARY RESERVE HEALTH CARE PROGRAMS.

(a) OUTLAY LIMITATION.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out those programs so as to limit the total Department of Defense expenditures under those programs during fiscal year 2004 to an amount not in excess $400,000,000.

(b) CONTINUITY OF CARE.—In the administration of the temporary Reserve health care programs, the Secretary of Defense shall carry out the implementation and termination of those programs so as to ensure the least amount of disruption to the continuity of care for persons provided care under those programs.

(c) TEMPORARY RESERVE HEALTH CARE PROGRAMS.—For purposes of this section, the term "temporary Reserve health care programs" means the following:

(1) The program under section 1076b of title 10, United States Code, as amended by section 702.

(2) The program under section 1074(d) of title 10, United States Code, as amended by section 703.

(3) The program under section 704.

SEC. 707. TRICARE BENEFICIARY COUNSELING AND ASSISTANCE COORDINATORS FOR RESERVE COMPONENT BENEFICIARIES.

Section 1095e(a)(1) of title 10, United States Code, is amended—

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

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

"(B) designate for each of the TRICARE program regions at least one person (other than a person designated under subparagraph (A)) to serve full-time as a beneficiary counseling and assistance coordinator solely for members of the reserve components and their dependents who are beneficiaries under the TRICARE program; and".

SEC. 708. ELIGIBILITY OF RESERVE OFFICERS FOR HEALTH CARE PENDING ORDERS TO ACTIVE DUTY FOLLOWING COMMISSIONING.

Section 1074(a) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking "who is on active duty" and inserting "described in paragraph (2)"; and

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

"(2) Members of the uniformed services referred to in paragraph (1) are as follows:

"(A) A member of a uniformed service on active duty.

"(B) A member of a reserve component of a uniformed service who has been commissioned as an officer if—

"(i) the member has requested orders to active duty for the member's initial period of active duty following the commissioning of the member as an officer;

"(ii) the request for orders has been approved;

"(iii) the orders are to be issued but have not been issued; and

"(iv) the member does not have health care insurance and is not covered by any other health benefits plan.".

Subtitle B—Other Benefits Improvements

SEC. 711. 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; 114 Stat. 1654A–173) (relating to chiropractic health care services and benefits), with a goal of completing implementation of the plan by October 1, 2005.

SEC. 712. REIMBURSEMENT OF COVERED BENEFICIARIES FOR CERTAIN TRAVEL EXPENSES RELATING TO SPECIALIZED DENTAL CARE.

Section 1074i of title 10, United States Code, is amended—

(1) by inserting "(a) IN GENERAL.—" before "In any case"; and

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

"(b) DEFINITIONS.—In this section:

"(1) The term 'specialty care provider' includes a dental specialist.

"(2) The term 'dental specialist' means an oral surgeon, orthodontist, prosthodontist, periodontist, endodontist, or pediatric dentist, and includes such other providers of dental care and services as determined appropriate by the Secretary of Defense.".

SEC. 713. ELIGIBILITY FOR CONTINUED HEALTH BENEFITS COVERAGE EXTENDED TO CERTAIN MEMBERS OF UNIFORMED SERVICES.

(a) EXTENSION.—Section 1078a(b) of title 10, United States Code, is amended in paragraphs (1), (2)(A), and (3)(A) by striking "armed forces" and inserting "uniformed services" each place it appears.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to members of the uniformed services who are not otherwise covered by section 1078a of title 10, United States Code, before the date of the enactment of this Act and who, on or after such date, first meet the eligibility criteria specified in subsection (b) of that section.

SEC. 714. AUTHORITY FOR DESIGNATED PROVIDERS TO ENROLL COVERED BENEFICIARIES WITH OTHER PRIMARY HEALTH INSURANCE COVERAGE.

Subsection (d) of section 724 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended to read as follows:

"(d) ADDITIONAL ENROLLMENT AUTHORITY.—(1) Subject to paragraph (2), other covered beneficiaries may also receive health care services from a designated provider.

"(2)(A) The designated provider may market such services to, and enroll, covered beneficiaries who—

"(i) subject to the limitation in subparagraph (B), have other primary health insurance coverage (other than Medicare coverage) covering basic primary care and inpatient and outpatient services; or

"(ii) are enrolled in the direct care system under the TRICARE program, regardless of whether the covered beneficiaries were users of the health care delivery system of the uniformed services in prior years.

"(B) For each fiscal year beginning after September 30, 2003, the number of covered beneficiaries who are newly enrolled by a designated provider pursuant to subparagraph (A)(i) may not exceed 10 percent of the excess (if any) of—

"(i) the number of enrollees in managed care plans offered by designated providers as of the first day of such fiscal year; over

"(ii) the number of such enrollees as of the first day of the immediately preceding fiscal year.

"(3) For purposes of this subsection, a covered beneficiary who has other primary health insurance coverage includes any covered beneficiary who has primary health insurance coverage—

"(A) on the date of enrollment with a designated provider pursuant to paragraph (2)(A)(i); or

"(B) on such date of enrollment and during the period after such date while the beneficiary is enrolled with the designated provider.".

Subtitle C—Planning, Programming, and Management

SEC. 721. 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. 722. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND VALUATIONS AND CONTRIBUTIONS.

(a) SEPARATE PERIODIC ACTUARIAL VALUATION FOR SINGLE UNIFORMED SERVICE.—Section 1115(c) of title 10, United States Code, is amended by adding at the end of paragraph (1) the following: "The Secretary of Defense may determine a separate single level dollar amount under subparagraph (A) or (B) 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.".

(b) ASSOCIATED CALCULATIONS OF PAYMENTS INTO THE FUND.—Section 1116 of such title is amended—

(1) in subsection (a), by striking "the amount that" in the matter preceding paragraph (1) and inserting "the amount that, subject to subsection (b),";

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) If an actuarial valuation referred to in paragraph (1) or (2) of subsection (a) has been calculated as a separate single level dollar amount for a participating uniformed service under section 1115(c)(1) of this title, the administering Secretary for the department in which such uniformed service is operating shall calculate the amount under such paragraph separately for such uniformed service. If the administering Secretary is not the Secretary of Defense, the administering Secretary shall notify the Secretary of Defense of the amount so calculated. To determine a single amount for the purpose of paragraph (1) or (2) of subsection (a), as the case may be, the Secretary of Defense shall aggregate the amount calculated under this subsection for a uniformed service for the purpose of such paragraph with the amount or amounts calculated (whether separately or otherwise) for the other uniformed services for the purpose of such paragraph.".

(c) CONFORMING AMENDMENT.—Subsections (a) and (c)(5) of section 1115 of such title are amended by striking "section 1116(b) of this title" and inserting "section 1116(c) of this title".

SEC. 723. SURVEYS ON CONTINUED VIABILITY OF TRICARE STANDARD.

(a) REQUIREMENT FOR SURVEYS.—(1) The Secretary of Defense shall conduct surveys in the TRICARE market areas in the United States to determine how many health care providers are accepting new patients under TRICARE Standard in each such market area.

(2) The Secretary shall carry out the surveys in at least 20 TRICARE market areas in the United States each fiscal year after fiscal year 2003 until all such market areas in the United States have been surveyed. The Secretary shall complete six of the fiscal year 2004 surveys not later than March 31, 2004.

(3) In prioritizing the market areas for the sequence in which market areas are to be surveyed under this subsection, the Secretary shall consult with representatives of TRICARE beneficiaries and health care providers to identify locations where TRICARE Standard beneficiaries are experiencing significant levels of access-to-care problems under TRICARE Standard and shall give a high priority to surveying health care providers in such areas.

(b) SUPERVISION.—(1) The Secretary shall designate a senior official of the Department of Defense to take the actions necessary for achieving and maintaining participation of health care providers in TRICARE Standard in each TRICARE market area in a number that is adequate to ensure the viability of TRICARE Standard for TRICARE beneficiaries in that market area.

(2) The official designated under paragraph (1) shall have the following duties:

(A) To educate health care providers about TRICARE Standard.

(B) To encourage health care providers to accept patients under TRICARE Standard.

(C) To ensure that TRICARE beneficiaries have the information necessary to locate TRICARE Standard providers readily.

(D) To recommend adjustments in TRICARE Standard provider payment rates that the official considers necessary to ensure adequate availability of TRICARE Standard providers for TRICARE Standard beneficiaries.

(c) GAO REVIEW.—(1) The Comptroller General shall, on an ongoing basis, review—

(A) the processes, procedures, and analysis used by the Department of Defense to determine the adequacy of the number of health care providers—

(i) that currently accept TRICARE Standard beneficiaries as patients under TRICARE Standard in each TRICARE market area (as of the date of completion of the review); and

(ii) that would accept TRICARE Standard beneficiaries as new patients under TRICARE Standard in each TRICARE market area (within a reasonable time after the date of completion of the review); and

(B) the actions taken by the Department of Defense to ensure ready access of TRICARE Standard beneficiaries to health care under TRICARE Standard in each TRICARE market area.

(2)(A) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the results of the review under paragraph

(1). The first semiannual report shall be submitted not later than June 30, 2004.

(B) The semiannual report under subparagraph (A) shall include the following:

(i) An analysis of the adequacy of the surveys under subsection (a).

(ii) The adequacy of existing statutory authority to address inadequate levels of participation by health care providers in TRICARE Standard.

(iii) Identification of policy-based obstacles to achieving adequacy of availability of TRICARE Standard health care in the TRICARE market areas.

(iv) An assessment of the adequacy of Department of Defense education programs to inform health care providers about TRICARE Standard.

(v) An assessment of the adequacy of Department of Defense initiatives to encourage health care providers to accept patients under TRICARE Standard.

(vi) An assessment of the adequacy of information available to TRICARE Standard beneficiaries to facilitate access by such beneficiaries to health care under TRICARE Standard.

(vii) Any need for adjustment of health care provider payment rates to attract participation in TRICARE Standard by appropriate numbers of health care providers.

(d) DEFINITIONS.—In this section:

(1) The term "TRICARE Standard" means the option of the TRICARE program that is also known as the Civilian Health and Medical Program of the Uniformed Services, as defined in section 1072(4) of title 10, United States Code.

(2) The term "United States" means the United States (as defined in section 101(a) of title 10, United States Code), its possessions (as defined in such section), and the Commonwealth of Puerto Rico.

SEC. 724. 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 information 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. 725. TRANSFER OF CERTAIN MEMBERS OF THE PHARMACY AND THERAPEUTICS COMMITTEE TO THE 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. 726. WORKING GROUP ON MILITARY HEALTH CARE FOR PERSONS RELIANT ON HEALTH CARE FACILITIES AT MILITARY INSTALLATIONS TO BE CLOSED OR REALIGNED.

(a) IN GENERAL.—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 for Health Affairs, or a designee of the Assistant Secretary.

"(2) The Surgeon General of the Army, or a designee of that Surgeon General.

"(3) The Surgeon General of the Navy, or a designee of that Surgeon General.

"(4) The Surgeon General of the Air Force, or a designee of that Surgeon General.

"(5) At least one independent member (appointed by the Secretary of Defense) 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 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 affect 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.".

(b) TERMINATION.—Section 722 of such Act is further amended by adding at the end the following new subsection:

"(f) TERMINATION.—The working group established pursuant to subsection (a) shall terminate on December 31, 2006.".

(c) CONFORMING AMENDMENT.—Subsection (e) of such section is amended by striking "joint services".

SEC. 727. JOINT PROGRAM FOR DEVELOPMENT AND EVALUATION OF INTEGRATED HEALING CARE PRACTICES FOR MEMBERS OF THE ARMED FORCES AND VETERANS.

(a) PROGRAM.—The Secretary of Defense and the Secretary of Veterans Affairs may conduct a program to develop and evaluate integrated healing care practices for members of the Armed Forces and veterans. Any such program shall be carried out through the Department of Veterans Affairs-Department of Defense Joint Executive Committee established under section 320 of title 38, United States Code.

(b) SOURCE OF DOD FUNDS.—Amounts authorized to be appropriated by this Act for the Defense Health Program may be used for the program under subsection (a).

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

Subtitle A—Acquisition Policy and Management

Sec. 801. Consolidation of contract requirements.
Sec. 802. Quality control in procurement of aviation critical safety items and related services.
Sec. 803. Federal support for enhancement of State and local anti-terrorism response capabilities.
Sec. 804. Special temporary contract closeout authority.
Sec. 805. Competitive award of contracts for reconstruction activities in Iraq.

Subtitle B—United States Defense Industrial Base Provisions

PART I—ESSENTIAL ITEMS IDENTIFICATION AND DOMESTIC PRODUCTION CAPABILITIES IMPROVEMENT PROGRAM

Sec. 811. Consistency with United States obligations under international agreements.

Sec. 812. Assessment of United States defense industrial base capabilities.
Sec. 813. Identification of essential items: military system breakout list.
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PART II—REQUIREMENTS RELATING TO SPECIFIC ITEMS

Sec. 821. Elimination of unreliable sources of defense items and components.
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PART III—OTHER DOMESTIC SOURCE REQUIREMENTS

Sec. 826. Exceptions to Berry amendment for contingency operations and other urgent situations.
Sec. 827. Inapplicability of Berry amendment to procurements of waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.
Sec. 828. Buy American exception for ball bearings and roller bearings used in foreign products.

Subtitle C—Defense Acquisition and Support Workforce Flexibility

Sec. 831. Management structure.
Sec. 832. Elimination of role of Office of Personnel Management.
Sec. 833. Single acquisition corps.
Sec. 834. Consolidation of certain education and training program requirements.
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Subtitle D—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 841. Additional authority to enter into personal services contracts.
Sec. 842. Elimination of certain subcontract notification requirements.
Sec. 843. Multiyear task and delivery order contracts.
Sec. 844. Elimination of requirement to furnish written assurances of technical data conformity.
Sec. 845. Access to information relevant to items deployed under rapid acquisition and deployment procedures.
Sec. 846. Applicability of requirement for reports on maturity of technology at initiation of major defense acquisition programs.
Sec. 847. Certain weapons-related prototype projects.
Sec. 848. Limited acquisition authority for commander of United States Joint Forces Command.

Subtitle E—Acquisition-Related Reports and Other Matters

Sec. 851. Report on contract payments to small businesses.
Sec. 852. Contracting with employers of persons with disabilities.
Sec. 853. Demonstration project for contractors employing persons with disabilities.

Subtitle A—Acquisition Policy and Management

SEC. 801. CONSOLIDATION OF CONTRACT REQUIREMENTS.

(a) AMENDMENT TO TITLE 10.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2381 the following new section:

"§ 2382. Consolidation of contract requirements: policy and restrictions

"(a) POLICY.—The Secretary of Defense shall require the Secretary of each military department, the head of each Defense Agency, and the head of each Department of Defense Field Activity to ensure that the decisions made by that official regarding consolidation

of contract requirements of the department, agency, or field activity, as the case may be, are made with a view to providing small business concerns with appropriate opportunities to participate in Department of Defense procurements as prime contractors and appropriate opportunities to participate in such procurements as subcontractors.

"(b) LIMITATION ON USE OF ACQUISITION STRATEGIES INVOLVING CONSOLIDATION.—(1) An official of a military department, Defense Agency, or Department of Defense Field Activity may not execute an acquisition strategy that includes a consolidation of contract requirements of the military department, agency, or activity with a total value in excess of $5,000,000, unless the senior procurement executive concerned first—

"(A) conducts market research;

"(B) identifies any alternative contracting approaches that would involve a lesser degree of consolidation of contract requirements; and

"(C) determines that the consolidation is necessary and justified.

"(2) A senior procurement executive may determine that an acquisition strategy involving a consolidation of contract requirements is necessary and justified for the purposes of paragraph (1) if the benefits of the acquisition strategy substantially exceed the benefits of each of the possible alternative contracting approaches identified under subparagraph (B) of that paragraph. However, savings in administrative or personnel costs alone do not constitute, for such purposes, a sufficient justification for a consolidation of contract requirements in a procurement unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

"(3) Benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

"(A) quality;

"(B) acquisition cycle;

"(C) terms and conditions; and

"(D) any other benefit.

"(c) DEFINITIONS.—In this section:

"(1) The terms 'consolidation of contract requirements' and 'consolidation', with respect to contract requirements of a military department, Defense Agency, or Department of Defense Field Activity, mean a use of a solicitation to obtain offers for a single contract or a multiple award contract to satisfy two or more requirements of that department, agency, or activity for goods or services that have previously been provided to, or performed for, that department, agency, or activity under two or more separate contracts smaller in cost than the total cost of the contract for which the offers are solicited.

"(2) The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of this title;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of this title or sections 303H

through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indeterminate delivery, indeterminate quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.

"(3) The term 'senior procurement executive concerned' means—

"(A) with respect to a military department, the official designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)) as the senior procurement executive for the military department; or

"(B) with respect to a Defense Agency or a Department of Defense Field Activity, the official so designated for the Department of Defense.

"(4) The term 'small business concern' means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2381 the following new item:

"2382. Consolidation of contract requirements: policy and restrictions.".

(b) DATA REVIEW.—(1) The Secretary of Defense shall revise the data collection systems of the Department of Defense to ensure that such systems are capable of identifying each procurement that involves a consolidation of contract requirements within the department with a total value in excess of $5,000,000.

(2) The Secretary shall ensure that appropriate officials of the Department of Defense periodically review the information collected pursuant to paragraph (1) in cooperation with the Small Business Administration—

(A) to determine the extent of the consolidation of contract requirements in the Department of Defense; and

(B) to assess the impact of the consolidation of contract requirements on the availability of opportunities for small business concerns to participate in Department of Defense procurements, both as prime contractors and as subcontractors.

(3) In this subsection:

(A) The term "consolidation of contract requirements" has the meaning given that term in section 2382(c)(1) of title 10, United States Code, as added by subsection (a).

(B) The term "small business concern" means a business concern that is determined by the Administrator of the Small Business Administration to be a small-business concern by application of the standards prescribed under section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(c) APPLICABILITY.—This section applies with respect to procurements for which solicitations are issued after the date occurring 180 days after the date of the enactment of this Act.

SEC. 802. QUALITY CONTROL IN PROCUREMENT OF AVIATION CRITICAL SAFETY ITEMS AND RELATED SERVICES.

(a) QUALITY CONTROL POLICY.—The Secretary of Defense shall prescribe in regulations a quality control policy for the procurement of aviation critical safety items and the procurement of modifications, repair, and overhaul of such items.

(b) CONTENT OF REGULATIONS.—The policy set forth in the regulations shall include the following requirements:

(1) That the head of the design control activity for aviation critical safety items establish processes to identify and manage the procurement, modification, repair, and overhaul of aviation critical safety items.

(2) That the head of the contracting activity for an aviation critical safety item enter into a contract for the procurement, modification, repair, or overhaul of such item only with a source approved by the design control activity in accordance with section 2319 of title 10, United States Code.

(3) That the aviation critical safety items delivered, and the services performed with respect to aviation critical safety items, meet all technical and quality requirements specified by the design control activity.

(c) DEFINITIONS.—In this section, the terms "aviation critical safety item" and "design control activity" have the meanings given such terms in section 2319(g) of title 10, United States Code, as amended by subsection (d).

(d) CONFORMING AMENDMENT TO TITLE 10.—Section 2319 of title 10, United States Code, is amended—

(1) in subsection (c)(3), by inserting after "the contracting officer" the following: "(or, in the case of a contract for the procurement of an aviation critical safety item, the head of the design control activity for such item)"; and

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

"(g) DEFINITIONS.—In this section:

"(1) The term 'aviation critical safety item' means a part, an assembly, installation equipment, launch equipment, recovery equipment, or support equipment for an aircraft or aviation weapon system if the part, assembly, or equipment contains a characteristic any failure, malfunction, or absence of which could cause a catastrophic or critical failure resulting in the loss of or serious damage to the aircraft or weapon system, an unacceptable risk of personal injury or loss of life, or an uncommanded engine shutdown that jeopardizes safety.

"(2) The term 'design control activity', with respect to an aviation critical safety item, means the systems command of a military department that is specifically responsible for ensuring the airworthiness of an aviation system or equipment in which the item is to be used.".

SEC. 803. FEDERAL SUPPORT FOR ENHANCEMENT OF STATE AND LOCAL ANTI-TERRORISM RESPONSE CAPABILITIES.

(a) PROCUREMENTS OF ANTI-TERRORISM TECHNOLOGIES AND SERVICES BY STATE AND LOCAL GOVERNMENTS.—The Administrator for Federal Procurement Policy shall establish a program under which States and units of local government may procure through contracts entered into by the Department of Defense or the Department of Homeland Security anti-terrorism technologies or anti-ter-

rorism services for the purpose of preventing, detecting, identifying, deterring, or recovering from acts of terrorism.

(b) AUTHORITIES.—Under the program, the Secretary of Defense and the Secretary of Homeland Security may, but shall not be required to, award contracts using the procedures established by the Administrator of General Services for the multiple awards schedule program of the General Services Administration.

(c) DEFINITION.—In this section, the term "State or local government" has the meaning provided in section 502(c)(3) of title 40, United States Code.

SEC. 804. SPECIAL TEMPORARY CONTRACT CLOSEOUT AUTHORITY.

(a) AUTHORITY.—The Secretary of Defense may settle any financial account for a contract entered into by the Secretary or the Secretary of a military department before October 1, 1996, that is administratively complete if the financial account has an unreconciled balance, either positive or negative, that is less than $100,000.

(b) FINALITY OF DECISION.—A settlement under this section shall be final and conclusive upon the accounting officers of the United States.

(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of the authority under this section.

(d) TERMINATION OF AUTHORITY.—A financial account may not be settled under this section after September 30, 2006.

SEC. 805. COMPETITIVE AWARD OF CONTRACTS FOR RECONSTRUCTION ACTIVITIES IN IRAQ.

(a) COMPETITIVE AWARD OF CONTRACTS.—The Department of Defense shall fully comply with chapter 137 of title 10, United States Code, and other applicable procurement laws and regulations for any contract awarded for reconstruction activities in Iraq, and shall conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry.

(b) REPORT.—If the Department of Defense does not have a fully competitive contract in place to replace the March 8, 2003, contract for the reconstruction of the Iraqi oil industry on the date of the enactment of this Act, the Secretary of Defense shall submit to Congress, not later than 30 days after such date of enactment, a report detailing the reasons for allowing the March 8, 2003, contract to continue.

Subtitle B—United States Defense Industrial Base Provisions

Part I—Essential Items Identification and Domestic Production Capabilities Improvement Program

SEC. 811. CONSISTENCY WITH UNITED STATES OBLIGATIONS UNDER INTERNATIONAL AGREEMENTS.

No provision of this subtitle or any amendment made by this subtitle shall apply to the extent the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is in-

consistent with United States obligations under an international agreement.

SEC. 812. ASSESSMENT OF UNITED STATES DEFENSE INDUSTRIAL BASE CAPABILITIES.

(a) ASSESSMENT PROGRAM.—(1) The Secretary of Defense shall establish a program to assess—

(A) the degree to which the United States is dependent on foreign sources of supply; and

(B) the capabilities of the United States defense industrial base to produce military systems necessary to support the national security objectives set forth in section 2501 of title 10, United States Code.

(2) For purposes of the assessment program, the Secretary shall use existing data, as required under subsection (b), and submit an annual report, as required under subsection (c).

(b) USE OF EXISTING DATA.—(1) At a minimum, with respect to each prime contract with a value greater than $25,000 for the procurement of defense items and components, the following information from existing sources shall be used for purposes of the assessment program:

(A) Whether the contractor is a United States or foreign contractor.

(B) The principal place of business of the contractor and the principal place of performance of the contract.

(C) Whether the contract was awarded on a sole source basis or after receipt of competitive offers.

(D) The dollar value of the contract.

(2) The Federal Procurement Data System described in section 6(d)(4)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 405(d)(4)(A)), or any successor system, shall collect from contracts described in paragraph (1) the information specified in that paragraph.

(3) Information obtained in the implementation of this section is subject to the same limitations on disclosure, and penalties for violation of such limitations, as is provided under section 2507 of title 10, United States Code. Such information also shall be exempt from release under section 552 of title 5, United States Code.

(4) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

(c) ANNUAL REPORT.—(1) Not later than February 1 of each year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the assessment program covering the preceding fiscal year. The first report under this subsection shall cover fiscal year 2004 and shall be submitted to the Committees no later than February 1, 2005.

(2)(A) The report shall include the following with respect to contracts described in subsection (b):

(i) The total number and value of such contracts awarded by the Department of Defense.

(ii) The total number and value of such contracts awarded on a sole source basis.

(iii) The total number and value of contracts described in clause (ii) awarded to foreign contractors, summarized by country.

(iv) The total number and value of contracts awarded to foreign contractors through competitive procedures, summarized by country.

(B) The report also shall include—

(i) the status of the matters described in subparagraphs (A) and (B) of subsection (a)(1);

(ii) the status of implementation of successor procurement data management systems; and

(iii) such other matters as the Secretary considers appropriate.

SEC. 813. IDENTIFICATION OF ESSENTIAL ITEMS: MILITARY SYSTEM BREAKOUT LIST.

(a) IDENTIFICATION PROCESS.—(1) The Secretary of Defense shall establish a process, using the Defense Logistics Information System existing database, to identify, with respect to each military system—

(A) the essential items, assemblies, and components of the system that are active items, assemblies, and components;

(B) foreign and domestic sources of supply for active items, assemblies, and components of the system;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components of the system.

(2) Any modification to the logistics management system or any successor system of the Department of Defense shall maintain the capability to identify—

(A) essential items, assemblies, and components described in paragraph (1)(A);

(B) foreign and domestic sources of supply for active items, assemblies, and components;

(C) the active items, assemblies, and components of the system that are commercial; and

(D) Federal Supply Class and North American Industry Classification System Codes for active items, assemblies, and components.

(3) For purposes of meeting the requirements set forth in this section, the Secretary of Defense may not require the provision of information beyond the information that is currently provided to the Department of Defense through existing data collection systems by non-Federal entities with respect to contracts and subcontracts with the Department of Defense or any military department.

(b) MILITARY SYSTEM ESSENTIAL ITEM BREAKOUT LIST.—The Secretary of Defense shall produce a list, to be known as the "military system essential item breakout list", consisting of the items, assemblies, and components identified under subsection (a)(1)(A). In producing the list, the Secretary of Defense shall consider the results of the report under subsection (c).

(c) ASSESSMENT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Defense, acting through a federally funded research and development center, shall prepare a report that—

(1) assesses the criteria that should be used for identifying whether an item, assembly, or component is essential to a military system; and

(2) recommends which items, assemblies, and components should be included on the military system essential item breakout list under subsection (b).

(d) REPORT.—(1) Not later than November 1 of each year, beginning with November 1, 2005, 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 may be submitted in classified and unclassified form.

(2) The report shall include the following:

(A) A list of each military system covered by the process established under subsection (a).

(B) A list of the items, assemblies, and components on the military system essential item breakout list that are manufactured or produced outside the United States, setting forth military and commercial separately.

(C) The portion of the entire military system essential item breakout list that consists of the items, assemblies, and components listed under subparagraph (B) (stated as a percentage).

(D) A list of each Federal Supply Class and North American Industry Classification System Code represented on the military system essential item breakout list, and the portion of the entire military system essential item breakout list that consists of items, assemblies, or components in such classes or codes (stated as a percentage).

(E) A list of each country outside the United States where the items, assemblies, and components listed under subparagraph (B) are manufactured or produced, and the portion of the entire military system essential item breakout list that consists of—

(i) the items, assemblies, or components manufactured or produced in that country, setting forth military and commercial separately (stated as a percentage); and

(ii) the Federal Supply Classes and North American Industry Classification System Codes represented by those items, assemblies, or components (stated as a percentage).

(3) The Secretary shall submit an interim version of the report required by this subsection not later than February 1, 2005, containing as much information as is practicable to be included by such date.

SEC. 814. PRODUCTION CAPABILITIES IMPROVEMENT FOR CERTAIN ESSENTIAL 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) USE OF FUND.—The Secretary of Defense is authorized to use all amounts in the Fund, subject to appropriation, for the purposes of enhancing or reconstituting United States industrial capability to produce items on the military system essential item breakout list (as described in section 812(b)) or items subject to section 2534 of title 10, United States Code, in the quantity and of the quality necessary to achieve national security objectives.

(d) 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.

(e) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended.

(f) 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. ELIMINATION OF UNRELIABLE SOURCES OF DEFENSE ITEMS AND COMPONENTS.

(a) IDENTIFICATION OF CERTAIN COUNTRIES.—The Secretary of Defense, in coordination with the Secretary of State, shall identify and list foreign countries that restrict the provision or sale of military goods or services to the United States because of United States counterterrorism or military operations after the date of the enactment of this Act. The Secretary shall review and update the list as appropriate. The Secretary may remove a country from the list, if the Secretary determines that doing so would be in the interest of national defense.

(b) PROHIBITION ON PROCUREMENT OF ITEMS FROM IDENTIFIED COUNTRIES.—The Secretary of Defense may not procure any items or components contained 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 Department would be unable to meet national security objectives.

(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. 822. INCENTIVE PROGRAM FOR MAJOR DEFENSE ACQUISITION PROGRAMS TO USE MACHINE TOOLS AND OTHER CAPITAL ASSETS 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 following new section:

"§ 2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States

"(a) ESTABLISHMENT OF INCENTIVE PROGRAM.—The Secretary of Defense shall plan and establish an incentive program in accordance with this section for contractors to purchase capital assets manufactured in the United States in part with funds available to the Department of Defense.

"(b) DEFENSE INDUSTRIAL CAPABILITIES FUND MAY BE USED.—The Secretary of Defense may use the Defense Industrial Capabilities Fund, established under section 814 of the National Defense Authorization Act for Fiscal Year 2004, for incentive payments under the program established under this section.

"(c) APPLICABILITY TO MAJOR DEFENSE ACQUISITION PROGRAM CONTRACTS.—The incentive program shall apply to contracts for the procurement of a major defense acquisition program.

"(d) CONSIDERATION.—The Secretary of Defense shall provide consideration in source selection in any request for proposals for a major defense acquisition program for offerors with eligible capital assets.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2435 the following new item:

"2436. Major defense acquisition programs: incentive program for contractors to purchase capital assets manufactured in United States.".

(b) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations as necessary to carry out section 2436 of title 10, United States Code, as added by this section.

(2) The Secretary may prescribe interim regulations as necessary to carry out such section. For this purpose, the Secretary is 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 paragraph that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of section 2436 of title 10, United States Code, as added by this section.

(c) 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 expiration of the 18-month period beginning on the date of the enactment of this Act.

SEC. 823. TECHNICAL ASSISTANCE RELATING TO MACHINE TOOLS.

(a) TECHNICAL ASSISTANCE.—The Secretary of Defense shall publish in the Federal Register information on Government contracting for purposes of assisting machine tool companies in the United States and entities that use machine tools. The information shall contain, at a minimum, the following:

(1) An identification of resources with respect to Government contracting regulations, including compliance procedures and information on the availability of counseling.

(2) An identification of resources for locating opportunities for contracting with the Department of Defense, including information about defense contracts that are expected to be carried out that may require the use of machine tools.

(b) SCIENCE AND TECHNOLOGY INITIATIVES.—The Secretary of Defense shall incorporate into the Department of Defense science and technology initiatives on manufacturing technology an objective of developing advanced machine tool capabilities. Such technologies shall be used to improve the technological capabilities of the United States domestic machine tool industrial base in meeting national security objectives.

SEC. 824. STUDY OF BERYLLIUM INDUSTRIAL BASE.

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall conduct a study of the adequacy of the industrial base of the United States to meet defense requirements of the United States for beryllium.

(b) REPORT.—Not later than March 31, 2005, the Secretary shall submit a report on the results of the study to Congress. The report shall contain, at a minimum, the following information:

(1) A discussion of the issues identified with respect to the long-term supply of beryllium.

(2) An assessment of the need, if any, for modernization of the primary sources of production of beryllium.

(3) A discussion of the advisability of, and concepts for, meeting the future defense requirements of the United States for beryllium and maintaining a stable domestic industrial base of sources of beryllium through—

(A) cooperative arrangements commonly referred to as public-private partnerships;

(B) the administration of the National Defense Stockpile under the Strategic and Critical Materials Stock Piling Act; and

(C) any other means that the Secretary identifies as feasible.

Part III—Other Domestic Source Requirements

SEC. 826. EXCEPTIONS TO BERRY AMENDMENT FOR CONTINGENCY OPERATIONS AND OTHER URGENT SITUATIONS.

Section 2533a(d) of title 10, United States Code, is amended—

(1) by striking "OUTSIDE THE UNITED STATES" in the subsection heading;

(2) in paragraph (1), by inserting "or procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) in support of contingency operations" after "in support of combat operations"; and

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

"(4) Procurements of any item listed in subsection (b)(1)(A), (b)(2), or (b)(3) for which the use of procedures other than competitive procedures has been approved on the basis of section 2304(c)(2) of this title, relating to unusual and compelling urgency of need.".

SEC. 827. INAPPLICABILITY OF BERRY AMENDMENT TO PROCUREMENTS OF WASTE AND BYPRODUCTS OF COTTON AND WOOL FIBER FOR USE IN THE PRODUCTION OF PROPELLANTS AND EXPLOSIVES.

Section 2533a(f) of title 10, United States Code, is amended—

(1) by striking "(f) EXCEPTION" and all that follows through "the procurement of" and inserting the following:

"(f) EXCEPTIONS FOR CERTAIN OTHER COMMODITIES AND ITEMS.—Subsection (a) does not preclude the procurement of the following:

"(1)";

(2) by capitalizing the initial letter of the word following "(1)", as added by paragraph (1); and

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

"(2) Waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives.".

SEC. 828. BUY AMERICAN EXCEPTION FOR BALL BEARINGS AND ROLLER BEARINGS USED IN FOREIGN PRODUCTS.

Section 2534(a)(5) of title 10, United States Code, is amended by inserting before the period at the end the following: ", except ball bearings and roller bearings being procured for use in an end product manufactured by a manufacturer that does not satisfy the requirements of subsection (b) or in a component part manufactured by such a manufacturer".

Subtitle C—Defense Acquisition and Support Workforce Flexibility

SEC. 831. MANAGEMENT STRUCTURE.

(a) REPEAL OF REQUIREMENTS FOR CERTAIN CAREER MANAGEMENT DIRECTORS, BOARDS, AND POLICIES.—Sections 1703, 1705, 1706, and 1707 of title 10, United States Code, are repealed.

(b) CONFORMING AMENDMENTS.—Chapter 87 of such title is amended—

(1) in section 1724(d)—

(A) in the first sentence, by striking "The acquisition career program board concerned" and all that follows through "if the board certifies" and inserting "the Secretary of Defense may waive any or all of the requirements of subsections (a) and (b) with respect to an employee of the Department of Defense or member of the armed forces if the Secretary determines";

(B) in the second sentence, by striking "the board" and inserting "the Secretary"; and

(C) by striking the third sentence;

(2) in section 1732(b)—

(A) in paragraph (1)(C), by striking ", as validated by the appropriate career program management board"; and

(B) in paragraph (2)(A)(ii), by striking "has been certified by the acquisition career program board of the employing military department as possessing" and inserting "possess";

(3) in section 1732(d)—

(A) in paragraph (1)—

(i) in the first sentence, by striking "the acquisition career program board of a military department" and all that follows through "if the board certifies" and inserting "The Secretary of Defense may waive any or all of the requirements of subsection (b) with respect to an employee if the Secretary determines";

(ii) in the second sentence, by striking "the board" and inserting "the Secretary"; and

(iii) by striking the third sentence; and

(B) in paragraph (2), by striking "The acquisition career program board of a military department" and inserting "The Secretary";

(4) in section 1734—

(A) in subsection (d)—

(i) by striking paragraph (2); and

(ii) by redesignating paragraph (3) as paragraph (2), and in that paragraph by striking the second sentence; and

(B) in subsection (e)(2), by striking ", by the acquisition career program board of the department concerned,"; and

(5) in section 1737(c)—

(A) by striking paragraph (2); and

(B) by striking "(1) The Secretary" and inserting "The Secretary".

SEC. 832. ELIMINATION OF ROLE OF OFFICE OF PERSONNEL MANAGEMENT.

(a) WORKFORCE QUALIFICATION REQUIREMENTS AND EXAMINATIONS.—Section 1725 of such title is repealed.

(b) ACQUISITION CORPS REQUIREMENTS.—Subchapter III of chapter 87 of title 10, United States Code, is amended—

(1) in section 1731, by striking subsection (c);

(2) in section 1732(c)(2), by striking the second and third sentences;

(3) in section 1734(g)—

(A) by striking paragraph (2); and

(B) in paragraph (1), by striking "(1) The Secretary" and inserting "The Secretary"; and

(4) in section 1737, by striking subsection (d).

(c) APPOINTMENT OF SCHOLARSHIP RECIPIENT IN COMPETITIVE SERVICE.—Section 1744(c)(3)(A)(i) of such title is amended by striking "and such other requirements as the Office of Personnel Management may prescribe".

SEC. 833. SINGLE ACQUISITION CORPS.

Subchapter III of chapter 87 of title 10, United States Code, as amended by section 832, is further amended—

(1) in section 1731—

(A) in subsection (a)—

(i) by striking "each of the military departments and one or more Corps, as he considers appropriate, for the other components of" in the first sentence; and

(ii) by striking the second sentence; and

(B) in subsection (b), by striking "an Acquisition Corps" and inserting "the Acquisition Corps";

(2) in sections 1732(a), 1732(e)(1), 1732(e)(2), 1733(a), 1734(e)(1), and 1737(a)(1), by striking "an Acquisition Corps" and inserting "the Acquisition Corps"; and

(3) in section 1734—

(A) in subsection (g), by striking "each Acquisition Corps, a test program in which members of a Corps" and inserting "the Acquisition Corps, a test program in which members of the Corps"; and

(B) in subsection (h), by striking "making assignments of civilian and military members of the Acquisition Corps of that military department" and inserting "making assignments of civilian and military personnel of that military department who are members of the Acquisition Corps".

SEC. 834. CONSOLIDATION OF CERTAIN EDUCATION AND TRAINING PROGRAM REQUIREMENTS.

(a) CONSOLIDATION OF AUTHORITY.—Section 1742 of such title is amended to read as follows:

"§ 1742. Internship, cooperative education, and scholarship programs

"The Secretary of Defense shall conduct the following education and training programs:

"(1) An intern program for purposes of providing highly qualified and talented individuals an opportunity for accelerated promotions, career broadening assignments, and specified training to prepare them for entry into the Acquisition Corps.

"(2) A cooperative education credit program under which the Secretary arranges, through cooperative arrangements entered into with one or more accredited institutions of higher education, for such institutions to grant undergraduate credit for work performed by students who are employed by the Department of Defense in acquisition positions.

"(3) A scholarship program for the purpose of qualifying personnel for acquisition positions in the Department of Defense.".

(b) CONFORMING AMENDMENTS.—Sections 1743 and 1744 of such title are repealed.

SEC. 835. GENERAL MANAGEMENT PROVISIONS.

Subchapter V of chapter 87 of title 10, United States Code, is amended—

(1) by striking section 1763; and

(2) by adding at the end the following new section 1764:

"§ 1764. Authority to establish different minimum requirements

"(a) AUTHORITY.—(1) The Secretary of Defense may prescribe a different minimum number of years of experience, different minimum education qualifications, and different tenure of service qualifications to be required for eligibility for appointment or advancement to an acquisition position referred to in subsection (b) than is required for such position under or pursuant to any provision of this chapter.

"(2) Any requirement prescribed under paragraph (1) for a position referred to in any paragraph of subsection (b) shall be applied uniformly to all positions referred to in such paragraph.

"(b) APPLICABILITY.—This section applies to the following acquisition positions in the Department of Defense:

"(1) Contracting officer, except a position referred to in paragraph (5).

"(2) Program executive officer.

"(3) Senior contracting official.

"(4) Program manager.

"(5) A position in the contract contingency force of an armed force that is filled by a member of that armed force.

"(c) DEFINITION.—In this section, the term 'contract contingency force', with respect to an armed force, has the meaning given such term in regulations prescribed by the Secretary concerned.".

SEC. 836. CLERICAL AMENDMENTS.

The tables of sections for chapter 87 of title 10, United States Code, are amended as follows:

(1) The table of sections at the beginning of subchapter I is amended by striking the items relating to sections 1703, 1705, 1706, and 1707.

(2) The table of sections at the beginning of subchapter II is amended by striking the item relating to section 1725.

(3) The table of sections at the beginning of subchapter IV is amended by striking the items relating to sections 1742, 1743, and 1744 and inserting the following:

"1742. Internship, cooperative education, and scholarship programs.".

(4) The table of sections at the beginning of subchapter V is amended by striking the item relating to section 1763 and inserting the following:

"1764. Authority to establish different minimum requirements.".

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

SEC. 841. ADDITIONAL AUTHORITY TO ENTER INTO PERSONAL SERVICES CONTRACTS.

(a) ADDITIONAL AUTHORITY.—Section 129b of title 10, United States Code is amended by adding at the end the following new subsection:

"(d) ADDITIONAL AUTHORITY FOR PERSONAL SERVICES CONTRACTS.—(1) In addition to the authority provided under subsection (a), the Secretary of Defense may enter into personal services contracts if the personal services—

"(A) are to be provided by individuals outside the United States, regardless of their nationality, and are determined by the Secretary to be necessary and appropriate for supporting the activities and programs of the Department of Defense outside the United States;

"(B) directly support the mission of a defense intelligence component or counter-intelligence organization of the Department of Defense; or

"(C) directly support the mission of the special operations command of the Department of Defense.

"(2) The contracting officer for a personal services contract under this subsection shall be responsible for ensuring that—

"(A) the services to be procured are urgent or unique; and

"(B) it would not be practicable for the Department to obtain such services by other means.

"(3) The requirements of section 3109 of title 5 shall not apply to a contract entered into under this subsection.".

(b) CONFORMING AMENDMENTS.—(1) The heading for section 129b of such title is amended to read as follows:

"§ 129b. Authority to procure personal services".

(2) The item relating to section 129b in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

"129b. Authority to procure personal services.".

SEC. 842. 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. 843. MULTIYEAR TASK AND DELIVERY ORDER CONTRACTS.

(a) REPEAL OF APPLICABILITY OF EXISTING AUTHORITY AND LIMITATIONS.—Section 2306c of title 10, United States Code, is amended by striking subsection (g).

(b) CONTRACT PERIOD.—Section 2304a of such title is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) CONTRACT PERIOD.—The head of an agency entering into a task or delivery order contract under this section may provide for the contract to cover a total period of not more than five years.".

SEC. 844. 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. 845. ACCESS TO INFORMATION RELEVANT TO ITEMS DEPLOYED UNDER RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

Section 806(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2607; 10 U.S.C. 2302 note) is amended by adding at the end the following new paragraph:

"(3) If items are deployed under the rapid acquisition and deployment procedures prescribed pursuant to this section, or under any other authority, before the completion of operational test and evaluation of the items, the Director of Operational Test and Evaluation shall have access to operational records and data relevant to such items in accordance with section 139(e)(3) of title 10, United States Code, for the purpose of completing operational test and evaluation of the items. The access to the operational records and data shall be provided in a time and manner determined by the Secretary of Defense consistent with requirements of operational security and other relevant operational requirements.".

SEC. 846. APPLICABILITY OF REQUIREMENT FOR REPORTS ON MATURITY OF TECHNOLOGY AT INITIATION OF MAJOR DEFENSE ACQUISITION PROGRAMS.

Section 804(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended by striking ", as in effect on the date of enactment of this Act," and inserting "(as in effect on the date of the enactment of this Act), and the corresponding provision of any successor to such Instruction,".

SEC. 847. CERTAIN WEAPONS-RELATED PROTOTYPE PROJECTS.

(a) EXTENSION OF AUTHORITY.—Subsection (g) of section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by striking "September 30, 2004" and inserting "September 30, 2008".

(b) INCREASED SCOPE OF AUTHORITY.—Subsection (a) of such section is amended by inserting before the period at the end the following: ", or to improvement of weapons or weapon systems in use by the Armed Forces".

(c) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—Such section, as amended by subsection (a), is further amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

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

"(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes under prototype projects carried out under this section.

"(2) Under the pilot program—

"(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

"(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds

and in part at private expense for the purposes of section 2320 of title 10, United States Code.

"(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a non-traditional defense contractor that—

"(A) does not exceed $50,000,000; and

"(B) is either—

"(i) a firm, fixed-price contract or subcontract; or

"(ii) a fixed-price contract or subcontract with economic price adjustment.

"(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2008. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.".

SEC. 848. LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF UNITED STATES JOINT FORCES COMMAND.

(a) THREE-YEAR AUTHORITY TO DELEGATE ACQUISITION AUTHORITY.—(1) Chapter 6 of title 10, United States Code, is amended by inserting after section 167 the following new section:

"§ 167a. Unified combatant command for joint warfighting experimentation: acquisition authority

"(a) LIMITED ACQUISITION AUTHORITY FOR COMMANDER OF CERTAIN UNIFIED COMBATANT COMMAND.—The Secretary of Defense may delegate to the commander of the unified combatant command referred to in subsection (b) authority of the Secretary under chapter 137 of this title sufficient to enable the commander to develop and acquire equipment described in subsection (c). The exercise of authority so delegated is subject to the authority, direction, and control of the Secretary.

"(b) COMMAND DESCRIBED.—The commander to whom authority is delegated under subsection (a) is the commander of the unified combatant command that has the mission for joint warfighting experimentation, as assigned by the Secretary of Defense.

"(c) EQUIPMENT.—The equipment referred to in subsection (a) is as follows:

"(1) Equipment for battle management command, control, communications, and intelligence.

"(2) Any other equipment that the commander referred to in subsection (b) determines necessary and appropriate for—

"(A) facilitating the use of joint forces in military operations; or

"(B) enhancing the interoperability of equipment used by the various components of joint forces.

"(d) EXCEPTIONS.—The authority delegated under subsection (a) does not apply to the development or acquisition of a system for which—

"(1) the total expenditure for research, development, test, and evaluation is estimated to be $10,000,000 or more; or

"(2) the total expenditure for procurement is estimated to be $50,000,000 or more.

"(e) INTERNAL AUDITS AND INSPECTIONS.—The commander referred to in subsection (b) shall require the inspector general of that

command to conduct internal audits and inspections of purchasing and contracting administered by the commander under the authority delegated under subsection (a).

"(f) TERMINATION.—The Secretary may delegate the authority referred to in subsection (a) only during fiscal years 2004 through 2006, and any authority so delegated shall not be in effect after September 30, 2006.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 167 the following new item:

"167a. Unified combatant command for joint warfighting experimentation: acquisition authority.".

(b) COMPTROLLER GENERAL REPORT.—The Comptroller General shall review the implementation of section 167a of title 10, United States Code, as added by subsection (a), and submit to Congress a report on such review not later than two years after the date of the enactment of this Act. The review shall cover the extent to which the authority provided under such section 167a has been used.

Subtitle E—Acquisition-Related Reports and Other Matters

SEC. 851. REPORT ON CONTRACT PAYMENTS TO SMALL BUSINESSES.

(a) REPORT.—The Comptroller General shall prepare and submit to the congressional defense committees a report on the timeliness of contract payments made to small businesses during fiscal years 2001 and 2002 by the Department of Defense. The report shall include an estimate of the following:

(1) The total amount of contract payments made by the Department to small businesses.

(2) The percentage of total contract payments to small businesses that were not made in a timely manner.

(3) The reasons that contract payments to small businesses were not made in a timely manner.

(4) The amount of interest owed and paid by the Department to small businesses due to contract payments not made in a timely manner.

(5) Such recommendations as the Comptroller General considers appropriate to improve the process for making contract payments to small businesses in a timely manner.

(b) DEFINITIONS.—For purposes of subsection (a)—

(1) a payment is considered not made in a timely manner if it caused interest to accrue under chapter 39 of title 31, United States Code (relating to prompt payment); and

(2) the term "small business" means an entity that qualifies as a small business concern under the Small Business Act.

SEC. 852. CONTRACTING WITH EMPLOYERS OF PERSONS WITH DISABILITIES.

(a) INAPPLICABILITY OF RANDOLPH-SHEPPARD ACT.—The Randolph-Sheppard Act does not apply to any contract described in subsection (b) for so long as the contract is in effect, including for any period for which the contract is extended pursuant to an option provided in the contract.

(b) JAVITS-WAGNER-O'DAY CONTRACTS.—Subsection (a) applies to any contract for the operation of a military mess hall, military troop dining facility, or any similar dining facility operated for the purpose of providing meals to members of the Armed Forces that—

(1) was entered into before the date of the enactment of this Act with a nonprofit agency for the blind or an agency for other severely handicapped in compliance with section 3 of the Javits-Wagner-O'Day Act (41 U.S.C. 48); and

(2) is in effect on such date.

(c) ENACTMENT OF POPULAR NAME AS SHORT TITLE.—The Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly known as the "Randolph-Sheppard Act") (20 U.S.C. 107 et seq.), is amended by adding at the end the following new section:

"SEC. 11. This Act may be cited as the 'Randolph-Sheppard Act'.".

SEC. 853. DEMONSTRATION PROJECT FOR CONTRACTORS EMPLOYING PERSONS WITH DISABILITIES.

(a) AUTHORITY.—The Secretary of Defense may carry out a demonstration project by entering into one or more contracts with an eligible contractor for the purpose of providing defense contracting opportunities for severely disabled individuals.

(b) EVALUATION FACTOR.—In evaluating an offer for a contract under the demonstration program, the percentage of the total workforce of the offeror consisting of severely disabled individuals employed by the offeror shall be one of the evaluation factors.

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE CONTRACTOR.—The term "eligible contractor" means a business entity operated on a for-profit or nonprofit basis that—

(A) employs severely disabled individuals at a rate that averages not less than 33 percent of its total workforce over a period prescribed by the Secretary;

(B) pays not less than the minimum wage prescribed pursuant to section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) to the employees who are severely disabled individuals; and

(C) provides for its employees health insurance and a retirement plan comparable to those provided for employees by business entities of similar size in its industrial sector or geographic region.

(2) SEVERELY DISABLED INDIVIDUAL.—The term "severely disabled individual" means an individual with a disability (as defined in section 3 of the Americans With Disabilities Act of 1990 (42 U.S.C. 12102)) who has a severe physical or mental impairment that seriously limits one or more functional capacities.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

Sec. 901. Clarification of responsibility of military departments to support combatant commands.
Sec. 902. Combatant Commander Initiative Fund.
Sec. 903. Biennial review of national military strategy by Chairman of the Joint Chiefs of Staff.
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Subtitle D—Other Matters

Sec. 931. Authority for Asia-Pacific Center for Security Studies to accept gifts and donations.
Sec. 932. Repeal of rotating chairmanship of Economic Adjustment Committee.
Sec. 933. Extension of certain authorities applicable to the Pentagon Reservation to include a designated Pentagon continuity-of-Government location.

Subtitle A—Duties and Functions of Department of Defense Officers and Organizations

SEC. 901. 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 amended by striking "(to the maximum extent practicable)".

SEC. 902. COMBATANT COMMANDER INITIATIVE FUND.

(a) REDESIGNATION OF CINC INITIATIVE FUND.—(1) The CINC Initiative Fund administered under section 166a of title 10, United States Code, is redesignated as the "Combatant Commander Initiative Fund".

(2) Section 166a of title 10, United States Code, is amended—

(A) by striking the heading for subsection (a) and inserting "COMBATANT COMMANDER INITIATIVE FUND.—"; and

(B) by striking "CINC Initiative Fund" in subsections (a), (c), and (d), and inserting "Combatant Commander Initiative Fund".

(3) Any reference to the CINC Initiative Fund in any other provision of law or in any regulation, document, record, or other paper of the United States shall be considered to be a reference to the Combatant Commander Initiative Fund.

(b) AUTHORIZED ACTIVITIES.—Subsection (b) of section 166a of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(10) Joint warfighting capabilities.".

(c) INCREASED MAXIMUM AMOUNTS AUTHORIZED FOR USE.—Subsection (e)(1) of such section is amended—

(1) in subparagraph (A), by striking "$7,000,000" and inserting "$10,000,000";

(2) in subparagraph (B), by striking "$1,000,000" and inserting "$10,000,000"; and

(3) in subparagraph (C), by striking "$2,000,000" and inserting "$5,000,000".

SEC. 903. 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—

"(i) 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);

"(ii) the most recent annual report of the Secretary of Defense submitted to the President and Congress pursuant to section 113 of this title; and

"(iii) the most recent Quadrennial Defense Review conducted 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.

"(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 make assumptions 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. 904. REPORT ON CHANGING ROLES OF UNITED STATES SPECIAL OPERATIONS COMMAND.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the changing roles of the United States Special Operations Command.

(b) CONTENT OF REPORT.—(1) The report shall specifically discuss in detail the following matters:

(A) The expanded role of the United States Special Operations Command in the global war on terrorism.

(B) The reorganization of that command to function as a supported combatant command for planning and executing operations.

(C) The role of that command as a supporting combatant command.

(2) The report shall also include, in addition to the matters discussed pursuant to paragraph (1), a discussion of the following matters:

(A) The military strategy to employ the United States Special Operations Command to fight the global war on terrorism and how that strategy contributes to the overall national security strategy with regard to the global war on terrorism.

(B) The scope of the authority granted to the commander of that command to act as a supported commander and to prosecute the global war on terrorism.

(C) The operational and legal parameters within which the commander of that command is to exercise command authority in foreign countries when taking action against foreign and United States citizens engaged in terrorist activities.

(D) The decisionmaking procedures for authorizing, planning, and conducting individual missions by that command, including—

(i) the requirement in section 167(d)(2) of title 10, United States Code, that the conduct of a special operations mission under the command of the commander of the United States Special Operations Command be authorized by the President or the Secretary of Defense; and

(ii) procedures for consultation with Congress.

(E) The procedures for the commander of that command to use to coordinate with commanders of other combatant commands, especially geographic commands.

(F) Future organization plans and resource requirements for that command conducting the global counterterrorism mission.

(G) The effect of the changing role of that command on other special operations missions, including foreign internal defense, psychological operations, civil affairs, unconventional warfare, counterdrug activities, and humanitarian activities.

(c) FORMS OF REPORT.—The report shall be submitted in unclassified form and, as necessary, in classified form.

SEC. 905. SENSE OF CONGRESS REGARDING CONTINUATION OF MISSION AND FUNCTIONS OF ARMY PEACEKEEPING INSTITUTE.

It is the sense of Congress that the Secretary of Defense should maintain the functions and missions of the Army Peacekeeping Institute at the Army War College in Carlisle, Pennsylvania, or within a joint entity of the Department of Defense, such as the National Defense University or the Joint Forces Command, to ensure that members of the Armed Forces continue to study the strategic challenges and uses of peacekeeping missions and to prepare the Armed Forces for conducting such missions.

SEC. 906. TRANSFER TO OFFICE OF PERSONNEL MANAGEMENT OF PERSONNEL INVESTIGATIVE FUNCTIONS AND RELATED PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) TRANSFER OF FUNCTIONS.—(1) Subject to subsection (b), the Secretary of Defense may transfer to the Office of Personnel Management the personnel security investigations functions that, as of the date of the enactment of this Act, are performed by the Defense Security Service of the Department of Defense. Such a transfer may

be made only with the concurrence of the Director of the Office of Personnel Management.

(2) The Director of the Office of Personnel Management may accept a transfer of functions under paragraph (1).

(3) Any transfer of a function under this subsection is a transfer of function within the meaning of section 3503 of title 5, United States Code.

(b) LIMITATION.—(1) The Secretary of Defense may not make a transfer of functions under subsection (a) unless the Secretary determines, and certifies in writing to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, that each of the conditions specified in paragraph (2) has been met. Such a transfer may then be made only after a period of 30 days has elapsed after the date on which the certification is received by those committees.

(2) The conditions referred to in paragraph (1) are the following:

(A) That the Office of Personnel Management is fully capable of carrying out high-priority investigations required by the Secretary of Defense within a timeframe set by the Secretary of Defense.

(B) That the Office of Personnel Management has undertaken necessary and satisfactory steps to ensure that investigations performed on Department of Defense contract personnel will be conducted in an expeditious manner sufficient to ensure that those contract personnel are available to the Department of Defense within a timeframe set by the Secretary of Defense.

(C) That the Department of Defense will retain capabilities in the form of Federal employees to monitor and investigate Department of Defense and contractor personnel as necessary to perform counterintelligence functions and polygraph activities of the Department.

(D) That the authority to adjudicate background investigations will remain with the Department of Defense and that the transfer of Defense Security Service personnel to the Office of Personnel Management will improve the speed and efficiency of the adjudication process.

(E) That the Department of Defense will retain within the Defense Security Service sufficient personnel and capabilities to improve Department of Defense industrial security programs and practices.

(c) TRANSFER OF PERSONNEL.—(1) If the Director of the Office of Personnel Management accepts a transfer of functions under subsection (a), the Secretary of Defense shall also transfer to the Office of Personnel Management, and the Director shall accept—

(A) the Defense Security Service employees who perform those functions immediately before the transfer of functions; and

(B) the Defense Security Service employees who, as of such time, are first level supervisors of employees transferred under subparagraph (A).

(2) The Secretary may also transfer to the Office of Personnel Management any Defense Security Service employees (including higher level supervisors) who provide support services for the performance of the functions transferred under subsection (a) or for the

personnel (including supervisors) transferred under paragraph (1) if the Director—

(A) determines that the transfer of such additional employees and the positions of such employees to the Office of Personnel Management is necessary in the interest of effective performance of the transferred functions; and

(B) accepts the transfer of the additional employees.

(3) In the case of an employee transferred to the Office of Personnel Management under paragraph (1) or (2), whether a full-time or part-time employee—

(A) subsections (b) and (c) of section 5362 of title 5, United States Code, relating to grade retention, shall apply to the employee, except that—

(i) the grade retention period shall be the one-year period beginning on the date of the transfer; and

(ii) paragraphs (1), (2), and (3) of such subsection (c) shall not apply to the employee; and

(B) the employee may not be separated, other than pursuant to chapter 75 of title 5, United States Code, during such one-year period.

(d) ACTIONS AFTER TRANSFER.—(1) Not later than one year after a transfer of functions to the Office of Personnel Management under subsection (a), the Director of the Office of Personnel Management, in coordination with the Secretary of Defense, shall review all functions performed by personnel of the Defense Security Service at the time of the transfer and make a written determination regarding whether each such function is inherently governmental or is otherwise inappropriate for performance by contractor personnel.

(2) A function performed by Defense Security Service employees as of the date of the enactment of this Act may not be converted to contractor performance by the Director of the Office of Personnel Management until—

(A) the Director reviews the function in accordance with the requirements of paragraph (1) and makes a written determination that the function is not inherently governmental and is not otherwise inappropriate for contractor performance; and

(B) the Director conducts a public-private competition regarding the performance of that function in accordance with the requirements of the Office of Management and Budget Circular A–76.

SEC. 907. DEFENSE ACQUISITION WORKFORCE FREEZE FOR FISCAL YEAR 2004.

(a) DEFENSE ACQUISITION WORKFORCE FREEZE.—During fiscal year 2004, the number of defense acquisition and support personnel may not at any time be greater than one percent above, or less than one percent below, the baseline number, and any variation from the baseline number (within such one percent variance) shall be only to exercise normal hiring and firing flexibility during the fiscal year.

(b) BASELINE NUMBER.—For purposes of subsection (a), the baseline number is the number of defense acquisition and support personnel as of October 1, 2003.

(c) USE OF FULL-TIME EQUIVALENT POSITIONS.—All determinations of personnel strengths for purposes of this section shall be on the basis of full-time equivalent positions.

(d) WAIVER AUTHORITY.—The Secretary of Defense may waive the limitation in subsection (a) upon a determination that such waiver is necessary to protect a significant national security interest of the United States. If the Secretary makes such a determination, the Secretary shall, within 30 days after making the determination, notify the Committees on Armed Services of the Senate and House of Representatives of the determination and the reasons for the determination.

(e) DEFINITION.—In this section, the term "defense acquisition and support personnel" means members of the Armed Forces 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 organization that, as determined by the Secretary, has acquisition as its predominant mission.

Subtitle B—Space Activities

SEC. 911. COORDINATION OF SPACE SCIENCE AND TECHNOLOGY ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—(1) Chapter 135 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2272. Space science and technology strategy: coordination

"(a) SPACE SCIENCE AND TECHNOLOGY STRATEGY.—(1) The Secretary of Defense shall develop and implement a space science and technology strategy and shall review and, as appropriate, revise the strategy annually. Functions of the Secretary under this subsection shall be carried out jointly by the Director of Defense Research and Engineering and the official of the Department of Defense designated as the Department of Defense Executive Agent for Space.

"(2) The strategy under paragraph (1) shall, at a minimum, address the following issues:

"(A) Short-term and long-term goals of the space science and technology programs of the Department of Defense.

"(B) The process for achieving the goals identified under subparagraph (A), including an implementation plan for achieving those goals.

"(C) The process for assessing progress made toward achieving those goals.

"(3) The strategy under paragraph (1) shall be included as part of the annual National Security Space Plan developed pursuant to Department of Defense regulations and shall be provided to Department of Defense components and science and technology entities of the Department of Defense to support the planning, programming, and budgeting processes of the Department.

"(4) The strategy under paragraph (1) shall be developed in consultation with the directors of research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of other organizations of the Department of Defense as identified by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space.

"(5) The strategy shall be available for review by the congressional defense committees.

"(b) REQUIRED COORDINATION.—In carrying out the space science and technology strategy developed under subsection (a), the directors of the research laboratories of the Department of Defense, the directors of the other Department of Defense research components, and the heads of all other appropriate organizations identified jointly by the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space shall each—

"(1) identify research projects in support of that strategy that contribute directly and uniquely to the development of space technology; and

"(2) inform the Director of Defense Research and Engineering and the Department of Defense Executive Agent for Space of the planned budget and planned schedule for executing those projects.

"(c) DEFINITIONS.—In this section:

"(1) The term 'research laboratory of the Department of Defense' means any of the following:

"(A) The Air Force Research Laboratory.

"(B) The Naval Research Laboratory.

"(C) The Office of Naval Research.

"(D) The Army Research Laboratory.

"(2) The term 'other Department of Defense research component' means either of the following:

"(A) The Defense Advanced Research Projects Agency.

"(B) The National Reconnaissance Office.".

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

"2272. Space science and technology strategy: coordination.".

(b) GENERAL ACCOUNTING OFFICE REVIEW.—(1) The Comptroller General shall review and assess the space science and technology strategy developed under subsection (a) of section 2272 of title 10, United States Code, as added by subsection (a), and the effectiveness of the coordination process required under subsection (b) of that section.

(2) Not later than September 1, 2004, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the findings and assessment under paragraph (1).

SEC. 912. POLICY REGARDING ASSURED ACCESS TO SPACE FOR UNITED STATES NATIONAL SECURITY PAYLOADS.

(a) IN GENERAL.—(1) Chapter 135 of title 10, United States Code, is amended by adding after section 2272, as added by section 911(a)(1), the following new section:

"§ 2273. Policy regarding assured access to space: national security payloads

"(a) POLICY.—It is the policy of the United States for the President to undertake actions appropriate to ensure, to the maximum extent practicable, that the United States has the capabilities necessary to launch and insert United States national security payloads into space whenever such payloads are needed in space.

"(b) INCLUDED ACTIONS.—The appropriate actions referred to in subsection (a) shall include, at a minimum, providing resources and policy guidance to sustain—

"(1) the availability of at least two space launch vehicles (or families of space launch vehicles) capable of delivering into space any payload designated by the Secretary of Defense or the Director of Central Intelligence as a national security payload; and

"(2) a robust space launch infrastructure and industrial base.

"(c) COORDINATION.—The Secretary of Defense shall, to the maximum extent practicable, pursue the attainment of the capabilities described in subsection (a) in coordination with the Administrator of the National Aeronautics and Space Administration.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2272, as added by section 911(a)(2), the following new item:

"2273. Policy regarding assured access to space: national security payloads.".

SEC. 913. PILOT PROGRAM FOR PROVISION OF SPACE SURVEILLANCE NETWORK SERVICES TO NON-UNITED STATES GOVERNMENT ENTITIES.

(a) IN GENERAL.—Chapter 135 of title 10, United States Code, is amended by adding after section 2273, as added by section 912(a), the following new section:

"§ 2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United 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 Government 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 Government entity, subject to an agreement described in subsection (d), 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) ELIGIBLE ENTITIES.—Under the pilot program, the Secretary may provide space surveillance data support to non-United States Government entities including the following:

"(1) State governments.

"(2) Governments of political subdivisions of States.

"(3) United States commercial entities.

"(4) Governments of foreign countries.

"(5) Foreign commercial entities.

"(d) REQUIRED AGREEMENT.—The Secretary may not provide space surveillance data support to a non-United States Government 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 (e); 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 express approval of the Secretary.

"(e) RULE OF CONSTRUCTION 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.—(1) As a condition of an agreement under subsection (d), the Secretary may (except as provided in paragraph (2)) require the non-United States Government entity entering into the agreement to pay to the Department of Defense such amounts as the Secretary determines to be necessary to reimburse the Department for the costs of the Department of providing space surveillance data support under the agreement.

"(2) The Secretary may not require the government of a State or of a political subdivision of a State to pay any amount under paragraph (1).

"(g) CREDITING OF FUNDS RECEIVED.—Funds received for the provision of space surveillance data support pursuant to an agreement under this section shall be credited to accounts of the Department of Defense that are current when the funds are received and that are available for the same purposes as the accounts originally charged to provide such support. 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 analysis of space surveillance data 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 after the item relating to section 2273, as added by section 912(b), the following new item:

"2274. Space surveillance network: pilot program for provision of satellite tracking support to entities outside United States Government.".

SEC. 914. CONTENT OF BIENNIAL GLOBAL POSITIONING SYSTEM REPORT.

(a) REVISED CONTENT.—Paragraph (1) of section 2281(d) of title 10, United States Code, is amended—

(1) by striking subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (C);

(3) by redesignating subparagraph (E) as subparagraph (D) and in that subparagraph striking "Any progress made toward" and inserting "Progress and challenges in"; and

(4) by striking subparagraph (F) and inserting the following:

"(E) Progress and challenges in protecting GPS from jamming, disruption, and interference.

"(F) Progress and challenges in developing the enhanced Global Positioning System required by section 218(b) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1951; 10 U.S.C. 2281 note).".

(b) CONFORMING AMENDMENT.—Paragraph (2) of such section is amended by inserting "(C)," after "under subparagraphs".

SEC. 915. REPORT ON PROCESSES-RELATED SPACE SYSTEMS.

Not later than March 15, 2004, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report to provide the—

(1) the Secretary's assessment of the role of the United States Strategic Command in planning and requirements development for space systems to support the warfighter;

(2) the Secretary's assessment of the processes by which space systems capabilities are integrated into training and doctrine of the Armed Forces; and

(3) the Secretary's recommendations for improvements in the processes identified pursuant to paragraphs (1) and (2).

Subtitle C—Department of Defense Intelligence Components

SEC. 921. 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, intelligence, 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) TECHNICAL AND 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 (other than in section 461(b)) and inserting "National Geospatial-Intelligence Agency";

(B) in section 453(b), by striking "NIMA" in paragraphs (1) and (2) and inserting "NGA"; and

(C) in section 461(b)—

(i) by striking "The National Imagery and Mapping Agency" and inserting "The Director of the National Geospatial-Intelligence Agency"; and

(ii) by striking "on the day before" and all that follows through the period and inserting "on September 30, 1996.".

(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)(3) 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 "NIMA's" in subsection (a)(6)(B)(iv)(II) and inserting "NGA's".

(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 item relating to section 110 in the table of contents in the first section is amended to read as follows:

"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. 922. PROTECTION OF OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY.

(a) PROTECTION OF OPERATIONAL FILES OF NSA.—Title VII of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"OPERATIONAL FILES OF THE NATIONAL SECURITY AGENCY

"SEC. 704. (a) EXEMPTION OF CERTAIN OPERATIONAL FILES FROM SEARCH, REVIEW, PUBLICATION, OR DISCLOSURE.—The Director of the National Security Agency, in coordination with the Director of Central Intelligence, may exempt operational files of the Na-

"(3) 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.

"(4) Records from exempted operational files that have been disseminated to and referenced in files that are not exempted under subsection (a) and that have been returned to exempted operational files for sole retention shall be subject to search and review.

"(e) SUPERCEDURE OF OTHER LAWS.—The provisions of subsection (a) may not be superseded except by a provision of law that is enacted after the date of the enactment of this section and that specifically cites and repeals or modifies such provisions.

"(f) ALLEGATION; IMPROPER WITHHOLDING OF RECORDS; JUDICIAL REVIEW.—(1) Except as provided in paragraph (2), 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.

"(2) Judicial review shall not be available in the manner provided for under paragraph (1) as follows:

"(A) 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 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.

"(B) The court shall determine, to the fullest extent practicable, the issues of fact based on sworn written submissions of the parties.

"(C) 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.

"(D)(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 responsible records currently perform the functions set forth in subsection (b).

"(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 clause (i), unless the complainant disputes the National Security Agency's showing with a sworn written submission based on personal knowledge or otherwise admissible evidence.

"(E) In proceedings under subparagraphs (C) and (D), the parties may not obtain discovery pursuant to rules 26 through 36 of the Federal Rules of Civil Procedure, except that requests for admissions may be made pursuant to rules 26 and 36.

"(F) If the court finds under this subsection 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 section (other than subsection (g)).

"(G) 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.

"(H) Any information filed with, or produced for the court pursuant to subparagraphs (A) and (D) shall be coordinated with the Director of Central Intelligence before submission to the court.

"(g) 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) to determine whether such exemptions may be removed from a 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 a 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.".

(b) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CIA.—Title VII of such Act is further amended—

(1) in section 701(b) (50 U.S.C. 431(b)), by striking "For purposes of this title" and inserting "In this section,"; and

(2) in section 702 (50 U.S.C. 432)—

(A) by striking the section heading;

(B) by redesignating the text of that section as subsection (g) of section 701 and redesignating subsections (a), (b), and (c) thereof as paragraphs (1), (2), and (3), respectively;

(C) by inserting "DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—" after the subsection designation (as designated by subparagraph (B));

(D) in paragraph (1) (as redesignated by subparagraph (B)), by striking "of section 701 of this Act";

(E) in paragraph (2) (as redesignated by subparagraph (B)), by striking "of subsection (a) of this section" and inserting "paragraph (1)"; and

(F) in paragraph (3) (as redesignated by subparagraph (B))—

(i) by striking "with this section" in the first sentence and inserting "with this subsection"; and

(ii) by striking "to determining" in the second sentence and all that follows and inserting "to determining the following:

"(A) Whether the Central Intelligence Agency has conducted the review required by paragraph (1) before October 15, 1994, or before the expiration of the 10-year period beginning on the date of the most recent review.

"(B) Whether the Central Intelligence Agency, in fact, considered the criteria set forth in paragraph (2) in conducting the required review.".

(c) CONSOLIDATION OF CURRENT PROVISIONS ON PROTECTION OF OPERATIONAL FILES OF CERTAIN OTHER INTELLIGENCE AGENCIES.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is further amended—

(1) by transferring section 105C (50 U.S.C. 403–5c), as amended by section 921(e)(4), and section 105D (50 U.S.C. 403–5e) to title VII of that Act and inserting them after section 701, as amended by subsection (b); and

(2) by redesignating those sections, as so transferred, as sections 702 and 703, respectively.

(d) CLERICAL AMENDMENTS.—The National Security Act of 1947 is amended as follows:

(1)(A) The heading for title VII is amended to read as follows:

"TITLE VII—PROTECTION OF OPERATIONAL FILES".

(B) The heading for section 701 is amended to read as follows:

"OPERATIONAL FILES OF THE CENTRAL INTELLIGENCE AGENCY".

(C) The heading for section 702, as transferred and redesignated by subsection (c), is amended to read as follows:

"OPERATIONAL FILES OF THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY".

(D) The heading for section 703, as transferred and redesignated by subsection (c), is amended by striking the first two words.

(2) The table of contents in the first section of the National Security Act of 1947 is amended—

(A) by striking the items relating to sections 105C and 105D; and

(B) by striking the items relating to title VII and sections 701 and 702 and inserting the following new items:

"TITLE VII—PROTECTION OF OPERATIONAL FILES

"Sec. 701. Operational files of the Central Intelligence Agency.
"Sec. 702. Operational files of the National Geospatial-Intelligence Agency.
"Sec. 703. Operational files of the National Reconnaissance Office.
"Sec. 704. Operational files of the National Security Agency.".

SEC. 923. INTEGRATION OF DEFENSE INTELLIGENCE, SURVEILLANCE, AND RECONNAISSANCE CAPABILITIES

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

(1) As part of transformation efforts within the Department of Defense, each of the Armed Forces is developing intelligence, surveillance, and reconnaissance capabilities that best support future war fighting as envisioned by the leadership of the military department concerned.

(2) Concurrently, intelligence agencies of the Department of Defense outside the military departments are developing transformation roadmaps to best support the future decisionmaking and war fighting needs of their principal customers, but are not always closely coordinating those efforts with the intelligence, surveillance, and reconnaissance development efforts of the military departments.

(3) A senior official of each military department has been designated as the integrator of intelligence, surveillance, and reconnaissance for each of the Armed Forces in such military department, but there is not currently a well-defined forum through which the integrators of intelligence, surveillance, and reconnaissance capabilities for each of the Armed Forces can routinely interact with each other and with senior representatives of Department of Defense intelligence agencies, as well as with other members of the intelligence community, to ensure unity of effort and to preclude unnecessary duplication of effort.

(4) The current funding structure of a National Foreign Intelligence Program (NFIP), Joint Military Intelligence Program (JMIP), and Tactical Intelligence and Related Activities Program (TIARA) may not be the best approach for supporting the development of an intelligence, surveillance, and reconnaissance structure that is integrated to meet the national security requirements of the United States in the 21st century.

(5) The position of Under Secretary of Defense for Intelligence was established in 2002 by Public Law 107–314 in order to facilitate resolution of the challenges to achieving an integrated intelligence, surveillance, and reconnaissance structure in the Department of Defense to meet such 21st century requirements.

(b) GOAL.—It shall be a goal of the Department of Defense to fully integrate the intelligence, surveillance, and reconnaissance capabilities and coordinate the developmental activities of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands as those departments, agencies, and commands transform their intelligence, surveillance, and reconnaissance systems to meet current and future needs.

(c) ISR INTEGRATION REQUIREMENTS.—(1) Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities

"(a) ISR INTEGRATION COUNCIL.—(1) The Under Secretary of Defense for Intelligence shall establish an Intelligence, Surveillance, and Reconnaissance Integration Council—

"(A) to assist the Under Secretary with respect to matters relating to the integration of intelligence, surveillance, and reconnaissance capabilities, and coordination of related developmental activities, of the military departments, intelligence agencies of the Department of Defense, and relevant combatant commands; and

"(B) otherwise to provide a means to facilitate the integration of such capabilities and the coordiation of such developmental activities.

"(2) The Council shall be composed of—

"(A) the senior intelligence officers of the armed forces and the United States Special Operations Command;

"(B) the Director of Operations of the Joint Staff; and

"(C) the directors of the intelligence agencies of the Department of Defense.

"(3) The Under Secretary of Defense for Intelligence shall invite the participation of the Director of Central Intelligence (or that Director's representative) in the proceedings of the Council.

"(b) ISR INTEGRATION ROADMAP.—(1) The Under Secretary of Defense for Intelligence shall develop a comprehensive plan, to be known as the 'Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap', to guide the development and integration of the Department of Defense intelligence, surveillance, and reconnaissance capabilities for the 15-year period of fiscal years 2004 through 2018.

"(2) The Under Secretary shall develop the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap in consultation with the Intelligence, Surveillance, and Reconnaissance Integration Council and the Director of Central Intelligence.".

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

"426. Integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities.".

(d) REPORT.—(1) Not later than September 30, 2004, the Under Secretary of Defense for Intelligence shall submit to the committees of Congress specified in paragraph (2) a report on the Defense Intelligence, Surveillance, and Reconnaissance Integration Roadmap developed under subsection (b) of section 426 of title 10, United States Code, as added by subsection (c). The report shall include the following matters:

(A) The fundamental goals established in the roadmap.

(B) An overview of the intelligence, surveillance, and reconnaissance integration activities of the military departments and the intelligence agencies of the Department of Defense.

(C) An investment strategy for achieving—

(i) an integration of Department of Defense intelligence, surveillance, and reconnaissance capabilities that ensures sustainment of needed tactical and operational efforts; and

(ii) efficient investment in new intelligence, surveillance, and reconnaissance capabilities.

(D) A discussion of how intelligence gathered and analyzed by the Department of Defense can enhance the role of the Department of Defense in fulfilling its homeland security responsibilities.

(E) A discussion of how counterintelligence activities of the Armed Forces and the Department of Defense intelligence agencies can be better integrated.

(F) Recommendations on how annual funding authorizations and appropriations can be optimally structured to best support the development of a fully integrated Department of Defense intelligence, surveillance, and reconnaissance architecture.

(2) The committees of Congress referred to in paragraph (1) are as follows:

(A) The Committee on Armed Services, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 924. MANAGEMENT OF NATIONAL SECURITY AGENCY MODERNIZATION PROGRAM.

(a) MANAGEMENT OF ACQUISITION PROGRAMS THROUGH USD(AT&L).—(1) The Secretary of Defense shall direct that, effective as of the date of the enactment of this Act, acquisitions under the National Security Agency Modernization Program shall be directed and managed by the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) APPLICABILITY OF MAJOR DEFENSE ACQUISITION PROGRAM AUTHORITIES.—(1) Each project designated as a major defense acquisition program under paragraph (2) shall be managed under the laws, policies, and procedures that are applicable to major defense acquisition programs (as defined in section 2430 of title 10, United States Code).

(2) The Secretary of Defense (acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics) shall designate those projects under the National Security Agency Modernization Program that are to be managed as major defense acquisition programs.

(c) MILESTONE DECISION AUTHORITY.—(1) The authority to make a decision that a program is authorized to proceed from one milestone stage into another (referred to as the milestone decision authority) may only be exercised by the Under Secretary of Defense for Acquisition, Technology, and Logistics for the following:

(A) Each project of the National Security Agency Modernization Program that is to be managed as major defense acquisition program, as designated under subsection (b).

(B) Each major system under the National Security Agency Modernization Program.

(2) The limitation in paragraph (1) shall terminate on, and the Under Secretary may delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency at any time after, the date that is the later of—

(A) September 30, 2005, or

(B) the date on which the Under Secretary submits to the appropriate committees of Congress a notification described in paragraph (3).

(3) A notification described in this paragraph is a notification by the Under Secretary of the Under Secretary's intention to delegate the milestone decision authority referred to in paragraph (1) to the Director of the National Security Agency, together with a detailed discussion of the justification for that delegation. Such a notification may not be submitted until—

(A) the Under Secretary has determined (after consultation with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management) that the Director has implemented acquisition management policies, procedures, and practices that are sufficient to ensure that acquisitions by the National Security Agency are conducted in a manner consistent with sound, efficient acquisition practices;

(B) the Under Secretary has consulted with the Under Secretary of Defense for Intelligence and the Deputy Director of Central Intelligence for Community Management on the delegation of such milestone decision authority to the Director; and

(C) the Secretary of Defense has approved the delegation of such milestone decision authority to the Director.

(d) PROJECTS COMPRISING PROGRAM.—The National Security Agency Modernization Program consists of the following projects of the National Security Agency:

(1) The Trailblazer project.

(2) The Groundbreaker project.

(3) Each cryptological mission management project.

(4) Each other project of that Agency that—

(A) meets either of the dollar thresholds in effect under paragraph (2) of section 2430(a) of title 10, United States Code; and

(B) is determined by the Under Secretary of Defense for Acquisition, Technology, and Logistics as being a major project that is within, or properly should be within, the National Security Agency Modernization Project.

(e) DEFINITIONS.—In this section:

(1) MAJOR SYSTEM.—The term "major system" has the meaning given that term in section 2302(5) of title 10, United States Code.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term "appropriate committees of Congress" means the following:

(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 925. MODIFICATION OF OBLIGATED SERVICE REQUIREMENTS UNDER NATIONAL SECURITY EDUCATION PROGRAM.

(a) IN GENERAL.—Section 802(b)(2) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1902(b)(2)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs (A) and (B):

"(A) in the case of a recipient of a scholarship, after the recipient's completion of the study for which scholarship assistance was provided under the program, work in a position in the Department of Defense or other element of the intelligence community that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall include one year of service for each year, or portion thereof, for which such scholarship assistance was provided; or

"(B) in the case of a recipient of a fellowship, after the recipient's completion of the study for which the fellowship assistance was provided under the program, work in a position described in subparagraph (A) that is certified by the Secretary as appropriate to utilize the unique language and region expertise acquired by the recipient pursuant to such study for a period specified by the Secretary, which period shall (at the discretion of the Secretary) include not less than one nor more than three years for each year, or portion thereof, for which such fellowship assistance was provided; and".

(b) APPLICABILITY.—(1) The amendment made by subsection (a) shall apply with respect to service agreements entered into under the David L. Boren National Security Education Act of 1991 on or after the date of the enactment of this Act.

(2) The amendment made by subsection (a) shall not affect the force, validity, or terms of any service agreement entered into under the David L. Boren National Security Education Act of 1991 before the date of the enactment of this Act that is in force as of that date.

SEC. 926. 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. 927. COMMERCIAL IMAGERY INDUSTRIAL BASE.

(a) REQUIREMENT.—Of the total amount authorized to be appropriated for fiscal year 2004 for the acquisition, processing, and licensing of imagery from commercial sources (including amounts authorized to be appropriated under that title for experimentation related to such imagery), not less than 90 percent shall be used for the following purposes:

(1) Acquisition of space-based imagery from commercial sources.

(2) Support for the development of next-generation commercial imagery satellites.

(3) Support for infrastructure improvements that meet unique requirements related to commercial imagery.

(b) WAIVER.—(1) The Secretary of Defense may waive the requirement in subsection (a) if the Secretary determines that the waiver is in the national security interest of the United States. Any such waiver shall be made in consultation with the Director of Central Intelligence.

(2) If the Secretary makes the waiver authorized by paragraph (1), the Secretary shall, within 30 days of issuing the waiver, submit to the appropriate congressional committees a report that includes the following:

(A) The Secretary's reasons for determining that the waiver is in the national security interest of the United States.

(B) The Secretary's plan for use of the amount referred to in subsection (a).

(c) REPORT ON DEPARTMENT OF DEFENSE IMPLEMENTATION OF PRESIDENT'S COMMERCIAL REMOTE SENSING POLICY.—(1) Not later than March 1, 2004, the Secretary of Defense shall submit to the appropriate congressional committees a report on the actions taken, and to be taken, by the Secretary to implement the President's policy issued on May 13, 2003, with the title "U.S. Commercial Remote Sensing Space Policy". The Secretary shall consult with the Director of Central Intelligence in preparing the report.

(2) The report under paragraph (1) shall include an assessment of the following matters:

(A) The sufficiency for the sustainment of a viable commercial imagery industrial base in the United States of—

(i) the President's policy referred to in paragraph (1);

(ii) the amount provided for the Department of Defense for fiscal year 2004 for the acquisition of imagery from commercial sources; and

(iii) the amounts scheduled in the future-years defense program (as of the submission of the report) for the acquisition of imagery from commercial sources.

(B) The extent to which the President's policy referred to in paragraph (1) and Department of Defense programs relating to the procurement of imagery from commercial sources are sufficient to ensure that imagery is available to the Department of Defense from United States commercial sources to meet the needs of the Department of Defense in a timely manner.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—For the purposes of this section, the term "appropriate congressional committees" means—

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

(2) the Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on Appropriations of the House of Representatives.

Subtitle D—Other Matters

SEC. 931. AUTHORITY FOR ASIA-PACIFIC CENTER FOR SECURITY STUDIES TO ACCEPT GIFTS AND DONATIONS.

(a) AUTHORIZED SOURCES OF GIFTS AND DONATIONS.—Subsection (a) of section 2611 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "foreign gifts and donations" and inserting "gifts and donations from sources described in paragraph (2)";

(2) by redesignating paragraph (2) as paragraph (3); and

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

"(2) The sources from which gifts and donations may be accepted under paragraph (1) are the following:

"(A) The government of a State or a political subdivision of a State.

"(B) The government of a foreign country.

"(C) A foundation or other charitable organization, including a foundation or charitable organization that is organized or operates under the laws of a foreign country.

"(D) Any source in the private sector of the United States or a foreign country.".

(b) CONFORMING AMENDMENTS.—(1) Section 2611 of such title is further amended—

(A) by striking "FOREIGN" in the headings for subsections (a) and (f);

(B) in subsection (c), by striking "foreign"; and

(C) in subsection (f)—

(i) by striking "foreign" after "section, a"; and

(ii) by striking "from a foreign" and all that follows through "country." and inserting a period.

(2) Section 184(b)(4) of such title is amended by striking "foreign".

(c) CLERICAL AMENDMENTS.— The heading of section 2611 of such title, 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.

(d) CROSS REFERENCE CORRECTION.—Section 2612(a) of such title is amended by striking "2611(f)" and inserting "2166(f)(4)".

SEC. 932. 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. 933. EXTENSION OF CERTAIN AUTHORITIES APPLICABLE TO THE PENTAGON RESERVATION TO INCLUDE A DESIGNATED PENTAGON CONTINUITY-OF-GOVERNMENT LOCATION.

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 treat-

ed as including the land and physical facilities at the Raven Rock Mountain Complex.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. United States contribution to NATO common-funded budgets in fiscal year 2004.
Sec. 1003. Authorization of supplemental appropriations for fiscal year 2003.
Sec. 1004. Authorization of supplemental appropriations for fiscal year 2004.
Sec. 1005. Reestablishment of authority for short-term leases of real or personal property across fiscal years.
Sec. 1006. Reimbursement rate for certain airlift services provided to Department of State.
Sec. 1007. Limitation on payment of facilities charges assessed by Department of State.
Sec. 1008. Use of the Defense Modernization Account for life cycle cost reduction initiatives.
Sec. 1009. Provisions relating to defense travel cards.

Subtitle B—Naval Vessels and Shipyards

Sec. 1011. Repeal of requirement regarding preservation of surge capability for naval surface combatants.
Sec. 1012. Enhancement of authority relating to use for experimental purposes of vessels stricken from Naval Vessel Register.
Sec. 1013. Transfer of vessels stricken from the Naval Vessel Register for use as artificial reefs.
Sec. 1014. Priority for Title XI assistance.
Sec. 1015. Support for transfers of decommissioned vessels and shipboard equipment.
Sec. 1016. Advanced shipbuilding enterprise.
Sec. 1017. Report on Navy plans for basing aircraft carriers.
Sec. 1018. Limitation on disposal of obsolete naval vessel.

Subtitle C—Counterdrug Matters

Sec. 1021. Expansion and extension of authority to provide additional support for counter-drug activities.
Sec. 1022. Authority for joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities.
Sec. 1023. Use of funds for unified counterdrug and counterterrorism campaign in Colombia.
Sec. 1024. Sense of Congress on reconsideration of decision to terminate border and seaport inspection duties of National Guard under National Guard drug interdiction and counter-drug mission.

Subtitle D—Reports

Sec. 1031. Repeal and modification of various reporting requirements applicable to the Department of Defense.
Sec. 1032. Plan for prompt global strike capability.
Sec. 1033. Annual report concerning dismantling of strategic nuclear warheads.
Sec. 1034. Report on use of unmanned aerial vehicles for support of homeland security missions.

Subtitle E—Codifications, Definitions, and Technical Amendments

Sec. 1041. Codification and revision of defense counterintelligence polygraph program authority.
Sec. 1042. General definitions applicable to facilities and operations of Department of Defense.
Sec. 1043. Additional definitions for purposes of title 10, United States Code.
Sec. 1044. Inclusion of annual military construction authorization request in annual defense authorization request.
Sec. 1045. Technical and clerical amendments.

Subtitle F—Other Matters

Sec. 1051. Assessment of effects of specified statutory limitations on the granting of security clearances.
Sec. 1052. Acquisition of historical artifacts through exchange of obsolete or surplus property.
Sec. 1053. Conveyance of surplus T–37 aircraft to Air Force Aviation Heritage Foundation, Incorporated.
Sec. 1054. Department of Defense biennial strategic plan for management of electromagnetic spectrum.
Sec. 1055. Revision of Department of Defense directive relating to management and use of radio frequency spectrum.
Sec. 1056. Sense of Congress on deployment of airborne chemical agent monitoring systems at chemical stockpile disposal sites in the United States.
Sec. 1057. Expansion of pre-September 11, 2001, fire grant program of United States Fire Administration.
Sec. 1058. Review and enhancement of existing authorities for using Air Force and Air National Guard Modular Airborne Fire-Fighting Systems and other Department of Defense assets to fight wildfires.

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. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2004.

(a) FISCAL YEAR 2004 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2004 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2003, of funds appropriated for fiscal years before fiscal year 2004 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $853,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $207,125,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1003. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2003.

(a) DOD AND DOE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense and 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 title I of Public Law 108–11.

(b) REPORT ON FISCAL YEAR 2003 TRANSFERS.—Not later than 30 days after the end of each fiscal quarter for which unexpended balances of funds appropriated under title I of Public Law 108–11 are available for the Department of Defense, the Secretary of Defense shall submit to the congressional defense committees a report stating, for each transfer of such funds during such fiscal quarter of an amount provided for the Department of Defense through a so-called "transfer account", including the Iraqi Freedom Fund or any other similar account—

(1) the amount of the transfer;

(2) the appropriation account to which the transfer was made; and

(3) the specific purpose for which the transferred funds were used or are to be used.

SEC. 1004. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2004.

(a) DEPARTMENT OF DEFENSE AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2004 in this Act are hereby increased, with respect to any such amount, by the amount by which the corresponding appropriation account of the Department of Defense for fiscal year 2004 is increased by a supplemental appropriation, or by a transfer of funds, pursuant to title I of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

(b) DESIGNATION AS EMERGENCY.—Amounts by which authorizations of appropriations are increased in accordance with subsection (a) are designated as emergency requirements pursuant to section 502 of House Concurrent Resolution 95 of the 108th Congress.

SEC. 1005. REESTABLISHMENT OF AUTHORITY FOR SHORT-TERM LEASES OF REAL OR PERSONAL PROPERTY ACROSS FISCAL YEARS.

(a) REESTABLISHMENT OF AUTHORITY.—Subsection (a) of section 2410a of title 10, United States Code, is amended—

(1) by inserting "(1)" before "The Secretary of Defense";

(2) by striking "for procurement of severable services" and inserting "for a purpose described in paragraph (2)"; and

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

"(2) The purpose of a contract described in this paragraph is as follows:

"(A) The procurement of severable services.

"(B) The lease of real or personal property, including the maintenance of such property when contracted for as part of the lease agreement.".

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

"§ 2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property".

(2) The item relating to such section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2410a. Contracts for periods crossing fiscal years: severable service contracts; leases of real or personal property.".

(c) EFFECTIVE DATE.—The amendments made by this section shall not apply to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 1006. REIMBURSEMENT RATE FOR CERTAIN AIRLIFT SERVICES PROVIDED TO DEPARTMENT OF STATE.

(a) AUTHORITY.—Subsection (a) of section 2642 of title 10, United States Code, is amended—

(1) by striking "(a) AUTHORITY" and all that follows through "the Department of Defense" the second place it appears and inserting the following:

"(a) AUTHORITY.—The Secretary of Defense may authorize the use of the Department of Defense reimbursement rate for military

airlift services provided by a component of the Department of Defense as follows:

"(1) For military airlift services provided"; and

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

"(2) For military airlift services provided to the Department of State for the transportation of armored motor vehicles to a foreign country to meet requirements of the Department of State for armored motor vehicles associated with the overseas travel of the Secretary of State in that country.".

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

"§ 2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate".

(2) The item relating to such section in the table of sections at the beginning of chapter 157 of such title is amended to read as follows:

"2642. Airlift services provided to certain other agencies: use of Department of Defense reimbursement rate.".

SEC. 1007. LIMITATION ON PAYMENT OF FACILITIES CHARGES ASSESSED BY DEPARTMENT OF STATE.

(a) COSTS OF GOODS AND SERVICES PROVIDED TO DEPARTMENT OF STATE.—Funds appropriated for the Department of Defense may be transferred to the Department of State as remittance for a fee charged to the Department of Defense by the Department of State for any year for the maintenance, upgrade, or construction of United States diplomatic facilities only to the extent that the amount charged (when added to other amounts previously so charged for that fiscal year) exceeds the total amount of the unreimbursed costs incurred by the Department of Defense during that year in providing goods and services to the Department of State.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect as of October 1, 2003.

SEC. 1008. USE OF THE DEFENSE MODERNIZATION ACCOUNT FOR LIFE CYCLE COST REDUCTION INITIATIVES.

(a) FUNDS AVAILABLE FOR DEFENSE MODERNIZATION ACCOUNT.—Section 2216 of title 10, United States Code is amended—

(1) by striking subsection (c);

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) FUNDS AVAILABLE FOR ACCOUNT.—The Defense Modernization Account shall consist of the following:

"(1) Amounts appropriated to the Defense Modernization Account for the costs of commencing projects described in subsection (d)(1), and amounts reimbursed to the Defense Modernization Account under subsections (c)(1)(B)(iii) out of savings derived from such projects.

"(2) Amounts transferred to the Defense Modernization Account under subsection (c).".

(b) START-UP FUNDING.—Subsection (d) of such section is amended—

(1) by striking "available from the Defense Modernization Account pursuant to subsection (f) or (g)" and inserting "in the Defense Modernization Account";

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

(3) by inserting after "purposes:" the following new paragraph (1):

"(1) For paying the costs of commencing any project that, in accordance with criteria prescribed by the Secretary of Defense, is undertaken by the Secretary of a military department or the head of a Defense Agency or other element of the Department of Defense to reduce the life cycle cost of a new or existing system.".

(c) REIMBURSEMENT OF ACCOUNT OUT OF SAVINGS.—(1) Paragraph (1)(B) of subsection (c) of such section, as redesignated by subsection (a)(2), is amended by adding at the end the following new clause:

"(iii) Unexpired funds in appropriations accounts that are available for procurement or operation and maintenance of a system, if and to the extent that savings are achieved for such accounts through reductions in life cycle costs of such system that result from one or more projects undertaken with respect to such systems with funds made available from the Defense Modernization Account under subsection (b)(1).".

(2) Paragraph (2) of such subsection is amended by inserting ", other than funds referred to in subparagraph (B)(iii) of such paragraph," after "Funds referred to in paragraph (1)".

(d) REGULATIONS.—Subsection (h) of such section is amended—

(1) by inserting "(1)" after "COMPTROLLER.—"; and

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

"(2) The regulations prescribed under paragraph (1) shall, at a minimum, provide for—

"(A) the submission of proposals by the Secretaries concerned or heads of Defense Agencies or other elements of the Department of Defense to the Comptroller for the use of Defense Modernization Account funds for purposes set forth in subsection (d);

"(B) the use of a competitive process for the evaluation of such proposals and the selection of programs, projects, and activities to be funded out of the Defense Modernization Account from among those proposed for such funding; and

"(C) the calculation of—

"(i) the savings to be derived from projects described in subsection (d)(1) that are to be funded out of the Defense Modernization Account; and

"(ii) the amounts to be reimbursed to the Defense Modernization Account out of such savings pursuant to subsection (c)(1)(B)(iii).".

(e) ANNUAL REPORT.—Subsection (i) of such section is amended—

(1) by striking "QUARTERLY REPORTS.—(1) Not later than 15 days after the end of each calendar quarter," and inserting "ANNUAL REPORT.—(1) Not later than 15 days after the end of each fiscal year,"; and

(2) in paragraph (1), by striking "quarter" in subparagraphs (A), (B), and (C), and inserting "fiscal year".

(f) CODIFICATION AND EXTENSION OF EXPIRATION OF AUTHORITY.—(1) Such section is further amended by adding at the end the following new subsection:

"(k) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under subsection (c) to transfer funds into the Defense Modernization Account terminates at the close of September 30, 2006.

"(2) Three years after the termination date specified in paragraph (1), the Defense Modernization Account shall be closed and any remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.".

(2) Subsection (c) of section 912 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 410; 10 U.S.C. 2216 note) is repealed.

SEC. 1009. PROVISIONS RELATING TO DEFENSE TRAVEL CARDS.

(a) MANDATORY DISBURSEMENT OF TRAVEL ALLOWANCES DIRECTLY TO TRAVEL CARD CREDITORS.—Section 2784a(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "The Secretary of Defense may require" and inserting "The Secretary of Defense shall require";

(2) by redesignating paragraph (2) as paragraph (3); and

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

"(2) The Secretary of Defense may waive the requirement for a direct payment to a travel care issuer under paragraph (1) in any case the Secretary determines appropriate.".

(b) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—Section 2784a of title 10, United States Code, is amended—

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

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

"(d) DETERMINATIONS OF CREDITWORTHINESS FOR ISSUANCE OF DEFENSE TRAVEL CARD.—(1) The Secretary of Defense shall evaluate the creditworthiness of an employee of the Department of Defense or a member of armed forces before issuing a Defense travel card to such an employee or member. The evaluation may include an examination of the individual's credit history in available credit records.

"(2) An individual may not be issued a Defense travel card if the individual is found not creditworthy as a result of the evaluation required under paragraph (1).".

(c) DISCIPLINARY ACTIONS AND ASSESSING PENALTIES FOR MISUSE OF DEFENSE TRAVEL CARDS.—

(1) REQUIREMENT FOR REGULATIONS.—Section 2784a of title 10, United States Code, is further amended by inserting after subsection (d) (as added by subsection (b)) the following new subsection (e):

"(e) REGULATIONS ON DISCIPLINARY ACTION.—(1) The Secretary of Defense shall prescribe regulations for making determinations regarding the taking of disciplinary action, including assessment of

penalties, against Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

"(2) The regulations prescribed under paragraph (1) shall—

"(A) provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a Defense travel card, including removal in appropriate cases; and

"(B) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).".

(2) REPORT.—Not later than February 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 regulations prescribed under section 2784a(e) of title 10, United States Code, as added by paragraph (1). The report shall include the following:

(A) The regulations.

(B) A discussion of the implementation of the regulations.

(C) A discussion of any additional administrative action, or any recommended legislation, that the Secretary considers necessary to effectively take disciplinary action against and penalize Department of Defense personnel for improper, fraudulent, or abusive use of Defense travel cards by such personnel.

(3) DEFENSE TRAVEL CARD DEFINED.—In this subsection, the term "Defense travel card" has the meaning given such term in section 2784a(f)(1) of title 10, United States Code (as redesignated by subsection (b)).

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) ENVIRONMENTAL REMEDIATION.—Paragraph (1) of subsection (b) of section 7306a of title 10, United States Code, is amended—

(1) by inserting "AND ENVIRONMENTAL REMEDIATION OF" in the subsection heading after "STRIPPING"; and

(2) by inserting before the period at the end the following: "and such environmental remediation of the vessel as is required for the use of the vessel for experimental purposes".

(b) SALE OF MATERIAL AND EQUIPMENT STRIPPED FROM VESSEL.—Subsection (b) of such section is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

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

"(2) Material and equipment stripped from a vessel under paragraph (1) may be sold by the contractor or by a sales agent approved by the Secretary."; and

(3) in paragraph (3), as redesignated by paragraph (1), by striking "scrapping services" and all that follows through the end of such subsection 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.".

(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', with respect to a vessel, includes use of the vessel in a Navy sink exercise or for target purposes.".

SEC. 1013. TRANSFER OF VESSELS STRICKEN FROM THE NAVAL VESSEL REGISTER FOR USE AS ARTIFICIAL REEFS.

(a) AUTHORITY TO MAKE TRANSFER.—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 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 recipient 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 recipient may use the artificial reef to enhance diving opportunities if that use does not have an adverse effect on fishery resources (as that term is defined in section 2(14) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802(14)); and

"(2) the recipient obtain, and bear all responsibility for complying with, applicable Federal, State, interstate, and local

permits for using, siting, constructing, monitoring, and managing the vessel as an artificial reef.

"(c) PREPARATION OF VESSEL FOR USE AS ARTIFICIAL REEF.—The Secretary shall ensure that the preparation of a vessel transferred under subsection (a) for use as an artificial reef is conducted in accordance with—

"(1) the environmental best management practices developed pursuant to section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 16 U.S.C. 1220 note); and

"(2) any applicable environmental laws.

"(d) COST SHARING.—The Secretary may share with the recipient of a vessel transferred under subsection (a) any costs associated with transferring the vessel under that subsection, including costs of the preparation of the vessel under subsection (c).

"(e) NO LIMITATION ON NUMBER OF VESSELS TRANSFERABLE TO PARTICULAR RECIPIENT.—A State, Commonwealth, or possession of the United States, or any municipal corporation or political subdivision thereof, may be the recipient of more than one vessel transferred under subsection (a).

"(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a transfer authorized by subsection (a) as the Secretary considers appropriate.

"(g) CONSTRUCTION.—Nothing in this section shall be construed to establish a preference for the use as artificial reefs of vessels stricken from the Naval Vessel Register in lieu of other authorized uses of such vessels, including the domestic scrapping of such vessels, or other disposals of such vessels, under this chapter or other applicable authority.".

(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. PRIORITY FOR TITLE XI ASSISTANCE.

(a) IN GENERAL.—Section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273) is amended—

(1) in subsection (i) (as added by section 3544 of this Act) by striking "PRIORITY" and inserting "PRIORITY FOR NATIONAL DEFENSE TANK VESSELS"; and

(2) by adding at the end the following:

"(j) PRIORITY FOR OTHER VESSELS SUITABLE FOR SERVICE AS A NAVAL AUXILIARY.—In guaranteeing and entering commitments to guarantee under this section, the Secretary shall, after applying subsection (i), give priority to a guarantee or commitment for a vessel that is otherwise eligible for a guarantee under this section and that the Secretary of Defense determines—

"(1) is suitable for service as a naval auxiliary in time of war or national emergency; and

"(2) meets a shortfall in sealift capacity or capability.".

(b) REPORT.—Within 180 days after the date of the enactment of this Act, the Secretary of Transportation and the Secretary of Defense shall transmit a report to the Senate Committee on Armed Services, the Senate Committee on Commerce, Science, and Trans-

portation, and the House of Representatives Committee on Armed Services that—

(1) sets forth the criteria to be used by the Secretary of Defense in making, for purposes of section 1103(j) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(j)), as amended by this section, the determinations described in paragraphs (1) and (2) of that section; and

(2) describes the procedure that the Secretary of Defense will follow—

(A) in reviewing applications for which priority treatment is sought under section 1103(j) of that Act; and

(B) in reporting to the Secretary of Transportation with respect to such applications.

SEC. 1015. SUPPORT FOR TRANSFERS OF DECOMMISSIONED VESSELS AND SHIPBOARD EQUIPMENT.

(a) IN GENERAL.—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7316. Support for transfers of decommissioned vessels and shipboard equipment

"(a) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary of the Navy may provide an entity described in subsection (b) with assistance in support of a transfer of a vessel or shipboard equipment described in such subsection that is being executed under section 2572, 7306, 7307, or 7545 of this title, or under any other authority.

"(b) COVERED VESSELS AND EQUIPMENT.—The authority under this section applies—

"(1) in the case of a decommissioned vessel that—

"(A) is owned and maintained by the Navy, is located at a Navy facility, and is not in active use; and

"(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the vessel; and

"(2) in the case of any shipboard equipment that—

"(A) is on a vessel described in paragraph (1)(A); and

"(B) is being transferred to an entity designated by the Secretary of the Navy or by law to receive transfer of the equipment.

"(c) REIMBURSEMENT.—The Secretary may require a recipient of assistance under subsection (a) to reimburse the Navy for amounts expended by the Navy in providing the assistance.

"(d) DEPOSIT OF FUNDS RECEIVED.—Funds received in a fiscal year under subsection (c) shall be credited to the appropriation available for such fiscal year for operation and maintenance for the office of the Navy managing inactive ships, shall be merged with other sums in the appropriation that are available for such office, and shall be available for the same purposes and period as the sums with which merged.".

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

"7316. Support for transfers of decommissioned vessels and shipboard equipment.".

SEC. 1016. ADVANCED SHIPBUILDING ENTERPRISE.

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

(1) The President's budget for fiscal year 2004, as submitted to Congress, includes $10,300,000 for the Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program.

(2) The Advanced Shipbuilding Enterprise is an innovative program to encourage greater efficiency among shipyards in the defense industrial base.

(3) The leaders of the Nation's shipbuilding industry have embraced the Advanced Shipbuilding Enterprise as a method of exploring and collaborating on innovation in shipbuilding and ship repair that collectively benefits all manufacturers in the industry.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the Congress strongly supports the innovative Advanced Shipbuilding Enterprise of the National Shipbuilding Research Program that has yielded new processes and techniques to reduce the cost of building and repairing ships in the United States;

(2) the Congress is concerned that the future-years defense program submitted to Congress for fiscal year 2004 does not reflect any funding for the Advanced Shipbuilding Enterprise after fiscal year 2004; and

(3) the Secretary of Defense and the Secretary of the Navy should continue funding the Advanced Shipbuilding Enterprise at a sustaining level through the future-years defense program to support subsequent rounds of research that reduce the cost of designing, building, and repairing ships.

SEC. 1017. REPORT ON NAVY PLANS FOR BASING AIRCRAFT CARRIERS.

(a) FINDINGS.—Congress finds that—

(1) the Committee on Armed Services of the Senate, in its report to accompany the bill S. 2514 of the 107th Congress (Senate Report 107–151, filed May 15, 2002), at page 442 of that report directed that the Chief of Naval Operations submit to the congressional defense committees, not later than 180 days after enactment of the defense authorization Act for fiscal year 2003, a report on plans of the Navy for basing aircraft carriers through 2015;

(2) the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) was enacted on December 2, 2002; and

(3) as of October 24, 2003, the Chief of Naval Operations has not submitted the report referred to in paragraph (1).

(b) REPORT ON AIRCRAFT CARRIER BASING PLANS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on plans of the Navy for basing aircraft carriers through 2020.

SEC. 1018. LIMITATION ON DISPOSAL OF OBSOLETE NAVAL VESSEL.

The Secretary of the Navy may not dispose of the decommissioned destroyer ex-Forrest Sherman (DD–931) before October 1, 2004, to an entity that is not a nonprofit organization unless the Secretary first determines that there is no nonprofit organization

that meets the criteria for donation of that vessel under section 7306(a)(3) of title 10, United States Code.

Subtitle C—Counterdrug Matters

SEC. 1021. EXPANSION AND EXTENSION OF AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) GENERAL EXTENSION OF AUTHORITY.—Subsection (a) of section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is amended—

(1) by inserting "(1)" before "Subject to";

(2) by striking "either or both" and inserting "any"; and

(3) by inserting after the second sentence the following new paragraph:

"(2) The authority to provide support to a government under this section expires September 30, 2006.".

(b) ADDITIONAL GOVERNMENTS ELIGIBLE TO RECEIVE SUPPORT.—Subsection (b) of such section is amended by adding at the end the following new paragraphs:

"(3) The Government of Afghanistan.

"(4) The Government of Bolivia.

"(5) The Government of Ecuador.

"(6) The Government of Pakistan.

"(7) The Government of Tajikistan.

"(8) The Government of Turkmenistan.

"(9) The Government of Uzbekistan.".

(c) TYPES OF SUPPORT.—Subsection (c) of such section is amended—

(1) in paragraph (2), by striking "riverine"; and

(2) in paragraph (3), by inserting "or upgrade" after "maintenance and repair".

(d) MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section is amended by striking "$20,000,000 during any of the fiscal years 1999 through 2006" and inserting "$20,000,000 during any of the fiscal years 1999 through 2003, or $40,000,000 during any of the fiscal years 2004 through 2006".

(e) COUNTER-DRUG PLAN.—(1) Subsection (h) of such section is amended—

(A) in the subsection caption, by striking "RIVERINE";

(B) in the matter preceding paragraph (1)—

(i) by striking "fiscal year 1998" and inserting "fiscal year 2004"; and

(ii) by striking "riverine"; and

(C) by striking "riverine" each place it appears in paragraphs (2), (7), (8), and (9).

(2) Subsection (f)(2)(A) of such section is amended by striking "riverine".

(f) CLERICAL AND CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is further amended

(A) in paragraph (1), by striking ", for fiscal years 1998 through 2002"; and

(B) in paragraph (2), by striking ", for fiscal years 1998 through 2006".

*(2) The heading for such section is amended by striking "**PERU AND COLOMBIA**" and inserting "**OTHER COUNTRIES**".*

SEC. 1022. 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, subject to 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. 1023. USE OF FUNDS FOR UNIFIED COUNTERDRUG AND COUNTERTERRORISM CAMPAIGN IN COLOMBIA.

(a) AUTHORITY.—(1) In fiscal year 2004, funds available to the Department of Defense to provide assistance to the Government of Colombia may be used by the Secretary of Defense to support a unified campaign by the Government of Colombia against narcotics trafficking and against activities by organizations designated as 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).

(2) The authority to provide assistance for a campaign under this subsection includes authority to take actions to protect human health and welfare in emergency circumstances, including the undertaking of rescue operations.

(b) APPLICABILITY OF CERTAIN LAWS AND LIMITATIONS.—The use of funds pursuant to the authority in subsection (a) shall be subject to the following:

(1) Sections 556, 567, and 568 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2160, 2165, and 2166).

(2) Section 8077 of the Department of Defense Appropriations Act, 2004 (Public Law 108–87; 115 Stat. 2267).

(3) The numerical limitations on the number of United States military personnel and United States individual civilian contractors in section 3204(b)(1) of the Emergency Supplemental Act, 2000 (division B of Public Law 106–246; 114 Stat. 575), as amended by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (Public Law 107–115; 115 Stat. 2131).

(c) LIMITATION ON PARTICIPATION OF UNITED STATES PERSONNEL.—No United States Armed Forces personnel, United States civilian employees, or United States civilian contractor personnel employed by the United States may participate in any combat operation in connection with assistance using funds pursuant to the authority in subsection (a), except for the purpose of acting in self defense or of rescuing any United States citizen, including any United States Armed Forces personnel, United States civilian employee, or civilian contractor employed by the United States.

(d) RELATION TO OTHER AUTHORITY.—The authority provided by subsection (a) is in addition to any other authority in law to provide assistance to the Government of Colombia.

SEC. 1024. SENSE OF CONGRESS ON RECONSIDERATION OF DECISION TO TERMINATE BORDER AND SEAPORT INSPECTION DUTIES OF NATIONAL GUARD UNDER NATIONAL GUARD DRUG INTERDICTION AND COUNTER-DRUG MISSION.

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

(1) The counter-drug inspection mission of the National Guard is highly important in preventing the entry of illegal narcotics into the United States.

(2) The expertise of members of the National Guard in conducting vehicle inspections at United States borders and seaports has contributed to the identification and seizure of illegal narcotics being smuggled into the United States.

(3) The support provided by the National Guard to the United States Customs Service and the Bureau of Border Security of the Department of Homeland Security greatly enhances the capability of these agencies to perform counter-terrorism surveillance and other border protection duties.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should reconsider the decision of the Department of Defense to terminate the border inspection and seaport inspection duties of the National Guard as part of the drug interdiction and counter-drug mission of the National Guard.

Subtitle D—Reports

SEC. 1031. 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 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)".

(2) 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).".

(3) Section 127a is amended by striking subsection (d).

(4) Section 128 is amended by striking subsection (d).

(5) 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".

(6)(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.".

(7) Section 437 is amended—

(A) by striking the second sentence of subsection (b); and

(B) in subsection (c)—

(i) by striking "report)—" in the matter preceding paragraph (1) and inserting "report) the following:";

(ii) by striking "a" in paragraphs (1), (2), and (3) after the paragraph designation and inserting "A";

(iii) by striking the semicolon at the end of paragraph (1) and inserting a period;

(iv) by striking "; and" at the end of paragraph (2) and inserting a period; and

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

"(4) A description of each corporation, partnership, or other legal entity that was established.".

(8)(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 follows:

"520c. Recruiting functions: provision of meals and refreshments.".

(9) Section 1060 is amended by striking subsection (d).

(10)(A) Section 1130 is amended—

(i) in subsection (a), by striking "and the other determinations necessary to comply with subsection (b)"; and

(ii) in subsection (b), by striking "to the requesting" and all that follows and inserting "to the requesting Member of Congress a detailed discussion of the rationale supporting the determination.".

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 57, are each amended by striking the last two words.

(11)(A) Section 1563 is amended—

(i) in subsection (a), by striking "and the other determinations necessary to comply with subsection (b)"; and

(ii) in subsection (b), by striking "notice in writing" and all that follows and inserting "a detailed discussion of the rationale supporting the determination.".

(B) The heading for such section, and the item relating to such section in the table of sections at the beginning of chapter 80, are each amended by striking the last two words.

(12) Section 2224 is amended by striking subsection (e).

(13) Section 2255(b) is amended—

(A) by striking paragraph (2);

(B) by striking "(1)" after "(b) EXCEPTION.—";

(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(D) by redesignating clauses (i), (ii), and (iii) of paragraph (1), as redesignated by subparagraph (C), as subparagraphs (A), (B), and (C), respectively.

(14) Section 2282 is amended by inserting "through 2008" after "March 1 of each year".

(15) Section 2323(i) is amended by striking paragraph (3).

(16) 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).

(17) Section 2350a is amended by striking subsection (f).

(18) Section 2350j(e)(2) is amended by inserting before the period the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of that report is provided in an electronic medium pursuant to section 480 of this title".

(19) Section 2371(h) is amended by adding at the end the following new paragraph:

"(3) No report is required under this subsection for a fiscal year after fiscal year 2006.".

(20) Section 2374a(e) is amended by inserting "during which one or more prizes are awarded under the program under subsection (a)" in the first sentence after "each fiscal year".

(21) 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".

(22) Section 2457 is amended by striking subsection (d).

(23) Section 2515(d) is amended—

(A) by striking "ANNUAL" in the subsection heading and inserting "BIENNIAL"; and

(B) in paragraph (1)—

(i) in the first sentence, by striking "an annual report" and inserting "a biennial report";

(ii) in the second sentence, by striking "each year" and inserting "each even-numbered year"; and

(iii) in the third sentence, by striking "during the fiscal year" and inserting "during the two fiscal years".

(24) Section 2521 is amended by striking subsection (e).

(25) 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".

(26) Section 2645 is amended—

(A) in subsection (d)—

(i) by striking "to Congress" and all that follows through "notification of the loss" in paragraph (1) and inserting "to Congress notification of the loss";

(ii) by striking "loss; and" and inserting "loss."; and

(iii) by striking paragraph (2); and

(B) by striking subsection (g).

(27) Section 2662 is amended—

(A) in subsection (a)—

(i) by redesignating paragraphs (1) through (6) as subparagraphs (A) through (F), respectively, and by designating the sentences following subparagraph (F), as so redesignated, as paragraph (2);

(ii) in paragraph (2), as so designated, by striking "clause (1) or (2)" and inserting "subparagraph (A) or (B) of paragraph (1)" and by striking "clause (5)" and inserting "subparagraph (E)";

(iii) by inserting "(1)" before "The Secretary";

(iv) by striking "after the expiration of 30 days" and all that follows through "is submitted" and inserting "the Secretary submits a report, subject to paragraph (3),";

(v) by striking "$500,000" each place it appears and inserting "$750,000"; and

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

"(3) The authority of the Secretary of a military department to enter into a transaction described in paragraph (1) commences only after—

"(A) the end of the 30-day period beginning on the first day of the month with respect to which the report containing the facts concerning such transaction, and all other such proposed transactions for that month, is submitted under paragraph (1); or

"(B) the end of the 14-day period beginning on the first day of that month when a copy of the report is provided in an electronic medium pursuant to section 480 of this title on or before the first day of that month.

"(4) The report for a month under this subsection may not be submitted later than the first day of that month.";

(B) in subsection (b), by striking "more than" and all that follows through "$500,000" and inserting "more than $250,000, but not more than $750,000"; and

(C) in subsection (e)—

(i) by striking "$500,000" and inserting "$750,000"; and

(ii) by striking "the expiration" and all that follows through the period at the end and inserting the following: "the end of the 30-day period beginning on the date on which a report of the facts concerning the proposed occupancy is submitted to the congressional committees named in subsection (a) or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(28) Section 2667a(c)(2) is amended—

(A) by striking "Not later than 45 days before" and inserting "Before"; and

(B) by adding at the end the following new sentence: "The Secretary may then enter into the lease only after the end of the 30-day period beginning on the date on which the report is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(29) Section 2672a is amended—

(A) in subsection (a)(1), by striking "he or his designee" and inserting "the Secretary";

(B) in subsection (b), by striking the last sentence; and

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

"(c) Not later than 10 days after the date on which the Secretary of a military department determines to acquire an interest in land under the authority of this section, the Secretary shall submit 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.".

(30) Section 2676(d) is amended by inserting before the period at the end of the last sentence the following: "or, if over sooner, a period of 14 days elapses from the date on which a copy of that notification is provided in an electronic medium pursuant to section 480 of this title".

(31) Section 2680 is amended by striking subsection (e).

(32) Section 2688(e) is amended to read as follows:

"(e) QUARTERLY REPORT.—Not later than 30 days after the end of each quarter of a fiscal year, the Secretary shall submit to the congressional defense committees a report on the conveyances made under subsection (a) during such fiscal quarter. The report shall include, for each such conveyance, an economic analysis (based upon accepted life-cycle costing procedures approved by the Secretary of Defense) demonstrating that—

"(1) the long-term economic benefit of the conveyance to the United States exceeds the long-term economic cost of the conveyance to the United States; and

"(2) the conveyance will reduce the long-term costs of the United States for utility services provided by the utility system concerned.".

(33) Section 2696 is amended—

(A) in subsection (b)—

(i) in paragraph (1), by inserting "and Congress" after "the Secretary concerned" the second place it appears; and

(ii) in paragraph (2), by inserting "and Congress" after "the Secretary concerned" the first place it appears;

(B) by striking subsection (c); and

(C) by striking subsection (d) and inserting the following new subsection (d):

"(d) EFFECT OF SUBMISSION OF NOTICE.—If the Administrator of General Services submits notice under subsection (b)(1) that further Federal use of a parcel of real property is requested by a Federal agency, the Secretary concerned may not proceed with the conveyance of the real property as provided in the provision of law authorizing or requiring the conveyance until the end of the 180-day period beginning on the date on which the notice is submitted to Congress.".

(34) Section 2803(b) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(35) Section 2804(b) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(36) Section 2805(b)(2) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(37) Section 2807 is amended—

(A) in subsection (b)—

(i) by striking "$500,000" and inserting "$1,000,000";

(ii) by striking "not less than 21 days"; and

(iii) by adding at the end the following new sentence: "The Secretary may then obligate funds for such services only after the end of the 21-day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 14–day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title."; and

(B) in subsection (c)(2), by inserting before the period at the end the following: "or, if over sooner, a period of 14

days has elapsed from the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(38) Section 2809(f)(2) is amended—

(A) by striking "calendar"; and

(B) by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title".

(39) Section 2812(c)(1)(B) is amended by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has expired following the date on which a copy of the justification and economic analysis are provided in an electronic medium pursuant to section 480 of this title".

(40) Section 2813(c) is amended—

(A) by striking "the end of the 30-day period beginning on the date"; and

(B) by adding at the end the following new sentence: "After the notification is transmitted, the Secretary may then enter into the contract only after the end of the 30–day period beginning on the date on which the notification is received by the committees or, if earlier, the end of the 21-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title.".

(41) Section 2825 is amended—

(A) in subsection (b)(1)—

(i) by striking "(i)" in the last sentence; and

(ii) by striking ", and (ii)" and all that follows and inserting a period and the following new sentence: "If the Secretary concerned makes a determination under the preceding sentence with respect to an improvement, the waiver under that sentence with respect to that improvement may take effect only after the Secretary transmits a notice of the proposed waiver, together with an economic analysis demonstrating that the improvement will be cost effective, to the appropriate committees of Congress and a period of 21 days has elapsed after the date on which the notification is received by those committees or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title."; and

(B) in subsection (c)(1)(D), by inserting before the period at the end the following: "or, if over sooner, a period of 14 days elapses after the date on which a copy of the notice is provided in an electronic medium pursuant to section 480 of this title" .

(42) Section 2827(b)(2) is amended by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(43) Section 2836(f)(2) is amended—

(A) by striking "21 calendar days" and inserting "21 days"; and

(B) by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has expired following the date on which a copy of the economic analysis is provided in an electronic medium pursuant to section 480 of this title".

(44) Section 2837(c)(2) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(45) Section 2854(b) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the seven-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(46) Section 2854a(c)(2) is amended—

(A) by striking "calendar"; and

(B) by inserting before the period at the end the following: "or, if over sooner, a period of 14 days has elapsed after the date on which a copy of the justification is provided in an electronic medium pursuant to section 480 of this title".

(47) Section 2865(e)(2) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(48) Section 2866(c)(2) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(49) Section 2867(c) is amended by inserting before the period at the end of the last sentence the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of this title".

(50) Section 2875(e) is amended by inserting before the period at the end the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title".

(51) Section 2883(f) is amended by inserting before the period at the end the following: "or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notice and justification is provided in an electronic medium pursuant to section 480 of this title".

(52) Section 2902(g) is amended—

(A) by striking paragraph (2); and

(B) by striking "(1)" after "(g)".

(53) Section 4342(h) is amended by striking "Secretary of the Army" and inserting "Superintendent".

(54) Section 4357(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(55) Section 6954(f) is amended by striking "Secretary of the Navy" and inserting "Superintendent of the Naval Academy".

(56) Section 6975(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(57) 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,".

(58) Section 9342(h) is amended by striking "Secretary of the Air Force" and inserting "Superintendent".

(59) Section 9356(c) is amended by inserting before the period at the end the following: "or, if earlier, the expiration of 14 days following the date on which a copy of the report is provided in an electronic medium pursuant to section 480 of this title".

(60) Section 9514 is amended—

(A) in subsection (c)—

(i) by striking "to Congress" and all that follows through "notification of the loss" in paragraph (1) and inserting "to Congress notification of the loss";

(ii) by striking "loss; and" and inserting "loss."; and

(iii) by striking paragraph (2); and

(B) by striking subsection (f).

(61) Section 12302 is amended by striking subsection (d).

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 2921(g) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in paragraph (1), by striking "Not less than 30 days before" and inserting "Before";

(2) in paragraph (2), by striking "Not less than 30 days before" and inserting "Before"; and

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

"(3) When the Secretary submits a notification of a proposed agreement under paragraph (1) or (2), the Secretary may then enter into the agreement described in the notification only after the end of the 30-day period beginning on the date on which the notification is submitted or, if earlier, the end of the 14-day period beginning on the date on which a copy of the notification is provided in an electronic medium pursuant to section 480 of title 10, United States Code.".

(c) 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(a) (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".

(d) 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.".

(e) 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).

(f) 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—

(A) by striking "(1)" before "Notwithstanding"; and

(B) by striking paragraph (2).

(g) 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.

(h) 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).

(3) Section 1039 (10 U.S.C. 113 note) is amended by striking subsection (b).

(i) 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.

(j) 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. 1032. PLAN FOR PROMPT GLOBAL STRIKE CAPABILITY.

(a) INTEGRATED PLAN FOR PROMPT GLOBAL STRIKE CAPABILITY.—The Secretary of Defense shall establish an integrated plan for developing, deploying, and sustaining a prompt global strike capability in the Armed Forces. The Secretary shall update the plan annually.

(b) ANNUAL REPORTS.—(1) Not later than April 1 of each of 2004, 2005, and 2006, the Secretary shall submit to the congressional defense committees a report on the plan established under subsection (a).

(2) Each report under paragraph (1) shall include the following:

(A) A description and assessment of the targets against which long-range strike assets might be directed and the conditions under which those assets might be used.

(B) The role of, and plans for ensuring, sustainment and modernization of current long-range strike assets, including bombers, intercontinental ballistic missiles, and submarine-launched ballistic missiles.

(C) A description of the capabilities desired for advanced long-range strike assets and plans to achieve those capabilities.

(D) A description of the capabilities desired for advanced conventional munitions and the plans to achieve those capabilities.

(E) An assessment of advanced nuclear concepts that could contribute to the prompt global strike mission.

(F) An assessment of the command, control, and communications capabilities necessary to support prompt global strike capabilities.

(G) An assessment of intelligence, surveillance, and reconnaissance capabilities necessary to support prompt global strike capabilities.

(H) A description of how prompt global strike capabilities are to be integrated with theater strike capabilities.

(I) An estimated schedule for achieving the desired prompt global strike capabilities.

(J) The estimated cost of achieving the desired prompt global strike capabilities.

(K) A description of ongoing and future studies necessary for updating the plan appropriately.

SEC. 1033. ANNUAL REPORT CONCERNING DISMANTLING OF STRATEGIC NUCLEAR WARHEADS.

(a) ANNUAL REPORT.—Concurrent with the submission of the President's budget request to Congress each year, the Director of Central Intelligence shall submit to the committees specified in subsection (e) a report concerning dismantlement of Russian strategic nuclear warheads under the Moscow Treaty. Each such report shall discuss nuclear weapons dismantled by Russia during the prior fiscal year and the Director's projections for nuclear weapons to be dismantled by Russia during the current fiscal year and the fiscal year covered by the budget.

(b) CLASSIFICATION.—The annual report under this section shall be transmitted in an unclassified form when possible and classified form as necessary.

(c) TERMINATION OF REPORT REQUIREMENT.—The requirement to submit an annual report under this section terminates when the Moscow Treaty is no longer in effect.

(d) MOSCOW TREATY DEFINED.—For purposes of this section, the term "Moscow Treaty" means the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions, done at Moscow on May 24, 2002.

(e) COMMITTEES SPECIFIED.—The committees to which annual reports are to be submitted under this section are the following:

(1) The Committee on Armed Services, the Select Committee on Intelligence, and the Committee on Foreign Relations of the Senate.

(2) The Committee on Armed Services, the Permanent Select Committee on Intelligence, and the Committee on International Relations of the House of Representatives.

SEC. 1034. REPORT ON USE OF UNMANNED AERIAL VEHICLES FOR SUPPORT OF HOMELAND SECURITY MISSIONS.

(a) REQUIREMENT FOR REPORT.—Not later than April 1, 2004, the President shall submit to Congress a report on the potential uses of unmanned aerial vehicles for support of the performance of homeland security missions.

(b) CONTENT.—The report shall, at a minimum, include the following matters:

(1) An assessment of the potential for using unmanned aerial vehicles for monitoring activities in remote areas along the northern and southern borders of the United States.

(2) An assessment of the potential for using long-endurance, land-based unmanned aerial vehicles for supporting the Coast Guard in the performance of its—

(A) homeland security missions;

(B) drug interdiction missions; and

(C) other maritime missions along the approximately 95,000 miles of inland waterways in the United States.

(3) An assessment of the potential for using unmanned aerial vehicles for monitoring the safety and integrity of critical infrastructure within the territory of the United States, including the following:

(A) Oil and gas pipelines.

(B) Long-distance power transmission lines.

(C) Hydroelectric and nuclear power plants.

(D) Dams and drinking water utilities.

(4) An assessment of the potential for using unmanned aerial vehicles for monitoring the transportation of hazardous cargo.

(5) A discussion of the safety issues involved in—

(A) the use of unmanned aerial vehicles by agencies other than the Department of Defense; and

(B) the operation of unmanned aerial vehicles over populated areas of the United States.

(6) A discussion of—

(A) the effects on privacy and civil liberties that could result from the monitoring uses of unmanned aerial vehicles operated over the territory of the United States; and

(B) any restrictions on the domestic use of unmanned aerial vehicles that should be imposed, or any other actions that should be taken, to prevent any adverse effect of such a use of unmanned aerial vehicles on privacy or civil liberties.

(7) A discussion of what, if any, legislation and organizational changes may be necessary to accommodate the use of unmanned aerial vehicles of the Department of Defense in support of the performance of homeland security missions, including any amendment of section 1385 of title 18, United States Code (popularly referred to as the "Posse Comitatus Act").

(8) An evaluation of the capabilities of manufacturers of unmanned aerial vehicles to produce such vehicles at higher rates if necessary to meet any increased requirements for homeland security and homeland defense missions.

(c) REFERRAL TO COMMITTEES.—The report under subsection (a) shall—

(1) upon receipt in the Senate, be referred to the Committee on Armed Services of the Senate and other committees, as appropriate; and

(2) upon receipt in the House of Representatives, be referred to the Committee on Armed Services of the House of Representatives and other committees, as appropriate.

Subtitle E—Codifications, Definitions, and Technical Amendments

SEC. 1041. CODIFICATION AND REVISION OF DEFENSE COUNTERINTELLIGENCE POLYGRAPH PROGRAM AUTHORITY.

(a) CODIFICATION.—(1) Chapter 80 of title 10, United States Code, is amended by inserting after section 1564 the following new section:

"§ 1564a. 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 intelligence 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 polygraph examinations 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 shall carry out a continuing research program to support the polygraph examination 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 such chapter is amended by inserting after the item relating to section 1564 the following new item:

"1564a. 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.

SEC. 1042. GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS OF DEPARTMENT OF DEFENSE.

(a) GENERAL DEFINITIONS APPLICABLE TO FACILITIES AND OPERATIONS.—Section 101 of title 10, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

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

"(e) FACILITIES AND OPERATIONS.—The following definitions relating to facilities and operations apply in this title:

"(1) RANGE.—The term 'range', when used in a geographic sense, means a designated land or water area that is set aside, managed, and used for range activities of the Department of Defense. Such term includes the following:

"(A) Firing lines and positions, maneuver areas, firing lanes, test pads, detonation pads, impact areas, electronic scoring sites, buffer zones with restricted access, and exclusionary areas.

"(B) Airspace areas designated for military use in accordance with regulations and procedures prescribed by the Administrator of the Federal Aviation Administration.

"(2) RANGE ACTIVITIES.—The term 'range activities' means—

"(A) research, development, testing, and evaluation of military munitions, other ordnance, and weapons systems; and

"(B) the training of members of the armed forces in the use and handling of military munitions, other ordnance, and weapons systems.

"(3) OPERATIONAL RANGE.—The term 'operational range' means a range that is under the jurisdiction, custody, or control of the Secretary of Defense and—

"(A) that is used for range activities, or

"(B) although not currently being used for range activities, that is still considered by the Secretary to be a range and has not been put to a new use that is incompatible with range activities.

"(4) MILITARY MUNITIONS.—(A) The term 'military munitions' means all ammunition products and components produced for or used by the armed forces for national defense and security, including ammunition products or components under the control of the Department of Defense, the Coast Guard, the Department of Energy, and the National Guard.

"(B) Such term includes the following:

"(i) Confined gaseous, liquid, and solid propellants.

"(ii) Explosives, pyrotechnics, chemical and riot control agents, smokes, and incendiaries, including bulk explosives, and chemical warfare agents.

"(iii) Chemical munitions, rockets, guided and ballistic missiles, bombs, warheads, mortar rounds, artillery ammunition, small arms ammunition, grenades, mines, torpedoes, depth charges, cluster munitions and dispensers, and demolition charges.

"(iv) Devices and components of any item specified in clauses (i) through (iii).

"(C) Such term does not include the following:

"(i) Wholly inert items.

"(ii) Improvised explosive devices.

"(iii) Nuclear weapons, nuclear devices, and nuclear components, other than nonnuclear components of nuclear devices that are managed under the nuclear weapons program of the Department of Energy after all required saniti-

zation operations under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) have been completed.

"(5) UNEXPLODED ORDNANCE.—The term 'unexploded ordnance' means military munitions that—

"(A) have been primed, fused, armed, or otherwise prepared for action;

"(B) have been fired, dropped, launched, projected, or placed in such a manner as to constitute a hazard to operations, installations, personnel, or material; and

"(C) remain unexploded, whether by malfunction, design, or any other cause.".

(b) REFERENCES TO MILITARY MUNITIONS, ETC.—Section 2710(e) of such title is amended—

(1) by striking paragraphs (3), (5), and (9); and

(2) by redesignating paragraphs (4), (6), (7), (8), and (10) as paragraphs (3), (4), (5), (6), and (7), respectively.

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) in paragraph (1), 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 2350j is amended—

(A) in subsection (e), by striking "congressional committees specified in subsection (g)" in paragraphs (1) and (3) and inserting "congressional defense committees"; and

(B) by striking subsection (g).

(13) Section 2366(e) is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(14) Section 2399(h) is amended—

(A) by striking "DEFINITIONS.—" and all that follows through "(1) The term" and inserting "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.

(15) Section 2667(h) is amended by striking paragraph (1).

(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)(15), 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 paragraphs (5) and (6) as paragraphs (2) and (3), respectively.

(5) Section 2705 is amended by striking subsection (h).

(6) 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 1115(c)(1)(B) is amended by striking "and other than members" and inserting "(other than members".

(4) Section 2002(a)(2) is amended by striking "Foreign Service Institute" and inserting "George P. Schultz National Foreign Affairs Training Center".

(5)(A) Section 2248 is repealed.

(B) The table of sections at the beginning of subchapter I of chapter 134 is amended by striking the item relating to section 2248.

(6) Section 2432(h)(1) is amended by inserting "program" in the first sentence after "for such".

(7) Section 7305(d) is amended by inserting "such" before "title III" the second place it appears.

(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 is amended—

(A) in subsection (b)—

(i) by striking paragraph (1);

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

(iii) in paragraph (1) (as so redesignated), by striking "On and after January 1, 2002, the" and inserting "The"; and

(iv) in paragraph (3) (as so redesignated), by striking "paragraph (2)" and inserting "paragraph (1)"; and

(B) in subsection (d), by striking "subsection (b)(2)" and inserting "subsection (b)(1)".

(c) FLOYD D. SPENCE NATIONAL DEFENSE AUTHORIZATION 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 814(g)(1) is amended 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".

(2) 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).

(d) STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999.—Section 819(a) 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,".

(e) 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.

(f) 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.".

(g) 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".

Subtitle F—Other Matters

SEC. 1051. ASSESSMENT OF EFFECTS OF SPECIFIED STATUTORY LIMITATIONS ON THE GRANTING OF SECURITY CLEARANCES.

Not later than 60 days 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 an assessment of the effects of the provisions of section 986 of title 10, United States Code (relating to limitations on security clearances), on the granting (or renewal) of

security clearances for Department of Defense personnel and defense contractor personnel. The assessment shall review the effects of the disqualification factors specified in subsection (c) of that section and shall include such recommendations for legislation or administrative steps as the Secretary considers necessary.

SEC. 1052. ACQUISITION OF HISTORICAL ARTIFACTS THROUGH EXCHANGE OF OBSOLETE OR SURPLUS PROPERTY.

(a) ACQUISITION AUTHORIZED.—The Secretary of a military department may use the authority provided by section 2572 of title 10, United States Code, to acquire an historical artifact that directly benefits the historical collection of the Armed Forces in exchange for any obsolete or surplus property held by that military department, without regard to whether the property is described in subsection (c) of such section.

(b) DURATION OF AUTHORITY.—The authority provided by subsection (a) applies during fiscal years 2004 and 2005.

SEC. 1053. CONVEYANCE OF SURPLUS T–37 AIRCRAFT TO AIR FORCE AVIATION HERITAGE FOUNDATION, INCORPORATED.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey to the Air Force Aviation Heritage Foundation, Incorporated, of Georgia (in this section referred to as the "Foundation"), all right, title, and interest of the United States in and to one surplus T–37 "Tweet" aircraft for the sole purpose of permitting the Foundation to use the aircraft in a static display. The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—(1) The Secretary may not convey the aircraft under subsection (a) until the aircraft has been demilitarized in such manner as the Secretary determines necessary to ensure that the aircraft is permanently unfit for flight and does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have.

(2) The Foundation shall be responsible for the costs of demilitarizing the aircraft, as required by paragraph (1). Demilitarization shall be carried out in a manner intended to preserve the historical and display value of the aircraft.

(c) CONDITIONS FOR CONVEYANCE.—(1) The conveyance of a T–37 aircraft under this section shall be subject to the following conditions:

(A) That the Foundation not convey any right, title, or interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary of the Air Force.

(B) That the Foundation not alter the aircraft to restore it to flyable condition.

(C) That if the Secretary of the Air Force determines at any time that the Foundation has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, or has failed to comply with the condition set forth in subparagraph (B), all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(2) The Secretary shall include the conditions under paragraph (1) in the instrument of conveyance of the T–37 aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—Any conveyance of a T–37 aircraft under this section shall be made at no cost to the United States. Any costs associated with such conveyance, costs of determining compliance by the Foundation with the conditions in subsection (b), and costs of restoration and maintenance of the aircraft conveyed shall be borne by the Foundation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) DURATION OF CONVEYANCE AUTHORITY.—The authority to make the conveyance to the Foundation authorized by this section expires on September 30, 2005.

SEC. 1054. DEPARTMENT OF DEFENSE BIENNIAL STRATEGIC PLAN FOR MANAGEMENT OF ELECTROMAGNETIC SPECTRUM.

(a) REQUIREMENT FOR PLAN.—Chapter 23 of title 10, United States Code, is amended by inserting after section 487 the following new section:

"§ 488. Management of electomagnetic spectrum: biennial strategic plan

"(a) REQUIREMENT FOR STRATEGIC PLAN.—Every other year, and in time for submission to Congress under subsection (b), the Secretary of Defense shall prepare a strategic plan for the management of the electromagnetic spectrum to ensure the accessibility and efficient use of that spectrum needed to support the mission of the Department of Defense.

"(b) SUBMISSION OF PLAN TO CONGRESS.—The Secretary of Defense shall submit to Congress the strategic plan most recently prepared under subsection (a) at the same time that the President submits to Congress the budget for an even-numbered fiscal year under section 1105(a) of title 31.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 487 the following new item:

"488. Management of electomagnetic spectrum: biennial strategic plan.".

SEC. 1055. REVISION OF DEPARTMENT OF DEFENSE DIRECTIVE RELATING TO MANAGEMENT AND USE OF RADIO FREQUENCY SPECTRUM.

Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall revise and reissue Department of Defense Directive 4650.1, relating to management and use of the radio frequency spectrum, last issued on June 24, 1987, to update the procedures applicable to Department of Defense management and use of the radio frequency spectrum and to ensure the consideration of requirements for usage of such spectrum by a system as early as practicable in the acquisition program for such system.

SEC. 1056. SENSE OF CONGRESS ON DEPLOYMENT OF AIRBORNE CHEMICAL AGENT MONITORING SYSTEMS AT CHEMICAL STOCKPILE DISPOSAL SITES IN THE UNITED STATES.

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

(1) Over 23,700 tons of lethal chemical agents in assembled chemical weapons and bulk storage containers are stored and

awaiting destruction at eight chemical agent disposal facilities and stockpile storage sites in the United States. Some of these weapons and storage containers contain GB or VX nerve agents, while others contain blister agents such as HD (mustard agent).

(2) Approximately 960,000 persons live in the vicinity of the eight chemical weapons disposal facilities and stockpile storage sites.

(3) Airborne-agent chemical monitoring systems are currently deployed at each of the chemical demilitarization facilities and stockpile storage sites to provide continuous and near-real-time monitoring of the presence of chemical agents.

(4) The National Research Council has determined that monitoring levels used at the demilitarization facilities are very conservative and highly protective of workers and public health and safety and that the conservative monitoring levels are a contributing factor in false positive alarms.

(5) The National Research Council has expressed repeated concern about relatively frequent false positive alarms and the lack of real-time monitoring for airborne agents and has noted the poor state of agent monitoring technology for liquid waste streams and solid materials suspected of possible agent contamination.

(6) The National Research Council has concluded that, although the Program Manager for Chemical Demilitarization has made some efforts to develop better agent-monitoring technology, results to date have been disappointing.

(7) The National Research Council has concluded that development and deployment of airborne-agent monitors with shorter response time and lower false alarm rates would enhance safety and reduce the tendency to discount agent alarms, and has recommended that the Program Manager for Chemical Demilitarization and the relevant Department of Defense research and development agencies should invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Army—

(1) should, in coordination with relevant Department of Defense research and development agencies, invigorate and coordinate efforts to develop chemical agent monitors with improved sensitivity, specificity, and response time; and

(2) should deploy improved chemical agent monitors in order to ensure the maximum protection of the general public, personnel involved in the chemical demilitarization program, and the environment.

SEC. 1057. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PROGRAM OF UNITED STATES FIRE ADMINISTRATION.

The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is amended by redesignating the second section 33 and section 34 as sections 35 and 36, respectively, and by inserting after the first section 33 the following new section:

"SEC. 34. EXPANSION OF PRE-SEPTEMBER 11, 2001, FIRE GRANT PROGRAM.

"(a) EXPANDED AUTHORITY TO MAKE GRANTS.—

"(1) HIRING GRANTS.—(A) The Administrator shall make grants directly to career, volunteer, and combination fire departments, in consultation with the chief executive of the State in which the applicant is located, for the purpose of increasing the number of firefighters to help communities meet industry minimum standards and attain 24-hour staffing to provide adequate protection from fire and fire-related hazards, and to fulfill traditional missions of fire departments that antedate the creation of the Department of Homeland Security.

"(B)(i) Grants made under this paragraph shall be for 4 years and be used for programs to hire new, additional firefighters.

"(ii) Grantees are required to commit to retaining for at least 1 year beyond the termination of their grants those firefighters hired under this paragraph.

"(C) In awarding grants under this subsection, the Administrator may give preferential consideration to applications that involve a non-Federal contribution exceeding the minimums under subparagraph (E).

"(D) The Administrator may provide technical assistance to States, units of local government, Indian tribal governments, and to other public entities, in furtherance of the purposes of this section.

"(E) The portion of the costs of hiring firefighters provided by a grant under this paragraph may not exceed—

"(i) 90 percent in the first year of the grant;

"(ii) 80 percent in the second year of the grant;

"(iii) 50 percent in the third year of the grant; and

"(iv) 30 percent in the fourth year of the grant.

"(F) Notwithstanding any other provision of law, any firefighter hired with funds provided under this subsection shall not be discriminated against for, or be prohibited from, engaging in volunteer activities in another jurisdiction during off-duty hours.

"(G) All grants made pursuant to this subsection shall be awarded on a competitive basis through a neutral peer review process.

"(H) At the beginning of the fiscal year, the Administrator shall set aside 10 percent of the funds appropriated for carrying out this paragraph for departments with majority volunteer or all volunteer personnel. After awards have been made, if less than 10 percent of the funds appropriated for carrying out this paragraph are not awarded to departments with majority volunteer or all volunteer personnel, the Administrator shall transfer from funds appropriated for carrying out this paragraph to funds available for carrying out paragraph (2) an amount equal to the difference between the amount that is provided to such fire departments and 10 percent.

"(2) RECRUITMENT AND RETENTION GRANTS.—In addition to any amounts transferred under paragraph (1)(H), the Administrator shall direct at least 10 percent of the total amount of funds appropriated pursuant to this section annually to a competitive grant program for the recruitment and retention of volunteer firefighters who are involved with or trained in the operations of firefighting and emergency response. Eligible entities

shall include volunteer or combination fire departments, and organizations on a local or statewide basis that represent the interests of volunteer firefighters.

"(b) APPLICATIONS.—(1) No grant may be made under this section unless an application has been submitted to, and approved by, the Administrator.

"(2) An application for a grant under this section shall be submitted in such form, and contain such information, as the Administrator may prescribe.

"(3) At a minimum, each application for a grant under this section shall—

"(A) explain the applicant's inability to address the need without Federal assistance;

"(B) in the case of a grant under subsection (a)(1), explain how the applicant plans to meet the requirements of subsection (a)(1)(B)(ii) and (F);

"(C) specify long-term plans for retaining firefighters following the conclusion of Federal support provided under this section; and

"(D) provide assurances that the applicant will, to the extent practicable, seek, recruit, and hire members of racial and ethnic minority groups and women in order to increase their ranks within firefighting.

"(c) LIMITATION ON USE OF FUNDS.—(1) Funds made available under this section to fire departments for salaries and benefits to hire new, additional firefighters shall not be used to supplant State or local funds, or, in the case of Indian tribal governments, funds supplied by the Bureau of Indian Affairs, but shall be used to increase the amount of funds that would, in the absence of Federal funds received under this section, be made available from State or local sources, or in the case of Indian tribal governments, from funds supplied by the Bureau of Indian Affairs.

"(2) No grant shall be awarded pursuant to this section to a municipality or other recipient whose annual budget at the time of the application for fire-related programs and emergency response has been reduced below 80 percent of the average funding level in the 3 years prior to the date of enactment of this section.

"(3) Funds appropriated by the Congress for the activities of any agency of an Indian tribal government or the Bureau of Indian Affairs performing firefighting functions on any Indian lands may be used to provide the non-Federal share of the cost of programs or projects funded under this section.

"(4)(A) Total funding provided under this section over 4 years for hiring a firefighter may not exceed $100,000.

"(B) The $100,000 cap shall be adjusted annually for inflation beginning in fiscal year 2005.

"(d) PERFORMANCE EVALUATION.—The Administrator may require a grant recipient to submit any information the Administrator considers reasonably necessary to evaluate the program.

"(e) SUNSET AND REPORTS.—The authority under this section to make grants shall lapse at the conclusion of 10 years from the date of enactment of this section. Not later than 6 years after the date of the enactment of this section, the Administrator shall submit a report to Congress concerning the experience with, and effectiveness of, such grants in meeting the objectives of this section. The report

may include any recommendations the Administrator may have for amendments to this section and related provisions of law.

"(f) REVOCATION OR SUSPENSION OF FUNDING.—If the Administrator determines that a grant recipient under this section is not in substantial compliance with the terms and requirements of an approved grant application submitted under this section, the Administrator may revoke or suspend funding of that grant, in whole or in part.

"(g) ACCESS TO DOCUMENTS.—(1) The Administrator shall have access for the purpose of audit and examination to any pertinent books, documents, papers, or records of a grant recipient under this section and to the pertinent books, documents, papers, or records of State and local governments, persons, businesses, and other entities that are involved in programs, projects, or activities for which assistance is provided under this section.

"(2) Paragraph (1) shall apply with respect to audits and examinations conducted by the Comptroller General of the United States or by an authorized representative of the Comptroller General.

"(h) DEFINITIONS.—In this section, the term—

"(1) 'firefighter' has the meaning given the term 'employee in fire protection activities' under section 3(y) of the Fair Labor Standards Act (29 U.S.C. 203(y)); and

"(2) 'Indian tribe' means a tribe, band, pueblo, nation, or other organized group or community of Indians, including an Alaska Native village (as defined in or established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section—

"(1) $1,000,000,000 for fiscal year 2004;
"(2) $1,030,000,000 for fiscal year 2005;
"(3) $1,061,000,000 for fiscal year 2006;
"(4) $1,093,000,000 for fiscal year 2007;
"(5) $1,126,000,000 for fiscal year 2008;
"(6) $1,159,000,000 for fiscal year 2009; and
"(7) $1,194,000,000 for fiscal year 2010.".

SEC. 1058. REVIEW AND ENHANCEMENT OF EXISTING AUTHORITIES FOR USING AIR FORCE AND AIR NATIONAL GUARD MODULAR AIRBORNE FIRE-FIGHTING SYSTEMS AND OTHER DEPARTMENT OF DEFENSE ASSETS TO FIGHT WILDFIRES.

(a) REVIEW REQUIRED.—The Director of the Office of Management and Budget shall conduct a review of existing authorities regarding the use of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems units and other Department of Defense assets to fight wildfires to ensure that, in accordance with applicable legal requirements, such assets are available in the most expeditious manner to fight wildfires on Federal lands or non-Federal lands at the request of a Federal agency or State government. In conducting the review, the Director shall specifically consider—

(1) any adverse impact caused by the restrictions contained in section 1535(a)(4) of title 31, United States Code, or caused by the interpretation of such restrictions, on the ability of the

Forest Service and other Federal agencies to procure such firefighting services; and

(2) whether the authorities under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), including section 403(c) of such Act (42 U.S.C. 5170b), are being properly utilized to facilitate an expeditious Department of Defense response to State requests under, and consistent with, such Act for firefighting services.

(b) DETERMINATION REQUIRED.—On the basis of the review, the Director shall make a determination regarding whether existing authorities are being used in a manner consistent with using the available capabilities of Department of Defense assets to fight wildfires in the most expeditious and efficacious way to minimize the risk to public safety.

(c) EXPEDITED ECONOMY ACT REVIEW PROCESS.—If the Director determines under subsection (b) that existing authorities are adequate for the deployment of Department of Defense assets to fight wildfires, the Director shall develop and implement, subject to subsection (f), such modifications to the process for conducting the cost comparison required by section 1535(a)(4) of title 31, United States Code, as the Director considers appropriate to further expedite the procurement of such firefighting services.

(d) DEVELOPMENT AND IMPLEMENTATION OF REVISED POLICIES.—If the Director determines under subsection (b) that the existing authorities or their use is inadequate or can be improved, the Director shall develop and implement, subject to subsection (f), such regulations, policies, and interagency procedures as may be necessary to improve the ability of the Department of Defense to respond to a request by a Federal agency or State government to assist in fighting wildfires on Federal lands or non-Federal lands under section 1535(a) of title 31, United States Code, or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), or both.

(e) REPORTING REQUIREMENT.—Not later than 120 days after the date of the enactment of this Act, the Director shall transmit to Congress a report—

(1) containing the results of the review conducted under subsection (a) and the determination made under subsection (b); and

(2) based on such determination, describing the modifications proposed to be made to existing authorities under subsection (c) or (d), including whether there is a need for legislative changes to further improve the procedures for using Department of Defense assets to fight wildfires.

(f) DELAYED IMPLEMENTATION.—The modifications described in the report prepared under subsection (e) to be made to existing authorities under subsection (c) or (d) shall not take effect until the end of the 30-day period beginning on the date on which the report is transmitted to Congress.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Subtitle A—Department of Defense National Security Personnel System

Sec. 1101. Department of Defense national security personnel system.

Subtitle B—Department of Defense Civilian Personnel Generally

Sec. 1111. Pilot program for improved civilian personnel management.
Sec. 1112. Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures.
Sec. 1113. Military leave for mobilized Federal civilian employees.
Sec. 1114. Restoration of annual leave for certain Department of Defense employees.
Sec. 1115. Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation.
Sec. 1116. Extension of authority for experimental personnel program for scientific and technical personnel.

Subtitle C—Other Federal Government Civilian Personnel Matters

Sec. 1121. Modification of the overtime pay cap.
Sec. 1122. Common occupational and health standards for differential payments as a consequence of exposure to asbestos.
Sec. 1123. Increase in annual student loan repayment authority.
Sec. 1124. Authorization for cabinet secretaries, secretaries of military departments, and heads of executive agencies to be paid on a biweekly basis.
Sec. 1125. Senior Executive Service and performance.
Sec. 1126. Design elements of pay-for-performance systems in demonstration projects.
Sec. 1127. Federal flexible benefits plan administrative costs.
Sec. 1128. Employee surveys.
Sec. 1129. Human capital performance fund.

Subtitle A—Department of Defense National Security Personnel System

SEC. 1101. 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. 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. The human resources management system established under authority of this section shall be referred to as the 'National Security Personnel System'.

"(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, including 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 (d)); 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, or by any rule or regulation prescribed under this title, that is waived in regulations prescribed under this chapter, subject to paragraph (3); 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;

"(H) a means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the performance management system; and

"(I) a pay-for-performance evaluation system to better link individual pay to performance, and provide an equitable method for appraising and compensating employees.

"(c) PERSONNEL MANAGEMENT AT DEFENSE LABORATORIES.—(1) The National Security Personnel System shall not apply with respect to a laboratory under paragraph (2) before October 1, 2008, and shall apply on or after October 1, 2008, only to the extent that the Secretary determines that the flexibilities provided by the National Security Personnel System are greater than the flexibilities provided to those laboratories pursuant to section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721) and section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (5 U.S.C. 3104 note), respectively.

"(2) The laboratories to which this subsection applies are—

"(A) the Aviation and Missile Research Development and Engineering Center;

"(B) the Army Research Laboratory;

"(C) the Medical Research and Materiel Command;

"(D) the Engineer Research and Development Command;

"(E) the Communications-Electronics Command;

"(F) the Soldier and Biological Chemical Command;

"(G) the Naval Sea Systems Command Centers;

"(H) the Naval Research Laboratory;

"(I) the Office of Naval Research; and

"(J) the Air Force Research Laboratory.

"(d) 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, apart from section 5545b), 57, 59, 71, 72, 73, and 79, and this chapter.

"(e) 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.

"(2) Except as provided for in paragraph (1), the total amount in a calendar year of allowances, differentials, bonuses, awards, or other similar cash payments paid under this title to any employee who is paid under section 5376 or 5383 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.

"(4) To the maximum extent practicable, for fiscal years 2004 through 2008, the overall amount allocated for compensation of the civilian employees of an organizational or functional unit of the Department of Defense that is included in the National Security Personnel System shall not be less than the amount that would have been allocated for compensation of such employees for such fiscal year if they had not been converted to the National Security Personnel System, based on, at a minimum—

"(A) the number and mix of employees in such organizational or functional unit prior to the conversion of such employees to the National Security Personnel System; and

"(B) adjusted for normal step increases and rates of promotion that would have been expected, had such employees remained in their previous pay schedule.

"(5) To the maximum extent practicable, the regulations implementing the National Security Personnel System shall provide a formula for calculating the overall amount to be allocated for fiscal years after fiscal year 2008 for compensation of the civilian employees of an organization or functional unit of the Department of Defense that is included in the National Security Personnel System. The formula shall ensure that in the aggregate, employees are not disadvantaged in terms of the overall amount of pay available as a result of conversion to the National Security Personnel System, while providing flexibility to accommodate changes in the function of the organization, changes in the mix of employees performing those functions, and other changed circumstances that might impact pay levels.

"(f) 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 the National Security Personnel System, the Secretary and the Director shall provide for the following:

"(A) The Secretary and the Director shall, with respect to any proposed system—

"(i) provide to the employee representatives representing any employees who might be affected 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 rep-

resentation 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.

"(4) The procedures under this subsection are the exclusive procedures for the participation of employee representatives in the planning, development, implementation, or adjustment of the National Security Personnel System.

"(g) PROVISIONS REGARDING NATIONAL LEVEL BARGAINING.—(1) The National Security Personnel 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.

"(2) For any bargaining unit so included under paragraph (1), the Secretary may bargain with a labor organization at an organizational level above the level of exclusive recognition. The decision to bargain at a level above the level of exclusive recognition shall not be subject to review or to statutory third-party dispute resolution procedures outside the Department of Defense. Any such bargaining shall—

"(A) be binding on all subordinate bargaining units of the labor organization 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 of the labor organization, 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 with the labor organizations for any purpose, including bargaining at the level of recognition, except as provided for by the Secretary; and

"(D) be subject to review by an independent third party only to the extent provided and pursuant to procedures established under paragraph (6) of subsection (m).

"(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.

"(h) PROVISIONS RELATING TO APPELLATE PROCEDURES.—(1) The Secretary—

"(A) may establish an appeals process that provides employees of the Department of Defense organizational and functional units that are included in the National Security Personnel System fair treatment in any appeals that they bring in decisions relating to their employment; and

"(B) shall in prescribing regulations for any such appeals process—

"(i) ensure that employees in the National Security Personnel System 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) Regulations implementing the appeals process may establish legal standards and procedures for personnel actions, including standards for applicable relief, to be taken on the basis of employee misconduct or performance that fails to meet expectations. Such standards shall be consistent with the public employment principles of merit and fitness set forth in section 2301.

"(3) Legal standards and precedents applied before the effective date of this section by the Merit Systems Protection Board and the courts under chapters 43, 75, and 77 of this title shall apply to employees of organizational and functional units included in the National Security Personnel System, unless such standards and precedents are inconsistent with legal standards established under this subsection.

"(4) An employee who—

"(A) is removed, suspended for more than 14 days, furloughed for 30 days or less, reduced in pay, or reduced in pay band (or comparable reduction) by a final decision under the appeals process established under paragraph (1);

"(B) is not serving under probationary period as defined under regulations established under paragraph (2); and

"(C) would otherwise be eligible to appeal a performance-based or adverse action under chapter 43 or 75, as applicable, to the Merit Systems Protection Board,

shall have the right to petition the full Merit Systems Protection Board for review of the record of that decision pursuant to regulations established under paragraph (2). The Board may dismiss any petition that, in the view of the Board, does not raise substantial questions of fact or law. No personnel action shall be stayed and no interim relief shall be granted during the pendency of the Board's review unless specifically ordered by the Board.

"(5) The Board may order such corrective action as the Board considers appropriate only if the Board determines that the decision was—

"(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(B) obtained without procedures required by law, rule, or regulation having been followed; or

"(C) unsupported by substantial evidence.

"(6) An employee who is adversely affected by a final order or decision of the Board may obtain judicial review of the order or decision as provided in section 7703. The Secretary of Defense, after notifying the Director, may obtain judicial review of any final order or decision of the Board under the same terms and conditions as provided an employee.

"(7) Nothing in this subsection shall be construed to authorize the waiver of any provision of law, including an appeals provision providing a right or remedy under section 2302(b) (1), (8) or (9), that is not otherwise waivable under subsection (a).

"(8) The right of an employee to petition the Merit Systems Protection Board of the Department's final decision on an action covered by paragraph (4) of this subsection, and the right of the Merit Systems Protection Board to review such action or to order correc-

tive action pursuant to paragraph (5), is provisional for 7 years after the date of the enactment of this chapter, and shall become permanent unless Congress acts to revise such provisions.

"(i) 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)(A) The Secretary may not authorize the payment of voluntary separation incentive pay under paragraph (1) to more than 25,000 employees in any fiscal year, except that employees who receive voluntary separation incentive pay as a result of a closure or realignment of a military installation under the Defense Base Closure and Realignment Act of 1990 (title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) shall not be included in that number.

"(B) The Secretary shall prepare a report each fiscal year setting forth the number of employees who received such pay as a result of a closure or realignment of a military base as described under subparagraph (A).

"(C) The Secretary shall submit the report under subparagraph (B) to the Committee on Armed Services and the Committee on Governmental Affairs of the Senate, and the Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

"(3) 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, 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 subparagraph (A); 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.

"(4) 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.

"(5)(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), 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, 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 (6).

"(6)(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 Restructuring 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) 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.

"(7) 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.

"(j) PROVISIONS RELATING TO REEMPLOYMENT.—If an 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.

"(k) ADDITIONAL PROVISIONS RELATING TO PERSONNEL MANAGEMENT.—(1) Notwithstanding subsection (d), the Secretary of De-

fense, in establishing and implementing the National Security Personnel System under subsection (a), shall not be limited by any provision of this title or any rule or regulation prescribed under this title in establishing and implementing regulations relating to—

"(A) the methods of establishing qualification requirements for, recruitment for, and appointments to positions;

"(B) the methods of assigning, reassigning, detailing, transferring, or promoting employees; and

"(C) the methods of reducing overall agency staff and grade levels, except that performance, veterans' preference, tenure of employment, length of service, and such other factors as the Secretary considers necessary and appropriate shall be considered in decisions to realign or reorganize the Department's workforce.

"(2) In implementing this subsection, the Secretary shall comply with the provisions of section 2302(b)(11), regarding veterans' preference requirements, as provided for in subsection (b)(3).

"(l) PHASE-IN.—The Secretary may apply the National Security Personnel System—

"(1) to an organizational or functional unit that includes up to 300,000 civilian employees of the Department of Defense, without having to make a determination described in paragraph (2); and

"(2) to an organizational or functional unit that includes more than 300,000 civilian employees of the Department of Defense, if the Secretary determines in accordance with subsection (a) that the Department has in place a performance management system that meets the criteria specified in subsection (b).

"(m) LABOR MANAGEMENT RELATIONS IN THE DEPARTMENT OF DEFENSE.—(1) Notwithstanding section 9902(d)(2), the Secretary, together with the Director, may establish and from time to time adjust a labor relations system for the Department of Defense to address the unique role that the Department's civilian workforce plays in supporting the Department's national security mission.

"(2) The system developed or adjusted under paragraph (1) would allow for a collaborative issue-based approach to labor management relations.

"(3) 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 development and implementation of the labor management relations system or adjustments to such system under this section, the Secretary shall provide for the following:

"(A) The Secretary and the Director shall, with respect to any proposed system or adjustment—

"(i) afford employee representatives and management the opportunity to have meaningful discussions concerning the development of the new system;

"(ii) give such representatives at least 30 calendar days (unless extraordinary circumstances require earlier action) to review the proposal for the system and make recommendations with respect to it; and

"(iii) give any recommendations received from such representatives under clause (ii) full and fair consideration.

"(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 are determined advisable and shall, with respect to any parts of the proposal as to which they have not accepted the recommendations—

"(i) 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

"(ii) 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 described in subparagraph (A) as to which employee representatives do not make a recommendation, or as to which the recommendations are accepted under subparagraph (B), may be implemented immediately.

"(ii) With respect to any parts of the proposal as to which recommendations have been made but not accepted, at any time after 30 calendar days have elapsed since the 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).

"(D) The process for collaborating with employee representatives provided for under this subsection shall begin no later than 60 calendar days after the date of enactment of this subsection.

"(4) The Secretary may engage in any and all collaboration activities described in this subsection at an organizational level above the level of exclusive recognition.

"(5) The system developed or adjusted under this subsection may incorporate the authority to bargain at a level above the level of exclusion recognition provided for in subsection (g) of this section, but may not abrogate or modify the authority provided for in that subsection. Notwithstanding this subsection, the Secretary may, at his discretion, implement the authority in subsection (g) immediately upon enactment of this subsection.

"(6) The labor relations system developed or adjusted under this subsection shall provide for independent third party review of decisions, including defining what decisions are reviewable by the third party, what third party would conduct the review, and the standard or standards for that review.

"(7) Nothing in this section, including the authority provided to waive, modify, or otherwise affect provisions of law not listed in subsections (b) and (c) as nonwaivable, shall be construed to expand the scope of bargaining under chapter 71 or this subsection with re-

spect to any provision of this title that may be waived, modified, or otherwise affected under this section.

"(8) The labor relations system developed or adjusted under this subsection shall be binding on all bargaining units within the Department of Defense, all employee representatives of such units, and the Department of Defense and its subcomponents, and shall supersede all other collective bargaining agreements for bargaining units in the Department of Defense, including collective bargaining agreements negotiated with employee representatives at the level of recognition, except as otherwise determined by the Secretary.

"(9) Unless it is extended or otherwise provided for in law, the authority to establish, implement and adjust the labor relations system developed under this subsection shall expire six years after the date of enactment of this subsection, at which time the provisions of chapter 71 will apply.

"§ 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) 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, as increased by locality-based comparability payments under section 5304, 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) LIMITATION ON NUMBER OF HIGHLY QUALIFIED EXPERTS.—The number of highly qualified experts appointed and retained by the Secretary under subsection (b)(1) shall not exceed 2,500 at any time.

"(f) 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. 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.

Subtitle B—Department of Defense Civilian Personnel Generally

SEC. 1111. PILOT PROGRAM FOR IMPROVED CIVILIAN PERSONNEL MANAGEMENT.

(a) PILOT PROGRAM.—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. The automated workforce management system used for the pilot program shall be capable of automating the following workforce management functions:

(1) Job definition.

(2) Position management.

(3) Recruitment.

(4) Staffing.

(5) Performance management.

(b) AUTHORITIES UNDER PILOT PROGRAM.—Under the pilot program, the Secretary of Defense shall provide the Secretary of each military department with the authority for the following:

(1) To use an automated workforce management system for the civilian workforce of that military department to assess the potential of such a system to do the following:

(A) Substantially reduce hiring cycle times.

(B) Lower labor costs.

(C) Increase efficiency.

(D) Improve performance management.

(E) Provide better management reporting.

(F) Enable that system to make operational new personnel management flexibilities granted under the civilian personnel transformation program.

(2) Identify at least one regional civilian personnel center (or equivalent) in that military department for participation in the pilot program.

(c) DURATION OF PILOT PROGRAM.—The Secretary of Defense may carry out the pilot program under this section at each selected regional civilian personnel center for a period of two years beginning not later than March 1, 2004.

SEC. 1112. CLARIFICATION AND REVISION OF AUTHORITY FOR DEMONSTRATION PROJECT RELATING TO CERTAIN ACQUISITION PERSONNEL MANAGEMENT POLICIES AND PROCEDURES.

Section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is amended—

(1) in subsection (b), by striking paragraph (3) and inserting the following:

"(3) CONDITIONS.—Paragraph (2) shall not apply with respect to a demonstration project unless—

"(A) for each organization or team participating in the demonstration project—

"(i) at least one-third of the workforce participating in the demonstration project consists of members of the acquisition workforce; and

"(ii) at least two-thirds of the workforce participating in the demonstration project consists of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; and

"(B) the demonstration project commences before October 1, 2007.";

(2) in subsection (d), by striking "95,000" and inserting "120,000";

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

(4) by inserting after subsection (d) the following:

"(e) EFFECT OF REORGANIZATIONS.—The applicability of paragraph (2) of subsection (b) to an organization or team shall not terminate by reason that the organization or team, after having satisfied the conditions in paragraph (3) of such subsection when it began to participate in a demonstration project under this section, ceases to meet one or both of the conditions set forth in subparagraph (A) of such paragraph (3) as a result of a reorganization, restructuring, realignment, consolidation, or other organizational change.".

SEC. 1113. 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. 1114. RESTORATION OF ANNUAL LEAVE FOR CERTAIN DEPARTMENT OF DEFENSE EMPLOYEES.

(a) RESTORATION OF ANNUAL LEAVE.—During the period October 1, 1992, through December 31, 1997, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3) of title 5, United States Code, to another Department of Defense installation or activity—

(1) may be deemed eligible by the Secretary of Defense for automatic restoration of forfeited annual leave under section 6304(d)(3) of title 5, United States Code, during the year of transfer; and

(2) may be deemed by the Secretary of Defense to have used all forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code, within the appropriate time limits, only if such restored annual leave was used by the employee or paid to the employee in the form of a lump sum payment under section 5551(a) of title 5, United States Code, by the last day of the 2001 leave year.

(b) PAYMENT OF RESTORED ANNUAL LEAVE.—(1) On or after September 23, 1996, all employees transferring from a closing or realigning Department of Defense installation or activity as defined under section 6304(d)(3)(A) of title 5, United States Code, to another Department of Defense installation or activity who, upon transfer, were entitled to payment of a lump sum payment under section 5551(c) of title 5, United States Code, for forfeited annual leave properly restored under section 6304(d)(3) of title 5, United States Code—

(A) may be paid only for any such restored annual leave currently remaining to their credit at the hourly rate payable on the date of transfer with appropriate back pay interest; and

(B) shall be deemed paid for all such restored annual leave to which that employee was entitled to payment upon transfer, but subsequently used or was otherwise paid for upon separation.

(2) This subsection shall take effect on the date of the enactment of this Act.

SEC. 1115. AUTHORITY TO EMPLOY CIVILIAN FACULTY MEMBERS AT THE WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

Section 1595(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) The Western Hemisphere Institute for Security Cooperation.".

SEC. 1116. EXTENSION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

(a) EXTENSION OF PROGRAM.—Subsection (e)(1) of section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2139; 5 U.S.C. 3104 note) is amended by striking "October 16, 2005" and inserting "September 30, 2008".

(b) COMMENSURATE EXTENSION OF REQUIREMENT FOR ANNUAL REPORT.—Subsection (g) of such section is amended by striking "2006" and inserting "2009".

Subtitle C—Other Federal Government Civilian Personnel Matters

SEC. 1121. 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. 1122. 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. 1123. INCREASE IN ANNUAL STUDENT LOAN REPAYMENT AUTHORITY.

(a) INCREASE.—Section 5379(b)(2)(A) of title 5, United States Code, is amended by striking "$6,000" and inserting "$10,000".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2004.

SEC. 1124. 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 Botanical 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. 1125. 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 86.5 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 National Defense Authorization Act for Fiscal Year 2004, 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 section 1106 of the National Defense Authorization Act for Fiscal Year 2004, 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.".

(3) 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 paragraph (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.

(4) Until otherwise provided by law, or except as otherwise provided by this section, any reference in a provision of law to a rate of basic pay that is above the minimum payable and below the maximum payable to a member of the Senior Executive Service shall be considered a reference to the rate of basic pay payable for level IV of the Executive Schedule.

SEC. 1126. 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.

(8) A means for ensuring that adequate agency resources are allocated for the design, implementation, and administration of the pay-for-performance system.

SEC. 1127. 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 administered 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 Governmentwide 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 subsection (b).

SEC. 1128. 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).

SEC. 1129. HUMAN CAPITAL PERFORMANCE FUND.

(a) IN GENERAL.—Subpart D of part III of title 5, United States Code, is amended by inserting after chapter 53 the following:

"CHAPTER 54—HUMAN CAPITAL PERFORMANCE FUND

"Sec.
"5401. Purpose.
"5402. Definitions.
"5403. Human Capital Performance Fund.
"5404. Human capital performance payments.
"5405. Regulations.
"5406. Agency plan.
"5407. Nature of payment.
"5408. Appropriations.

"§ 5401. Purpose

"The purpose of this chapter is to promote, through the creation of a Human Capital Performance Fund, greater performance in the Federal Government. Monies from the Fund will be used to reward agencies' highest performing and most valuable employees. This Fund will offer Federal managers a new tool to recognize employee performance that is critical to the achievement of agency missions.

"§ 5402. Definitions

"For the purpose of this chapter—

"(1) 'agency' means an Executive agency under section 105, but does not include the General Accounting Office;

"(2) 'employee' includes—

"(A) an individual paid under a statutory pay system defined in section 5302(1);

"(B) a prevailing rate employee, as defined in section 5342(a)(2); and

"(C) a category of employees included by the Office of Personnel Management following the review of an agency plan under section 5403(b)(1);

but does not include—

"(i) an individual paid at an annual rate of basic pay for a level of the Executive Schedule, under subchapter II of chapter 53, or at a rate provided for one of those levels under another provision of law;

"(ii) a member of the Senior Executive Service paid under subchapter VIII of chapter 53, or an equivalent system;

"(iii) an administrative law judge paid under section 5372;

"(iv) a contract appeals board member paid under section 5372a;

"(v) an administrative appeals judge paid under section 5372b; and

"(vi) an individual in a position which is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character; and

"(3) 'Office' means the Office of Personnel Management.

"§ 5403. Human Capital Performance Fund

"(a) There is hereby established the Human Capital Performance Fund, to be administered by the Office for the purpose of this chapter.

"(b)(1)(A) An agency shall submit a plan as described in section 5406 to be eligible for consideration by the Office for an allocation under this section. An allocation shall be made only upon approval by the Office of an agency's plan.

"(B)(i) After the reduction for training required under section 5408, ninety percent of the remaining amount appropriated to the Fund may be allocated by the Office to the agencies. Of the amount to be allocated, an agency's pro rata distribution may not exceed its pro rata share of Executive branch payroll.

"(ii) If the Office does not allocate an agency's full pro rata share, the undistributed amount remaining from that share will become available for distribution to other agencies, as provided in subparagraph (C).

"(C)(i) After the reduction for training under section 5408, ten percent of the remaining amount appropriated to the Fund, as well as the amount of the pro rata share not distributed because of an agency's failure to submit a satisfactory plan, shall be allocated among agencies with exceptionally high-quality plans.

"(ii) An agency with an exceptionally high-quality plan is eligible to receive an additional distribution in addition to its full pro rata distribution.

"(2) Each agency is required to provide to the Office such payroll information as the Office specifies necessary to determine the Executive branch payroll.

"§ 5404. Human capital performance payments

"(a)(1) Notwithstanding any other provision of law, the Office may authorize an agency to provide human capital performance payments to individual employees based on exceptional performance contributing to the achievement of the agency mission.

"(2) The number of employees in an agency receiving payments from the Fund, in any year, shall not be more than the number equal to 15 percent of the agency's average total civilian full- and part-time permanent employment for the previous fiscal year.

"(b)(1) A human capital performance payment provided to an individual employee from the Fund, in any year, shall not exceed 10 percent of the employee's rate of basic pay.

"(2) The aggregate of an employee's rate of basic pay, adjusted by any locality-based comparability payments, and human capital performance pay, as defined by regulation, may not exceed the rate of basic pay for Executive Level IV in any year.

"(3) Any human capital performance payment provided to an employee from the Fund is in addition to any annual pay adjustment (under section 5303 or any similar provision of law) and any locality-based comparability payment that may apply.

"(c) No monies from the Human Capital Performance Fund may be used to pay for a new position, for other performance-related payments, or for recruitment or retention incentives paid under sections 5753 and 5754.

"(d)(1) An agency may finance initial human capital performance payments using monies from the Human Capital Performance Fund, as available.

"(2) In subsequent years, continuation of previously awarded human capital performance payments shall be financed from other agency funds available for salaries and expenses.

"§ 5405. Regulations

"The Office shall issue such regulations as it determines to be necessary for the administration of this chapter, including the administration of the Fund. The Office's regulations shall include criteria governing—

"(1) an agency plan under section 5406;

"(2) the allocation of monies from the Fund to agencies;

"(3) the nature, extent, duration, and adjustment of, and approval processes for, payments to individual employees under this chapter;

"(4) the relationship to this chapter of agency performance management systems;

"(5) training of supervisors, managers, and other individuals involved in the process of making performance distinctions; and

"(6) the circumstances under which funds may be allocated by the Office to an agency in amounts below or in excess of the agency's pro rata share.

"§ 5406. Agency plan

"(a) To be eligible for consideration by the Office for an allocation under this section, an agency shall—

"(1) develop a plan 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 pay-for-performance system, the employee performance appraisal 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 pay-for-performance 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 pay-for-performance system;

"(2) upon approval, receive an allocation of funding from the Office;

"(3) make payments to individual employees in accordance with the agency's approved plan; and

"(4) provide such information to the Office regarding payments made and use of funds received under this section as the Office may specify.

"(b) The Office, in consultation with the Chief Human Capital Officers Council, shall review and approve an agency's plan before the agency is eligible to receive an allocation of funding from the Office.

"(c) The Chief Human Capital Officers Council shall include in its annual report to Congress under section 1303(d) of the Homeland Security Act of 2002 an evaluation of the formulation and implementation of agency performance management systems.

"§ 5407. Nature of payment

"Any payment to an employee under this section shall be part of the employee's basic pay for the purposes of subchapter III of chapter 83, and chapters 84 and 87, and for such other purposes (other than chapter 75) as the Office shall determine by regulation.

"§ 5408. Appropriations

"There is authorized to be appropriated $500,000,000 for fiscal year 2004, and, for each subsequent fiscal year, such sums as may be necessary to carry out the provisions of this chapter. In the first year of implementation, up to 10 percent of the amount appropriated to the Fund shall be available to participating agencies to train supervisors, managers, and other individuals involved in the appraisal process on using performance management systems to make meaningful distinctions in employee performance and on the use of the Fund.".

(b) CLERICAL AMENDMENT.—The table of chapters for part III of title 5, United States Code, is amended by inserting after the item relating to chapter 53 the following:

"54. Human Capital Performance Fund ..... 5401".

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to Iraq

Sec. 1201. Medical assistance to Iraqi children injured during Operation Iraqi Freedom.
Sec. 1202. Report on the conduct of Operation Iraqi Freedom.
Sec. 1203. Report on Department of Defense security and reconstruction activities in Iraq.
Sec. 1204. Report on acquisition by Iraq of advanced weapons.
Sec. 1205. Sense of Congress on use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq.

Subtitle B—Matters Relating to Export Protections

Sec. 1211. Review of export protections for military superiority resources.
Sec. 1212. Report on Department of Defense costs relating to national security controls on satellite exports.

Subtitle C—Administrative Requirements and Authorities

Sec. 1221. Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.
Sec. 1222. Recognition of superior noncombat achievements or performance by members of friendly foreign forces and other foreign nationals.
Sec. 1223. Expansion of authority to waive charges for costs of attendance at George C. Marshall European Center for Security Studies.
Sec. 1224. Authority for check cashing and currency exchange services to be provided to foreign military members participating in certain activities with United States forces.
Sec. 1225. Depot maintenance and repair work on certain types of trainer aircraft to be transferred to foreign countries as excess aircraft.

Subtitle D—Other Reports and Sense of Congress Statements

Sec. 1231. Annual report on the NATO Prague Capabilities Commitment and the NATO Response Force.
Sec. 1232. Report on actions that could be taken regarding countries that initiate certain legal actions against United States officials or members of the Armed Forces.
Sec. 1233. Sense of Congress on redeployment of United States forces in Europe.
Sec. 1234. Sense of Congress concerning Navy port calls in Israel.

Subtitle A—Matters Relating to Iraq

SEC. 1201. MEDICAL ASSISTANCE TO IRAQI CHILDREN INJURED DURING OPERATION IRAQI FREEDOM.

(a) ASSISTANCE.—Subject to subsections (c) and (d), the Secretary of Defense shall, to the maximum extent practicable, provide all necessary health care and related support to provide needed medical assistance to Iraqi children who, as determined by the Secretary of Defense, were injured during and as a result of Operation Iraqi Freedom. Such assistance shall be provided in an expeditious manner.

(b) RELATED SUPPORT.—Related support under subsection (a) includes transportation on aeromedical evacuation aircraft of the Department of Defense on a space-available basis.

(c) LIMITATIONS RELATING TO MEDICAL CARE.—Assistance may be provided to a child under subsection (a)—

(1) only if adequate treatment from other sources in Iraq or neighboring countries is not available; and

(2) only after completion of an evaluation by a physician or other appropriate medical personnel of the United States Armed Forces.

(d) LIMITATION RELATING TO UNITED STATES MILITARY OPERATIONS.—Assistance may be provided to a child under subsection (a) only if the provision of such assistance would not adversely affect military operations of the United States.

SEC. 1202. REPORT ON THE CONDUCT OF OPERATION IRAQI FREEDOM.

(a) REPORT REQUIRED.—(1) Not later than March 31, 2004, the Secretary of Defense shall submit to the congressional defense committees and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report on the preparation for and conduct of military operations under Operation Iraqi Freedom from March 19, 2003, to May 1, 2003.

(2) The report shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the commander of the United States Central Command, and such other officers and officials as the Secretary considers appropriate.

(b) CONTENT.—The report shall include a discussion, with a particular emphasis on accomplishments and shortcomings and on near-term and long-term corrective actions to address those shortcomings, of the following:

(1) The military objectives of the international coalition conducting Operation Iraqi Freedom, the military strategy selected to achieve the objectives, and an assessment of the execution of the military strategy.

(2) The deployment process, including the adaptability of the process to unforeseen contingencies and changing requirements.

(3) The effectiveness of the reserve component forces used in Operation Iraqi Freedom, including the reserve component mobilization process, the timeliness of mobilization notification, training, operational effectiveness in theater, and subsequent demobilization.

(4) The use and performance of major items of United States military equipment, weapon systems, and munitions (including items classified under special access procedures and items drawn from prepositioned stocks) and any expected effects of the experience with the use and performance of those items on the doctrinal and tactical employment of such items and on plans for continuing the acquisition of such items.

(5) The effectiveness of joint air operations, including the doctrine for the employment of close air support in the varied environments of Operation Iraqi Freedom, and the effectiveness of attack helicopter operations.

(6) The use of special operations forces, including operational and intelligence uses classified under special access procedures.

(7) The scope of logistics support, including support from other nations.

(8) The incidence of accidental fratricide, together with a discussion of the effectiveness of the tracking of friendly forces and of the combat identification systems in mitigating friendly fire incidents.

(9) The adequacy of spectrum and bandwidth to transmit all necessary information to operational forces and assets, including unmanned aerial vehicles, ground vehicles, and individual soldiers.

(10) The effectiveness of information operations, including the effectiveness of Commando Solo and other psychological operations assets, in achieving established objectives, together with a description of technological and other restrictions on the use of psychological operations capabilities.

(11) The adequacy 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), as well as the adequacy of such support to facilitate searches for weapons of mass destruction.

(12) The rapid insertion and integration, if any, of developmental but mission-essential equipment during all phases of the operation.

(13) The most critical lessons learned that could lead to long-term doctrinal, organizational, and technological changes (including new equipment, weapons systems, and munitions) and the probable effects that an implementation of those changes would have on current visions, goals, and plans for transformation of the Armed Forces and for joint and combined operations.

(14) 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 noncompliance with the law of armed conflict.

(15) The policies and procedures relating to the media, including the use of embedded media.

(16) The results of a study, carried out by the Secretary of Defense, regarding the availability of family support services provided for the dependents of members of the National Guard and other reserve components of the Armed Forces who are called or ordered to active duty.

(17) 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) FORMS OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1203. REPORT ON DEPARTMENT OF DEFENSE SECURITY AND RECONSTRUCTION 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 security and reconstruction activities of the Department of Defense in 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 Secretary of Defense and the missions under-

taken in Iraq by United States military forces. 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 and the Office of the Coalition Provisional Authority, on issues of Iraqi 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 administration and reconstruction planning and execution in Iraq.

(3) The relationship of Department of Defense entities, including the Office of Reconstruction and Humanitarian Assistance and the Office of the Coalition Provisional Authority, 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;

(D) developing mechanisms of fully transitioning Iraq to representative self-government; and

(E) recruiting, training, and fielding Iraqi police and military forces.

(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 security and reconstruction activities in Iraq.

(8) The Secretary's assessment of the effect that the United States military presence in Iraq will have on replacement and unit rotation policies, including the overall effect on global United States military deployments.

SEC. 1204. 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 any materials, technology, and know-how that Iraq was able to obtain for its nuclear, chemical, biological, ballistic missile, and unmanned aerial vehicle programs, and advanced conventional weapons programs, from 1979 through April 2003 from entities (including Iraqi citizens) outside of Iraq, as well as a description of how Iraq obtained these capabilities from those entities.

(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 catalog of the entities and countries that transferred militarily useful contraband and items described pursuant to paragraph (1) to Iraq between 1991 and the end of major combat operations of Operation Iraqi Freedom on May 1, 2003, and the nature of that contraband and of those items.

(c) FORM OF REPORT.—The report shall be submitted in unclassified form with a classified annex, if necessary.

SEC. 1205. SENSE OF CONGRESS ON USE OF SMALL BUSINESSES, MINORITY-OWNED BUSINESSES, AND WOMEN-OWNED BUSINESSES IN EFFORTS TO REBUILD IRAQ.

It is the sense of Congress that the Secretary of Defense should ensure that outreach procedures are in place to provide information to small businesses, minority-owned businesses, and women-owned businesses regarding Department of Defense requirements and contract opportunities for the rebuilding of Iraq.

Subtitle B—Matters Relating to Export Protections

SEC. 1211. REVIEW OF EXPORT PROTECTIONS FOR MILITARY SUPERIORITY RESOURCES.

(a) REVIEW REQUIRED.—The Secretary of Defense shall carry out a review—

(1) to identify goods or technology (as defined in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415)) that, if obtained by a potential adversary, could significantly undermine the military superiority or qualitative military advantage of the United States over potential adversaries or otherwise contribute to the acquisition of weapons of mass destruction and their delivery systems; and

(2) to determine whether any of the items or technologies identified under paragraph (1) are not currently controlled for export purposes on either the Commerce Control List or the United States Munitions List.

(b) ANNUAL REPORTS.—(1) Not later than March 1, 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 an unclassified report, with a classified annex as necessary, on the results of the review under subsection (a).

(2) For each of the next two years after the submission of the report under paragraph (1), the Secretary shall submit to those committees an update on that report. Such updates shall be submitted not later than March 1, 2005, and not later than March 1, 2006.

SEC. 1212. REPORT ON DEPARTMENT OF DEFENSE COSTS RELATING TO NATIONAL SECURITY CONTROLS ON SATELLITE EXPORTS.

(a) STUDY.—The Inspector General of the Department of Defense shall conduct a study of the costs incurred by the Department of Defense for each fiscal year from fiscal year 1999 through fiscal year 2003 relating to national security controls on satellite exports. As part of such study, the Inspector General shall identify for each such fiscal year the amounts expended by the Department of Defense (1) for the monitoring of launches of satellites and related items in a foreign country pursuant to section 1514 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 22 U.S.C. 2778 note), and (2) in connection with applications for licenses for the export of satellites and related items (as that term is defined in section 1516 of that Act).

(b) REPORT.—Not later than April 1, 2004, the Inspector General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the study under subsection (a). The report shall include the following:

(1) An identification and assessment of the costs referred to in subsection (a), shown in the aggregate and separately, by fiscal year and by clauses (1) and (2) of that subsection.

(2) A review of the costs referred to in clause (1) of subsection (a) for which the Department of Defense has been reimbursed by the person or entity receiving the satellite launch monitoring services involved, including the extent to which indirect costs were included in such reimbursement.

Subtitle C—Administrative Requirements and Authorities

SEC. 1221. AUTHORITY TO USE FUNDS FOR PAYMENT OF COSTS OF ATTENDANCE OF FOREIGN VISITORS UNDER REGIONAL DEFENSE COUNTERTERRORISM FELLOWSHIP PROGRAM.

(a) AUTHORITY TO USE FUNDS.—(1) Subchapter I of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program

"(a) AUTHORITY TO USE FUNDS.—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense may be used to pay any costs associated with the attendance of foreign military officers, ministry of defense officials, or security officials at United States military educational institutions, regional centers, conferences, seminars, or other training programs conducted under the Regional Defense Counterterrorism Fellowship Program, including costs of transportation and travel and subsistence costs.

"(b) LIMITATION.—The total amount of funds used under the authority in subsection (a) in any fiscal year may not exceed $20,000,000.

"(c) ANNUAL REPORT.—Not later than December 1 of each year, the Secretary of Defense shall submit to Congress a report on the administration of this section during the fiscal year ended in such year. The report shall include the following matters:

"(1) A complete accounting of the expenditure of appropriated funds for purposes authorized under subsection (a), including—

"(A) the countries of the foreign officers and officials for whom costs were paid; and

"(B) for each such country, the total amount of the costs paid.

"(2) The training courses attended by the foreign officers and officials, including a specification of which, if any, courses were conducted in foreign countries.

"(3) An assessment of the effectiveness of the Regional Defense Counterterrorism Fellowship Program in increasing the cooperation of the governments of foreign countries with the United States in the global war on terrorism.

"(4) A discussion of any actions being taken to improve the program.".

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

"2249c. Authority to use appropriated funds for costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program.".

(b) NOTIFICATION OF CONGRESS.—Not later than December 1, 2003, the Secretary of Defense shall—

(1) prescribe the final regulations for carrying out section 2249c of title 10, United States Code, as added by subsection (a); and

(2) notify the congressional defense committees of the prescription of such regulations.

SEC. 1222. 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 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, including 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 in effect under 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. 1223. 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. 1224. 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 combined operation, combined exercise, or combined humanitarian 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, exercise, 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. 1225. DEPOT MAINTENANCE AND REPAIR WORK ON CERTAIN TYPES OF TRAINER AIRCRAFT TO BE TRANSFERRED TO FOREIGN COUNTRIES AS EXCESS AIRCRAFT.

(a) DEPOT MAINTENANCE AND REPAIR WORK BEFORE TRANSFER.—Before an excess trainer aircraft of a type specified in subsection (b) is transferred to a foreign country for the purpose of flight operations by that country, the Secretary of Defense shall make all reasonable efforts to ensure that the aircraft receives necessary depot maintenance and repair work and that such work is performed in the United States.

(b) COVERED TYPES OF AIRCRAFT.—Subsection (a) applies to the following types of trainer aircraft:

(1) T–2 Buckeye aircraft.

(2) T–37 Tweet aircraft.

(c) WORK TO BE PERFORMED AT NO COST TO DOD.—Any work referred to in subsection (a) shall be performed at no cost to the Department of Defense.

Subtitle D—Other Reports and Sense of Congress Statements

SEC. 1231. ANNUAL REPORT ON THE NATO PRAGUE CAPABILITIES COMMITMENT AND THE NATO RESPONSE FORCE.

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

(1) At the meeting of the North Atlantic Council held in Prague in November 2002, the heads of states and governments of the North Atlantic Treaty Organization (NATO) launched a Prague Capabilities Commitment and decided to create a NATO Response Force.

(2) The Prague Capabilities Commitment is part of the continuing NATO effort to improve and develop new military capabilities for modern warfare in a high-threat environment. As part of this commitment, individual NATO allies have made firm and specific political commitments to improve their capabilities in the areas of—

(A) chemical, biological, radiological, and nuclear defense;

(B) intelligence, surveillance, and target acquisition;

(C) air-to-ground surveillance;

(D) command, control, and communications;

(E) combat effectiveness, including precision guided munitions and suppression of enemy air defenses;

(F) strategic air and sea lift;

(G) air-to-air refueling; and

(H) deployable combat support and combat service support units.

(3) The NATO Response Force is envisioned to be a technologically advanced, flexible, deployable, interoperable, and sustainable force that includes land, sea, and air elements ready to move quickly to wherever needed, as determined by the North Atlantic Council. The NATO Response Force is also intended to be a catalyst for focusing and promoting improvements in NATO's military capabilities. It is expected to have initial operational capability by October 2004, and full operational capability by October 2006.

(b) ANNUAL REPORT.—(1) Not later than January 31 of each year through 2008, the Secretary of Defense shall submit to the congressional committees specified in paragraph (5) a report, to be prepared in consultation with the Secretary of State, on implementation of the Prague Capabilities Commitment and development of the NATO Response Force by the member nations of the North Atlantic Treaty Organization (NATO).

(2) The annual report under this subsection shall include the following matters:

(A) A description of the actions taken by NATO as a whole and by each member nation of NATO other than the United States to further the Prague Capabilities Commitment, including any actions taken to improve capability shortfalls in the areas identified for improvement.

(B) A description of the actions taken by NATO as a whole and by each member nation of NATO, including the United States, to create the NATO Response Force.

(C) A discussion of the relationship between NATO's efforts to improve capabilities through the Prague Capabilities Commitment and those of the European Union to enhance European capabilities through the European Capabilities Action Plan, including the extent to which they are mutually reinforcing.

(D) A discussion of NATO decisionmaking on the implementation of the Prague Capabilities Commitment and the development of the NATO Response Force, including—

(i) an assessment of whether the Prague Capabilities Commitment and the NATO Response Force are the sole jurisdiction of the Defense Planning Committee, the North Atlantic Council, or the Military Committee;

(ii) a description of the circumstances which led to the defense, military, security, and nuclear decisions of NATO on matters such as the Prague Capabilities Commitment and the NATO Response Force being made in bodies other than the Defense Planning Committee;

(iii) a description of the extent to which any member that does not participate in the integrated military structure of NATO contributes to each of the component committees of NATO, including any and all committees relevant to the Prague Capabilities Commitment and the NATO Response Force;

(iv) a description of the extent to which any member that does not participate in the integrated military structure of NATO participates in deliberations and decisions of NATO on resource policy, contribution ceilings, infrastructure, force structure, modernization, threat assessments, training, exercises, deployments, and other issues related to the Prague Capabilities Commitment or the NATO Response Force;

(v) a description and assessment of the impediments, if any, that would preclude or limit NATO from conducting deliberations and making decisions on matters such as the Prague Capabilities Commitment or the NATO Response Force solely in the Defense Planning Committee; and

(vi) the recommendations of the Secretary of Defense on streamlining defense, military, and security decisionmaking within NATO relating to the Prague Capabilities Commitment, the NATO Response Force, and other matters, including an assessment of the feasibility and advisability of the greater utilization of the Defense Planning Committee for such purposes.

(3) In the case of a report under this subsection after the first such report, the information submitted in such report under any of clauses (i) through (vi) of subparagraph (D) of paragraph (2) may consist solely of an update of any information previously submitted under that clause in a preceding report under this subsection.

(4) Each report under this subsection shall be submitted in unclassified form, but may also be submitted in classified form if necessary.

(5) The committees specified in this paragraph are—

(A) the Committee on Armed Services and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Armed Services and the Committee on International Relations of the House of Representatives.

SEC. 1232. REPORT ON ACTIONS THAT COULD BE TAKEN REGARDING COUNTRIES THAT INITIATE CERTAIN LEGAL ACTIONS AGAINST UNITED STATES OFFICIALS OR MEMBERS OF THE ARMED FORCES.

(a) FINDING.—Congress finds that actions for or on behalf of a foreign government that constitute attempts to commence legal proceedings against, or attempts to compel the appearance of or production of documents from, any current or former official or employee of the United States or member of the Armed Forces of the United States relating to the performance of official duties, other than pursuant to a status of forces agreement or other international agree-

ment to which the United States is a party, may have a negative effect on the ability of the United States to take necessary and timely military action.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on appropriate steps that could be taken by the Department of Defense (such as restrictions on military travel, limitations on military support and exchange programs, and consideration of relocating, or limiting funding for, United States or allied military commands, headquarters, or organizations) to respond to an action by a foreign government described in subsection (a).

SEC. 1233. SENSE OF CONGRESS ON REDEPLOYMENT OF UNITED STATES FORCES IN EUROPE.

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

(1) In March 1999, in its initial round of expansion, the North Atlantic Treaty Organization (NATO) admitted Poland, the Czech Republic, and Hungary to the Alliance.

(2) At the Prague Summit on November 21–22, 2002, the NATO heads of state and government invited the countries of Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to join the Alliance.

(3) The countries admitted in the initial round of expansion referred to in paragraph (1) and the seven new invitee nations referred to in paragraph (2) will in combination significantly alter the nature of the Alliance.

(4) During the first 50 years of the Alliance, NATO materially contributed to the security and stability of Western Europe, bringing peace and prosperity to the member nations.

(5) The expansion of NATO is an opportunity to assist the invitee nations in gaining the capabilities to ensure peace, prosperity, and democracy for themselves during the next 50 years of the Alliance.

(6) The military structure and mission of NATO has changed, no longer being focused on the threat of a Soviet invasion, but evolving to handle new threats and new missions in the area of crisis management, peacekeeping, and peace-support in and beyond the Euro-Atlantic area of operations.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that—

(1) the expansion of the North Atlantic Treaty Organization Alliance and the evolution of the military mission of that Alliance requires a fundamental reevaluation of the current posture of United States forces stationed in Europe; and

(2) the Secretary of Defense, in consultation with the Secretary of State, should—

(A) initiate a reevaluation referred to in paragraph (1); and

(B) in carrying out such a reevaluation, consider a military posture that takes maximum advantage of basing and training opportunities in the newly admitted and invitee states referred to in paragraphs (1) and (2), respectively, of subsection (a).

SEC. 1234. SENSE OF CONGRESS CONCERNING NAVY PORT CALLS IN ISRAEL.

It is the sense of Congress that—

(1) the United States has invested significant amounts of funds in expanding the capacity and security of the port of Haifa, Israel, and the United States Navy should be able to implement the necessary force protection measures that would enable it to take advantage of the repair, replenishment, and communications links available at that port;

(2) the Secretary of Defense and the Secretary of the Navy should conclude discussions with the Government of Israel and the Israel Defense Forces to establish appropriate and effective arrangements to ensure the safety of United States Navy vessels and personnel during port visits to Haifa, Israel; and

(3) upon such arrangements being made, the United States Navy should consider resumption of regular port visits to Haifa, Israel.

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

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Limitation on use of funds until certain permits obtained.
Sec. 1304. Limitation on use of funds for biological research in the former Soviet Union.
Sec. 1305. Requirement for on-site managers.
Sec. 1306. Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia.
Sec. 1307. Annual certifications on use of facilities being constructed for Cooperative Threat Reduction projects or activities.
Sec. 1308. Authority to use Cooperative Threat Reduction funds outside 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, $57,600,000.

(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 Assessments/Administrative Support, $13,100,000.

(6) For defense and military contacts, $11,100,000.

(7) For chemical weapons destruction in Russia, $200,300,000.

(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) IN GENERAL.—The Secretary of Defense shall seek to obtain all the permits required to complete each phase of construction of a project under Cooperative Threat Reduction programs before obligating significant amounts of funding for that phase of the project.

(b) USE OF FUNDS FOR NEW CONSTRUCTION PROJECTS.—Except as provided in subsection (e), with respect to a new construction

project to be carried out by the Department of Defense under Cooperative Threat Reduction programs, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary of Defense—

(1) determines 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

(2) obtains from the state in which the project is to be located any permits that may be required to begin construction.

(c) IDENTIFICATION OF REQUIRED PERMITS FOR ONGOING INCOMPLETE CONSTRUCTION PROJECTS.—With respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs, the Secretary shall identify all the permits that are required for the lifetime of the project not later than 120 days after the date of the enactment of this Act.

(d) USE OF FUNDS FOR CERTAIN INCOMPLETE CONSTRUCTION PROJECTS.—Except as provided in subsection (e), with respect to an incomplete construction project carried out by the Department of Defense under Cooperative Threat Reduction programs for which construction has not yet commenced as of the date of the enactment of this Act, not more than 40 percent of the total costs of the project may be obligated from Cooperative Threat Reduction funds for any fiscal year until the Secretary obtains from the state in which the project is located the permits required to commence construction on the project.

(e) EXCEPTION TO LIMITATIONS ON USE OF FUNDS.—The limitation in subsection (b) or (d) on the obligation of funds for a construction project otherwise covered by such subsection shall not apply with respect to the obligation of funds for a particular project if the Secretary—

(1) determines that it is necessary in the national interest to obligate funds for such project; and

(2) submits to the congressional defense committees a notification of the intent to obligate funds for such project, together with a complete discussion of the justification for doing so.

(f) DEFINITIONS.—In this section, with respect to a project under Cooperative Threat Reduction programs:

(1) INCOMPLETE CONSTRUCTION PROJECT.—The term "incomplete construction project" means a construction 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.

(2) NEW CONSTRUCTION PROJECT.—The term "new construction project" means a construction project for which no funds have been obligated or expended as of the date of the enactment of this Act.

(3) PERMIT.—The term "permit" means any local or national permit for development, general construction, environmental, land use, or other purposes that is required for purposes of major construction in a state of the former Soviet Union in which the construction 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.

(a) LIMITATION ON USE OF FUNDS.—Except as provided in subsection (b), none of the funds authorized to be appropriated pursuant to section 1302 for biological weapons proliferation prevention may be obligated to begin any collaborative biodefense research or bioattack early warning and preparedness project under a Cooperative Threat Reduction program at a facility in a state of the former Soviet Union until the Secretary of Defense notifies Congress that the Secretary—

(1) has determined, through access to the facility, that no offensive biological weapons research prohibited by international law is being conducted at the facility; and

(2) has determined that appropriate security measures have begun to be, or will be, put in place at the facility to prevent theft of dangerous pathogens from the facility.

(b) AVAILABILITY OF FUNDS FOR DETERMINATIONS.—Of the funds referred to in subsection (a) that are available for projects referred to in that subsection, up to 25 percent of such funds may be obligated and expended for purposes of making determinations referred to in that subsection.

(c) FACILITY DEFINED.—In this section, the term "facility" means the buildings and areas at a location in which Cooperative Threat Reduction program work is actually being conducted.

SEC. 1305. 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 one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(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 $50,000,000.

(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) AUTHORITY TO MANAGE MORE THAN ONE PROJECT.—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed $150,000,000.

(e) 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).

(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.

(f) 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.

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

SEC. 1306. TEMPORARY AUTHORITY TO WAIVE LIMITATION ON FUNDING FOR CHEMICAL WEAPONS DESTRUCTION FACILITY IN RUSSIA.

(a) TEMPORARY AUTHORITY.—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—

(1) a statement as to why the waiver of the conditions is important to the national security interests of the United States;

(2) a full and complete justification for the waiver of the conditions; and

(3) a plan to promote a full and accurate disclosure by Russia regarding the size, content, status, and location of its chemical weapons stockpile.

(b) EXPIRATION.—The authority in subsection (a) shall expire on September 30, 2004.

SEC. 1307. ANNUAL CERTIFICATIONS ON USE OF FACILITIES BEING CONSTRUCTED FOR COOPERATIVE THREAT REDUCTION PROJECTS OR ACTIVITIES.

(a) CERTIFICATION ON USE OF FACILITIES BEING CONSTRUCTED.—Not later than the first Monday of February each year, the Secretary of Defense shall submit to the congressional defense committees a certification for each facility for a Cooperative Threat Reduction project or activity for which construction occurred during the preceding fiscal year on matters as follows:

(1) Whether or not such facility will be used for its intended purpose by the government of the state of the former Soviet Union in which the facility is constructed.

(2) Whether or not the government of such state remains committed to the use of such facility for its intended purpose.

(3) Whether those actions needed to ensure security at the facility, including secure transportation of any materials, sub-

stances, or weapons to, from, or within the facility, have been taken.

(b) APPLICABILITY.—Subsection (a) shall apply to—

(1) any facility the construction of which commences on or after the date of the enactment of this Act; and

(2) any facility the construction of which is ongoing as of that date.

SEC. 1308. AUTHORITY TO USE COOPERATIVE THREAT REDUCTION FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) AUTHORITY.—Subject to the provisions of this section, the President may obligate and expend Cooperative Threat Reduction funds for a fiscal year, and any Cooperative Threat Reduction funds for a fiscal year before such fiscal year that remain available for obligation, for a proliferation threat reduction project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Defense is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) SCOPE OF AUTHORITY.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) LIMITATION ON TOTAL AMOUNT OF OBLIGATION.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed $50,000,000.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of Cooperative Threat Reduction funds or on Cooperative Threat Reduction projects or activities.

(2) Any limitation on the obligation or expenditure of Cooperative Threat Reduction funds.

(3) Any limitation on Cooperative Threat Reduction projects or activities.

TITLE XIV—SERVICES ACQUISITION REFORM

Sec. 1401. Short title.

Subtitle A—Acquisition Workforce and Training

Sec. 1411. Definition of acquisition.
Sec. 1412. Acquisition workforce training fund.
Sec. 1413. Acquisition workforce recruitment program.
Sec. 1414. Architectural and engineering acquisition workforce.

Subtitle B—Adaptation of Business Acquisition Practices

PART I—ADAPTATION OF BUSINESS MANAGEMENT PRACTICES

Sec. 1421. Chief Acquisition Officers.
Sec. 1422. Chief Acquisition Officers Council.
Sec. 1423. Statutory and regulatory review.

PART II—OTHER ACQUISITION IMPROVEMENTS

Sec. 1426. Extension of authority to carry out franchise fund programs.
Sec. 1427. Improvements in contracting for architectural and engineering services.
Sec. 1428. Authorization of telecommuting for Federal contractors.

Subtitle C—Acquisitions of Commercial Items

Sec. 1431. Additional incentive for use of performance-based contracting for services.
Sec. 1432. Authorization of additional commercial contract types.
Sec. 1433. Clarification of commercial services definition.

Subtitle D—Other Matters

Sec. 1441. Authority to enter into certain transactions for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack.
Sec. 1442. Public disclosure of noncompetitive contracting for the reconstruction of infrastructure in Iraq.
Sec. 1443. Special emergency procurement authority.

SEC. 1401. SHORT TITLE.

This title may be cited as the "Services Acquisition Reform Act of 2003".

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 to be expended only in the fiscal year for which credited and the two succeeding fiscal years.

"(G) This paragraph shall cease to be effective five years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2004.".

(c) EXCEPTION.—This section and the amendments made by this section shall not apply to the acquisition workforce of the Department of Defense. Fees charged to the Department of Defense under contracts covered by section 37(h)(3) of the Office of Federal Procurement Policy Act, as added by subsection (b), shall be reduced by 5 percent to reflect the Department's nonparticipation in the acquisition workforce training fund established by such section.

SEC. 1413. ACQUISITION WORKFORCE RECRUITMENT PROGRAM.

(a) DETERMINATION OF SHORTAGE CATEGORY POSITIONS.—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 (other than the Secretary of Defense) may determine, under regulations prescribed by the Office of Personnel Management, that certain Federal acquisition positions (as described in section 37(g)(1)(A) of the Office of Federal Procurement Policy Act (41 U.S.C. 433(g)(1)(A)) are shortage category positions in order to use the authorities in those sections to recruit and appoint highly qualified persons directly to such positions in the department or agency.

(b) 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.

(c) REPORT.—Not later than March 31, 2007, the Director of the Office of Personnel Management, in consultation with the Administrator for Federal Procurement Policy, shall submit to Congress a report on the implementation of this section. The report shall include—

(1) a list of the departments and agencies that exercised the authority provided in this section, and whether the exercise of the authority was carried out in accordance with the regulations prescribed by the Office of Personnel Management;

(2) the Director'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

(3) any recommendations considered appropriate by the Director 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 AND SENIOR PROCUREMENT EXECUTIVES.

"(a) ESTABLISHMENT OF AGENCY CHIEF ACQUISITION OFFICERS.—(1) The head of each executive agency described in section 901(b)(1) (other than the Department of Defense) or section 901(b)(2)(C) of title 31, United States Code, with a Chief Financial Officer appointed or designated under section 901(a) of such title shall appoint or designate a non-career employee as Chief Acquisition Officer for the agency, who shall—

"(A) have acquisition management as that official's primary duty; and

"(B) 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 lowest cost or best value considering the nature of the property or service procured;

"(3) increasing appropriate use of performance-based contracting and performance specifications;

"(4) making acquisition decisions consistent with all applicable laws and establishing clear lines of authority, accountability, and responsibility for acquisition decisionmaking within the executive agency;

"(5) managing the direction of acquisition policy for the executive agency, including implementation of the unique acquisition policies, regulations, and standards of the executive agency;

"(6) developing and maintaining an acquisition career management program in the executive agency to ensure that there is an adequate professional workforce; and

"(7) 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.

"(c) SENIOR PROCUREMENT EXECUTIVE.—(1) The head of each executive agency shall designate a senior procurement executive who shall be responsible for management direction of the procurement system of the executive agency, including implementation of the unique procurement policies, regulations, and standards of the executive agency.

"(2) In the case of an executive agency for which a Chief Acquisition Officer has been appointed or designated under subsection (a), the head of such executive agency shall either—

"(A) designate the Chief Acquisition Officer as the senior procurement executive for the executive agency; or

"(B) ensure that the senior procurement executive designated for the executive agency under paragraph (1) reports directly to the Chief Acquisition Officer without intervening authority.".

(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 and senior procurement executives.".

(b) 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 Under Secretary of Defense for Acquisition, Technology, and Logistics.

"(4) The chief acquisition officer of each executive agency that is required to have a chief acquisition officer under section 16 and the senior procurement executive of each military department.

"(5) Any other senior agency officer of each executive agency, appointed by the head of the agency in consultation with the Chairman, who can effectively assist the Council in performing the functions set forth in subsection (e) and supporting the associated range of acquisition activities.

"(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 both the public and private sectors, including academia.

(c) DUTIES.—The panel shall—

(1) review all Federal acquisition laws and regulations, and, to the extent practicable, government-wide acquisition policies, with a view toward ensuring effective and appropriate use of commercial practices and performance-based contracting; and

(2) make any recommendations for the modification of such laws, regulations, or policies that are considered necessary as a result of such review—

(A) to protect the best interests of the Federal Government;

(B) to ensure the continuing financial and ethical integrity of acquisitions by the Federal Government; and

(C) to amend or eliminate any provisions in such laws, regulations, or policies 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.

(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 "December 31, 2004".

SEC. 1427. IMPROVEMENTS IN CONTRACTING FOR ARCHITECTURAL AND ENGINEERING SERVICES.

(a) TITLE 10.—Section 2855(b) of title 10, United States Code, is amended in paragraph (2), by striking "$85,000" and inserting "$300,000".

(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 Governmentwide 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 architect or engineer licensed, registered, or certified in the State, territory (including the Commonwealth of Puerto Rico), possession, or Federal District in which the services are to be performed; and

(2) are awarded in accordance with the selection procedures set forth in chapter 11 of title 40, United States Code.

SEC. 1428. 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, unless the contracting officer concerned first determines that the requirements of the agency, including security requirements, cannot be met if the telecommuting is permitted and documents in writing the basis for that determination; 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 determines that the requirements of the agency, in-

cluding security requirements, would be adversely impacted if telecommuting is permitted and documents in writing the basis for that determination.

(c) DEFINITION.—In this section, 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)).

Subtitle C—Acquisitions of Commercial Items

SEC. 1431. ADDITIONAL INCENTIVE FOR USE OF PERFORMANCE-BASED CONTRACTING FOR SERVICES.

(a) IN GENERAL.—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) INCENTIVE FOR USE OF PERFORMANCE-BASED SERVICES CONTRACTS.— 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—

"(1) the value of the contract or task order is estimated not to exceed $25,000,000;

"(2) the contract or task order sets forth specifically each task to be performed and, for each task—

"(A) defines the task in measurable, mission-related terms;

"(B) identifies the specific end products or output to be achieved; and

"(C) contains firm, fixed prices for specific tasks to be performed or outcomes to be achieved; and

"(3) the source of the services provides similar services to the general public under terms and conditions similar to those offered to the Federal Government.

"(b) REGULATIONS.—The regulations implementing this section 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 section. The data may be collected using the Federal Procurement Data System or other reporting mechanism.

"(c) REPORT.—Not later than two years after the date of the enactment of this section, 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 section. The report shall include data on the use of such authority both government-wide and for each department and agency.

"(d) EXPIRATION.—The authority under this section shall expire 10 years after the date of the enactment of this section.".

(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; 10 U.S.C. 2302 note) is repealed.

(d) 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.

SEC. 1432. 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) by redesignating paragraph (1) as subparagraph (A) and in that subparagraph by striking "and";

(2) by redesignating paragraph (2) as subparagraph (B) and in that subparagraph by striking the period at the end and inserting "; and";

(3) by adding after subparagraph (B) (as so redesignated) the following new subparagraph:

"(C) subject to paragraph (2), 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 and are purchased by the procuring agency on a competitive basis.";

(4) by striking "USE OF FIRM, FIXED PRICE CONTRACTS.—The" and inserting "PROVISIONS RELATING TO TYPES OF CONTRACTS FOR COMMERCIAL ITEMS.—(1)"; and

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

"(2) A time-and-materials contract or a labor-hour contract may be used pursuant to the authority referred to in paragraph (1)(C)—

"(A) only for a procurement of commercial services in a category of commercial services described in paragraph (3); and—

"(B) only if the contracting officer for such procurement—

"(i) executes a determination and findings that no other contract type is suitable;

"(ii) includes in the contract a ceiling price that the contractor exceeds at its own risk; and

"(iii) authorizes any subsequent change in the ceiling price only upon a determination, documented in the contract file, that it is in the best interest of the procuring agency to change such ceiling price.

"(3) The categories of commercial services referred to in paragraph (2) are as follows:

"(A) Commercial services procured for support of a commercial item, as described in section 4(12)(E) of the Of-

fice of Federal Procurement Policy Act (41 U.S.C. 403(12)(E)).

"(B) Any other category of commercial services that is designated by the Administrator for Federal Procurement Policy in the Federal Acquisition Regulation for the purposes of this paragraph on the basis that—

"(i) the commercial services in such category are of a type of commercial services that are commonly sold to the general public through use of time-and-materials or labor-hour contracts; and

'(ii) it would be in the best interests of the Federal Government to authorize use of time-and-materials or labor-hour contracts for purchases of the commercial services in such category.".

SEC. 1433. CLARIFICATION OF COMMERCIAL SERVICES DEFINITION.

Section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) is amended in paragraph (12)(F) by inserting "or specific outcomes to be achieved" after "performed".

Subtitle D—Other Matters

SEC. 1441. 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), including that, to the maximum extent practicable, competitive procedures shall be used when entering into agreements to carry out projects under subsection (a) of that section and that the period of authority to carry out projects under such subsection (a) terminates as provided in subsection (g) of that section.

(3) APPLICATION OF REQUIREMENTS AND CONDITIONS.—In applying the requirements and conditions of section 845 of the

National Defense Authorization Act for Fiscal Year 1994 under this subsection—

(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.

(4) APPLICABILITY TO SELECTED EXECUTIVE AGENCIES.—

(A) OMB AUTHORIZATION REQUIRED.—The head of an executive agency may exercise authority under this subsection for a project only if authorized by the Director of the Office of Management and Budget to use the authority for such project.

(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. No transaction may be conducted under the authority of this section before the date on which such regulations take effect.

(d) TERMINATION OF AUTHORITY.—The authority to carry out transactions under subsection (a) shall terminate on September 30, 2008.

SEC. 1442. 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 2005.—Paragraph (1) does not apply to a contract entered into after September 30, 2005.

(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).

SEC. 1443. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

(a) PERMANENT AUTHORITY.—(1) The Office of Federal Procurement Policy Act (41 U.S.C. 403 et seq.) is amended by inserting after section 32 the following new section:

"SEC. 32A. SPECIAL EMERGENCY PROCUREMENT AUTHORITY.

"(a) APPLICABILITY.—The authorities provided in this section apply with respect to any procurement of property or services by or for an executive agency that, as determined by the head of such executive agency, are to be used—

"(1) in support of a contingency operation; or

"(2) to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack against the United States.

"(b) INCREASED THRESHOLDS.—For a procurement to which this section applies under subsection (a)—

"(1) the amount specified in subsections (c), (d), and (f) of section 32 shall be deemed to be $15,000; and

"(2) the term 'simplified acquisition threshold' means—

"(A) $250,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

"(B) $500,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

"(c) INCREASED LIMITATION ON USE OF SIMPLIFIED ACQUISITION PROCEDURES.—For a procurement to which this section applies under subsection (a), the $5,000,000 limitation in the following provisions of law shall be deemed to be $10,000,000:

"(1) Section 31(a)(2) of this Act.

"(2) Section 2304(g)(1)(B) of title 10, United States Code.

"(3) Section 303(g)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(B)).

"(d) COMMERCIAL ITEMS AUTHORITY.—(1) The head of an executive agency carrying out a procurement of property or a service to which this section applies under subsection (a)(2) may treat such property or service as a commercial item for the purpose of carrying out such procurement.

"(2) A contract in an amount greater than $15,000,000 that is awarded on a sole source basis for an item or service treated as a commercial item under paragraph (1) shall not be exempt from—

"(A) cost accounting standards promulgated pursuant to section 26 of this Act; or

"(B) 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).

"(e) CONTINGENCY OPERATION DEFINED.—In this section, the term 'contingency operation' has the meaning given such term in section 101(a)(13) of title 10, United States Code.".

(2) The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 32 the following new item:

"Sec. 32A. Special emergency procurement authority.".

(b) CONTINUATION OF AUTHORITY FOR USE OF SIMPLIFIED ACQUISITION PROCEDURES.—Section 4202(e) of the Clinger-Cohen Act (division D of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304 note) is amended by striking "January 1, 2004" and inserting "January 1, 2006".

TITLE XV—VETERANS' DISABILITY BENEFITS COMMISSION

Sec. 1501. Establishment of commission.
Sec. 1502. Duties of the commission.
Sec. 1503. Report.
Sec. 1504. Powers of the commission.

Sec. 1505. Personnel matters.
Sec. 1506. Termination of commission.
Sec. 1507. Funding.

SEC. 1501. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is hereby established a commission to be known as the Veterans' Disability Benefits Commission (hereinafter in this title referred to as the "commission").

(b) MEMBERSHIP.—(1) The commission shall be composed of 13 members, appointed as follows:

(A) Two members appointed by the Speaker of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(B) Two members appointed by the minority leader of the House of Representatives, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(C) Two members appointed by the majority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(D) Two members appointed by the minority leader of the Senate, at least one of whom shall be a veteran who was awarded a decoration specified in paragraph (2).

(E) Five members appointed by the President, at least three of whom shall be veterans who were awarded a decoration specified in paragraph (2).

(2) A decoration specified in this paragraph is any of the following:

(A) The Medal of Honor.

(B) The Distinguished Service Cross, the Navy Cross, or the Air Force Cross.

(C) The Silver Star.

(3) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) The appointment of members of the commission under this subsection shall be made not later than 60 days after the date of the enactment of this Act.

(c) PERIOD OF APPOINTMENT.—Members of the commission shall be appointed for the life of the commission. A vacancy in the commission shall not affect its powers.

(d) INITIAL MEETING.—The commission shall hold its first meeting not later than 30 days after the date on which a majority of the members of the commission have been appointed.

(e) MEETINGS.—The commission shall meet at the call of the chairman.

(f) QUORUM.—A majority of the members of the commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRMAN.—The President shall designate a member of the commission to be chairman of the commission.

SEC. 1502. DUTIES OF THE COMMISSION.

(a) STUDY.—The commission shall carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service.

(b) SCOPE OF STUDY.—In carrying out the study, the commission shall examine and make recommendations concerning the following:

(1) The appropriateness of such benefits under the laws in effect on the date of the enactment of this Act.

(2) The appropriateness of the level of such benefits.

(3) The appropriate standard or standards for determining whether a disability or death of a veteran should be compensated.

(c) CONTENTS OF STUDY.—The study to be carried out by the commission under this section shall be a comprehensive evaluation and assessment of the benefits provided under the laws of the United States to compensate veterans and their survivors for disability or death attributable to military service, together with any related issues that the commission determines are relevant to the purposes of the study. The study shall include an evaluation and assessment of the following:

(1) The laws and regulations which determine eligibility for disability and death benefits, and other assistance for veterans and their survivors.

(2) The rates of such compensation, including the appropriateness of a schedule for rating disabilities based on average impairment of earning capacity.

(3) Comparable disability benefits provided to individuals by the Federal Government, State governments, and the private sector.

(d) CONSULTATION WITH INSTITUTE OF MEDICINE.—In carrying out the study under this section, the commission shall consult with the Institute of Medicine of the National Academy of Sciences with respect to the medical aspects of contemporary disability compensation policies.

SEC. 1503. REPORT.

Not later than 15 months after the date on which the commission first meets, the commission shall submit to the President and Congress a report on the study. The report shall include the following:

(1) The findings and conclusions of the commission, including its findings and conclusions with respect to the matters referred to in section 1502(c).

(2) The recommendations of the commission for revising the benefits provided by the United States to veterans and their survivors for disability and death attributable to military service.

(3) Other information and recommendations with respect to such benefits as the commission considers appropriate.

SEC. 1504. POWERS OF THE COMMISSION.

(a) HEARINGS.—The commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the commission considers advisable to carry out the purposes of this title.

(b) INFORMATION FROM FEDERAL AGENCIES.—In addition to the information referred to in section 1502(c), the commission may secure directly from any Federal department or agency such information as the commission considers necessary to carry out the provi-

sions of this title. Upon request of the chairman of the commission, the head of such department or agency shall furnish such information to the commission.

(c) POSTAL SERVICES.—The commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) GIFTS.—The commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 1505. PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the commission who is not an officer or employee of the United States shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the commission. All members of the commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the commission.

(c) STAFF.—(1) The chairman of the commission may, without regard to the civil service laws and regulations, appoint an executive director and such other personnel as may be necessary to enable the commission to perform its duties. The appointment of an executive director shall be subject to approval by the commission.

(2) The chairman of the commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) 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) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The chairman of the commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 1506. TERMINATION OF COMMISSION.

The commission shall terminate 60 days after the date on which the commission submits its report under section 1503.

SEC. 1507. FUNDING.

(a) IN GENERAL.—The Secretary of Veterans Affairs shall, upon the request of the chairman of the commission, make available to

the commission such amounts as the commission may require to carry out its duties under this title.

(b) AVAILABILITY.—Any sums made available to the commission under subsection (a) shall remain available, without fiscal year limitation, until the termination of the commission.

TITLE XVI—DEFENSE BIOMEDICAL COUNTERMEASURES

Sec. 1601. Research and development of defense biomedical countermeasures.
Sec. 1602. Procurement of defense biomedical countermeasures.
Sec. 1603. Authorization for medical products for use in emergencies.

SEC. 1601. 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.

(2) The Secretary, through regular, structured, and close consultation with the Secretary of Health and Human Services and the Secretary of Homeland Security, shall ensure that the activities of the Department 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) For any procurement of property or services for use (as determined by the Secretary) in performing, administering, or supporting biomedical countermeasures research and development, the Secretary may, when appropriate, use streamlined acquisition procedures and other expedited procurement procedures authorized in—

(A) section 32A of the Office of Federal Procurement Policy Act, as added by section 1443 of this Act; and

(B) section 2371 of title 10, United States Code, and section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note).

(2) Notwithstanding paragraph (1) and the provisions of law referred to in such paragraph, each of the following provisions shall apply to the procurements described in this subsection to the same extent that such provisions would apply to such procurements in the absence of paragraph (1) :

(A) Chapter 37 of title 40, United States Code (relating to contract work hours and safety standards).

(B) Subsections (a) and (b) of section 7 of the Anti-Kickback Act of 1986 (41 U.S.C. 57(a) and (b)).

(C) Section 2313 of title 10, United States Code (relating to the examination of contractor records).

(3) The Secretary shall institute appropriate internal controls for use of the authority under paragraph (1), including requirements for documenting the justification for each use of such authority.

(d) DEPARTMENT OF DEFENSE FACILITIES AUTHORITY.—(1) If the Secretary determines that it is necessary to acquire, lease, construct, or improve laboratories, research facilities, and other real property of the Department of Defense in order to carry out the program under this section, the Secretary may do so using the procedures set forth in paragraphs (2), (3), (4), and (5).

(2) The Secretary shall use existing construction authorities provided by subchapter I of chapter 169 of title 10, United States Code to the maximum extent possible.

(3)(A) If the Secretary determines that use of authorities in paragraph (2) would prevent the Department from meeting a specific facility requirement for the program, the Secretary shall submit to the congressional defense committees advance notification, which shall include the following:

(i) Certification by the Secretary that use of existing construction authorities would prevent the Department from meeting the specific facility requirement.

(ii) A detailed explanation of the reasons why existing authorities cannot be used.

(iii) A justification of the facility requirement.

(iv) Construction project data and estimated cost.

(v) Identification of the source or sources of the funds proposed to be expended.

(B) The facility project may be carried out only after the end of the 21-day period beginning on the date the notification is received by the congressional defense committees.

(4) If the Secretary determines (A) that the facility is vital to national security or to the protection of health, safety, or the quality of the environment, and (B) the requirement for the facility is so urgent that the advance notification in paragraph (3) and the subsequent 21-day deferral of the facility project would threaten the life, health, or safety of personnel, or would otherwise jeopardize national security, the Secretary may obligate funds for the facility and notify the congressional defense committees within seven days after the date on which appropriated funds are obligated with the information required in paragraph (3).

(5) The Secretary shall submit to the congressional defense committees a quarterly report detailing any use of the authority provided by paragraph (4), including costs incurred or to be incurred by the United States as a result of the use of the authority.

(6) Nothing in this section shall be construed to authorize the Secretary to acquire, construct, lease, or improve a facility having general utility beyond the specific purposes of the program.

(7) In this subsection, the term "facility" has the meaning given the term in section 2801(c) of title 10, United States Code.

(e) AUTHORITY FOR PERSONAL SERVICES CONTRACTS.—(1) Subject to paragraph (2), 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 re-

search 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.

(2) The authority provided by such section 1091 may not be used for a personal services contract unless the contracting officer for the contract ensures that—

(A) the services to be procured are urgent or unique; and

(B) it would not be practicable for the Department of Defense to obtain such services by other measures.

(f) STREAMLINED PERSONNEL AUTHORITY.—(1) The Secretary may appoint highly qualified experts, including scientific and technical personnel, to carry out research and development under this section in accordance with the authorities provided in section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2721), section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), and section 1101 of this Act.

(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. 1602. PROCUREMENT OF DEFENSE BIOMEDICAL COUNTERMEASURES.

(a) DETERMINATION OF MATERIAL THREATS.—(1) The Secretary of Defense (in this section referred to as the "Secretary") 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 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 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) INTERAGENCY COOPERATION.—(1) Activities of the Secretary under this section shall be carried out in regular, structured, and close consultation and coordination with the Secretaries of Homeland Security and Health and Human Services, including the activities described in subsections (a), (b), and (c) and those activities with respect to interagency agreements described in paragraph (2).

(2) The Secretary may enter into an interagency agreement with the Secretaries of Homeland Security and Health and Human Services to provide for acquisition by the Secretary of Defense for use by the Armed Forces of biomedical countermeasures procured for the Strategic National Stockpile by the Secretary of Health and Human Services. The Secretary may transfer such funds to the Secretary of Health and Human Services as are necessary to carry out such agreements (including administrative costs of the Secretary of Health and Human Services), and the Secretary of Health and Human Services may expend any such transferred funds to procure such countermeasures for use by the Armed Forces, or to replenish the stockpile. The Secretaries are authorized to establish such terms and conditions for such agreements as the Secretaries determine to be in the public interest. The transfer authority provided under this paragraph is in addition to any other transfer authority available to the Secretary.

(e) 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 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 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).

(3) The term "Strategic National Stockpile" means the stockpile established under section 121(a) of the Public Health and Bioterrorism Preparedness and Response Act of 2002 (42 U.S.C. 300hh–12(a)).

(f) FUNDING.—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.

SEC. 1603. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

(a) IN GENERAL.—Subchapter E of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bbb et seq.) is amended by adding at the end the following section:

"SEC. 564. AUTHORIZATION FOR MEDICAL PRODUCTS FOR USE IN EMERGENCIES.

"(a) IN GENERAL.—

"(1) EMERGENCY USES.—Notwithstanding sections 505, 510(k), and 515 of this Act and section 351 of the Public Health Service Act, and subject to the provisions of this section, the Secretary may authorize the introduction into interstate commerce, during the effective period of a declaration under subsection (b), of a drug, device, or biological product intended for use in an actual or potential emergency (referred to in this section as an 'emergency use').

"(2) APPROVAL STATUS OF PRODUCT.—An authorization under paragraph (1) may authorize an emergency use of a product that—

"(A) is not approved, licensed, or cleared for commercial distribution under a provision of law referred to in such paragraph (referred to in this section as an 'unapproved product'); or

"(B) is approved, licensed, or cleared under such a provision, but which use is not under such provision an approved, licensed, or cleared use of the product (referred to in this section as an 'unapproved use of an approved product').

"(3) RELATION TO OTHER USES.—An emergency use authorized under paragraph (1) for a product is in addition to any other use that is authorized for the product under a provision of law referred to in such paragraph.

"(4) DEFINITIONS.—For purposes of this section:

"(A) The term 'biological product' has the meaning given such term in section 351 of the Public Health Service Act.

"(B) The term 'emergency use' has the meaning indicated for such term in paragraph (1).

"(C) The term 'product' means a drug, device, or biological product.

"(D) The term 'unapproved product' has the meaning indicated for such term in paragraph (2)(A).

"(E) The term 'unapproved use of an approved product' has the meaning indicated for such term in paragraph (2)(B).

"(b) DECLARATION OF EMERGENCY.—

"(1) IN GENERAL.—The Secretary may declare an emergency justifying the authorization under this subsection for a product on the basis of a determination by the Secretary of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to United States military forces of attack with a specified biological, chemical, radiological, or nuclear agent or agents.

"(2) TERMINATION OF DECLARATION.—

"(A) IN GENERAL.—A declaration under this subsection shall terminate upon the earlier of—

"(i) a determination by the Secretary, in consultation with the Secretary of Defense, that the circumstances described in paragraph (1) have ceased to exist; or

"(ii) the expiration of the one-year period beginning on the date on which the declaration is made.

"(B) RENEWAL.—Notwithstanding subparagraph (A), the Secretary may renew a declaration under this subsection, and this paragraph shall apply to any such renewal.

"(C) DISPOSITION OF PRODUCT.—If an authorization under this section with respect to an unapproved product ceases to be effective as a result of a termination under subparagraph (A) of this paragraph, the Secretary shall consult with the manufacturer of such product with respect to the appropriate disposition of the product.

"(3) ADVANCE NOTICE OF TERMINATION.—The Secretary shall provide advance notice that a declaration under this subsection will be terminated. The period of advance notice shall be a period reasonably determined to provide—

"(A) in the case of an unapproved product, a sufficient period for disposition of the product, including the return of such product (except such quantities of product as are necessary to provide for continued use consistent with subsection (f)(2)) to the manufacturer (in the case of a manufacturer that chooses to have such product returned); and

"(B) in the case of an unapproved use of an approved product, a sufficient period for the disposition of any labeling, or any information under subsection (e)(2)(B)(ii), as the case may be, that was provided with respect to the emergency use involved.

"(4) PUBLICATION.—The Secretary shall promptly publish in the Federal Register each declaration, determination, advance notice of termination, and renewal under this subsection.

"(c) CRITERIA FOR ISSUANCE OF AUTHORIZATION.—The Secretary may issue an authorization under this section with respect to the emergency use of a product only if, after consultation with the Director of the National Institutes of Health and the Director of the Centers for Disease Control and Prevention (to the extent feasible and appropriate given the circumstances of the emergency involved), the Secretary concludes—

"(1) that an agent specified in a declaration under subsection (b) can cause a serious or life-threatening disease or condition;

"(2) that, 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) the product may be effective in diagnosing, treating, or preventing—

"(i) such disease or condition; or

"(ii) a serious or life-threatening disease or condition caused by a product authorized under this section, approved or cleared under this Act, or licensed under section 351 of the Public Health Service Act, for diagnosing, treating, or preventing such a disease or condition caused by such an agent; and

"(B) the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product;

"(3) that there is no adequate, approved, and available alternative to the product for diagnosing, preventing, or treating such disease or condition; and

"(4) that such other criteria as the Secretary may by regulation prescribe are satisfied.

"(d) SCOPE OF AUTHORIZATION.—An authorization of a product under this section shall state—

"(1) each disease or condition that the product may be used to diagnose, prevent, or treat within the scope of the authorization;

"(2) the Secretary's conclusions, made under subsection (c)(2)(B), that the known and potential benefits of the product, when used to diagnose, prevent, or treat such disease or condition, outweigh the known and potential risks of the product; and

"(3) the Secretary's conclusions, made under subsection (c), concerning the safety and potential effectiveness of the product in diagnosing, preventing, or treating such diseases or conditions, including an assessment of the available scientific evidence.

"(e) CONDITIONS OF AUTHORIZATION.—

"(1) UNAPPROVED PRODUCT.—

"(A) REQUIRED CONDITIONS.—With respect to the emergency use of an unapproved product, the Secretary, to the extent practicable given the circumstances of the emergency, shall, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

"(i) Appropriate conditions designed to ensure that health care professionals administering the product are informed—

"(I) that the Secretary has authorized the emergency use of the product;

"(II) of the significant known and potential benefits and risks of the emergency use of the product, and of the extent to which such benefits and risks are unknown; and

"(III) of the alternatives to the product that are available, and of their benefits and risks.

"(ii) Appropriate conditions designed to ensure that individuals to whom the product is administered are informed—

"(I) that the Secretary has authorized the emergency use of the product;

"(II) of the significant known and potential benefits and risks of such use, and of the extent to which such benefits and risks are unknown; and

"(III) of the option to accept or refuse administration of the product, of the consequences, if any, of refusing administration of the product, and of the alternatives to the product that are available and of their benefits and risks.

"(iii) Appropriate conditions for the monitoring and reporting of adverse events associated with the emergency use of the product.

"(iv) For manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

"(B) AUTHORITY FOR ADDITIONAL CONDITIONS.—With respect to the emergency use of an unapproved product, the Secretary may, for a person who carries out any activity for which the authorization is issued, establish such conditions on an authorization under this section as the Secretary finds necessary or appropriate to protect the public health, including the following:

"(i) Appropriate conditions on which entities may distribute the product with respect to the emergency use of the product (including limitation to distribution by government entities), and on how distribution is to be performed.

"(ii) Appropriate conditions on who may administer the product with respect to the emergency use of the product, and on the categories of individuals to whom, and the circumstances under which, the product may be administered with respect to such use.

"(iii) Appropriate conditions with respect to the collection and analysis of information, during the period when the authorization is in effect, concerning the safety and effectiveness of the product with respect to the emergency use of such product.

"(iv) For persons other than manufacturers of the product, appropriate conditions concerning recordkeeping and reporting, including records access by the Secretary, with respect to the emergency use of the product.

"(2) UNAPPROVED USE.—With respect to the emergency use of a product that is an unapproved use of an approved product:

"(A) For a manufacturer of the product who carries out any activity for which the authorization is issued, the Secretary shall, to the extent practicable given the circumstances of the emergency, establish conditions described in clauses (i) and (ii) of paragraph (1)(A), and may establish conditions described in clauses (iii) and (iv) of such paragraph.

"(B)(i) If the authorization under this section regarding the emergency use authorizes a change in the labeling of the product, but the manufacturer of the product chooses not to make such change, such authorization may not authorize distributors of the product or any other person to alter or obscure the labeling provided by the manufacturer.

"(ii) In the circumstances described in clause (i), for a person who does not manufacture the product and who chooses to act under this clause, an authorization under this section regarding the emergency use shall, to the extent practicable given the circumstances of the emergency, authorize such person to provide appropriate information with respect to such product in addition to the labeling provided by the manufacturer, subject to compliance with clause (i). While the authorization under this section is effective, such additional information shall not be considered labeling for purposes of section 502.

"(C) The Secretary may establish with respect to the distribution and administration of the product for the unapproved use conditions no more restrictive than those established by the Secretary with respect to the distribution and administration of the product for the approved use.

"(3) GOOD MANUFACTURING PRACTICE.—With respect to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), the Secretary may waive or limit, to the extent appropriate given the circumstances of the emergency, requirements regarding current good manufacturing practice otherwise applicable to the manufacture, processing, packing, or holding of products subject to regulation under this Act, including such requirements established under section 501.

"(4) ADVERTISING.—The Secretary may establish conditions on advertisements and other promotional descriptive printed matter that relate to the emergency use of a product for which an authorization under this section is issued (whether an unapproved product or an unapproved use of an approved product), including, as appropriate—

"(A) with respect to drugs and biological products, requirements applicable to prescription drugs pursuant to section 502(n); or

"(B) with respect to devices, requirements applicable to restricted devices pursuant to section 502(r).

"(f) DURATION OF AUTHORIZATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an authorization under this section shall be effective until the earlier of the termination of the declaration under subsection (b) or a revocation under subsection (g).

"(2) CONTINUED USE AFTER END OF EFFECTIVE PERIOD.—Notwithstanding the termination of the declaration under subsection (b) or a revocation under subsection (g), an authorization shall continue to be effective to provide for continued use of an unapproved product with respect to a patient to whom it was administered during the period described by paragraph (1), to the extent found necessary by such patient's attending physician.

"(g) REVOCATION OF AUTHORIZATION.—

"(1) REVIEW.—The Secretary shall periodically review the circumstances and the appropriateness of an authorization under this section.

"(2) REVOCATION.—The Secretary may revoke an authorization under this section if the criteria under subsection (c) for issuance of such authorization are no longer met or other circumstances make such revocation appropriate to protect the public health or safety.

"(h) PUBLICATION; CONFIDENTIAL INFORMATION.—

"(1) PUBLICATION.—The Secretary shall promptly publish in the Federal Register a notice of each authorization, and each termination or revocation of an authorization under this section, and an explanation of the reasons therefor (which may include a summary of data or information that has been submitted to the Secretary in an application under section 505(i) or section 520(g), even if such summary may indirectly reveal the existence of such application).

"(2) CONFIDENTIAL INFORMATION.—Nothing in this section alters or amends section 1905 of title 18, United States Code, or section 552(b)(4) of title 5 of such Code.

"(i) ACTIONS COMMITTED TO AGENCY DISCRETION.—Actions under the authority of this section by the Secretary or by the Secretary of Defense are committed to agency discretion.

"(j) RULES OF CONSTRUCTION.—The following applies with respect to this section:

"(1) Nothing in this section impairs the authority of the President as Commander in Chief of the Armed Forces of the United States under article II, section 2 of the United States Constitution.

"(2) Nothing in this section impairs the authority of the Secretary of Defense with respect to the Department of Defense, including the armed forces, under other provisions of Federal law.

"(3) Nothing in this section (including any exercise of authority by a manufacturer under subsection (e)(2)) impairs the authority of the United States to use or manage quantities of a product that are owned or controlled by the United States (including quantities in the stockpile maintained under section 319F–2 of the Public Health Service Act).

"(k) RELATION TO OTHER PROVISIONS.—If a product is the subject of an authorization under this section, the use of such product within the scope of the authorization shall not be considered to constitute a clinical investigation for purposes of section 505(i), section 520(g), or any other provision of this Act or section 351 of the Public Health Service Act.

"(l) OPTION TO CARRY OUT AUTHORIZED ACTIVITIES.—Nothing in this section provides the Secretary any authority to require any person to carry out any activity that becomes lawful pursuant to an authorization under this section, and no person is required to inform the Secretary that the person will not be carrying out such activity, except that a manufacturer of a sole-source unapproved product authorized for emergency use shall report to the Secretary within a reasonable period of time after the issuance by the Secretary of such authorization if such manufacturer does not intend to carry out any activity under the authorization. This section only has legal effect on a person who carries out an activity for which an authorization under this section is issued. This section does not modify or affect activities carried out pursuant to other provisions of this Act or section 351 of the Public Health Service Act. Nothing in this subsection may be construed as restricting the Secretary from imposing conditions on persons who carry out any activity pursuant to an authorization under this section.".

(b) EMERGENCY USE PRODUCTS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1107 the following new section:

"§ 1107a. Emergency use products

"(a) WAIVER BY THE PRESIDENT.—In the case of the administration of a product authorized for emergency use under section 564 of the Federal Food, Drug, and Cosmetic Act to members of the armed forces, the condition described in section 564(e)(1)(A)(ii)(III) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), designed to ensure that individuals are informed of an option to accept or refuse administration of a product, may be waived only by the President only if the President determines, in writing, that complying with such requirement is not feasible, is contrary to the best interests of the members affected, or is not in the interests of national security.

"(b) PROVISION OF INFORMATION.—If the President, under subsection (a), waives the condition described in section 564(e)(1)(A)(ii)(III) of the Federal Food, Drug, and Cosmetic Act, and if the Secretary of Defense, in consultation with the Secretary of Health and Human Services, makes a determination that it is not feasible based on time limitations for the information described in section 564(e)(1)(A)(ii)(I) or (II) of such Act and required under paragraph (1)(A) or (2)(A) of such section 564(e), to be provided to a member of the armed forces prior to the administration of the product, such information shall be provided to such member of the armed forces (or next-of-kin in the case of the death of a member) to whom the product was administered as soon as possible, but not later than 30 days, after such administration. The authority provided for in this subsection may not be delegated. Information concerning the administration of the product shall be recorded in the medical record of the member.

"(c) APPLICABILITY OF OTHER PROVISIONS.—In the case of an authorization by the Secretary of Health and Human Services under section 564(a)(1) of the Federal Food, Drug, and Cosmetic Act based on a determination by the Secretary of Defense under section 564(b)(1)(B) of such Act, subsections (a) through (f) of section 1107 shall not apply to the use of a product that is the subject of such

authorization, within the scope of such authorization and while such authorization is effective.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1107 the following new item:

"1107a. Emergency use products.".

(c) ENFORCEMENT.—Section 301(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(d)) is amended by striking "section 404 or 505" and inserting "section 404, 505, or 564". Section 301(e) of such Act is amended by inserting "564," after "504," the first place such term appears, and by striking "or 519" and inserting "519, or 564".

(d) TERMINATION.—This section shall not be in effect (and the law shall read as if this section were never enacted) as of the date on which, following enactment of the Project Bioshield Act of 2003, the President submits to Congress a notification that the Project Bioshield Act of 2003 provides an effective emergency use authority with respect to members of the Armed Forces.

TITLE XVII—NATURALIZATION AND OTHER IMMIGRATION BENEFITS FOR MILITARY PERSONNEL AND FAMILIES

Sec. 1701. Requirements for naturalization through service in the Armed Forces of the United States.
Sec. 1702. Naturalization benefits for members of the Selected Reserve of the Ready Reserve.
Sec. 1703. Extension of posthumous benefits to surviving spouses, children, and parents.
Sec. 1704. Expedited process for granting posthumous citizenship to members of the Armed Forces.
Sec. 1705. Effective date.

SEC. 1701. REQUIREMENTS FOR NATURALIZATION THROUGH SERVICE IN THE ARMED FORCES OF THE UNITED STATES.

(a) REDUCTION OF PERIOD FOR REQUIRED SERVICE.—Section 328(a) of the Immigration and Nationality Act (8 U.S.C. 1439(a)) is amended by striking "three years," and inserting "one year,".

(b) PROHIBITION ON IMPOSITION OF FEES RELATING TO NATURALIZATION.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(1) in section 328(b)—

(A) in paragraph (3)—

(i) by striking "honorable. The" and inserting "honorable (the"; and

(ii) by striking "discharge." and inserting "discharge); and"; and

(B) by adding at the end the following:

"(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing the application, or for the issuance of a certificate of naturalization upon being granted citizenship, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case noth-

ing more than the portion of the fee required to be paid to the State shall be charged or collected."; and

(2) in section 329(b)—

(A) in paragraph (2), by striking "and" at the end;

(B) in paragraph (3), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(4) notwithstanding any other provision of law, no fee shall be charged or collected from the applicant for filing a petition for naturalization or for the issuance of a certificate of naturalization upon citizenship being granted to the applicant, and no clerk of any State court shall charge or collect any fee for such services unless the laws of the State require such charge to be made, in which case nothing more than the portion of the fee required to be paid to the State shall be charged or collected.".

(c) REVOCATION OF CITIZENSHIP FOR SEPARATION FROM MILITARY SERVICE UNDER OTHER THAN HONORABLE CONDITIONS.—

(1) IN GENERAL.—Title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) is amended—

(A) by adding at the end of section 328 the following:

"(f) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service."; and

(B) by amending section 329(c) to read as follows:

"(c) Citizenship granted pursuant to this section may be revoked in accordance with section 340 if the person is separated from the Armed Forces under other than honorable conditions before the person has served honorably for a period or periods aggregating five years. Such ground for revocation shall be in addition to any other provided by law, including the grounds described in section 340. The fact that the naturalized person was separated from the service under other than honorable conditions shall be proved by a duly authenticated certification from the executive department under which the person was serving at the time of separation. Any period or periods of service shall be proved by duly authenticated copies of the records of the executive departments having custody of the records of such service.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to citizenship granted on or after the date of the enactment of this Act.

(d) NATURALIZATION PROCEEDINGS OVERSEAS FOR MEMBERS OF THE ARMED FORCES.—Notwithstanding any other provision of law, the Secretary of Homeland Security, the Secretary of State, and the Secretary of Defense shall ensure that any applications, interviews,

filings, oaths, ceremonies, or other proceedings under title III of the Immigration and Nationality Act (8 U.S.C. 1401 et seq.) relating to naturalization of members of the Armed Forces are available through United States embassies, consulates, and as practicable, United States military installations overseas.

(e) FINALIZATION OF NATURALIZATION PROCEEDINGS FOR MEMBERS OF THE ARMED FORCES.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe a policy that facilitates the opportunity for a member of the Armed Forces to finalize naturalization for which the member has applied. The policy shall include, for such purpose, the following:

(1) A high priority for grant of emergency leave.

(2) A high priority for transportation on aircraft of, or chartered by, the Armed Forces.

(f) TECHNICAL AND CONFORMING AMENDMENT.—Section 328(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1439(b)(3)) is amended by striking "Attorney General" and inserting "Secretary of Homeland Security".

SEC. 1702. NATURALIZATION BENEFITS FOR MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE.

Section 329(a) of the Immigration and Nationality Act (8 U.S.C. 1440(a)) is amended by inserting "as a member of the Selected Reserve of the Ready Reserve or" after "has served honorably".

SEC. 1703. EXTENSION OF POSTHUMOUS BENEFITS TO SURVIVING SPOUSES, CHILDREN, AND PARENTS.

(a) TREATMENT AS IMMEDIATE RELATIVES.—

(1) SPOUSES.—Notwithstanding the second sentence of section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), in the case of an alien who was the spouse of a citizen of the United States at the time of the citizen's death and was not legally separated from the citizen at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien (and each child of the alien) shall be considered, for purposes of section 201(b) of such Act, to remain an immediate relative after the date of the citizen's death, but only if the alien files a petition under section 204(a)(1)(A)(ii) of such Act within 2 years after such date and only until the date the alien remarries. For purposes of such section 204(a)(1)(A)(ii), an alien granted relief under the preceding sentence shall be considered an alien spouse described in the second sentence of section 201(b)(2)(A)(i) of such Act.

(2) CHILDREN.—

(A) IN GENERAL.—In the case of an alien who was the child of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the

alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(3) PARENTS.—

(A) IN GENERAL.—In the case of an alien who was the parent of a citizen of the United States at the time of the citizen's death, if the citizen served honorably in an active duty status in the military, air, or naval forces of the United States and died as a result of injury or disease incurred in or aggravated by combat, the alien shall be considered, for purposes of section 201(b) of the Immigration and Nationality Act (8 U.S.C. 1151(b)), to remain an immediate relative after the date of the citizen's death (regardless of changes in age or marital status thereafter), but only if the alien files a petition under subparagraph (B) within 2 years after such date.

(B) PETITIONS.—An alien described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(C) EXCEPTION.—Notwithstanding section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), for purposes of this paragraph, a citizen described in subparagraph (A) does not have to be 21 years of age for a parent to benefit under this paragraph.

(b) APPLICATIONS FOR ADJUSTMENT OF STATUS BY SURVIVING SPOUSES, CHILDREN, AND PARENTS.—

(1) IN GENERAL.—Notwithstanding subsections (a) and (c) of section 245 of the Immigration and Nationality Act (8 U.S.C. 1255), any alien who was the spouse, child, or parent of an alien described in paragraph (2), and who applied for adjustment of status prior to the death described in paragraph (2)(B), may have such application adjudicated as if such death had not occurred.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(c) SPOUSES AND CHILDREN OF LAWFUL PERMANENT RESIDENT ALIENS.—

(1) TREATMENT AS IMMEDIATE RELATIVES.—

(A) IN GENERAL.—A spouse or child of an alien described in paragraph (3) who is included in a petition for classification as a family-sponsored immigrant under section 203(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(2)) that was filed by such alien, shall be considered (if the spouse or child has not been admitted or approved for lawful permanent residence by such date) a valid petitioner for immediate relative status under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). Such spouse or child shall be eligible for deferred action, advance parole, and work authorization.

(B) PETITIONS.—An alien spouse or child described in subparagraph (A) may file a petition with the Secretary of Homeland Security for classification of the alien under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)). For purposes of such Act, such a petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)).

(2) SELF-PETITIONS.—Any spouse or child of an alien described in paragraph (3) who is not a beneficiary of a petition for classification as a family-sponsored immigrant may file a petition for such classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)) with the Secretary of Homeland Security, but only if the spouse or child files a petition within 2 years after such date. Such spouse or child shall be eligible for deferred action, advance parole, and work authorization.

(3) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(d) PARENTS OF LAWFUL PERMANENT RESIDENT ALIENS.—

(1) SELF-PETITIONS.—Any parent of an alien described in paragraph (2) may file a petition for classification under section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)), but only if the parent files a petition within 2 years after such date. For purposes of such Act, such petition shall be considered a petition filed under section 204(a)(1)(A) of such Act (8 U.S.C. 1154(a)(1)(A)). Such parent shall be eligible for deferred action, advance parole, and work authorization.

(2) ALIEN DESCRIBED.—An alien is described in this paragraph if the alien—

(A) served honorably in an active duty status in the military, air, or naval forces of the United States;

(B) died as a result of injury or disease incurred in or aggravated by combat; and

(C) was granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1).

(e) WAIVER OF GROUND FOR INADMISSIBILITY.—In determining the admissibility of any alien accorded an immigration benefit under this section for purposes of the Immigration and Nationality Act, the ground for inadmissibility specified in section 212(a)(4) of such Act (8 U.S.C. 1182(a)(4)) shall not apply.

(f) NATURALIZATION FOR SURVIVING SPOUSES.—

(1) IN GENERAL.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended by adding at the end the following: "For purposes of this subsection, the terms 'United States citizen' and 'citizen spouse' include a person granted posthumous citizenship under section 329A.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to persons granted posthumous citizenship under section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) due to death on or after September 11, 2001.

(g) BENEFITS TO SURVIVORS; TECHNICAL AMENDMENT.—Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (e); and

(2) by striking "Attorney General" each place that term appears and inserting "Secretary of Homeland Security".

(h) TECHNICAL AND CONFORMING AMENDMENTS.—Section 319(d) of the Immigration and Nationality Act (8 U.S.C. 1430(d)) is amended—

(1) by inserting ", child, or parent" after "surviving spouse";

(2) by inserting ", parent, or child" after "whose citizen spouse"; and

(3) by striking "who was living" and inserting "who, in the case of a surviving spouse, was living".

SEC. 1704. EXPEDITED PROCESS FOR GRANTING POSTHUMOUS CITIZENSHIP TO MEMBERS OF THE ARMED FORCES.

Section 329A of the Immigration and Nationality Act (8 U.S.C. 1440–1) is amended—

(1) by striking subsection (c) and inserting the following:

"(c) REQUESTS FOR POSTHUMOUS CITIZENSHIP.—

"(1) IN GENERAL.—A request for the granting of posthumous citizenship to a person described in subsection (b) may be filed on behalf of that person—

"(A) upon locating the next-of-kin, and if so requested by the next-of-kin, by the Secretary of Defense or the Secretary's designee with the Bureau of Citizenship and Immigration Services in the Department of Homeland Security immediately upon the death of that person; or

"(B) by the next-of-kin.

"(2) APPROVAL.—The Director of the Bureau of Citizenship and Immigration Services shall approve a request for posthumous citizenship filed by the next-of-kin in accordance with paragraph (1)(B) if—

"(A) the request is filed not later than 2 years after—

"(i) the date of enactment of this section; or

"(ii) the date of the person's death;

whichever date is later;

"(B) the request is accompanied by a duly authenticated certificate from the executive department under which the person served which states that the person satisfied the requirements of paragraphs (1) and (2) of subsection (b); and

"(C) the Director finds that the person satisfied the requirement of subsection (b)(3)."; and

(2) by striking subsection (d) and inserting the following:

"(d) DOCUMENTATION OF POSTHUMOUS CITIZENSHIP.—If the Director of the Bureau of Citizenship and Immigration Services approves the request referred to in subsection (c), the Director shall send to the next-of-kin of the person who is granted citizenship, a suitable document which states that the United States considers the person to have been a citizen of the United States at the time of the person's death.".

SEC. 1705. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect as if enacted on September 11, 2001.

(b) EXCEPTION.—The amendments made by sections 1701(b) (relating to naturalization fees) and 1701(d) (relating to naturalization proceedings overseas) shall take effect on October 1, 2004.

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.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Termination or modification of authority to carry out certain fiscal year 2003 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 2002 projects.
Sec. 2107. Termination or modification of authority to carry out certain fiscal year 2001 projects.

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 Richardson	$2,500,000
	Fort Wainwright	$138,800,000
Colorado	Fort Carson	$2,150,000
Georgia	Fort Benning	$34,500,000
	Fort Gordon	$4,350,000
	Fort Stewart/Hunter Army Air Field	$113,500,000
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	$13,500,000
Louisiana	Fort Polk	$72,000,000
Maryland	Fort Meade	$9,600,000
Massachusetts	Soldier Systems Center, Natick	$5,500,000
New Jersey	Naval Air Engineering Center, Lakehurst	$2,250,000
	Picatinny Arsenal	$8,000,000
New York	Fort Drum	$130,700,000
North Carolina	Fort Bragg	$125,400,000
Oklahoma	Fort Sill	$5,500,000
Texas	Fort Bliss	$5,400,000
	Fort Hood	$49,800,000
Virginia	Fort Belvoir	$7,000,000
	Fort Lee	$3,850,000
	Fort Myer	$9,000,000
Washington	Fort Lewis	$3,900,000
	Total	$1,037,200,000

(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
	Vilseck	$31,000,000
Italy	Aviano Air Base	$28,500,000
	Livorno	$22,000,000
Korea	Camp Humphreys	$65,000,000
Kwajalein	Kwajalein	$9,400,000
	Total	$231,900,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, 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 $130,430,000.

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 $2,874,856,000, as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $825,200,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $213,000,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $32,606,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $126,833,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $383,591,000.

(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 Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B 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–389)), as amended by section 2107 of this Act, $17,000,000.

(7) For the construction of phase 4 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B 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–389), as amended by section 2107 of this Act, $38,000,000.

(8) 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 2106 of this Act, $33,000,000.

(9) 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.

(10) 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.

(11) For the construction of phase 2 of a combined arms collective training facility at Fort Riley, Kansas, 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), as amended by section 2105 of this Act, $13,600,000.

(12) 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.

(13) 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).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (13) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Army estimates for military family housing support.

SEC. 2105. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in subsection (a) of section 2101 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2681) is amended—

(1) in the item relating to Fort Riley, Kansas, by striking "$81,095,000" in the amount column and inserting "$81,495,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,156,167,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—(1) The table in subsection (b) of such section is amended—

(A) by striking the item relating to Area Support Group, Bamberg, Germany;

(B) by striking the item relating to Coleman Barracks, Germany;

(C) by striking the item relating to Darmstadt, Germany;

(D) by striking the item relating to Mannheim, Germany;

(E) by striking the item relating to Schweinfurt, Germany;

(F) by striking the item relating to Camp Castle, Korea;

(G) by striking the item relating to Camp Hovey, Korea;

(H) by striking the item relating to K16 Airfield, Korea; and

(I) by striking the amount identified as the total in the amount column and inserting "$216,266,000".

(2) The authorization to carry out a military construction project at Camp Bonifas, Korea, provided by section 130 of the Military Construction Appropriation Act, 2003 (Public Law 107–249; 116 Stat. 1586), using funds originally appropriated for a military construction project at Camp Kyle, Korea, is hereby rescinded.

(c) TERMINATION OF FAMILY HOUSING PROJECT OUTSIDE THE UNITED STATES.—The table in section 2102(a) of the Military Construction Authorization Act for Fiscal Year 2003 (116 Stat. 2683) is amended—

(1) by striking the item relating to Yongsan, Korea; and

(2) by striking the amount identified as the total in the amount column and inserting "$23,852,000".

(d) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2103 of that Act (116 Stat. 2683) is amended by striking "$239,751,000" and inserting "$178,400,000".

(e) CONFORMING AMENDMENTS.—Section 2104 of that Act (116 Stat. 2683) is amended—

(1) subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$3,104,176,000" and inserting "$2,901,875,000";

(B) in paragraph (2), by striking "$354,116,000" and inserting "$216,266,000"; and

(C) in paragraph (6)(A), by striking "$282,356,000" and inserting "$217,905,000"; and

(2) in subsection (b)(4), by striking "$13,200,000" and inserting "$13,600,000".

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—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. 2685), 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) MODIFICATION OF OUTSIDE THE UNITED STATES PROJECTS.—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1282) is amended—

(1) in the item relating to Camp Hovey, Korea, by striking "$35,750,000" in the amount column and inserting "$24,980,000";

(2) in the item relating to Camp Stanley, Korea, by striking "$28,000,000" in the amount column and inserting "$14,770,000"; and

(3) by striking the amount identified as the total in the amount column and inserting "$236,343,000".

(c) CONFORMING AMENDMENTS.—Section 2104 of that Act (115 Stat. 1283) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$3,155,594,000" and inserting "$3,131,594,000"; and

(B) in paragraph (2), by striking "$260,343,000" and inserting "$236,343,000"; and

(2) in subsection (b)(2), by striking "$52,000,000" and inserting "$54,000,000".

SEC. 2107. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECTS.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B 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–389)), as amended by section 2105(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1285), is further amended—

(1) in the item relating to Pohakoula Training Facility, Hawaii, by striking "$32,000,000" in the amount column and inserting "$42,000,000";

(2) in the item relating to Fort Bragg, North Carolina, by striking "$222,200,000" in the amount column and inserting "$255,200,000"; and

(3) by striking the amount identified as the total in the amount column and inserting "$669,374,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.—The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–390), as amended by section 2106 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2685), is further amended—

(1) by striking the item relating to Camp Stanley, Korea; and

(2) by striking the amount identified as the total in the amount column and inserting "$100,350,000".

(c) CONFORMING AMENDMENTS.—Section 2104 of the Military Construction Authorization Act for Fiscal Year 2001 (114 Stat. 1654A–391), as amended by section 2105(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1285), is further amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$1,935,744,000" and inserting "$1,916,244,000"; and

(B) in paragraph (2), by striking "$119,850,000" and inserting "$100,350,000"; and

(2) in subsection (b)—

(A) in paragraph (5), by striking "$104,000,000" and inserting "$137,000,000"; and

(B) in paragraph (7), by striking "$20,000,000" and inserting "$30,000,000".

TITLE XXI—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Termination of authority to carry out certain fiscal year 2003 projects.
Sec. 2206. Termination or modification of authority to carry out certain fiscal year 2002 projects.

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

***NAVY: INSIDE THE UNITED STATES*—Continued**

State	Installation or location	Amount
	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, 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*
	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*
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*	*$18,690,000*
	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*
	Naval Station, Ingleside	*$7,070,000*
Virginia	*Henderson Hall, Arlington*	*$1,970,000*
	Marine Corps Combat Development Command, Quantico	*$18,120,000*
	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*	*$4,650,000*
	Naval Magazine, Indian Island	*$2,240,000*
	Naval Shipyard, Puget Sound	*$6,020,000*
	Naval Submarine Base, Bangor	*$33,820,000*
	Strategic Weapons Facility Pacific, Bangor	*$6,530,000*
Various Locations	*Various Locations, CONUS*	*$56,360,000*
	Total	*$1,335,872,000*

(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*

NAVY: OUTSIDE THE UNITED STATES—CONTINUED

Country	*Installation or location*	*Amount*
Guam	*Commander, United States Naval Forces, Marianas*	*$1,700,000*
Italy	*Naval Air Station, Sigonella*	*$34,070,000*
	Naval Support Activity, La Maddalena	*$39,020,000*
	Total	*$92,820,000*

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 $2,267,729,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $1,001,092,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $92,820,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $14,585,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,001,000.

(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), $845,078,000.

(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.

(7) For construction of phase III of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1289), as amended by section 2206 of this Act, $12,230,000.

(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).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Navy estimates for military family housing support.

SEC. 2205. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF INSIDE THE UNITED STATES PROJECTS.—The table in subsection (a) of section 2201 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2686) is amended—

(1) by striking the item relating to Naval Air Warfare Center, China Lake, California;

(2) by striking the item relating to Marine Corps Air Station, Cherry Point, North Carolina; and

(3) by striking the amount identified as the total in the amount column and inserting "$1,068,223,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECTS.—The table in subsection (b) of such section is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece;

(2) by striking the item relating to Naval Air Station, Keflavik, Iceland; and

(3) by striking the amount identified as the total in the amount column and inserting "$129,100,000".

(c) TERMINATION OF MILITARY FAMILY HOUSING PROJECT.—The table in section 2202(a) of that Act (116 Stat. 2688) is amended—

(1) by striking the item relating to the Joint Maritime Facility, St. Mawgan, United Kingdom; and

(2) by striking the amount identified as the total in the amount column and inserting "$210,195,000".

(d) CONFORMING AMENDMENTS.—Section 2204 of that Act (116 Stat. 2688) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$2,576,381,000" and inserting "$2,530,097,000";

(B) in paragraph (1), by striking "$1,025,598,000" and inserting "$1,009,458,000";

(C) in paragraph (2), by striking "$148,250,000" and inserting "$126,530,000";

(D) in paragraph (5)(A), by striking "$379,468,000" and inserting "$360,944,000"; and

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

"(7) For construction of phase II of a combined propulsion and explosives lab at Naval Air Warfare Center, China Lake, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1289), as amended by section 2206 of the Military Construction Authorization Act for Fiscal Year 2004, $10,100,000."; and

(2) in subsection (c), by striking "through (6)" and inserting "through (7)".

SEC. 2206. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION OF INSIDE THE UNITED STATES PROJECT.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286), as amended by section 2205 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 108–314; 116 Stat. 2689), is amended—

(1) in the item relating to Naval Air Warfare Center, China Lake, California, by striking "$30,200,000" in the amount column and inserting "$32,391,000"; and

(2) by striking the amount identified as the total in the amount column and inserting "$1,061,221,000".

(b) TERMINATION OF OUTSIDE THE UNITED STATES PROJECT.—The table in section 2201(b) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287) is amended—

(1) by striking the item relating to Naval Support Activity, Joint Headquarters Command, Larissa, Greece; and

(2) by striking the amount identified as the total in the amount column and inserting "$35,430,000".

(c) CONFORMING AMENDMENTS.—Section 2204 of that Act (115 Stat. 1288) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking "$2,366,742,000" and inserting "$2,354,502,000"; and

(B) in paragraph (2), by striking "$47,670,000" and inserting "$35,430,000"; and

(2) in subsection (b)(3), by striking "$20,100,000" and inserting "$22,291,000".

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Termination or modification of authority to carry out certain fiscal year 2003 projects.

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	$49,061,000
	Elmendorf Air Force Base	$2,000,000
Arizona	Davis-Monthan Air Force Base	$10,062,000
	Luke Air Force Base	$14,300,000
Arkansas	Little Rock Air Force Base	$3,695,000
California	Beale Air Force Base	$22,750,000
	Edwards Air Force Base	$26,744,000
	Los Angeles Air Force Base	$5,000,000
Colorado	Buckley Air Force Base	$7,019,000
	Peterson Air Force Base	$10,200,000
Florida	Hurlburt Field	$27,200,000
	Tyndall Air Force Base	$15,820,000
Georgia	Robins Air Force Base	$37,164,000
Hawaii	Hickam Air Force Base	$80,096,000
Idaho	Mountain Home Air Force Base	$15,245,000
Illinois	Scott Air Force Base	$1,900,000
Mississippi	Columbus Air Force Base	$7,700,000
	Keesler Air Force Base	$2,900,000
Missouri	Whiteman Air Force Base	$11,600,000
Nevada	Nellis Air Force Base	$11,800,000
New Jersey	McGuire Air Force Base	$11,861,000

AIR FORCE: INSIDE THE UNITED STATES—CONTINUED

State	Installation or location	Amount
New Mexico	Cannon Air Force Base	$9,000,000
	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	$22,622,000
North Dakota	Minot Air Force Base	$12,690,000
Ohio	Wright-Patterson Air Force Base	$21,100,000
Oklahoma	Altus Air Force Base	$1,167,000
	Tinker Air Force Base	$19,444,000
	Vance Air Force Base	$15,000,000
South Carolina	Charleston Air Force Base	$9,042,000
	Shaw Air Force Base	$8,500,000
South Dakota	Ellsworth Air Force Base	$9,300,000
Texas	Goodfellow Air Force Base	$20,335,000
	Lackland Air Force Base	$57,360,000
	Laughlin Air Force Base	$12,400,000
	Randolph Air Force Base	$13,600,000
	Sheppard Air Force Base	$38,167,000
Utah	Hill Air Force Base	$21,748,000
Virginia	Langley Air Force Base	$25,474,000
Washington	McChord Air Force Base	$19,000,000
	Total	$775,412,000

(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	$35,616,000
	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
United Kingdom	Royal Air Force, Lakenheath	$42,487,000
	Royal Air Force, Mildenhall	$10,558,000
Wake Island	Wake Island	$24,000,000
	Total	$159,880,000

(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, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $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 $2,550,890,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $766,932,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $159,880,000.

(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, $16,180,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $95,778,000.

(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), $826,074,000.

(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).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,000,000, which represents corrections to Department of the Air Force estimates for military family housing support.

SEC. 2305. TERMINATION OR MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION OF CLASSIFIED LOCATION PROJECT.—Section 2301(c) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2691) is amended by striking "$24,993,000" both places it appears and inserting "$1,993,000".

(b) IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.—Section 2303 of that Act (116 Stat. 2693) is amended by striking "$226,068,000" and inserting "$206,721,000".

(c) CONFORMING AMENDMENTS.—Section 2304(a) of that Act (116 Stat. 2693) is amended—

(1) in the matter preceding paragraph (1), by striking "$2,633,738,000" and inserting "$2,591,391,000";

(2) in paragraph (3), by striking "$24,993,000" and inserting "$1,993,000"; and

(3) in paragraph (6)(A), by striking "$689,824,000" and inserting "$670,477,000".

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Family housing.
Sec. 2403. Improvements to military family housing units.
Sec. 2404. Energy conservation projects.
Sec. 2405. Authorization of appropriations, Defense Agencies.
Sec. 2406. Termination of authority to carry out certain fiscal year 2003 projects.

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
	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
Missile Defense Agency	Redstone Arsenal, Alabama	$20,000,000
National Security Agency	Fort Meade, Maryland	$1,842,000
Special Operations Command	Dam Neck, Virginia	$15,281,000
	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	$363,670,000

(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	Sigonella, Italy	$30,234,000
	Vicenza, Italy	$16,374,000

DEFENSE AGENCIES: OUTSIDE THE UNITED STATES—CONTINUED

Agency	*Installation or location*	*Amount*
TRICARE Management Activity	*Anderson Air Force Base, Guam*	*$26,000,000*
	Total	*$72,608,000*

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 $50,000,000.

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 $1,222,388,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $361,470,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $55,243,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $15,553,000.

(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, $65,130,000.

(6) For energy conservation projects authorized by section 2404, $50,000,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $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 Construction 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).

SEC. 2406. TERMINATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2003 PROJECTS.

(a) TERMINATION.—The table in section 2401(b) of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314; 116 Stat. 2695) is amended—

(1) in the matter relating to Department of Defense Dependents Schools—

(A) by striking the item relating to Seoul, Korea; and

(B) by striking the item relating to Spangdahlem Air Base, Germany;

(2) in the matter relating to TRICARE Management Activity, by striking the item relating to Spangdahlem Air Base, Germany; and

(3) by striking the amount identified as the total in the amount column and inserting "$134,274,000".

(b) CONFORMING AMENDMENTS.—Section 2404(a) of that Act (116 Stat. 2696) is amended—

(1) in the matter preceding paragraph (1), by striking "$1,434,795,000" and inserting "$1,362,486,000"; and

(2) in paragraph (2), by striking "$206,583,000" and inserting "$134,274,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

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

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.

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, $311,592,000; and

(B) for the Army Reserve, $88,451,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $45,498,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $222,908,000; and

(B) for the Air Force Reserve, $62,032,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 2001 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 2000 projects.

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 AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2001 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2001 (division B 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)), authorizations set forth in the tables in subsection (b), as provided in section 2102 or 2601 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) TABLES.—The tables referred to in subsection (a) are as follows:

ARMY: EXTENSION OF 2001 PROJECT AUTHORIZATION

State	Installation or location	Project	Amount
South Carolina	Fort Jackson	New Construction—Family Housing (1 Unit)	$250,000

ARMY NATIONAL GUARD: EXTENSION OF 2001 PROJECT AUTHORIZATIONS

State	Installation or location	Project	Amount
Arizona	Papago Park	Add/Alter Readiness Center	$2,265,000
Pennsylvania	Mansfield	Readiness Center	$3,100,000

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) are 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

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Modification of general definitions relating to military construction.
Sec. 2802. Increase in maximum amount of authorized annual emergency construction.
Sec. 2803. Increase in number of family housing units in Italy authorized for lease by the Navy.
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Sec. 2805. Conveyance of property at military installations closed or realigned to support military construction.
Sec. 2806. Inapplicability of space limitations to military unaccompanied housing units acquired or constructed under alternative authority.
Sec. 2807. Additional material for reports on housing privatization program.

Sec. 2808. Temporary, limited authority to use operation and maintenance funds for construction projects outside the United States.
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Subtitle B—Real Property and Facilities Administration

Sec. 2811. Enhancement of authority to acquire low-cost interests in land.
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Sec. 2821. Consideration of public-access-road issues related to base closure, realignment, or placement in inactive status.
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Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Termination of lease and conveyance of Army Reserve facility, Conway, Arkansas.
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Sec. 2841. Land conveyance, Navy property, Dixon, California.
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Sec. 2851. Land exchange, March Air Reserve Base, California.
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PART IV—OTHER CONVEYANCES

Sec. 2861. Land conveyance, Air Force and Army Exchange Service property, Dallas, Texas.
Sec. 2862. Land conveyance, Umnak Island, Alaska.

Subtitle E—Other Matters

Sec. 2871. Authority to accept guarantees with gifts in development of Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia.
Sec. 2872. Redesignation of Yuma Training Range Complex as Bob Stump Training Range Complex.
Sec. 2873. Feasibility study regarding conveyance of Louisiana Army Ammunition Plant, Doyline, Louisiana.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. MODIFICATION OF GENERAL DEFINITIONS RELATING TO MILITARY CONSTRUCTION.

(a) MILITARY CONSTRUCTION.—Subsection (a) of section 2801 of title 10, United States Code, is amended by inserting before the period the following: ", whether to satisfy temporary or permanent requirements".

(b) MILITARY INSTALLATION.—Subsection (c)(2) of such section is amended by inserting before the period the following: ", without regard to the duration of operational control".

SEC. 2802. 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. 2803. INCREASE IN NUMBER OF FAMILY HOUSING UNITS IN ITALY AUTHORIZED FOR LEASE BY THE NAVY.

Section 2828(e)(2) of title 10, United States Code, is amended by striking "2,000" and inserting "2,800".

SEC. 2804. 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) LEASE 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,".

SEC. 2805. CONVEYANCE OF PROPERTY AT MILITARY INSTALLATIONS CLOSED OR REALIGNED TO SUPPORT MILITARY CONSTRUCTION.

(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 realigned to support military construction

"(a) CONVEYANCE AUTHORIZED; CONSIDERATION.—The Secretary concerned 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 a military construction project or land acquisition; or

"(2) to transfer to the Secretary concerned 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, military unaccompanied housing, or both.

"(b) CONDITIONS ON CONVEYANCE AUTHORITY.—The fair market value of the military construction, military family housing, or military unaccompanied housing to be obtained by the Secretary concerned under subsection (a) in exchange for the conveyance of real property by the Secretary under such subsection shall be at least equal to the fair market value of the conveyed real property, as determined by the Secretary. If the fair market value of the military construction, military family housing, or military unaccompanied housing is less than the fair market value of the real property to be conveyed, the recipient of the property shall pay to the United States an amount equal to the difference in the fair market values.

"(c) PILOT PROGRAM FOR USE OF AUTHORITY.—(1) To the maximum extent practicable, the Secretary of each military department shall use the conveyance authority provided by subsection (a) at

least once before December 31, 2004, for the purposes specified in such subsection.

"(2) The value of the consideration received by the Secretary concerned in a conveyance carried out under this subsection shall not be less than $1,000,000.

"(3) In the case of the report required under subsection (f) to be submitted in 2005, the Secretary of Defense shall include the following:

"(A) A description of the conveyances carried out or proposed under this subsection.

"(B) A description of the procedures utilized to enter into any agreements for the conveyance of property under this subsection.

"(C) An assessment of the utility of such procedures for the disposal of property at military installations closed or realigned under the base closure laws, and for securing services described in subsection (a), including an assessment of any time saved and cost-savings achieved as a result of the use of the conveyance authority provided by this section.

"(D) An assessment of private sector interest in the use of the conveyance authority provided by this section.

"(E) A description of the projects for which the Secretary concerned considered using the conveyance authority provided by this section, but did not do so, and an explanation of the decision.

"(d) ADVANCE NOTICE OF USE OF AUTHORITY.—(1) Notice of the proposed use of the conveyance authority provided by subsection (a) shall be provided in such manner as the Secretary of Defense may prescribe, including publication in the Federal Register and otherwise. When real property located at a military installation closed or realigned under the base closure laws is to be conveyed by means of a public sale, the Secretary concerned may notify prospective purchasers that consideration for the property may be provided in the manner authorized by such subsection.

"(2) The Secretary concerned may not enter into an agreement under subsection (a) for the conveyance of real property until—

"(A) the Secretary submits to Congress notice of the conveyance, including the military construction activities, military family housing, or military unaccompanied housing to be obtained in exchange for the conveyance; and

"(B) a period of 14 days expires beginning on the date on which the notice is submitted.

"(e) DEPOSIT OF FUNDS.—The Secretary concerned may deposit funds received under subsection (b) in the Department of Defense housing funds established under section 2883(a) of this title.

"(f) ANNUAL REPORT.—In the budget materials submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31, the Secretary of Defense shall include a report detailing the following:

"(1) The extent to which the Secretaries concerned used the authority provided by subsection (a) during the preceding fiscal year to convey real property in exchange for military construction and military housing, including the total value of the real property that was actually conveyed during such fiscal year

using such authority and the total value of the military construction and military housing services obtained in exchange.

"(2) The plans for the use of such authority 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.

"(3) The current inventory of unconveyed lands at military installations closed or realigned under a base closure law.

"(g) 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 concerned.

"(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned 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 realigned to support military construction.".

(b) EXCEPTION TO REQUIREMENT FOR AUTHORIZATION OF NUMBER OF HOUSING UNITS.—Section 2822(b) 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 FUNDS.—Section 2883(c) of such title is amended—

(1) in paragraph (1), by adding at the end the following new subparagraph:

"(F) Any amounts that the Secretary concerned transfers to that Fund pursuant to section 2869 of this title."; and

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

"(F) Any amounts that the Secretary concerned transfers to that 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. INAPPLICABILITY OF SPACE LIMITATIONS TO MILITARY UNACCOMPANIED HOUSING UNITS ACQUIRED OR CONSTRUCTED UNDER ALTERNATIVE AUTHORITY.

Section 2880(b)(2) of title 10, United States Code, is amended by striking "unless the unit is located on a military installation".

SEC. 2807. ADDITIONAL MATERIAL FOR REPORTS ON HOUSING PRIVATIZATION PROGRAM.

(a) REPORTS ON SPECIFIC PROJECTS.—Subsection (a) of section 2884 of title 10, United States Code, is amended—

(1) by designating the second sentence of paragraph (2) as paragraph (4); and

(2) by inserting after the first sentence in paragraph (2) the following new paragraph:

"(3)(A) In the case of a contract described in paragraph (1) proposed to be entered into with a private party, the report shall specify whether the contract will or may include a guarantee (including the making of mortgage or rental payments) by the Secretary to the private party in the event of—

"(i) the closure or realignment of the installation for which housing will be provided under the contract;

"(ii) a reduction in force of units stationed at such installation; or

"(iii) the extended deployment of units stationed at such installation.

"(B) If the contract will or may include such a guarantee, the report shall also—

"(i) describe the nature of the guarantee; and

"(ii) assess the extent and likelihood, if any, of the liability of the United States with respect to the guarantee.".

(b) ANNUAL REPORTS.—Subsection (b) of such section 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 supporting 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. 2808. TEMPORARY, LIMITED AUTHORITY TO USE OPERATION AND MAINTENANCE FUNDS FOR CONSTRUCTION PROJECTS OUTSIDE THE UNITED STATES.

(a) TEMPORARY AUTHORITY.—During fiscal year 2004, the Secretary of Defense may use this section as authority to obligate appropriated funds available for operation and maintenance to carry out a construction project outside the United States that the Secretary determines meets each of the following conditions:

(1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration by the President of a national emergency under sec-

tion 201 of the National Emergencies Act (50 U.S.C. 1621), or a contingency operation.

(2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence.

(3) The United States has no intention of using the construction after the operational requirements have been satisfied.

(4) The level of construction is the minimum necessary to meet the temporary operational requirements.

(b) NOTIFICATION OF OBLIGATION OF FUNDS.—Within seven days after the date on which appropriated funds available for operation and maintenance are first obligated for a construction project under subsection (a), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice of the obligation of the funds and the construction project. The notice shall include the following:

(1) Certification that the conditions specified in subsection (a) are satisfied with regard to the construction project.

(2) A description of the purpose for which appropriated funds available for operation and maintenance are being obligated.

(3) All relevant documentation detailing the construction project.

(4) An estimate of the total amount obligated for the construction.

(c) LIMITATION ON USE OF AUTHORITY.—(1) The total cost of the construction projects carried out under the authority of this section using, in whole or in part, appropriated funds available for operation and maintenance shall not exceed $200,000,000 in fiscal year 2004.

(2) The Secretary of Defense may waive the limitation imposed by paragraph (1) if the Secretary determines that the obligation of operation and maintenance funds for construction projects in excess of the amount specified in such subsection is vital to the national security.

(3) Not later than five days after the date on which a waiver is granted under paragraph (2), the Secretary of Defense shall submit to the congressional committees specified in subsection (f) notice containing the reasons for the waiver.

(d) QUARTERLY REPORT.—Not later than 30 days after the end of each fiscal-year quarter of fiscal year 2004, the Secretary of Defense shall submit to the congressional committees specified in subsection (f) a report on the worldwide obligation and expenditure during that quarter of appropriated funds available for operation and maintenance for construction projects.

(e) RELATION TO OTHER AUTHORITIES.—The temporary authority provided by this section, and the limited authority provided by section 2805(c) of title 10, United States Code, to use appropriated funds available for operation and maintenance to carry out a construction project are the only authorities available to the Secretary of Defense and the Secretaries of the military departments to use appropriated funds available for operation and maintenance to carry out construction projects.

(f) CONGRESSIONAL COMMITTEES.—The congressional committees referred to in this section are the following:

(1) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the Senate.

(2) The Committee on Armed Services and the Subcommittees on Defense and Military Construction of the Committee on Appropriations of the House of Representatives.

SEC. 2809. REPORT ON MILITARY CONSTRUCTION REQUIREMENTS TO SUPPORT NEW HOMELAND DEFENSE MISSIONS OF THE ARMED FORCES.

Not later than February 15, 2004, the Secretary of Defense shall submit to Congress a report describing all military construction projects carried out to support new homeland defense missions of the Armed Forces undertaken since September 11, 2001, and containing an assessment of the military construction requirements anticipated to be necessary during fiscal years 2005, 2006, and 2007 to support such missions.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. ENHANCEMENT OF AUTHORITY TO ACQUIRE LOW-COST INTERESTS IN LAND.

(a) INCREASE IN ACQUISITION THRESHOLD.—Section 2672 of title 10, United States Code, is amended—

(1) by redesignating subsections (a)(2) and (b) as subsections (b) and (c), respectively;

(2) in subsection (a)—

(A) in paragraph (1)(B), by striking "$500,000" and inserting "$750,000"; and

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

"(2) The Secretary of a military department may acquire any interest in land that—

"(A) the Secretary determines is needed solely to correct a deficiency that is life-threatening, health-threatening, or safety-threatening; and

"(B) does not cost more than $1,500,000, exclusive of administrative costs and the amounts of any deficiency judgments."; and

(3) in subsection (b), as so redesignated, by striking "$500,000" and inserting "$750,000, in the case of an acquisition under subsection (a)(1), or $1,500,000, in the case of an acquisition under subsection (a)(2)".

(b) CLERICAL AMENDMENTS.—(1) Such section is further amended—

(A) in subsection (a), by inserting "ACQUISITION AUTHORITY.—" before "(1)";

(B) in subsection (b), as redesignated by subsection (a)(1), by inserting "ACQUISITION OF MULTIPLE PARCELS.—" before "This section"; and

(C) in subsection (c), as redesignated by subsection (a)(1), by inserting "SURVEY AND ACQUISITION METHODS.—" before "The authority".

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

"§ 2672. Authority to acquire low-cost interests in land".

(3) 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.".

SEC. 2812. RETENTION AND AVAILABILITY OF AMOUNTS REALIZED FROM ENERGY COST SAVINGS.

(a) IN GENERAL.—Section 2865(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking "Two-thirds of the portion of the funds appropriated" and inserting "An amount of the funds appropriated";

(2) in paragraph (2), by striking "The Secretary" and inserting "The Secretary of Defense"; and

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

"(4) The Secretary of Defense shall include in the budget material submitted to Congress in connection with the submission of the budget for a fiscal year pursuant to section 1105 of title 31 a separate statement of the amounts available for obligation under this subsection in such fiscal year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall not apply to funds appropriated for a fiscal year before fiscal year 2004.

SEC. 2813. ACCEPTANCE OF IN-KIND CONSIDERATION FOR EASEMENTS.

(a) EASEMENTS FOR RIGHTS-OF-WAY.—Section 2668(e) of title 10, United States Code, is amended—

(1) by striking "Subsection (d)" and inserting "Subsections (c) and (d)";

(2) by inserting "in-kind consideration and" before "proceeds"; and

(3) by striking "subsection applies to" and inserting "subsections apply to in-kind consideration and".

(b) EASEMENTS FOR UTILITY LINES.—Section 2669(e) of such title is amended—

(1) by striking "Subsection (d)" and inserting "Subsections (c) and (d)";

(2) by inserting "in-kind consideration and" before "proceeds"; and

(3) by striking "subsection applies to" and inserting "subsections apply to in-kind consideration and".

Subtitle C—Base Closure and Realignment

SEC. 2821. CONSIDERATION OF PUBLIC-ACCESS-ROAD ISSUES RELATED TO BASE CLOSURE, REALIGNMENT, OR PLACEMENT IN INACTIVE STATUS.

Section 2905(b)(2) 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 adding at the end the following new subparagraph:

"(E) If a military installation to be closed, realigned, or placed in an inactive status under this part includes a road used for public access through, into, or around the installation, the Secretary of De-

fense shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering the continued availability of the road for public use after the installation is closed, realigned, or placed in an inactive status.".

SEC. 2822. CONSIDERATION OF SURGE REQUIREMENTS IN 2005 ROUND OF BASE REALIGNMENTS AND CLOSURES.

(a) DETERMINATION OF SURGE REQUIREMENTS.—The Secretary of Defense shall assess the probable threats to national security and, as part of such assessment, determine the potential, prudent, surge requirements to meet those threats.

(b) USE OF DETERMINATION.—The Secretary shall use the surge requirements determination made under subsection (a) in the base realignment and closure process under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as amended by title XXX of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1342).

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. 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. 2832. 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 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 of Transportation of the State of Tennessee 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 of the Army may accept funds under this subsection from the State of Tennessee or transferred by the Secretary of Transportation at the request of the State from Federal-aid highway funds made available to the State 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 made available from the Highway Trust Fund to pay costs described in paragraph (1) shall be provided subject to the requirements of section 120(b) of title 23, United States Code, relating to the Federal share payable on account of a project or activity.

(4) 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. 2833. LAND CONVEYANCE, FORT KNOX, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Department of Veterans Affairs of the Commonwealth of Kentucky (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, including any improvements thereon, consisting of approximately 93 acres at Fort Knox, Kentucky, for the purpose of permitting the Department to establish and operate a State-run cemetery for veterans of the Armed Forces.

(b) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Department shall reimburse the Secretary for any costs incurred by the Secretary in making the conveyance under subsection (a), including costs related to environmental documentation and other administrative costs. This paragraph does not apply to costs associated with the environmental remediation of the property to be conveyed.

(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.

(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.

(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. 2834. ARMY NATIONAL GUARD ARMORY, PIERCE CITY, MISSOURI.

(a) CONTRIBUTION AUTHORIZED.—The Secretary of the Army may make a contribution under section 18233(a) of title 10, United States Code, for a facility for a new Army National Guard armory in Pierce City, Missouri, in excess of the contribution otherwise authorized by section 18236(b)(2) of such title, if the Secretary determines that—

(1) there is a compelling and immediate need for the construction of the facility;

(2) the requirement for the facility was unanticipated and results from a natural disaster;

(3) failure to construct the facility immediately would have an adverse impact on the mission of the unit assigned to the facility; and

(4) the real property for the facility will be provided by the State of Missouri.

(b) LIMITATION.—The amount of the additional contribution provided pursuant to subsection (a), which would otherwise be required by section 18236(b)(2) of title 10, United States Code, from the State of Missouri for the construction of the facility, may not exceed the amount specified in section 18233a(a)(1) of such title.

(c) AUTHORITY TO ACCEPT REAL PROPERTY FROM STATE.—The Secretary may accept from the State of Missouri the donation of real property, in addition to the real property required to be contributed by the State under subsection (a)(4), that is acceptable to the Secretary and has a market value not in excess of the amount of the additional contribution provided pursuant to subsection (a).

SEC. 2835. LAND EXCHANGE, FORT BELVOIR, VIRGINIA.

(a) LAND EXCHANGE AUTHORIZED.—Upon receipt of the consideration referred to in subsection (b), the Secretary of the Army may convey to the Fairfax County Park Authority of Fairfax County, Virginia (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 12 acres at Fort Belvoir, Virginia.

(b) CONSIDERATION.—As consideration for the conveyance of the property under subsection (a), the Authority shall convey to the United States all right, title, and interest of the Authority in and to a parcel of real property acceptable to the Secretary. The Secretary shall have administrative jurisdiction over the real property received under this subsection.

(c) COSTS OF CONVEYANCE.—(1) The Secretary may collect funds from the Authority to cover costs incurred or to be incurred by the Secretary to carry out a conveyance under this section, including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Authority in advance of the Secretary incur-

ring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Authority.

(2) Amounts collected under paragraph (1) to cover costs previously incurred by the Secretary shall be credited to the fund or account that was used to cover the costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2841. LAND CONVEYANCE, NAVY PROPERTY, DIXON, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the Housing Authority of the City of Dixon, California, (in this section referred to as the "Housing Authority"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that consists of approximately 40.41 acres located at 7290 Radio Station Road in Dixon, California, and is currently used by the Housing Authority as the site for the Fred H. Rehman Dixon Migrant Center for the purpose of permitting the Housing Authority to continue to provide suitable housing and support services to migrant workers.

(b) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall require the Housing Authority to cover costs to be incurred by the Secretary after the date of the enactment of this Act, or to reimburse the Secretary for costs incurred by the Secretary after such date, to carry out the conveyance under subsection (a), including any survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the Housing Authority in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Housing Authority.

(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.

(c) 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.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, MARINE CORPS LOGISTICS BASE, ALBANY, GEORGIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey through negotiated sale to the Preferred Development Group Corporation, a corporation incorporated in the State of Georgia and authorized to do business in the State of Georgia (in this section referred to as the "Corporation"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 10.44 acres located at Turner Field Road and McAdams Road in Albany, Georgia, for the purpose of permitting the Corporation to use the property for economic development.

(b) CONDITIONS OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the following conditions:

(1) That the Corporation accept the real property in its condition at the time of the conveyance, commonly known as conveyance "as is".

(2) That the Corporation bear all costs related to the use and redevelopment of the real property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Corporation shall pay to the United States an amount, determined pursuant to negotiations between the Secretary and the Corporation and based upon the fair market value of the property (as determined pursuant to an appraisal acceptable to the Secretary), that is appropriate for the property.

(2) The consideration received under this subsection shall be deposited in the Department of Defense Base Closure Account 1990 established by section 2906 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).

(d) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require the Corporation 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 Corporation in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the Corporation.

(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.

(e) EXEMPTION FROM FEDERAL SCREENING.—The conveyance under 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.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2843. LAND EXCHANGE, NAVAL AND MARINE CORPS RESERVE CENTER, PORTLAND, OREGON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the United Parcel Service, Inc. (in this section referred to as "UPS"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 14 acres in Portland, Oregon, and comprising the Naval and Marine Corps Reserve Center for the purpose of facilitating the expansion of the UPS main distribution complex in Portland.

(b) PROPERTY RECEIVED IN EXCHANGE.—(1) As consideration for the conveyance under subsection (a), UPS shall—

(A) convey to the United States a parcel of real property determined to be suitable by the Secretary; and

(B) design, construct, and convey to the United States such replacement facilities on that property as the Secretary considers appropriate.

(2) The value of the real property and replacement facilities received by the Secretary under this subsection shall be at least equal to the fair market value of the real property conveyed under subsection (a), as determined by the Secretary.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary may require UPS 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, relocation expenses incurred under subsection (b), and other administrative costs related to the conveyance. If amounts are collected from UPS in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to UPS.

(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) CONDITION OF CONVEYANCE.—The Secretary may not make the conveyance authorized by subsection (a) until the Secretary determines that the replacement facilities required by subsection (b) are suitable and available for the relocation of the operations of the Naval and Marine Corps Reserve Center.

(e) 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.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2844. 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 actually 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.

SEC. 2845. LAND CONVEYANCE, PUGET SOUND NAVAL SHIPYARD, BREMERTON, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Bremerton, Washington (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements

thereon, consisting of approximately 2.8 acres at the eastern end of the Puget Sound Naval Shipyard, Bremerton, Washington, immediately adjacent to the Bremerton Transportation Center.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City, directly or through an agreement with another entity, shall replace administrative space on the parcel to be conveyed by renovating for new occupancy approximately 7,500 square feet of existing space in Building 433 at Naval Station, Bremerton, Washington, at no cost to the United States, in accordance with plans and specifications acceptable to the Secretary. In lieu of any portion of such renovation, the Secretary may accept other facility alteration or repair of not less than equal value.

(c) PAYMENT OF COSTS OF CONVEYANCE.—(1) The Secretary shall 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 actually 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) ENVIRONMENTAL CONDITIONS.—The Secretary may use funds available in the Environmental Restoration Account, Navy to carry out the environmental remediation of the real property to be conveyed under subsection (a). Such environmental remediation shall be conducted in a manner consistent with section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620), including the requirement to consider the anticipated future land use of the parcel.

(e) 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.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2851. LAND EXCHANGE, MARCH AIR RESERVE BASE, CALIFORNIA.

(a) EXCHANGE AUTHORIZED.—(1) The Secretary of the Army may convey to the March Joint Powers Authority of Moreno Valley, California (in this section referred to as the "JPA"), all right, title,

and interest of the United States in and to five parcels of real property, including any improvements thereon, located at March Air Reserve Base, California (former March Air Force Base), and consisting of approximately 36.74 total acres.

(2) The Secretary of the Navy may convey to JPA all right, title, and interest of the United States in and to two parcels of real property, including any improvements thereon, located at March Air Reserve Base and consisting of approximately 10.181 total acres.

(b) CONSIDERATION.—As consideration for the conveyances under subsection (a), JPA shall release any interest it may have in two contiguous parcels of real property located at March Air Reserve Base and consisting of approximately 20 acres and 28 acres, respectively.

(c) TRANSFER OF JURISDICTION.—The Secretary of the Air Force shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Army the parcels of real property described in subsection (b).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretaries concerned.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretaries concerned may require such additional terms and conditions in connection with the conveyances under this section as the Secretaries consider appropriate to protect the interests of the United States.

SEC. 2852. ACTIONS TO QUIET TITLE, FALLIN WATERS SUBDIVISION, EGLIN AIR FORCE BASE, FLORIDA.

(a) AUTHORITY TO QUIET TITLE.—(1) 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 to, 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 sub-

section (b) 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. 2853. 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.

PART IV—OTHER CONVEYANCES

SEC. 2861. LAND CONVEYANCE, AIR FORCE AND ARMY 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, consisting of approximately 7.5 acres located at 1515 Roundtable Drive in Dallas, Texas.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the purchaser shall pay the United States, in a single lump sum payment, an amount equal to the fair market value of the real property, determined pursuant to an appraisal acceptable to the Secretary.

(c) TREATMENT OF CONSIDERATION.—Section 574(a) of title 40, United States Code, shall apply to the consideration received under subsection (b), except that in the application of such section, all of the proceeds shall be credited to the Army and Air Force Exchange Service.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2862. LAND CONVEYANCE, UMNAK ISLAND, ALASKA.

(a) DEFINITIONS.—In this section—

(1) The term "Aleut Corporation" means the regional corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the region in which the Native Village of Nikolski, Alaska, is located.

(2) The term "Chaluka Corporation" means the village corporation established under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) for the Native Village of Nikolski, Alaska.

(3) The term "former Nikolski Radio Relay Site" means the portions of Tracts A, B, and C of Public Land Order 2374 that are surveyed as Tracts 37, 37A, 38, 39, 39A, and 40 of township 83 south, range 136 west, Seward meridian, Alaska, and Tract B of United States Survey 4904, Alaska, except—

(A) lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904; and

(B) the Nikolski powerhouse land.

(4) The term "Nikolski powerhouse land" means the parcel of land upon which is located the power generation building for supplying power to the Native Village of Nikolski, the boundaries of which are described generally as follows:

(A) Beginning at the point at which the southerly boundary of Tract 39 of township 83 south, range 136 west, Seward meridian, Alaska, intersects the easterly boundary of the road that connects the Native Village of Nikolski and the airfield at Nikolski.

(B) Then meandering in a northeasterly direction along the easterly boundary of that road until the road intersects the westerly boundary of the road that connects Umnak Lake and the airfield.

(C) Then meandering in a southerly direction along the western boundary of that Umnak Lake road until that western boundary intersects the southern boundary of such Tract 39.

(D) Then proceeding eastward along the southern boundary of such Tract 39 to the beginning point.

(5) The term "Phase I lands" means Tract 39 of township 83 south, range 136 west, Seward meridian, excluding the Nikolski powerhouse land.

(6) The term "Phase II lands" means the portion of the former Nikolski Radio Relay Site not conveyed as Phase I lands.

(7) The term "Public Land Order 2374" refers to the Public Land Order issued in 1961 under which the Department of the Interior withdrew public domain lands in the vicinity of the Native Village of Nikolski on Umnak Island, Alaska, for use by the Department of the Air Force as a radio relay site.

(b) OFFER OF CONVEYANCE.—Subject to the requirements of this section, the Chaluka Corporation is hereby offered ownership of the surface estate in the former Nikolski Radio Relay Site on Umnak Island, Alaska, and the Aleut Corporation is hereby offered the subsurface estate of the former Nikolski Radio Relay Site, in exchange for relinquishment by the Chaluka Corporation and the Aleut Cor-

poration of lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(c) ACCEPTANCE AND RELINQUISHMENT.—(1) The Secretary of the Interior shall convey the former Nikolski Radio Relay Site as provided in subsection (d), if the Chaluka Corporation takes the actions specified in paragraph (2) and the Aleut Corporation takes the actions specified in paragraph (3).

(2) As a condition for conveyance under subsection (d), the Chaluka Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors' action), the Chaluka Corporation—

(A) accepts the offer under subsection (b);

(B) confirms that the area surveyed by the Bureau of Land Management for the purpose of fulfilling the Chaluka Corporation's final entitlements under section 12(a) and (b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) and (b)), identified as Group Survey Number 773, accurately represents the Chaluka Corporation's final, irrevocable Alaska Native Claims Settlement Act priorities and entitlements, unless any tract in Group Survey Number 773 is ultimately not conveyed as the result of an appeal; and

(C) relinquishes lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska, which will be charged against the Chaluka Corporation's final entitlement under section 12(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(b)).

(3) As a condition for the conveyance under subsection (d), the Aleut Corporation shall notify the Secretary of the Interior, within 180 days after the date of the enactment of this Act, that, by means of a legally binding resolution of its board of directors (accompanied by the written legal opinion of counsel as to the legal sufficiency of the board of directors' action), the Aleut Corporation—

(A) accepts the offer under subsection (b); and

(B) relinquishes all rights to lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska.

(d) CONVEYANCE.—(1) Upon receipt from the Chaluka Corporation and from the Aleut Corporation of their acceptances and relinquishments under subsection (c), the Secretary of the Interior shall convey to the Chaluka Corporation the surface estate, and to the Aleut Corporation the subsurface estate, of—

(A) Phase I lands as soon as practicable; and

(B) each parcel of Phase II lands upon completion by the Department of the Air Force of environmental restoration of Phase II lands in accordance with applicable law.

(2) Upon conveyance of a parcel of land under this section, the Secretary of the Interior shall terminate the corresponding portion of Public Land Order 2374 relating to that parcel. Upon conveyance of all Phase I and Phase II lands under this section, the Secretary of the Interior shall terminate all remaining portions of Public Land Order 2374 as it pertains to Umnak Island, Alaska.

(e) ENVIRONMENTAL RESTORATION.—Nothing in this section affects the requirements and responsibilities of the United States

under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)) or other applicable law. If a hazardous substance, as that term is defined in section 101 of such Act (42 U.S.C. 9601), is discovered on the Phase I lands subsequent to transfer, but the hazardous substance was present on the lands before transfer and the presence of the hazardous substance on the lands was not the result of actions by the Chaluka Corporation or the Aleut Corporation, the United States shall perform such response action as is required by such Act with regard to that hazardous substance.

(f) TREATMENT AS ANCSA LANDS.—The conveyances made under subsection (d) shall be considered to be conveyances under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), and are subject to the provisions of that Act, except paragraphs (3) and (4) of section 14(c) and section 17(b)(3) (43 U.S.C. 1613(c) and 1616(b)(3)).

(g) CONVEYANCE OF EXCLUDED TRACT B LOTS.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in—

(1) each of lots 1, 2, 5, 6, and 9 of Tract B of Amended United States Survey 4904 that is the subject of an Aleutian Housing Authority mutual help occupancy agreement, to the Aleutian Housing Authority; and

(2) the remainder of such lots to the occupants of such lots as of the date of the enactment of this Act.

(h) CONVEYANCE OF NIKOLSKI POWERHOUSE LAND.—The Secretary of the Interior shall convey, without consideration, an estate in fee simple in the Nikolski powerhouse land—

(1) to the Indian Reorganization Act Tribal Government for the Native Village of Nikolski, upon completion of the environmental restoration referred to in subsection (k)(2), if after the restoration the powerhouse continues to be located on the Nikolski powerhouse land; or

(2) the surface estate to the Chaluka Corporation and the subsurface estate to the Aleut Corporation, if after the restoration, the Nikolski powerhouse is no longer located on the Nikolski powerhouse land.

(i) ACCESS.—(1) As a condition of the conveyance of land under subsection (d), the Chaluka Corporation shall permit the United States, and its agents, employees, and contractors, to have unrestricted access to the airfield at Nikolski in perpetuity for site investigation, restoration, remediation, and environmental monitoring of the former Nikolski Radio Relay Site and reasonable access to that airfield, and to other land conveyed under this section, for any activity associated with management of lands owned by the United States and for other governmental purposes without cost to the United States.

(2) The surface estate conveyed under subsection (d) shall be subject to the public's right of access over Hill and Beach Streets, located on Tract B of United States Survey 4904.

(j) SURVEY REQUIREMENTS.—The Bureau of Land Management is not required to conduct additional on-the-ground surveys as a result of conveyances under this section. The patent to the Chaluka Corporation may be based on protracted section lines and lotting where relinquishment under subsection (c)(2)(C) results in a change

to the Chaluka Corporation's final boundaries. No additional monumentation is required to complete those final boundaries.

(k) AUTHORIZATION OF APPROPRIATIONS; TRANSFER OF FUNDS.—(1) There are authorized to be appropriated to the Department of the Interior and other appropriate agencies such sums as are necessary to carry out this section.

(2) Using the funds identified for Nikolski Power House Cleanup under Budget Activity 4 on page 116 of the Conference Report to accompany H.R. 2658 of the 108th Congress (House Report 108–283), the Secretary of the Air Force shall make a direct lump sum payment, in an amount equal to $1,700,000, to the fund for pollution cleanup managed by the Alaska Energy Authority for the purpose of assisting the Authority to perform environmental restoration of the Nikolski powerhouse land.

(l) TERMINATION.—This section (other than subsection (g)) shall cease to be effective if—

(1) either the Chaluka Corporation or the Aleut Corporation affirmatively rejects the offer under subsection (b); or

(2) the legally binding resolutions required by paragraphs (2) and (3) of subsection (c) are not submitted to the Secretary of the Interior before the end of the 180-day period specified in such paragraphs.

Subtitle E—Other Matters

SEC. 2871. AUTHORITY TO ACCEPT GUARANTEES WITH GIFTS IN DEVELOPMENT OF MARINE CORPS HERITAGE CENTER, MARINE CORPS BASE, QUANTICO, VIRGINIA.

Section 2884 of the Military Construction Authorization Act for Fiscal Year 2001 (division B 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–440)) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) ACCEPTANCE OF GUARANTEES WITH GIFTS.—(1) The authority available to the Secretary under section 6975 of title 10, United States Code, to accept a qualified guarantee for purposes of projects at the Naval Academy shall be available to the Secretary for the project to develop the Marine Corps Heritage Center.

"(2) The authority available to the Secretary under this subsection shall expire on December 31, 2006.".

SEC. 2872. 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. 2873. FEASIBILITY STUDY REGARDING CONVEYANCE OF LOUISIANA ARMY AMMUNITION PLANT, DOYLINE, LOUISIANA.

(a) STUDY REQUIRED.—The Secretary of the Army shall conduct a study of—

(1) the feasibility of using the conveyance of the Louisiana Army Ammunition Plant in Doyline, Louisiana, as a model for a public-private partnership for the utilization and development of the Plant and similar parcels of real property; and

(2) the costs and benefits to the United States of such a conveyance.

(b) ELEMENTS OF STUDY.—In conducting the study, the Secretary shall consider the following:

(1) The feasibility and advisability of entering into negotiations with the State of Louisiana or the Louisiana National Guard for the conveyance of the Louisiana Army Ammunition Plant.

(2) The means by which the conveyance of the Plant could—

(A) facilitate the execution by the Department of Defense of its national security mission; and

(B) facilitate the continued use of the Plant by the Louisiana National Guard and the execution by the Louisiana National Guard of its national security mission.

(3) The evidence presented by the State of Louisiana of the means by which the conveyance of the Plant could benefit current and potential private sector and governmental tenants of the Plant and facilitate the contribution of such tenants to economic development in Northwestern Louisiana.

(4) The amount and type of consideration that is appropriate for the conveyance of the Plant.

(5) The evidence presented by the State of Louisiana of the extent to which the conveyance of the Plant to a public-private partnership will contribute to economic growth in the State of Louisiana, and in Northwestern Louisiana in particular.

(6) The value of any mineral rights in the lands of the Plant.

(7) The costs and benefits to the United States of sharing revenues and rents paid by current and potential tenants of the Plant as a result of the Armament Retooling and Manufacturing Support Program.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report containing the results of the study and any other matters in light of the study that the Secretary considers appropriate.

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.
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Subtitle C—Proliferation Matters

Sec. 3121. Semiannual financial reports on defense nuclear nonproliferation programs.
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Sec. 3131. Performance of personnel security investigations of certain Department of Energy and Nuclear Regulatory Commission employees in sensitive programs.
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Sec. 3135. Report on integration activities of Department of Defense and Department of Energy with respect to Robust Nuclear Earth Penetrator.

Subtitle E—Consolidation of National Security Provisions

Sec. 3141. Transfer and consolidation of recurring and general provisions on 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 $8,877,347,000, to be allocated as follows:

(1) For weapons activities, $6,434,772,000.

(2) For defense nuclear nonproliferation activities, $1,332,195,000.

(3) For naval reactors, $768,400,000.

(4) For the Office of the Administrator for Nuclear Security, $341,980,000.

(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–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.

Project 03–D–102, SM–43 replacement, Los Alamos National Laboratory, Los Alamos, New Mexico, $38,000,000.

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 $6,809,814,000, to be allocated as follows:

(1) For defense site acceleration completion, $5,814,635,000.

(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 $489,059,000.

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 $392,500,000.

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. TERMINATION OF REQUIREMENT FOR ANNUAL UPDATES OF LONG-TERM PLAN FOR NUCLEAR WEAPONS STOCKPILE LIFE EXTENSION PROGRAM.

Effective December 31, 2004, section 3133 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 926; 42 U.S.C. 2121 note), as transferred and redesignated as section 4204 of the Atomic Energy Defense Act by section 3141(e)(5) of this Act, is further amended by striking subsections (c) through (f).

SEC. 3112. 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. 3113. READINESS POSTURE FOR RESUMPTION BY THE UNITED STATES OF UNDERGROUND NUCLEAR WEAPONS TESTS.

(a) READINESS POSTURE REQUIRED.—Commencing not later than October 1, 2006, the Secretary of Energy shall achieve, and

thereafter maintain, a readiness posture of not more than 18 months for resumption by the United States of underground tests of nuclear weapons.

(b) DESCRIPTION OF REQUIREMENT.—For purposes of this section, a readiness posture of not more than 18 months for resumption by the United States of underground tests of nuclear weapons is achieved when the Department of Energy has the capability to resume such tests, if directed by the President to resume such tests, not later than 18 months after the date on which the President so directs.

SEC. 3114. TECHNICAL BASE AND FACILITIES MAINTENANCE AND RECAPITALIZATION ACTIVITIES.

(a) DEADLINE FOR INCLUSION OF PROJECTS IN FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—(1) The Administrator for Nuclear Security shall complete the selection of projects for inclusion in the Facilities and Infrastructure Recapitalization Program of the National Nuclear Security Administration not later than December 31, 2004.

(2) No project may be included in the Facilities and Infrastructure Recapitalization Program after December 31, 2004, unless such project has been selected for inclusion in that program as of that date.

(b) TERMINATION OF FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM.—The Administrator shall terminate the Facilities and Infrastructure Recapitalization Program not later than September 30, 2011.

(c) READINESS IN TECHNICAL BASE AND FACILITIES PROGRAM.—(1) Not later than September 30, 2004, the Administrator shall submit to the congressional defense committees a report setting forth guidelines on the conduct of the Readiness in Technical Base and Facilities program of the National Nuclear Security Administration.

(2) Such guidelines shall include the following:

(A) Criteria for the inclusion of projects in the program, and for establishing priorities among projects included in the program.

(B) Mechanisms for the management of facilities under the program, including maintenance activities referred to in subparagraph (C).

(C) A description of the scope of maintenance activities under the program, including recurring maintenance, construction of facilities, recapitalization of facilities, and decontamination and decommissioning of facilities.

(3) Such guidelines shall ensure that the maintenance activities referred to in paragraph (2)(C) are carried out in a timely and efficient manner designed to avoid maintenance backlogs.

(d) OPERATIONS OF FACILITIES PROGRAM.—(1) The Administrator shall continue the Operations of Facilities program of the National Nuclear Security Administration as a subprogram within the Readiness in Technical Base and Facilities program.

(2) The Deputy Administrator for Defense Programs shall designate a single manager to be responsible for overseeing the operations of the Operations of Facilities subprogram within the Readiness in Technical Base and Facilities program.

(3) For fiscal year 2005, and for each fiscal year thereafter, the Secretary of Energy shall submit to the congressional defense com-

mittees, together with the budget justification materials submitted to Congress in support of the National Nuclear Security Administration budget for that fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code), a separate statement of the amounts requested for such fiscal year for each element of the Operations of Facilities subprogram, as follows:

(A) Maintenance.

(B) Facilities management and support.

(C) Utilities.

(D) Environment, safety, and health.

(E) Each other element of the subprogram.

SEC. 3115. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

(a) CONTINUATION OF H–CANYON FACILITY.—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 amended—

(1) by striking "F–canyon and H–canyon facilities" and inserting "H–canyon facility"; and

(2) by striking "such facilities" and inserting "such facility".

(b) MODIFICATION OF LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING F–CANYON FACILITY.—Subsection (b) of such section is amended—

(1) by striking "and the Defense Nuclear Facilities Safety Board" and all that follows through "House of Representatives" and inserting "submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, and the Defense Nuclear Facilities Safety Board,"; and

(2) by striking "the following:" and all that follows and inserting "a report setting forth—

"(1) an assessment whether or not all materials present in the F–canyon facility as of the date of the report that required stabilization have been safely stabilized as of that date;

"(2) an assessment whether or not the requirements applicable to the F–canyon facility to meet the future needs of the United States for fissile materials disposition can be met through full use of the H–canyon facility at the Savannah River Site; and

"(3) if it appears that one or more of the requirements described in paragraph (2) cannot be met through full use of the H–canyon facility—

"(A) an identification by the Secretary of each such requirement that cannot be met through full use of the H–canyon facility; and

"(B) for each requirement so identified, the reasons why such requirement cannot be met through full use of the H–canyon facility and a description of the alternative capability for fissile materials disposition that is needed to meet such requirement.".

(c) REPEAL OF SUPERSEDED PLAN REQUIREMENT.—Subsection (c) of such section is repealed.

SEC. 3116. REPEAL OF PROHIBITION ON RESEARCH AND DEVELOPMENT OF LOW-YIELD NUCLEAR WEAPONS.

(a) REPEAL.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note) is repealed.

(b) CONSTRUCTION.—Nothing in the repeal made by subsection (a) shall be construed as authorizing the testing, acquisition, or deployment of a low-yield nuclear weapon.

(c) LIMITATION.—The Secretary of Energy may not commence the engineering development phase, or any subsequent phase, of a low-yield nuclear weapon unless specifically authorized by Congress.

(d) REPORT.—(1) Not later than March 1, 2004, the Secretary of State, the Secretary of Defense and the Secretary of Energy shall jointly submit to Congress a report assessing whether or not the repeal of section 3136 of the National Defense Authorization Act for Fiscal Year 1994 will affect the ability of the United States to achieve its nonproliferation objectives and whether or not any changes in programs and activities would be required to achieve those objectives.

(2) The report shall be submitted in unclassified form, but may include a classified annex if necessary.

SEC. 3117. REQUIREMENT FOR SPECIFIC AUTHORIZATION OF CONGRESS FOR COMMENCEMENT OF ENGINEERING DEVELOPMENT PHASE OR SUBSEQUENT PHASE OF ROBUST NUCLEAR EARTH PENETRATOR.

The Secretary of Energy may not commence the engineering development phase (phase 6.3) of the nuclear weapons development process, or any subsequent phase, of a Robust Nuclear Earth Penetrator weapon unless specifically authorized by Congress.

Subtitle C—Proliferation Matters

SEC. 3121. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

(a) IN GENERAL.—Subtitle D of the National Nuclear Security Administration Act is amended by inserting after section 3253 (50 U.S.C. 2453) the following new section:

"SEC. 3254. SEMIANNUAL FINANCIAL REPORTS ON DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

"(a) SEMIANNUAL REPORTS REQUIRED.—The Administrator shall submit to the Committees on Armed Services of the Senate and the House of Representatives a semiannual report on the amounts available for the defense nuclear nonproliferation programs of the Administration. Each such report shall cover a half of a fiscal year (in this section referred to as a 'fiscal half') and shall be submitted not later than 30 days after the end of that fiscal half.

"(b) CONTENTS.—Each report for a fiscal half shall, for each such defense nuclear nonproliferation program for which amounts are available for the fiscal year that includes that fiscal half, set forth the following:

"(1) The aggregate amount available for such program as of the beginning of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.

"(2) The aggregate amount newly made available for such program during such fiscal half and, within such amount, the amount made available by appropriations, by transfers, by reprogrammings, and by other means.

"(3) The aggregate amount available for such program as of the end of such fiscal half and, within such amount, the uncommitted balances, the unobligated balances, and the unexpended balances.".

(b) FIRST REPORT.—The first report required to be submitted by section 3254 of the National Nuclear Security Administration Act (as added by subsection (a)) shall be the report covering the first half of fiscal year 2004.

SEC. 3122. REPORT ON REDUCTION OF EXCESSIVE UNOBLIGATED OR UNEXPENDED BALANCES FOR DEFENSE NUCLEAR NONPROLIFERATION ACTIVITIES.

(a) CONTINGENT REQUIREMENT FOR REPORT.—If as of September 30, 2004, the aggregate amount unobligated, or obligated but not expended, for defense nuclear nonproliferation activities from amounts appropriated for such activities in fiscal year 2004 exceeds an amount equal to 20 percent of the aggregate amount appropriated for such activities in fiscal year 2004, the Administrator for Nuclear Security shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing an aggressive plan to provide for the timely expenditure of amounts remaining unobligated, or obligated but not expended.

(b) SUBMITTAL DATE.—If required to be submitted under subsection (a), the submittal date for the report under that subsection shall be November 30, 2004.

SEC. 3123. STUDY AND REPORT RELATING TO WEAPONS-GRADE URANIUM AND PLUTONIUM OF THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) STUDY REQUIRED.—The Secretary of Energy shall carry out a study on the feasibility, costs, and benefits of—

(1) purchasing, from the independent states of the former Soviet Union, weapons-grade uranium and plutonium excess to the defense needs of those states; and

(2) safeguarding the uranium and plutonium so purchased until rendered unusable for nuclear weapons.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the results of the study required by subsection (a).

SEC. 3124. AUTHORITY TO USE INTERNATIONAL NUCLEAR MATERIALS PROTECTION AND COOPERATION PROGRAM FUNDS OUTSIDE THE FORMER SOVIET UNION.

(a) AUTHORITY.—Subject to the provisions of this section, the President may obligate and expend international nuclear materials protection and cooperation program funds for a fiscal year, and any such funds for a fiscal year before such fiscal year that remain available for obligation, for a defense nuclear nonproliferation project or activity outside the states of the former Soviet Union if the President determines each of the following:

(1) That such project or activity will—

(A)(i) assist the United States in the resolution of a critical emerging proliferation threat; or

(ii) permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; and

(B) be completed in a short period of time.

(2) That the Department of Energy is the entity of the Federal Government that is most capable of carrying out such project or activity.

(b) SCOPE OF AUTHORITY.—The authority in subsection (a) to obligate and expend funds for a project or activity includes authority to provide equipment, goods, and services for such project or activity utilizing such funds, but does not include authority to provide cash directly to such project or activity.

(c) LIMITATION ON TOTAL AMOUNT OF OBLIGATION.—The amount that may be obligated in a fiscal year under the authority in subsection (a) may not exceed $50,000,000.

(d) LIMITATION ON AVAILABILITY OF FUNDS.—(1) The President may not obligate funds for a project or activity under the authority in subsection (a) until the President makes each determination specified in that subsection with respect to such project or activity.

(2) Not later than 10 days after obligating funds under the authority in subsection (a) for a project or activity, the President shall notify Congress in writing of the determinations made under paragraph (1) with respect to such project or activity, together with—

(A) a justification for such determinations; and

(B) a description of the scope and duration of such project or activity.

(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—Except as otherwise provided in subsections (a) and (b), the exercise of the authority in subsection (a) shall be subject to any requirement or limitation under another provision of law as follows:

(1) Any requirement for prior notice or other reports to Congress on the use of international nuclear materials protection and cooperation program funds or on international nuclear materials protection and cooperation program projects or activities.

(2) Any limitation on the obligation or expenditure of international nuclear materials protection and cooperation program funds.

(3) Any limitation on international nuclear materials protection and cooperation program projects or activities.

(f) FUNDS.—As used in this section, the term "international nuclear materials protection and cooperation program funds" means the funds appropriated pursuant to the authorization of appropriations in section 3101(a)(2) for such program.

SEC. 3125. 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 one on-site manager for that project. The manager shall be appointed from among employees of the Federal Government.

(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 $50,000,000.

(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) AUTHORITY TO MANAGE MORE THAN ONE PROJECT.—(1) Subject to paragraph (2), an employee of the Federal Government may serve as on-site manager for more than one project, including projects at different locations.

(2) If such an employee serves as on-site manager for more than one project in a fiscal year, the total cost of the projects for that fiscal year may not exceed $150,000,000.

(e) 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 (g)).

(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.

(f) 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.

(g) 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.

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

Subtitle D—Other Matters

SEC. 3131. PERFORMANCE OF PERSONNEL SECURITY INVESTIGATIONS OF CERTAIN DEPARTMENT OF ENERGY AND NUCLEAR REGULATORY COMMISSION EMPLOYEES IN SENSITIVE PROGRAMS.

(a) PERFORMANCE BY FBI AT DIRECTION OF DOE OR NRC.—Subsection f. of section 145 of the Atomic Energy Act of 1954 (42 U.S.C. 2165) is amended to read as follows:

"f. (1) Notwithstanding the provisions of subsections a., b., and c. of this section, but subject to subsection e. of this section, a major-

ity of the members of the Commission may direct that an investigation required by such provisions on an individual described in paragraph (2) be carried out by the Federal Bureau of Investigation rather than by the Civil Service Commission.

"(2) An individual described in this paragraph is an individual who is employed—

"(A) in a program certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity; or

"(B) in any other specific position certified by a majority of the members of the Commission to be of a high degree of importance or sensitivity.".

(b) REPEAL OF REQUIREMENT FOR PERFORMANCE BY FBI FOR PERSONNEL SECURITY AND ASSURANCE PROGRAMS.—Subsection e.(2) of such section is amended by striking "or a Personnel Security and Assurance Program".

SEC. 3132. POLICY OF DEPARTMENT OF ENERGY REGARDING FUTURE DEFENSE ENVIRONMENTAL MANAGEMENT MATTERS.

(a) POLICY REQUIRED.—(1) Commencing not later than October 1, 2005, the Secretary of Energy shall have in effect a policy for carrying out future defense environmental management matters of the Department of Energy. The policy shall specify each officer within the Department with responsibilities for carrying out that policy and, for each such officer, the nature and extent of those responsibilities.

(2) In paragraph (1), the term "future defense environmental management matter" means any environmental cleanup project, decontamination and decommissioning project, waste management project, or related activity that arises out of the activities of the Department in carrying out programs necessary for national security and is to be commenced after the date of the enactment of this Act. However, such term does not include any such project or activity the responsibility for which has been assigned, as of the date of the enactment of this Act, to the Environmental Management program of the Department.

(b) REFLECTION IN BUDGET.—For fiscal year 2006 and each fiscal year thereafter, the Secretary shall ensure that the budget justification materials submitted to Congress in support of the Department of Energy budget for such fiscal year (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) reflect the policy required by subsection (a).

(c) CONSULTATION.—The Secretary shall carry out this section in consultation with the Administrator for Nuclear Security and the Under Secretary of Energy for Energy, Science, and Environment.

(d) REPORT.—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Energy budget for fiscal year 2005 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a report on the policy that the Secretary plans to have in effect under subsection (a) as of October 1, 2005. The report shall specify the officers and responsibilities referred to in subsection (a).

SEC. 3133. INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN OF CERTAIN INFORMATION RELATING TO STOCKPILE STEWARDSHIP CRITERIA.

(a) INCLUSION IN 2005 STOCKPILE STEWARDSHIP PLAN.—In submitting to Congress the updated version of the 2005 stockpile stewardship plan, the Secretary of Energy shall include the matters specified in subsection (b).

(b) MATTERS INCLUDED.—The matters referred to in subsection (a) are the following:

(1) An update of any information or criteria described in the report on stockpile stewardship criteria submitted under section 4202 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(3) of this Act).

(2) A description of any additional information identified, or criteria established, on matters covered by such section 4202 during the period beginning on the date of the submittal of the report under such section 4202 and ending on the date of the submittal of the updated version of the plan under subsection (a) of this section.

(3) For each science-based tool developed by the Department of Energy during such period—

(A) a description of the relationship of such science-based tool to the collection of information needed to determine that the nuclear weapons stockpile is safe and reliable; and

(B) a description of the criteria for judging whether or not such science-based tool provides for the collection of such information.

(c) 2005 STOCKPILE STEWARDSHIP PLAN DEFINED.—In this section, the term "2005 stockpile stewardship plan" means the updated version of the plan for maintaining the nuclear weapons stockpile developed under section 4203 of the Atomic Energy Defense Act (as transferred and redesignated by section 3161(e)(4) of this Act) that is required to be submitted to Congress not later than March 15, 2005.

SEC. 3134. PROGRESS REPORTS ON ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM.

(a) REPORT ON ACCESS TO INFORMATION FOR PERFORMANCE OF RADIATION DOSE RECONSTRUCTIONS.—(1) Not later than 90 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to Congress a report on the ability of the Institute to obtain, in a timely, accurate, and complete manner, information necessary for the purpose of carrying out radiation dose reconstructions under the Energy Employees Occupational Illness Compensation Program Act of 2000 (42 U.S.C. 7384 et seq.), including information requested from any element of the Department of Energy.

(2) The report shall include the following:

(A) An identification of each matter adversely affecting the ability of the Institute to obtain information described in paragraph (1) in a timely, accurate, and complete manner.

(B) For each facility with respect to which the Institute is carrying out one or more dose reconstructions described in paragraph (1)—

(i) a specification of the total number of claims requiring dose reconstruction;

(ii) a specification of the number of claims for which dose reconstruction has been adversely affected by any matter identified under paragraph (1); and

(iii) a specification of the number of claims requiring dose reconstruction for which, because of any matter identified under paragraph (1), dose reconstruction has not been completed within 150 days after the date on which the Secretary of Labor submitted the claim to the Secretary of Health and Human Services.

(b) REPORT ON DENIAL OF CLAIMS.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Labor shall submit to Congress a report on the denial of claims under the Energy Employees Occupational Illness Compensation Program Act of 2000 as of the date of such report.

(2) The report shall include for each facility with respect to which the Secretary has received one or more claims under that Act the following:

(A) The number of claims received with respect to such facility that have been denied, including the percentage of total number of claims received with respect to such facility that have been denied.

(B) The reasons for the denial of such claims, including the number of claims denied for each such reason.

SEC. 3135. REPORT ON INTEGRATION ACTIVITIES OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY WITH RESPECT TO ROBUST NUCLEAR EARTH PENETRATOR.

Section 1032 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2643; 10 U.S.C. 2358 note) is amended by adding at the end the following new subsection:

"(e) INTEGRATION ACTIVITIES IN FISCAL YEAR 2003 WITH RESPECT TO RNEP.—The report under subsection (a) that is due on April 1, 2004, shall include, in addition to the elements specified in subsection (b), a description of the integration and interoperability of the research and development, procurement, and other activities undertaken during fiscal year 2003 by the Department of Defense and the Department of Energy with respect to the Robust Nuclear Earth Penetrator.".

Subtitle E—Consolidation of National Security Provisions

SEC. 3141. 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 provisions 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) 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.

(4) 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; TABLE OF CONTENTS; DEFINITION.—

(1) SHORT TITLE; TABLE OF CONTENTS.—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—

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

***"SEC. 4001. SHORT TITLE; TABLE OF CONTENTS."**;*

(ii) by striking "This title" and inserting "(a) SHORT TITLE.—This division"; and

(iii) by adding at the end the following:

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

"DIVISION D—ATOMIC ENERGY DEFENSE PROVISIONS

"Sec. 4001. Short title; table of contents.
"Sec. 4002. Definition.

"TITLE XLI—ORGANIZATIONAL MATTERS

"Sec. 4101. Naval Nuclear Propulsion Program.
"Sec. 4102. Management structure for nuclear weapons production facilities and nuclear weapons laboratories.
"Sec. 4103. Restriction on licensing requirement for certain defense activities and facilities.

"TITLE XLII—NUCLEAR WEAPONS STOCKPILE MATTERS

"Subtitle A—Stockpile Stewardship and Weapons Production

"Sec. 4201. Stockpile stewardship program.
"Sec. 4202. Report on stockpile stewardship criteria.
"Sec. 4203. Plan for stewardship, management, and certification of warheads in the nuclear weapons stockpile.
"Sec. 4204. Nuclear weapons stockpile life extension program.
"Sec. 4205. Annual assessments and reports to the President and Congress regarding the condition of the United States nuclear weapons stockpile.
"Sec. 4206. Form of certifications regarding the safety or reliability of the nuclear weapons stockpile.
"Sec. 4207. Nuclear test ban readiness program.
"Sec. 4208. Study on nuclear test readiness postures.
"Sec. 4209. Requirements for specific request for new or modified nuclear weapons.
"Sec. 4210. Limitation on underground nuclear weapons tests.
"Sec. 4211. Testing of nuclear weapons.
"Sec. 4212. Manufacturing infrastructure for refabrication and certification of nuclear weapons stockpile.
"Sec. 4213. Reports on critical difficulties at nuclear weapons laboratories and nuclear weapons production plants.

"Subtitle B—Tritium

"Sec. 4231. Tritium production program.
"Sec. 4232. Tritium recycling.
"Sec. 4233. Tritium production.
"Sec. 4234. Modernization and consolidation of tritium recycling facilities.
"Sec. 4235. Procedures for meeting tritium production requirements.

"TITLE XLIII—PROLIFERATION MATTERS

"Sec. 4301. International cooperative stockpile stewardship.
"Sec. 4302. Nonproliferation initiatives and activities.
"Sec. 4303. Annual report on status of Nuclear Materials Protection, Control, and Accounting Program.
"Sec. 4304. Nuclear Cities Initiative.
"Sec. 4305. Authority to conduct program relating to fissile materials.
"Sec. 4306. Disposition of weapons-usable plutonium at Savannah River Site.
"Sec. 4306A. Disposition of surplus defense plutonium at Savannah River Site, Aiken, South Carolina.

"TITLE XLIV—ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT MATTERS

"Subtitle A—Environmental Restoration and Waste Management

"Sec. 4401. Defense Environmental Restoration and Waste Management Account.
"Sec. 4402. Requirement to develop future use plans for environmental management program.
"Sec. 4403. Integrated fissile materials management plan.
"Sec. 4404. Baseline environmental management reports.
"Sec. 4405. Accelerated schedule for environmental restoration and waste management activities.
"Sec. 4406. Defense waste cleanup technology program.
"Sec. 4407. Report on environmental restoration expenditures.
"Sec. 4408. Public participation in planning for environmental restoration and waste management at defense nuclear facilities.

"Subtitle B—Closure of Facilities

"Sec. 4421. Projects to accelerate closure activities at defense nuclear facilities.
"Sec. 4422. Reports in connection with permanent closures of Department of Energy defense nuclear facilities.

"Subtitle C—Privatization

"Sec. 4431. Defense environmental management privatization projects.

"Subtitle D—Hanford Reservation, Washington

"Sec. 4441. Safety measures for waste tanks at Hanford nuclear reservation.
"Sec. 4442. Hanford waste tank cleanup program reforms.
"Sec. 4443. River Protection Project.

"Sec. 4444. Funding for termination costs of River Protection Project, Richland, Washington.

"Subtitle E—Savannah River Site, South Carolina

"Sec. 4451. Accelerated schedule for isolating high-level nuclear waste at the defense waste processing facility, Savannah River Site.
"Sec. 4452. Multi-year plan for clean-up.
"Sec. 4453. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4453A. Continuation of processing, treatment, and disposition of legacy nuclear materials.
"Sec. 4453B. Continuation of processing, treatment, and disposition of legacy nuclear materials.
"Sec. 4453C. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4453D. Continuation of processing, treatment, and disposal of legacy nuclear materials.
"Sec. 4454. Limitation on use of funds for decommissioning F–canyon facility.

"TITLE XLV—SAFEGUARDS AND SECURITY MATTERS

"Subtitle A—Safeguards and Security

"Sec. 4501. Prohibition on international inspections of Department of Energy facilities unless protection of Restricted Data is certified.
"Sec. 4502. Restrictions on access to national laboratories by foreign visitors from sensitive countries.
"Sec. 4503. Background investigations of certain personnel at Department of Energy facilities.
"Sec. 4504. Department of Energy counterintelligence polygraph program.
"Sec. 4504A. Counterintelligence polygraph program.
"Sec. 4505. Notice to congressional committees of certain security and counterintelligence failures within nuclear energy defense programs.
"Sec. 4506. Submittal of annual report on status of security functions at nuclear weapons facilities.
"Sec. 4507. Report on counterintelligence and security practices at national laboratories.
"Sec. 4508. Report on security vulnerabilities of national laboratory computers.

"Subtitle B—Classified Information

"Sec. 4521. Review of certain documents before declassification and release.
"Sec. 4522. Protection against inadvertent release of Restricted Data and Formerly Restricted Data.
"Sec. 4523. Supplement to plan for declassification of Restricted Data and Formerly Restricted Data.
"Sec. 4524. Protection of classified information during laboratory-to-laboratory exchanges.
"Sec. 4525. Identification in budget materials of amounts for declassification activities and limitation on expenditures for such activities.

"Subtitle C—Emergency Response

"Sec. 4541. Responsibility for Defense Programs Emergency Response Program.

"TITLE XLVI—PERSONNEL MATTERS

"Subtitle A—Personnel Management

"Sec. 4601. Authority for appointment of certain scientific, engineering, and technical personnel.
"Sec. 4602. Whistleblower protection program.
"Sec. 4603. Employee incentives for employees at closure project facilities.
"Sec. 4604. Department of Energy defense nuclear facilities workforce restructuring plan.
"Sec. 4605. Authority to provide certificate of commendation to Department of Energy and contractor employees for exemplary service in stockpile stewardship and security.

"Subtitle B—Education and Training

"Sec. 4621. Executive management training in the Department of Energy.
"Sec. 4622. Stockpile stewardship recruitment and training program.

"Sec. 4623. Fellowship program for development of skills critical to the Department of Energy nuclear weapons complex.

"Subtitle C—Worker Safety

"Sec. 4641. Worker protection at nuclear weapons facilities.
"Sec. 4642. Safety oversight and enforcement at defense nuclear facilities.
"Sec. 4643. Program to monitor Department of Energy workers exposed to hazardous and radioactive substances.
"Sec. 4644. Programs for persons who may have been exposed to radiation released from Hanford nuclear reservation.

"TITLE XLVII—BUDGET AND FINANCIAL MANAGEMENT MATTERS

"Subtitle A—Recurring National Security Authorization Provisions

"Sec. 4701. Definitions.
"Sec. 4702. Reprogramming.
"Sec. 4703. Minor construction projects.
"Sec. 4704. Limits on construction projects.
"Sec. 4705. Fund transfer authority.
"Sec. 4706. Conceptual and construction design.
"Sec. 4707. Authority for emergency planning, design, and construction activities.
"Sec. 4708. Scope of authority to carry out plant projects.
"Sec. 4709. Availability of funds.
"Sec. 4710. Transfer of defense environmental management funds.
"Sec. 4711. Transfer of weapons activities funds.
"Sec. 4712. Funds available for all national security programs of the Department of Energy.

"Subtitle B—Penalties

"Sec. 4721. Restriction on use of funds to pay penalties under environmental laws.
"Sec. 4722. Restriction on use of funds to pay penalties under Clean Air Act.

"Subtitle C—Other Matters

"Sec. 4731. Single request for authorization of appropriations for common defense and security programs.

"TITLE XLVIII—ADMINISTRATIVE MATTERS

"Subtitle A—Contracts

"Sec. 4801. Costs not allowed under covered contracts.
"Sec. 4802. Prohibition and report on bonuses to contractors operating defense nuclear facilities.
"Sec. 4803. Contractor liability for injury or loss of property arising out of atomic weapons testing programs.

"Subtitle B—Research and Development

"Sec. 4811. Laboratory–directed research and development programs.
"Sec. 4812. Limitations on use of funds for laboratory directed research and development purposes.
"Sec. 4812A. Limitation on use of funds for certain research and development purposes.
"Sec. 4813. Critical technology partnerships.
"Sec. 4814. University-based research collaboration program.

"Subtitle C—Facilities Management

"Sec. 4831. Transfers of real property at certain Department of Energy facilities.
"Sec. 4832. Engineering and manufacturing research, development, and demonstration by plant managers of certain nuclear weapons production plants.
"Sec. 4833. Pilot program relating to use of proceeds of disposal or utilization of certain Department of Energy assets.

"Subtitle D—Other Matters

"Sec. 4851. Semiannual reports on local impact assistance.
"Sec. 4852. Payment of costs of operation and maintenance of infrastructure at Nevada Test Site.".

(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 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 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 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 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 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 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 the Bob Stump National Defense Authorization 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 "this Act" and inserting "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 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 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 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 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).

(7) 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 XLIII of such Act, as amended by this subsection;

(ii) redesignated as section 4306; and

(iii) inserted after section 4305, as added by paragraph (6).

(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 XLIII of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4306A; and

(iii) inserted after section 4306, as added by subparagraph (A).

(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 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 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 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 the Bob Stump National Defense Authorization 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 FOR 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 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 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 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 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 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 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 the Bob Stump National Defense Authorization 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 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 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".

(15) SUBTITLE HEADING ON HANFORD RESERVATION.—Title XLIV 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—Hanford Reservation, Washington".

(16) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4441;

(C) inserted after the heading for subtitle D of such title, as added by paragraph (15); 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 enactment 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 after the date of the enactment of this Act," and inserting "Not later than May 5, 1991,".

(17) 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 Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368), is—

(A) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4442;

(C) inserted after section 4441, as added by paragraph (16); 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,".

(18) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4442, as added by paragraph (17); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4443. RIVER PROTECTION PROJECT.";

and

(ii) by striking "(a) REDESIGNATION OF PROJECT.—".

(19) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4444;

(C) inserted after section 4443, as added by paragraph (18); and

(D) amended—

(i) by striking "section 3141" and inserting "section 4443"; and

(ii) by striking "the date of the enactment of this Act" and inserting "October 30, 2000".

(20) SUBTITLE HEADING ON SAVANNAH RIVER SITE, SOUTH CAROLINA.—Title XLIV 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 E—Savannah River Site, South Carolina".

(21) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as 4451; and

(C) inserted after the heading for subtitle E of such title, as added by paragraph (20).

(22) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4451, as added by paragraph (21); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4452. 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".

(23) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4452, as added by paragraph (22); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453. 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4453A; and

(iii) inserted after section 4453, as added by subparagraph (A).

(C) FISCAL YEAR 1999.—Section 3135 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2248) is—

(i) transferred to title XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) redesignated as section 4453B; and

(iii) inserted after section 4453A, 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4453B, as added by subparagraph (C); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453C. 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(ii) inserted after section 4453C, as added by subparagraph (D); and

(iii) amended—

(I) by inserting before the text the following new section heading:

"SEC. 4453D. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSAL OF LEGACY NUCLEAR MATERIALS.";

(II) by striking "(f) REQUIREMENT FOR CONTINUING OPERATIONS AT SAVANNAH RIVER SITE.—The Secretary" and inserting "The Secretary of Energy"; and

(III) by striking "subsection (e)" and inserting "section 4452".

(24) 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 XLIV of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) inserted after section 4453D, as added by paragraph (23)(E); and

(C) amended—

(i) by inserting before the text the following new section heading:

"SEC. 4454. 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".

(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 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 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 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 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 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 the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4505; and

(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 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 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 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 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 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 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 Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 938) is—

(A) transferred to title XLV 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 Authorization 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 Na-

tional Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 935) is—

(A) transferred to title XLV 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 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 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 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 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 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 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 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 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 EDUCATION AND TRAINING.—Title XLVI 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 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 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 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 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 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 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 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:

"(d) 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 or subcontractor of the Department of Energy employed at such a facility.".

(15) 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 amend-

ed 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 XLVI of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, as amended by this subsection;

(B) redesignated as section 4644;

(C) inserted after section 4643, as added by paragraph (14); 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,".

(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 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 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 the Bob Stump National Defense Authorization 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 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 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.—Sec-

tion 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 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 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 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 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 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 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 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);

(iv) amended 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)";

(v) amended in subsection (d)—

(I) by striking "section 3136(b)(1)" and inserting "section 4812A(b)(1)"; and

(II) 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

(vi) amended 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 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 subparagraph (A); 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 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 the Bob Stump National Defense Authorization 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 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 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 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 the Bob Stump National Defense Authorization 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 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 the Bob Stump National Defense Authorization 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 TO CONGRESS OF LOCAL IMPACT ASSISTANCE.—"; and

(iii) by striking "section 3161(c)(6) of the National Defense Authorization Act of 1993 (42 U.S.C. 7274h(c)(6))" and inserting "section 4604(c)(6)".

(16) 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 XLVIII of such Act, as amended by this subsection;

(B) redesignated as section 4852; and

(C) inserted after section 4851, as added by paragraph (15).

(m) CONFORMING AMENDMENTS.—(1) Title XXXVI of the Bob Stump National Defense Authorization Act for Fiscal 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.
Sec. 3302. Revisions to required receipt objectives for previously authorized disposals from 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 Defense 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 REQUIRED RECEIPT OBJECTIVES FOR PREVIOUSLY AUTHORIZED DISPOSALS FROM NATIONAL DEFENSE STOCKPILE.

Section 3402 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 972; 50 U.S.C. 98d note) is amended—

(1) in subsection (b)—

(A) by striking "and" at the end of paragraph (2); and

(B) by striking paragraph (3) and inserting the following new paragraphs:

"(3) $340,000,000 before the end of fiscal year 2005; and

"(4) $450,000,000 before the end of fiscal year 2013."; and

(2) in subsection (e), by adding at the end the following new sentence: "The disposal of materials under this section to achieve the receipt levels specified in subsection (b), within the time periods specified in subsection, shall be in addition to any routine and on-going disposals used to fund operations of the National Defense Stockpile.".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

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

Sec. 3501. Short title.

Subtitle A—Maritime Administration Reauthorization

Sec. 3511. Authorization of appropriations for fiscal years 2004, 2005, 2006, 2007, and 2008.
Sec. 3512. Conveyance of obsolete vessels under title V, Merchant Marine Act, 1936.
Sec. 3513. Authority to convey vessel USS HOIST (ARS–40).
Sec. 3514. Cargo preference.
Sec. 3515. Maritime education and training.
Sec. 3516. Authority to convey obsolete vessels to U.S. territories and foreign countries for reefing.
Sec. 3517. Maintenance and repair reimbursement pilot program.

Subtitle B—Amendments to Title XI Loan Guarantee Program

Sec. 3521. Equity payments by obligor for disbursement prior to termination of escrow agreement.
Sec. 3522. Waivers of program requirements.
Sec. 3523. Project monitoring.
Sec. 3524. Defaults.
Sec. 3525. Decision period.
Sec. 3526. Loan guarantees.
Sec. 3527. Annual report on program.
Sec. 3528. Review of program.

Subtitle C—Maritime Security Fleet

Sec. 3531. Establishment of Maritime Security Fleet.
Sec. 3532. Related amendments to existing law.
Sec. 3533. Interim rules.
Sec. 3534. Repeals and conforming amendments.
Sec. 3535. GAO study of adjustment of operating agreement payment criteria.
Sec. 3536. Definitions.
Sec. 3537. Effective dates.

Subtitle D—National Defense Tank Vessel Construction Assistance

Sec. 3541. National defense tank vessel construction program.
Sec. 3542. Application procedure.
Sec. 3543. Award of assistance.
Sec. 3544. Priority for title XI assistance.
Sec. 3545. Definitions.
Sec. 3546. Authorization of appropriations.

SEC. 3501. SHORT TITLE.

This title may be cited as the "Maritime Security Act of 2003".

Subtitle A—Maritime Administration Reauthorization

SEC. 3511. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 2004, 2005, 2006, 2007, AND 2008.

There are authorized to be appropriated to the Secretary of Transportation for the Maritime Administration—

(1) for expenses necessary for operations and training activities, not to exceed $104,400,000 for the fiscal year ending September 30, 2004, $106,000,000 for the fiscal year ending September 2005, and $109,000,000 for the fiscal year ending September 30, 2006, $111,000,000 for the fiscal year ending September 30, 2007, and $113,000,000 for the fiscal year ending September 30, 2008;

(2) for expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et. seq.), $36,000,000 for each of fiscal years 2004, 2005, 2006, 2007, and 2008 of which—

(A) $30,000,000 shall be 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) $6,000,000 shall be for administrative expenses related to loan guarantee commitments under the program; and

(3) for ship disposal, $18,422,000 for fiscal year 2004, $11,422,000 for each of fiscal years 2005 and 2006, and $12,000,000 for each of fiscal years 2007 and 2008.

SEC. 3512. CONVEYANCE OF OBSOLETE VESSELS UNDER TITLE V, MERCHANT MARINE ACT, 1936.

Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1158) is amended—

(1) by inserting "(a) AUTHORITY TO SCRAP OR SELL OBSOLETE VESSELS.—" before "If"; and

(2) by adding at the end the following:

"(b) AUTHORITY TO CONVEY VESSELS.—

"(1) IN GENERAL.—Notwithstanding section 510(j) of this Act, the Secretary of Transportation may convey the right, title, and interest of the United States Government in any vessel of the National Defense Reserve Fleet that has been identified by the Secretary as an obsolete vessel of insufficient value to warrant its further preservation, if—

"(A) the recipient is a non-profit organization, a State, Commonwealth, or possession of the United States or any municipal corporation or political subdivision thereof, or the District of Columbia;

"(B) the recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

"(C) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed by the Government;

"(D) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos, polychlorinated biphenyls, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

"(E) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary;

"(F) the recipient has provided proof, as determined by the Secretary, of resources sufficient to accomplish the

transfer, necessary repairs and modifications, and initiation of the intended use of the vessel; and

"(G) the recipient agrees that when the recipient no longer requires the vessel for use as described in the business plan required under subparagraph (E)—

"(i) 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

"(ii) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State in which the recipient is incorporated, 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.

"(2) OTHER EQUIPMENT.—At the Secretary's discretion, additional equipment from other obsolete vessels of the National Defense Reserve Fleet may be conveyed to assist the recipient with maintenance, repairs, or modifications.

"(3) ADDITIONAL TERMS.—The Secretary may require any additional terms the Secretary considers appropriate.

"(4) DELIVERY OF VESSEL.—If conveyance is made under this subsection the vessel shall be delivered to the recipient at a time and place to be determined by the Secretary. The vessel shall be conveyed in an 'as is' condition.

"(5) LIMITATIONS.—If at any time prior to delivery of the vessel to the recipient, the Secretary determines that a different disposition of a vessel would better serve the interests of the Government, the Secretary shall pursue the more favorable disposition of the obsolete vessel and shall not be liable for any damages that may result from an intended recipient's reliance upon a proposed transfer.

"(6) REVERSION.—The Secretary shall include in any conveyance under this subsection terms under which all right, title, and interest conveyed by the Secretary shall revert to the United States if the Secretary determines the vessel has been used other than as described in the business plan required under paragraph (1)(E).".

SEC. 3513. AUTHORITY TO CONVEY VESSEL USS HOIST (ARS–40).

(a) IN GENERAL.—Notwithstanding section 510(j) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1160(j)), 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 recipient agrees not to use, or allow others to use, the vessel for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government whenever the Secretary indicates that it is needed 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 in which the recipient is incorporated, 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, lead paint, or other hazardous substances after conveyance of the vessel, except for claims arising from use of the vessel by the Government;

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000; and

(7) the recipient has a conveyance plan and a business plan that describes the intended use of the vessel, each of which have been submitted to and approved by the Secretary.

(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.

SEC. 3514. CARGO PREFERENCE.

Section 901b(c)(2) of the Merchant Marine Act, 1936 (46 U.S.C App. 1241f(c)(2)) is amended by striking "1986." and inserting "1986, the 18-month period beginning April 1, 2002, and the 12-month period beginning October 1, 2003, and each year thereafter.".

SEC. 3515. MARITIME EDUCATION AND TRAINING.

(a) COST OF EDUCATION DEFINED.—Section 1302 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295a) is amended—

(1) by striking "and" after the semicolon in paragraph (3);

(2) by striking "States." in paragraph (4)(B) and inserting "States; and"; and

(3) by adding at the end the following:

"(5) the term 'cost of education provided' means the financial costs incurred by the Federal Government for providing training or financial assistance to students at the United States Merchant Marine Academy and the State maritime academies, including direct financial assistance, room, board, classroom academics, and other training activities.".

(b) COMMITMENT AGREEMENTS.—Section 1303(e) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(e)) is amended—

(1) by striking "Academy, unless the individual is separated from the" in paragraph (1)(A);

(2) by striking paragraph (1)(C) and inserting the following:

"(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from the Academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;";

(3) by striking paragraph (1)(E)(iii) and inserting the following:

"(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or";

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

"(2)(A) If the Secretary determines that any individual who has attended the Academy for not less than 2 years has failed to fulfill the part of the agreement required by paragraph (1)(A), such individual may be ordered by the Secretary of Defense to active duty in one of the armed forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Sec-

retary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided by the Federal Government.";

(5) by striking paragraph (3) and inserting the following:

"(3)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in subparagraphs (1)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 3 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (1)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary may recover from the individual the cost of education provided and may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such a reduction."; and

(6) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following:

"(4) To aid in the recovery of the cost of education provided by the Federal Government pursuant to a commitment agreement under this section, the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, or other applicable administrative remedies.".

(c) DEGREES AWARDED.—Section 1303(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295b(g)) is amended to read as follows:

"(g) DEGREES AWARDED.—

"(1) BACHELOR'S DEGREE.—The Superintendent of the Academy may confer the degree of bachelor of science upon any individual who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for a merchant marine officer's license. No individual may be denied a degree under this subsection because the individual is not permitted to take such examination solely because of physical disqualification.

"(2) MASTER'S DEGREE.—The Superintendent of the Academy may confer a master's degree upon any individual who has met the conditions prescribed by the Secretary. Any master's degree program may be funded through non-appropriated funds. In order to maintain the appropriate academic standards, the program shall be accredited by the appropriate accreditation body. The Secretary may make regulations necessary to administer such a program.".

(d) STUDENT INCENTIVE PAYMENTS.—Section 1304(g) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295c(g)) is amended—

(1) by striking "$3,000" in paragraph (1) and inserting "$4,000";

(2) in paragraph (3)(A) by striking "attending, unless the individual is separated by such academy;" and inserting "attending;";

(3) by striking paragraph (3)(C) and inserting the following:

"(C) to maintain a valid license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from such State maritime academy of such individual, accompanied by the appropriate national and international endorsements and certification as required by the United States Coast Guard for service aboard vessels on domestic and international voyages;";

(4) by striking paragraph (3)(E)(iii) and inserting the following:

"(iii) as a commissioned officer on active duty in an armed force of the United States, as a commissioned officer in the National Oceanic and Atmospheric Administration, or in other maritime-related employment with the Federal Government which serves the national security interests of the United States, as determined by the Secretary; or";

(5) by striking paragraph (4) and inserting the following:

"(4)(A) If the Secretary determines that an individual who has accepted the payment described in paragraph (1) for a minimum of 2 academic years has failed to fulfill the part of the agreement required by paragraph (1) and described in paragraph (3)(A), such individual may be ordered by the Secretary of Defense to active duty in the Armed Forces of the United States to serve for a period of time not to exceed 2 years. In cases of hardship, as determined by the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

"(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

"(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction.";

(6) by striking paragraph (5) and inserting the following:

"(5)(A) If the Secretary determines that an individual has failed to fulfill any part of the agreement required by paragraph (1), as described in paragraphs (3)(B), (C), (D), (E), or (F), such individual may be ordered to active duty to serve a period of time not less than 2 years and not more than the unexpired portion, as determined by the Secretary, of the service required by paragraph (3)(E). The Secretary, in consultation with the Secretary of Defense, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship, as determined by

the Secretary, the Secretary may waive this provision in whole or in part.

"(B) If the Secretary of Defense is unable or unwilling to order an individual to active duty under subparagraph (A), or if the Secretary of Transportation determines that reimbursement of the cost of education provided would better serve the interests of the United States, the Secretary—

"(i) subject to clause (ii), may recover from the individual the amount of student incentive payments, plus interest and attorneys fees; and

"(ii) may reduce the amount to be recovered from such individual to reflect partial performance of service obligations and such other factors as the Secretary determines merit such reduction."; and

(7) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively, and inserting after paragraph (5) the following:

"(6) To aid in the recovery of student incentive payments plus interest and attorneys fees the Secretary may request the Attorney General to begin court proceedings, and the Secretary may make use of the Federal debt collection procedures in chapter 176 of title 28, United States Code, and other applicable administrative remedies.".

(e) AWARDS AND MEDALS.—Section 1306 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295e) is amended by adding at the end the following:

"(d) AWARDS AND MEDALS.—The Secretary may establish and maintain a medals and awards program to recognize distinguished service, superior achievement, professional performance, and other commendable achievement by personnel of the United States Maritime Service.".

SEC. 3516. AUTHORITY TO CONVEY OBSOLETE VESSELS TO U.S. TERRITORIES AND FOREIGN COUNTRIES FOR REEFING.

(a) DEADLINE FOR PREPARATION.—Paragraph (1) of section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314; 116 Stat. 2754; 16 U.S.C. 1220 note) is amended by striking "September 30, 2003," and inserting "March 31, 2004,".

(b) GUIDANCE ON PRACTICES.—Such section is further amended—

(1) in paragraph (1), by inserting "guidance recommending" after "jointly develop";

(2) in paragraph (2), by inserting "guidance recommending" before "environmental best management practices";

(3) in paragraph (3)—

(A) in subparagraph (A), by inserting "recommended" after "include";

(B) by striking subparagraph (B) and inserting the following new subparagraph (B)

"(B) promote consistent use of such practices nationwide;"; and

(C) in subparagraph (C), by striking "establish baselines" and inserting "provide a basis"; and

(4) in paragraph (4), by striking "guidelines to be used by" and inserting "guidance for".

(c) APPLICATIONS FOR PREPARATION OF VESSELS AS REEFS.—Such section is further amended—

(1) by redesignating paragraph (5) as paragraph (6); and

(2) by inserting after paragraph (4) the following new paragraph (5):

"(5) Not later than March 31, 2004, the Secretary of Transportation, acting through the Maritime Administration, and the Administrator of the Environmental Protection Agency shall jointly establish an application process for governments of States, commonwealths, and United States territories and possession, and foreign governments, for the preparation of vessels for use as artificial reefs, including documentation and certification requirements for that application process.".

SEC. 3517. MAINTENANCE AND REPAIR REIMBURSEMENT PILOT PROGRAM.

(a) AUTHORITY TO ENTER AGREEMENTS.—

(1) IN GENERAL.—The Secretary of Transportation may carry out a pilot program under which the Secretary may enter into an agreement with a contractor under chapter 531 of title 46, United States Code, as amended by this Act, regarding maintenance and repair of a vessel that is subject to an operating agreement under that chapter.

(2) LIMITATION.—The Secretary may not require a person to enter into an agreement under this section, including as a condition of awarding an operating agreement to the person under chapter 531 of title 46, United States Code, as amended by this Act.

(b) TERMS OF AGREEMENT.—An agreement under this section—

(1) shall require that except as provided in subsection (c), all qualified maintenance or repair on the vessel shall be performed in the United States;

(2) shall require that the Secretary shall reimburse the contractor in accordance with subsection (d) for the costs of qualified maintenance or repair performed in the United States; and

(3) shall apply to maintenance and repair performed during the 5-year period beginning on the date the vessel begins operating under the operating agreement under chapter 531 of title 46, United States Code.

(c) EXCEPTION TO REQUIREMENT TO PERFORM WORK IN THE UNITED STATES.—A contractor shall not be required to have qualified maintenance or repair work performed in the United States under this section, if the Secretary determines that—

(1) there is no facility in the United States available to perform the work; or

(2) there is not available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to the work.

(d) REIMBURSEMENT.—

(1) IN GENERAL.—The Secretary shall, subject to the availability of appropriations, reimburse a contractor for costs incurred by the contractor for qualified maintenance or repair performed in the United States under this section.

(2) AMOUNT.—The amount of reimbursement shall be equal to 80 percent of the difference between—

(A) the fair and reasonable cost of obtaining the qualified maintenance or repair in the United States; and

(B) the fair and reasonable cost of obtaining the qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

(3) DETERMINATION OF FAIR AND REASONABLE COSTS.—The Secretary shall determine fair and reasonable costs for purposes of paragraph (2).

(e) NOTIFICATION REQUIREMENTS.—

(1) NOTIFICATION BY CONTRACTOR.—The Secretary is not required to pay reimbursement to a contractor under this section for qualified maintenance or repair, unless the contractor—

(A) notifies the Secretary of the intent of the contractor to obtain the qualified maintenance or repair, by not later than 180 days before the date of the performance of the qualified maintenance or repair; and

(B) includes in such notification—

(i) a description of all qualified maintenance or repair that the contractor should reasonably expect may be performed;

(ii) an estimate of the cost of obtaining such qualified maintenance or repair in the United States; and

(iii) an estimate of the cost of obtaining such qualified maintenance or repair outside the United States, in the geographic region in which the vessel generally operates.

(2) CERTIFICATION BY SECRETARY.—Not later than 60 days after the date of receipt of notification under paragraph (1), the Secretary shall certify to the contractor—

(A) whether there is a facility in the United States available to perform the qualified maintenance or repair described in the notification by the contractor under paragraph (1); and

(B) whether there is available to the Secretary sufficient funds to pay reimbursement under subsection (d) with respect to such work.

(f) QUALIFIED MAINTENANCE OR REPAIR DEFINED.—In this section the term "qualified maintenance or repair"—

(1) except as provided in paragraph (2), means—

(A) any inspection of a vessel that is—

(i) required under chapter 33 of title 46, United States Code; and

(ii) performed in the period in which the vessel is subject to an agreement under this section; and

(B) any maintenance or repair of a vessel that is determined, in the course of an inspection referred to in subparagraph (A), to be necessary to comply with the laws of the United States; and

(2) does not include—

(A) routine maintenance or repair; or

(B) any emergency work that is necessary to enable a vessel to return to a port in the United States.

(g) ANALYSIS.—

(1) IN GENERAL.—Not later than October 1, 2004, the Secretary of Transportation shall submit to the Committee on

Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, an analysis of the need for agreements authorized by this section.

(2) CONDUCT AND CONSIDERATIONS.—In conducting the analysis, the Secretary shall consider the overall costs and benefits of the pilot program, including the following:

(A) The impact on operations of vessels in the program.

(B) The availability of repair shipyards and drydocks in the various regions of the United States (as that term is defined in such chapter) that are capable of handling such vessels that are ocean-going vessels.

(C) The experience of such shipyards in repairing the types of such vessels.

(D) A comparison of drydock and repair costs between available United States and foreign shipyards located within the geographic range of the trading area of such vessels.

(E) A comparison of the time period required for the drydocking and repair of such vessels between available United States shipyards and foreign shipyards.

(F) The impact of the voyage deviation of such vessels to United States shipyards.

(G) The benefits to the Department of Defense of having a vessel repair base in the United States to accelerate the activation of the Ready Reserve Fleet.

(H) The benefits of extending the program to all vessels that are subject to operating agreements under chapter 531 of title 46 United States Code, as amended by this Act.

(3) RECOMMENDATIONS.—The Secretary shall include in the analysis recommendations of any additional incentives that are necessary to encourage participation in the program.

(h) AUTHORIZATION OF APPROPRIATIONS.—In addition to the other amounts authorized by this subtitle, for reimbursement of costs of qualified maintenance or repair under this section there is authorized to be appropriated to the Secretary of Transportation $19,500,000 for each of fiscal years 2006 through 2011.

Subtitle B—Amendments to Title XI Loan Guarantee Program

SEC. 3521. EQUITY PAYMENTS BY OBLIGOR FOR DISBURSEMENT PRIOR TO TERMINATION OF ESCROW AGREEMENT.

(a) IN GENERAL.—Section 1108 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1279a) is amended by adding at the end the following:

"(g) PAYMENTS REQUIRED BEFORE DISBURSEMENT.—

"(1) IN GENERAL.—No disbursement shall be made under subsection (b) to any person until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, whichever is applicable under section 1104A, of the aggregate actual cost of the vessel, as previously approved by the Secretary. If the aggregate actual cost of the vessel has increased since the Secretary's initial approval or if it increases after the

first disbursement is permitted under this subsection, then no further disbursements shall be made under subsection (b) until the total amount paid by or for the account of the obligor from sources other than the proceeds of the obligation equals at least 25 percent or 12½ percent, as applicable, of the increase, as determined by the Secretary, in the aggregate actual cost of the vessel. Nothing in this paragraph shall require the Secretary to consent to finance any increase in actual cost unless the Secretary determines that such an increase in the obligation meets all the terms and conditions of this title or other applicable law.

"(2) DOCUMENTED PROOF OF PROGRESS REQUIREMENT.—The Secretary shall, by regulation, establish a transparent, independent, and risk-based process for verifying and documenting the progress of projects under construction before disbursing guaranteed loan funds. At a minimum, the process shall require documented proof of progress in connection with the construction, reconstruction, or reconditioning of a vessel or vessels before disbursements are made from the escrow fund. The Secretary may require that the obligor provide a certificate from an independent party certifying that the requisite progress in construction, reconstruction, or reconditioning has taken place.".

(b) DEFINITION OF ACTUAL COST.—Section 1101(f) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271(f)) is amended to read as follows:

"(f) ACTUAL COST DEFINED.—The term 'actual cost' means the sum of—

"(1) all amounts paid by or for the account of the obligor as of the date on which a determination is made under section 1108(g)(1); and

"(2) all amounts that the Secretary reasonably estimates that the obligor will become obligated to pay from time to time thereafter, for the construction, reconstruction, or reconditioning of the vessel, including guarantee fees that will become payable under section 1104A(e) in connection with all obligations issued for construction, reconstruction, or reconditioning of the vessel or equipment to be delivered, and all obligations issued for the delivered vessel or equipment.".

SEC. 3522. WAIVERS OF PROGRAM REQUIREMENTS.

Section 1104A(d) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(d)) is amended by redesignating paragraph (4) as paragraph (5), and inserting after paragraph (3) the following:

"(4) The Secretary shall promulgate regulations concerning circumstances under which waivers of or exceptions to otherwise applicable regulatory requirements concerning financial condition can be made. The regulations shall require that—

"(A) the economic soundness requirements set forth in paragraph (1)(A) of this subsection are met after the waiver of the financial condition requirement; and

"(B) the waiver shall provide for the imposition of other requirements on the obligor designed to compensate for the increased risk associated with the obligor's failure to meet regulatory requirements applicable to financial condition.".

SEC. 3523. PROJECT MONITORING.

(a) PROJECT MONITORING.—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended by adding at the end the following:

"(k) MONITORING.— The Secretary shall monitor the financial conditions and operations of the obligor on a regular basis during the term of the guarantee. The Secretary shall document the results of the monitoring on an annual or quarterly basis depending upon the condition of the obligor. If the Secretary determines that the financial condition of the obligor warrants additional protections to the Secretary, then the Secretary shall take appropriate action under subsection (m) of this section. If the Secretary determines that the financial condition of the obligor jeopardizes its continued ability to perform its responsibilities in connection with the guarantee of obligations by the Secretary, the Secretary shall make an immediate determination whether default should take place and whether further measures described in subsection (m) should be taken to protect the interests of the Secretary while insuring that program objectives are met.".

(b) SEPARATION OF DUTIES AND OTHER REQUIREMENTS.—Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by subsection (a), is further amended by adding at the end the following:

"(l) REVIEW OF APPLICATIONS.—No commitment to guarantee, or guarantee of, an obligation shall be made by the Secretary unless the Secretary certifies that a full and fair consideration of all the regulatory requirements, including economic soundness and financial requirements applicable to obligors and related parties, and a thorough assessment of the technical, economic, and financial aspects of the loan application has been made.

"(m) AGREEMENT WITH OBLIGOR.—The Secretary shall include provisions in loan agreements with obligors that provide additional authority to the Secretary to take action to limit potential losses in connection with defaulted loans or loans that are in jeopardy due to the deteriorating financial condition of obligors. Provisions that the Secretary shall include in loan agreements include requirements for additional collateral or greater equity contributions that are effective upon the occurrence of verifiable conditions relating to the obligors financial condition or the status of the vessel or shipyard project.".

SEC. 3524. DEFAULTS.

Section 1105 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1275) is amended by adding at the end the following:

"(f) DEFAULT RESPONSE.—In the event of default on a obligation, the Secretary shall conduct operations under this title in a manner which—

"(1) maximizes the net present value return from the sale or disposition of assets associated with the obligation, including prompt referral to the Attorney General for collection as appropriate;

"(2) minimizes the amount of any loss realized in the resolution of the guarantee;

"(3) ensures adequate competition and fair and consistent treatment of offerors; and

"(4) requires appraisal of assets by an independent appraiser.".

SEC. 3525. DECISION PERIOD.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274), as amended by section 3523, is amended by adding at the end the following:

"(n) DECISION PERIOD.—

"(1) IN GENERAL.—The Secretary of Transportation shall approve or deny an application for a loan guarantee under this title within 270 days after the date on which the signed application is received by the Secretary.

"(2) EXTENSION.—Upon request by an applicant, the Secretary may extend the 270-day period in paragraph (1) to a date not later than 2 years after the date on which the signed application for the loan guarantee was received by the Secretary.".

SEC. 3526. LOAN GUARANTEES.

Section 1104A of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274) is amended—

(1) by striking subsection (d); and

(2) in subsection (f)—

(A) by striking "(including for obtaining independent analysis under subsection (d)(4))";

(B) by inserting "(1)" after "(f)"; and

(C) by adding at the end the following:

"(2) The Secretary may make a determination that aspects of an application under this title require independent analysis to be conducted by third party experts due to risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary. Any independent analysis conducted pursuant to this provision shall be performed by a party chosen by the Secretary.

"(3) Notwithstanding any other provision of this title, the Secretary may make a determination that an application under this title requires additional equity because of increased risk factors associated with markets, technology, financial structures, or other risk factors identified by the Secretary.

"(4) The Secretary may charge and collect fees to cover the costs of independent analysis under paragraph (2). Notwithstanding section 3302 of title 31, United States Code, any fee collected under this paragraph shall—

"(A) be credit as an offsetting collection to the account that finances the administration of the loan guarantee program;

"(B) shall be available for expenditure only to pay the costs of activities and services for which the fee is imposed; and

"(C) shall remain available until expended.".

SEC. 3527. ANNUAL REPORT ON PROGRAM.

The Secretary of Transportation shall report to Congress annually on the loan guarantee program under title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). The reports shall include—

(1) the size, in dollars, of the portfolio of loans guaranteed;

(2) the size, in dollars, of projects in the portfolio facing financial difficulties;

(3) the number and type of projects covered;

(4) a profile of pending loan applications;

(5) the amount of appropriations available for new guarantees;

(6) a profile of each project approved since the last report; and

(7) a profile of any defaults since the last report.

SEC. 3528. REVIEW OF PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a comprehensive assessment of the human capital and other resource needs in connection with the title XI loan guarantee program under the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.). In connection with this assessment, the Secretary shall develop an organizational framework for the program offices that insures that a clear separation of duties is established among the loan application, project monitoring, and default management functions.

(b) PROGRAM ENHANCEMENTS.—

(1) Section 1103(h)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273(h)(1)) is amended—

(A) by striking "subsection" in subparagraph (A) and inserting "subsection, and update annually,";

(B) by inserting "annually" before "determine" in subparagraph (B);

(C) by striking "and" after the semicolon in subparagraph (A);

(D) by striking "category." in subparagraph (B) and inserting "category; and"; and

(E) by adding at the end the following:

"(C) ensure that each risk category is comprised of loans that are relatively homogeneous in cost and share characteristics predictive of defaults and other costs, given the facts known at the time of obligation or commitment, using a risk category system that is based on historical analysis of program data and statistical evidence concerning the likely costs of defaults or other costs that expected to be associated with the loans in the category.".

(2) Section 1103(h)(2)(A) of that Act (46 U.S.C. App. 1273(h)(2)(A)) is amended by inserting "and annually for projects subject to a guarantee," after "obligation,".

(3) Section 1103(h)(3) of that Act (46 U.S.C. App. 1273(h)(3)) is amended by adding at the end the following:

"(K) A risk factor for concentration risk reflecting the risk presented by an unduly large percentage of loans outstanding by any 1 borrower or group of affiliated borrowers.".

(c) REPORT.—The Secretary shall report to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives on the results of the development of an organizational framework under subsection (a) by January 2, 2004.

Subtitle C—Maritime Security Fleet

SEC. 3531. ESTABLISHMENT OF MARITIME SECURITY FLEET.

(a) IN GENERAL.—Title 46, United States Code, is amended by inserting before subtitle VI the following new subtitle:

"Subtitle V—Merchant Marine

"Chap. ***Sec.***
"531. Maritime Security Fleet ***53101***

"CHAPTER 531—MARITIME SECURITY FLEET

"Sec.
"53101. Definitions.
"53102. Establishment of Maritime Security Fleet.
"53103. Award of operating agreements.
"53104. Effectiveness of operating agreements.
"53105. Obligations and rights under operating agreements.
"53106. Payments.
"53107. National security requirements.
"53108. Regulatory relief.
"53109. Special rule regarding age of participating fleet vessel.
"53110. Regulations
"53111. Authorization of appropriations.

"§53101. Definitions

"In this chapter:

"(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 53103.

"(3) FLEET.—The term 'Fleet' means the Maritime Security Fleet established under section 53102(a).

"(4) FOREIGN COMMERCE.—The term 'foreign commerce'—

"(A) subject to subparagraph (B), means—

"(i) commerce or trade between the United States, its territories or possessions, or the District of Columbia, and a foreign country; and

"(ii) commerce or trade between foreign countries; and

"(B) includes, in the case of liquid and dry bulk cargo carrying services, trading between foreign 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 this chapter or subtitle D of the Maritime Security Act of 2003.

"(5) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

"(6) PARTICIPATING FLEET VESSEL.—The term 'participating fleet vessel' means any vessel that—

"(A) on October 1, 2005—

"(i) meets the requirements of paragraph (1), (2), (3), or (4) of section 53102(c); and

"(ii) is less than 25 years of age, or less than 30 years of age in the case of a LASH vessel; and

"(B) on December 31, 2004, 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.).

"(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) TANK VESSEL.—The term 'tank vessel' has the meaning that term has under section 2101 of this title.

"(11) 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.

"(12) UNITED STATES CITIZEN TRUST.—(A) Subject to subparagraph (C), the term 'United States citizen trust' means a trust that is qualified under this paragraph.

"(B) A trust is qualified under this paragraph with respect to a vessel only if—

"(i) each of the trustees is a citizen of the United States; and

"(ii) the application for documentation of the vessel under chapter 121 of this title includes the affidavit of each trustee stating that the trustee is not aware of any reason involving a beneficiary of the trust that is not a citizen of the United States, or involving any other person that is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States.

"(C) If any person that is not a citizen of the United States has authority to direct or participate in directing a trustee for a trust in matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States or in removing a trustee for a trust without cause, either directly or indirectly through the control of another person, the trust is not qualified under this paragraph unless the trust instrument provides that persons who are not citizens of the United States may not hold more than 25 percent of the aggregate authority to so direct or remove a trustee.

"(D) This paragraph shall not be considered to prohibit a person who is not a citizen of the United States from holding more than 25 percent of the beneficial interest in a trust.

"(13) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of this title.

"§ 53102. Establishment of Maritime Security Fleet

"(a) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall establish a fleet of active, commercially viable, 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 chapter, 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 chapter;

"(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;

"(4) the vessel is—

"(A) 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

"(B) determined by the Secretary to be commercially viable; 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 this title if it is included in the Fleet; and

"(ii) at the time an operating agreement for the vessel is entered into under this chapter, the vessel is eligible for documentation under chapter 121 of this title.

"(c) REQUIREMENTS REGARDING CITIZENSHIP OF OWNERS, CHARTERERS, AND OPERATORS.—

"(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 chapter that applies to the vessel, 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).

"(2) VESSEL OWNED BY SECTION 2 CITIZEN OR UNITED STATES CITIZEN TRUST, AND CHARTERED TO DOCUMENTATION CITIZEN.—A vessel meets the requirements of this paragraph if—

"(A) during the period of an operating agreement under this chapter 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) or that is a United States citizen trust; and

"(ii) demise chartered to a person—

"(I) that is eligible to document the vessel under chapter 121 of this title;

"(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 to the Secretary 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 chapter;

"(B) in the case of a vessel that will be demise 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; and

"(C) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(ii)(III), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

"(3) VESSEL OWNED AND OPERATED BY DEFENSE CONTRACTOR.—A vessel meets the requirements of this paragraph if—

"(A) during the period of an operating agreement under this chapter that applies to the vessel, the vessel will be owned and operated by a person that—

"(i) is eligible to document a vessel under chapter 121 of this title;

"(ii) operates or manages other United States-documented vessels for the Secretary of Defense, or charters other vessels to the Secretary of Defense;

"(iii) has entered into a special security agreement for purposes of this paragraph with the Secretary of Defense;

"(iv) makes the certification described in paragraph (2)(A)(ii)(III); and

"(v) in the case of a vessel described in paragraph (2)(B), enters into an agreement referred to in that paragraph; and

"(B) the Secretary and the Secretary of Defense notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Armed Services of the House of Representatives that they concur with the certification required under subparagraph (A)(iv), and have reviewed and agree that there are no other legal, operational, or other impediments that would prohibit the contractor for the vessel from performing its obligations under an operating agreement under this chapter.

"(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 chapter 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 this title; 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 Public Law 81–891 (64 Stat. 1120; 46 App. U.S.C. note prec. 3) that is necessary for purposes of this chapter.

"(e) VESSEL STANDARDS.—

"(1) CERTIFICATE OF INSPECTION.—A vessel used to provide oceangoing transportation which the Secretary of the department in which the Coast Guard is operating determines meets the criteria of subsection (b) of this section but which, on the date of enactment of the Maritime Security Act of 2003, is not a documented vessel (as that term is defined in section 12101 of this title) shall be eligible for a certificate of inspection if the Secretary determines that—

"(A) the vessel is classed by and designed in accordance with the rules of the American Bureau of Shipping, or another classification society accepted by the Secretary;

"(B) the vessel complies with applicable international agreements and associated guidelines, as determined by the country in which the vessel was documented immediately before becoming a documented vessel (as defined in that section); and

"(C) that country has not been identified by the Secretary as inadequately enforcing international vessel regulations as to that vessel.

"(2) CONTINUED ELIGIBILITY FOR CERTIFICATE.—Paragraph (1) does not apply to a vessel after any date on which the vessel

fails to comply with the applicable international agreements and associated guidelines referred to in paragraph (1)(B).

"(3) RELIANCE ON CLASSIFICATION SOCIETY.—

"(A) IN GENERAL.—The Secretary may rely on a certification from the American Bureau of Shipping or, subject to subparagraph (B), another classification society accepted by the Secretary to establish that a vessel is in compliance with the requirements of paragraphs (1) and (2).

"(B) FOREIGN CLASSIFICATION SOCIETY.—The Secretary may accept certification from a foreign classification society under subparagraph (A) only—

"(i) to the extent that the government of the foreign country in which the society is headquartered provides access on a reciprocal basis to the American Bureau of Shipping; and

"(ii) if the foreign classification society has offices and maintains records in the United States.

"(f) WAIVER OF AGE RESTRICTION.—The Secretary of Defense, in conjunction with the Secretary of Transportation, may waive the application of an age restriction under subsection (b)(3) if the Secretaries jointly determine that the waiver—

"(1) is in the national interest;

"(2) is appropriate to allow the maintenance of the economic viability of the vessel and any associated operating network; and

"(3) is necessary due to the lack of availability of other vessels and operators that comply with the requirements of this chapter.

"§53103. 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 operator of the vessel for purposes of section 53102(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 chapter, 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 approve the application in conjunction with the Secretary of Defense, and shall enter into an operating agreement with the applicant, or provide in writing the reason for denial of that application.

"(3) PARTICIPATING FLEET VESSELS.—

"(A) IN GENERAL.—The Secretary shall accept an application for an operating agreement for a participating fleet vessel under the priority under subsection (c)(1)(B) only from a person that has authority to enter into an operating agreement for the vessel with respect to the full term of the operating agreement.

"(B) VESSEL UNDER DEMISE CHARTER.—For purposes of subparagraph (A), in the case of a vessel that is subject to a demise charter that terminates by its terms on September

30, 2005 (without giving effect to any extension provided therein for completion of a voyage or to effect the actual redelivery of the vessel), or that is terminable at will by the owner of the vessel after such date, only the owner of the vessel shall be treated as having the authority referred to in paragraph (1).

"(C) VESSEL OWNED BY UNITED STATES CITIZEN TRUST.—For purposes of subparagraph (B), in the case of a vessel owned by a United States citizen trust, the term 'owner of the vessel' includes a beneficial owner of the vessel with respect to such trust.

"(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 chapter;

"(ii) is eligible to be included in the Fleet under section 53102(b); and

"(iii) during the period of an operating agreement under this chapter 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) PARTICIPATING FLEET VESSELS.—Second, to the extent amounts are available after applying subparagraphs (A), for any 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 53102(b), and that, during the period of an operating agreement under this chapter 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 this title, 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 53102(b).

"(2) REDUCTION IN NUMBER OF SLOTS FOR PARTICIPATING FLEET VESSELS.—The number in paragraph (1)(B) shall be reduced by 1—

"(A) for each 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 chapter; and

"(B) for each participating fleet vessel for which an application for enrollment in the Fleet received by the Secretary is not approved by the Secretary and 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;

"(ii) in the case of operating agreements awarded under subparagraph (C) or (D) of paragraph (1), according to applicants' records of owning and operating vessels; and

"(iii) 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 53102(b) as a vessel that is constructed in the United States after the effective date of this chapter, 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 chapter; and

"(ii) the replacement vessel is eligible to be included in the Fleet under section 53102(b).

"(B) No payment under this chapter 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 chapter; or

"(ii) the date of delivery of the replacement tank vessel.

"(d) LIMITATION.—The Secretary may not award operating agreements under this chapter that require payments under section 53106 for a fiscal year for more than 60 vessels.

"§ 53104. Effectiveness of operating agreements

"(a) EFFECTIVENESS, GENERALLY.—The Secretary may enter into an operating agreement under this chapter 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 53107, 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) TERMINATION BY SECRETARY.—If the contractor with respect to an operating agreement materially fails to comply with the terms of the agreement—

"(A) the Secretary shall notify the contractor and provide a reasonable opportunity to comply with the operating agreement;

"(B) the Secretary shall terminate the operating agreement if the contractor fails to achieve such compliance; and

"(C) upon such termination, any funds obligated by the agreement shall be available to the Secretary to carry out this chapter.

"(2) EARLY TERMINATION BY CONTRACTOR, GENERALLY.—An operating agreement under this chapter 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.

"(3) EARLY TERMINATION BY CONTRACTOR, WITH AVAILABLE REPLACEMENT.—An operating agreement under this chapter shall terminate upon the expiration of the 3-year period beginning on the date a vessel begins operating under the agreement, if—

"(A) the contractor notifies the Secretary, by not later than 2 years after the date the vessel begins operating under the agreement, that the contractor intends to terminate the agreement under this paragraph; and

"(B) the Secretary, in conjunction with the Secretary of Defense, determines that—

"(i) an application for an operating agreement under this chapter has been received for a replacement vessel that is acceptable to the Secretaries; and

"(ii) during the period of an operating agreement under this chapter that applies to the replacement vessel, the replacement 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 this title, 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) NONRENEWAL FOR LACK OF FUNDS.—If, by the first day of a fiscal year, sufficient funds have not been appropriated under the authority provided by this chapter for that fiscal year, then the Secretary shall notify the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate and

the Committee on Armed Services of the House of Representatives that operating agreements authorized under this chapter 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.

"(e) RELEASE OF VESSELS FROM OBLIGATIONS.—If an operating agreement under this chapter is terminated under subsection (c)(3), or if funds are not appropriated for payments under an operating agreement under this chapter for any fiscal year by the 60th day of that fiscal year, then—

"(1) each vessel covered by the operating agreement is thereby released from any further obligation under the operating agreement;

"(2) 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

"(3) 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.

"§53105. Obligations and rights under operating agreements

"(a) OPERATION OF VESSEL.—An operating agreement under this chapter 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 this title; and

"(B) shall not otherwise be operated in the coastwise trade; and

"(2) the vessel shall be documented under chapter 121 of this title.

"(b) ANNUAL PAYMENTS BY SECRETARY.—

"(1) IN GENERAL.—An operating agreement under this chapter shall require, subject to the availability of appropriations, that the Secretary make a payment each fiscal year to the contractor in accordance with section 53106.

"(2) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this chapter 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 53104(c)(2)) shall remain documented under chapter 121 of this title, 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

53104(c)(2)) shall continue to be bound by the provisions of section 53107 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 53107 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, 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 chapter, if the transfer is approved by the Secretary and the Secretary of Defense.

"(f) REPLACEMENT VESSEL.—A contractor may replace a vessel under an operating agreement with another vessel that is eligible to be included in the Fleet under section 53102(b), if the Secretary, in conjunction with the Secretary of Defense, approve replacement of the vessel.

"§53106. 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, 2007, and 2008;

"(B) $2,900,000, for each of fiscal years 2009, 2010, and 2011; and

"(C) $3,100,000 for each fiscal years 2012, 2013, 2014, and 2015.

"(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 53105(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) GENERAL LIMITATIONS.—The Secretary of Transportation shall not make any payment under this chapter 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 53107;

"(2) not operated or maintained in accordance with an operating agreement under this chapter; 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 chapter 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 bulk 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 53105(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.

"(e) LIMITATION REGARDING NONCONTIGUOUS DOMESTIC TRADE.—

"(1) IN GENERAL.—No contractor shall receive payments pursuant to this chapter during a period in which it participates in noncontiguous domestic trade.

"(2) LIMITATION ON APPLICATION.—Paragraph (1) shall not apply to any person that is a citizen of the United States within the meaning of section 2(c) of the Shipping Act, 1916 (46 App. U.S.C. 802(c)).

"(3) PARTICIPATES IN A NONCONTIGUOUS DOMESTIC TRADE DEFINED.—In this subsection the term 'participates in a noncontiguous domestic trade' means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 States and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

"§53107. 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, in conjunction with the Secretary of Defense, shall include in each operating agreement under this chapter 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 chapter.

"(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 chapter 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)) by 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 53105(d), 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 Preparedness 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 nonvessel 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 53106.

"(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 Mer-

chant 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 UNITED STATES 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.

"§53108. Regulatory relief

"(a) OPERATION IN FOREIGN COMMERCE.—A contractor for a vessel included in an operating agreement under this chapter 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 chapter.

"(c) TELECOMMUNICATIONS EQUIPMENT.—The telecommunications and other electronic equipment on an existing vessel that is redocumented under the laws of the United States for operation under an operating agreement under this chapter shall be deemed to satisfy all Federal Communications Commission equipment certification requirements, if—

"(1) such equipment complies with all applicable international agreements and associated guidelines as determined by the country in which the vessel was documented immediately before becoming documented under the laws of the United States;

"(2) that country has not been identified by the Secretary as inadequately enforcing international regulations as to that vessel; and

"(3) at the end of its useful life, such equipment will be replaced with equipment that meets Federal Communications Commission equipment certification standards.

"§53109. Special rule regarding age of participating fleet vessel

"Any age restriction under section 53102(b)(3) or 53106(c)(3) shall not apply to a participating fleet vessel during the 30-month period beginning on the date the vessel begins operating under an operating agreement under this title, 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 participating fleet vessel a replacement vessel that, upon commencement of such operation, will be eligible to be included in the Fleet under section 53102(b).

"§53110. Regulations

"The Secretary and the Secretary of Defense may each prescribe rules as necessary to carry out their respective responsibilities under this chapter.

"§53111. Authorization of appropriations

"There are authorized to be appropriated for payments under section 53106, to remain available until expended—

"(1) $156,000,000 for each of fiscal years 2006, 2007, and 2008;

"(2) $174,000,000 for each of fiscal years 2009, 2010, and 2011; and

"(3) $186,000,000 for each fiscal year thereafter through fiscal year 2015.".

(b) CONFORMING AMENDMENT.—The table of subtitles at the beginning of title 46, United States Code, is amended by inserting before the item relating to chapter VI the following:

"V. MERCHANT MARINE .....53101".

SEC. 3532. RELATED AMENDMENTS TO EXISTING LAW.

(a) AMENDMENT TO SHIPPING ACT, 1916.—Section 9 of the Shipping Act, 1916 (46 App. U.S.C. 808) is amended—

(1) by redesignating subsection (e), as added by section 1136(b) of Public Law 104–324 (110 Stat. 3987), as subsection (f); and

(2) by amending subsection (e), as added by section 6 of Public Law 104–324 (110 Stat. 3132), to read as follows:

"(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, in conjunction with the Secretary of Defense, determines that at least one replacement vessel of equal or greater military capability and of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is docu-

mented 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; or

"(2) an operating agreement covering the vessel under chapter 531 of title 46, United States Code, has expired.".

(b) MERCHANT MARINE ACT, 1936.—Section 512 of the Merchant Marine Act, 1936 (46 U.S.C. 1162) is amended—

(1) by striking "Notwithstanding" and inserting "(a) Except as provided in subsection (b), notwithstanding"; and

(2) by adding at the end the following:

"(b)(1) Except as provided in paragraph (2), the restrictions and requirements of section 506 shall terminate upon the expiration of the 20-year period beginning on the date of the original delivery of the vessel from the shipyard for operation of a vessel in any domestic trade in which it has operated at any time since 1996.

"(2) Paragraph (1) shall not affect any requirement to make payments under section 506.".

SEC. 3533. INTERIM RULES.

The Secretary of Transportation and the Secretary of Defense may each prescribe interim rules necessary to carry out their respective responsibilities under 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 section that are not earlier superseded by final rules shall expire no later than 270 days after the effective date of this subtitle.

SEC. 3534. 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 AMENDMENTS.—

(1) Section 12102(d)(4) of title 46, United States Code, is amended by inserting "or chapter 531 of title 46, United States Code" after "Merchant Marine Act, 1936".

(2) Section 1137 of Public Law 104–324 (46 App. U.S.C. 1187 note) is amended by striking "section 651(b) of the Merchant Marine Act, 1936" and inserting "section 53102(b) of title 46, United States Code".

SEC. 3535. GAO STUDY OF ADJUSTMENT OF OPERATING AGREEMENT PAYMENT CRITERIA.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the potential impact of amending section 53106 of title 46, United States Code, as amended by this Act—

(1) to increase or decrease the 7,500 ton limitation;

(2) to apply the limitation to bagged cargo as well as bulk cargo; and

(3) to so modify the tonnage limitation and apply it to bagged cargo as well as bulk cargo.

(b) MATTERS TO BE ADDRESSED.—

(1) SPECIFIC IMPACTS.—As part of the study required by subsection (a), the Comptroller General shall address, in particular, the impact of such amendments on—

(A) the Maritime Security Fleet established under chapter 531 of title 46, United States Code, as amended by this Act;

(B) the civilian bulk cargo preference program under section 901(a), 901(b), or 901b of such Act (46 U.S.C. App. 1241(a), 1241(b), and 1241f); and

(C) operations of vessels under sections 901a through 901k of such Act (46 U.S.C. App. 1241e through 1241o, the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(8)), or any other statute in pari materia.

(2) CERTAIN ASPECTS.—In carrying out paragraph (1), the Comptroller General shall consider, among other matters—

(A) increased or decreased costs to the overall cargo preference program, including transportation costs (for both land and water transportation);

(B) effects on ports;

(C) the number of shipments that would be affected;

(D) increased or decreased administrative and compliance burdens for carriers and Federal agencies; and

(E) increases or decreases in the number of United States-flag operators participating in the cargo preference program.

(3) BALANCING BENEFITS.—In the study, the Comptroller General shall also address whether and how such amendments could result in achieving an appropriate balance of benefits between participants in the Maritime Security Fleet program and participants in the cargo preference program.

(c) REPORT.—The Comptroller General shall transmit a report of the study, including findings, conclusions, and recommendations (including legislative recommendations, if any), to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate within 9 months after the date of enactment of this Act.

(d) AUTHORITY.—In order to conduct the study required by subsection (a), the Comptroller General, or any of the Comptroller General's duly authorized representatives, shall have access to any books, accounts, documents, papers, and records that relate to the information required to complete the study of owners or operators of vessels—

(1) under operating agreements under subtitle B of title VI of the Merchant Marine Act, 1936 (46 App. U.S.C. 651 et seq.) or chapter 531 of title 46, United States Code, as amended by this Act; and

(2) that accept bulk cargo subject to the cargo preference laws of the United States.

SEC. 3536. DEFINITIONS.

In this subtitle, the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

SEC. 3537. 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 3534 shall take effect October 1, 2005.

(c) OTHER PROVISIONS.—Sections 3533, 3535, and this section shall take effect on the date of the enactment of this Act.

Subtitle D—National Defense Tank Vessel Construction Assistance

SEC. 3541. 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 Secretary of Defense pursuant to section 3543(e).

SEC. 3542. 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. 3543. 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(g) of the Shipping Act, 1916, (46 App. U.S.C. 808(g)) 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 53107 of title 46, United States Code, as amended by this Act.

(2) TREATMENT AS CONTRACTOR.—For purposes of the application, under paragraph (1), of section 53107 of title 46, United States Code, to a vessel constructed with assistance under this subtitle, the term "contractor" as used in that section

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. 3544. 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 D of the Maritime Security Act of 2003.".

SEC. 3545. DEFINITIONS.

In this subtitle the definitions set forth in section 53101 of title 46, United States Code, as amended by this Act, shall apply.

SEC. 3546. 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.

TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Sec. 3601. Short title.

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

Sec. 3611. Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

Sec. 3621. Comprehensive inventory of Russian tactical nuclear weapons.
Sec. 3622. Establishment of interparliamentary Threat Reduction Working Group.
Sec. 3623. Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses.
Sec. 3624. Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems.

Subtitle C—Other Matters

Sec. 3631. Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development.

SEC. 3601. SHORT TITLE.

This title may be cited as the "Nuclear Security Initiative Act of 2003".

Subtitle A—Administration and Oversight of Threat Reduction and Nonproliferation Programs

SEC. 3611. MANAGEMENT ASSESSMENT OF DEPARTMENT OF DEFENSE AND DEPARTMENT OF ENERGY THREAT REDUCTION AND NONPROLIFERATION PROGRAMS.

(a) GAO ASSESSMENT REQUIRED.—The Comptroller General shall carry out an assessment of the management of the threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy. The matters assessed shall include—

(1) the effectiveness of the overall strategy used for managing such programs;

(2) the basis used to allocate the missions of such programs among the executive departments and agencies;

(3) the criteria used to assess the effectiveness of such programs;

(4) the strategy and process used to establish priorities for activities carried out under such programs, including the analysis of risks and benefits used in determining how best to allocate the funds made available for such programs;

(5) the mechanisms used to coordinate the activities carried out under such programs by the executive departments and agencies so as to ensure efficient execution and avoid duplication of effort; and

(6) the management controls used in carrying out such programs and the effect of such controls on the execution of such programs.

(b) CONSIDERATIONS.—In carrying out the assessment required by subsection (a), the Comptroller General shall take into account—

(1) the national security interests of the United States; and

(2) the need for accountability in expenditure of funds by the United States.

(c) REPORT.—Not later than May 1, 2004, the Comptroller General shall submit a report on the assessment required by subsection (a) to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate.

(d) DEFINITIONS.—In this section:

(1) The term "threat reduction and nonproliferation programs of the Department of Defense and the Department of Energy" means—

(A) 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); and

(B) any programs for which funds are made available under the defense nuclear nonproliferation account of the Department of Energy.

(2) The term "management controls" means any accounting, oversight, or other measure intended to ensure that programs are executed consistent with—

(A) programmatic objectives as stated in budget justification materials submitted to Congress (as submitted

with the budget of the President under section 1105(a) of title 31, United States Code); and

(B) any restrictions related to such objectives as are imposed by law.

Subtitle B—Relations Between the United States and Russia

SEC. 3621. COMPREHENSIVE INVENTORY OF RUSSIAN TACTICAL NUCLEAR WEAPONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should, to the extent the President considers prudent, seek to work with the Russian Federation to develop a comprehensive inventory of Russian tactical nuclear weapons.

(b) REPORT.—Not later than 12 months after the date of the enactment of this Act, the President shall submit to Congress a report, in both classified and unclassified form as necessary, describing the progress that has been made toward creating such an inventory.

SEC. 3622. ESTABLISHMENT OF INTERPARLIAMENTARY THREAT REDUCTION WORKING GROUP.

(a) ESTABLISHMENT OF WORKING GROUP.—There is hereby established a working group to be known as the "Threat Reduction Working Group" as an interparliamentary group of the Congress of the United States and the legislature of the Russian Federation.

(b) PURPOSE OF WORKING GROUP.—The purpose of the working group established by subsection (a) shall be to explore means to enhance cooperation between the United States and the Russian Federation with respect to nuclear nonproliferation and security and such other issues related to reducing the dangers of weapons of mass destruction as the members of the working group consider appropriate.

(c) MEMBERSHIP.—(1) The majority leader of the Senate, after consultation with the minority leader of the Senate, shall appoint not more than 10 Senators to the working group established by subsection (a).

(2) The Speaker of the House of Representatives, after consultation with the minority leader of the House of Representatives, shall appoint not more than 30 Members of the House to the working group.

SEC. 3623. SENSE OF CONGRESS ON COOPERATION BY UNITED STATES AND NATO WITH RUSSIA ON BALLISTIC MISSILE DEFENSES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should, in conjunction with the North Atlantic Treaty Organization, encourage appropriate cooperative relationships between the Russian Federation and the United States and North Atlantic Treaty Organization with respect to the development and deployment of ballistic missile defenses.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report (in unclassified or classified form as necessary) on the feasibility of increasing cooperation between the Russian Federation and

the United States and the North Atlantic Treaty Organization on the subject of ballistic missile defense. The report shall include—

(1) the recommendations of the Secretary;

(2) a description of the threat such cooperation is intended to address; and

(3) an assessment of possible benefits to ballistic missile defense programs of the United States.

SEC. 3624. SENSE OF CONGRESS ON ENHANCED COLLABORATION TO ACHIEVE MORE RELIABLE RUSSIAN EARLY WARNING SYSTEMS.

It is the sense of Congress that the President, to the extent consistent with the national security interests of the United States, should—

(1) encourage joint efforts by the United States and the Russian Federation to reduce the probability of accidental nuclear attack as a result of misinformation or miscalculation by developing the capabilities and increasing the reliability of Russian ballistic missile early-warning systems;

(2) encourage the development of joint programs by the United States and the Russian Federation to ensure that the Russian Federation has reliable information regarding launches of ballistic missiles anywhere in the world; and

(3) pending the execution of a new agreement between the United States and the Russian Federation providing for the conduct of the Russian-American Observation Satellite (RAMOS) program, ensure that funds appropriated for that program for fiscal year 2004 are obligated and expended in a manner that provides for the satisfactory continuation of that program.

Subtitle C—Other Matters

SEC. 3631. PROMOTION OF DISCUSSIONS ON NUCLEAR AND RADIOLOGICAL SECURITY AND SAFETY BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

(a) SENSE OF CONGRESS REGARDING INITIATION OF DIALOGUE BETWEEN THE IAEA AND THE OECD.—It is the sense of Congress that—

(1) the United States should seek to initiate discussions between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development for the purpose of exploring issues of nuclear and radiological security and safety, including the creation of new sources of revenue (including debt reduction) for states to provide nuclear security; and

(2) the discussions referred to in paragraph (1) should also provide a forum to explore possible sources of funds in support of the G-8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction.

(b) CONTINGENT REPORT.—(1) Except as provided in paragraph (2), the President shall, not later than 12 months after the date of the enactment of this Act, submit to Congress a report on—

(A) the efforts made by the United States to initiate the discussions described in subsection (a);

(B) the results of those efforts; and

(C) any plans for further discussions and the purposes of such discussions.

(2) Paragraph (1) shall not apply if no efforts referred to in paragraph (1)(A) have been made.

And the Senate agree to the same.

From the Committee on Armed Services, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

DUNCAN HUNTER,
CURT WELDON,
JIM SAXTON,
JOHN M. MCHUGH,
TERRY EVERETT,
ROSCOE BARTLETT,
HOWARD "BUCK" MCKEON,
MAC THORNBERRY,
JOHN HOSTETTLER,
WALTER B. JONES,
JIM RYUN,
JIM GIBBONS,
ROBIN HAYES,
HEATHER WILSON,
KEN CALVERT,
IKE SKELTON,
SOLOMON P. ORTIZ,
LANE EVANS,
NEIL ABERCROMBIE,
SILVESTRE REYES,

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X:

PORTER J. GOSS,
PETE HOEKSTRA,
JANE HARMAN,

From the Committee on Agriculture, for consideration of secs. 1057 and 2822 of the House bill, and modifications committed to conference:

BOB GOODLATTE,
FRANK D. LUCAS,
CHARLES W. STENHOLM,

From the Committee on Education and the Workforce, for consideration of secs. 544, 553, 563, 567, 907, 1046, 1501, 1502, and 1504–1506 of the House bill, and secs. 233, 351, 352, 368, 701, 1034, and 1036 of the Senate amendment, and modifications committed to conference:

MICHAEL N. CASTLE,
JOHN KLINE,

From the Committee on Energy and Commerce, for consideration of secs. 601, 3113, 3201, and 3517 of the House bill, and secs. 601, 701, 852, 3151, and 3201 of the Senate amendment, and modifications committed to conference:

BILLY TAUZIN,
JOE BARTON,

From the Committee on Financial Services, for consideration of secs. 814 and 907 of the House bill, and modifications committed to conference:

MICHAEL G. OXLEY,
PETER T. KING,

From the Committee on Government Reform, for consideration of secs. 315, 323, 551, 805, 822, 824, 828, 829, 1031, 1046, 1050, 1057, Title XI, Title XIV, secs. 2825 and 2826 of the House bill, and secs. 326, 801, 811, 813, 822, 831–833, 841, 852, 853, 1013, 1035, 1102–1104, and 2824–2826 of the Senate amendment, and modifications committed to conference:

TOM DAVIS,
CHRISTOPHER SHAYS,
JO ANN DAVIS,
ADAM H. PUTNAM,
MICHAEL R. TURNER,

From the Select Committee on Homeland Security, for consideration of sec. 1456 of the House bill, and modifications committed to conference:

CHRISTOPHER COX,
JOHN SHADEGG,
BENNIE G. THOMPSON,

From the Committee on House Administration, for consideration of sec. 564 of the Senate amendment, and modifications committed to conference:

ROBERT W. NEY,
JOHN L. MICA,
JOHN B. LARSON,

From the Committee on International Relations, for consideration of secs. 1047, 1201, 1202, 1209, Title XIII, secs. 3601, 3611, 3631, 3632, and 3634–3636 of the House bill, and secs. 323, 343, 921, 1201, 1201, 1204, 1205, 1207, 1208, Title XIII, and sec. 3141 of the Senate amendment, and modifications committed to conference:

HENRY HYDE,
DOUG BEREUTER,

From the Committee on the Judiciary, for consideration of secs. 661–665 and 851–853 of the Senate amendment, and modifications committed to conference:

JAMES F. SENSENBRENNER, Jr.,
LAMAR SMITH,

From the Committee on Resources, for consideration of secs. 311, 317–319, 601 and 1057 of the House bill, and secs. 322, 330, and 601 of the Senate amendment, and modifications committed to conference:

RICHARD POMBO,
DENNY REHBERG,

From the Committee on Science, for consideration of secs. 852 and 911 of the Senate amendment, and modifications committed to conference:

SHERWOOD BOEHLERT,
NICK SMITH,
RALPH M. HALL,

From the Committee on Transportation and Infrastructure, for consideration of secs. 312, 601, 907, 1049, 1051, and 2824 of the House bill, and secs. 324, 601, and 2821 of the Senate amendment, and modifications committed to conference:

DON YOUNG,
THOMAS PETRI,
BRAD CARSON,

From the Committee on Veterans Affairs, for consideration of sec. 565 of the House bill, and secs. 644 and 707 of the Senate amendment, and modifications committed to conference:

CHRISTOPHER H. SMITH,
MIKE BILIRAKIS,

From the Committee on Ways and Means, for consideration of sec. 701 of the Senate amendment, and modifications committed to conference:

WILLIAM THOMAS,
JIM MCCRERY,

Managers on the Part of the House.

JOHN W. WARNER,
JOHN MCCAIN,
JAMES INHOFE,
PAT ROBERTS,
WAYNE ALLARD,
JEFF SESSIONS,
SUSAN COLLINS,
JOHN ENSIGN,
JAMES TALENT,
SAXBY CHAMBLISS,
LINDSEY GRAHAM,
ELIZABETH DOLE,
JOHN CORNYN,
E. BENJAMIN NELSON,
MARK PRYOR,

Managers on the Part of the Senate.

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JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1588), 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, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTIONS

The Conferees recommend authorization of appropriations for fiscal year 2004 for the Department of Defense for procurement; research and development; test and evaluation; operation and maintenance; working capital funds; military construction and family housing; and for weapons and environmental restoration programs of the Department of Energy, that have a budget authority implication of $401.3 billion for the national defense function.

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization act provides authorizations for appropriations but does not generally provide budget authority. Budget authority is provided in appropriations acts.

In order to relate the conference recommendations to the Budget Resolution, matters in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the national defense function are authorized permanently or, in certain instances, authorized in other legislation.

The following table summarizes authorizations included in the bill for fiscal year 2004 and, in addition, summarizes the implications of the conference action for the budget authority totals for national defense (budget function 050). Conference agreement includes this provision.

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication: Request	House	Senate	Conference
DIVISION A									
Title I -- PROCUREMENT									
Aircraft Procurement, Army	2,128,485	2,194,585	2,159,285	-29,500	2,098,985	2,128,485	2,194,585	2,159,285	2,098,985
Missile Procurement, Army	1,459,462	1,594,662	1,553,462	90,000	1,549,462	1,459,462	1,594,662	1,553,462	1,549,462
Procurement of Weapons and Tracked Combat Vehicles, Army	1,640,704	2,297,404	1,658,504	356,600	1,997,304	1,640,704	2,297,404	1,658,504	1,997,304
Procurement of Ammunition, Army	1,309,966	1,428,966	1,363,305	103,339	1,413,305	1,309,966	1,428,966	1,363,305	1,413,305
Other Procurement, Army	4,216,854	4,321,496	4,268,027	148,392	4,365,246	4,216,854	4,321,496	4,268,027	4,365,246
Aircraft Procurement, Navy	8,788,148	9,050,048	8,996,948	221,800	9,009,948	8,788,148	9,050,048	8,996,948	9,009,948
Weapons Procurement, Navy	1,991,821	2,529,821	2,046,821	241,713	2,233,534	1,991,821	2,529,821	2,046,821	2,233,534
Procurement of Ammunition, Navy and Marine Corps	922,355	963,355	924,355	2,000	924,355	922,355	963,355	924,355	924,355
Shipbuilding and Conversion, Navy	11,438,984	11,472,384	11,707,984	291,000	11,729,984	11,438,984	11,472,384	11,707,984	11,729,984
Other Procurement, Navy	4,679,443	4,614,892	4,741,943	59,700	4,739,143	4,679,443	4,614,892	4,741,943	4,739,143
Procurement, Marine Corps	1,070,999	1,154,299	1,089,599	52,500	1,123,499	1,070,999	1,154,299	1,089,599	1,123,499
Aircraft Procurement, Air Force	12,079,360	12,604,451	12,103,051	-44,209	12,035,151	12,079,360	12,604,451	12,103,051	12,035,151
Procurement of Ammunition, Air Force	1,284,725	1,324,725	1,284,725		1,284,725	1,284,725	1,324,725	1,284,725	1,284,725
Missile Procurement, Air Force	4,393,039	4,348,039	4,394,439	-94,534	4,298,505	4,393,039	4,348,039	4,394,439	4,298,505
Other Procurement, Air Force	11,583,659	11,376,059	11,630,659	48,200	11,631,859	11,583,659	11,376,059	11,630,659	11,631,859
Procurement, Defense-wide	3,665,506	3,734,821	3,855,506	103,000	3,768,506	3,665,506	3,734,821	3,855,506	3,768,506
Defense Production Act Purchases						67,516	67,516	67,516	67,516
Defense Health Program (Transfer from Other Programs)			327,826					327,826	
Office of the Inspector General (Transfer from Other Programs)			2,100					2,100	
Chem Agents and Munitions Destruction (Transfer from Other Programs)			1,530,261					1,530,261	
Total Procurement	**72,653,510**	**75,010,007**	**75,638,800**	**1,550,001**	**74,203,511**	**72,721,026**	**75,077,523**	**75,706,316**	**74,271,027**
Title II -- RESEARCH, DEVELOPMENT, TEST & EVALUATION									
Research, Development, Test & Evaluation, Army	9,122,825	9,338,382	9,016,200	422,008	9,544,833	9,139,825	9,355,382	9,033,200	9,561,833
Research, Development, Test & Evaluation, Navy	14,106,653	14,364,510	14,604,784	738,850	14,845,503	14,106,653	14,364,510	14,604,784	14,845,503

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
Research, Development, Test & Evaluation, Air Force	20,336,258	20,552,867	20,389,516	219,409	20,555,667	20,336,258	20,552,867	20,389,516	20,555,667
Research, Development, Test & Evaluation, Defense-wide	17,974,257	18,181,385	18,849,018	177,800	18,152,057	17,974,257	18,181,385	18,849,018	18,152,057
Operational Test & Evaluation, Defense	286,661	286,661	286,661		286,661	286,661	286,661	286,661	286,661
Defense Health Program (Transfer from Other Programs)			65,796					65,796	
Office of the Inspector General (Transfer from Other Programs)			300					300	
Total Research, Development, Test & Evaluation	**61,826,654**	**62,723,805**	**63,212,275**	**1,558,067**	**63,384,721**	**61,843,654**	**62,740,805**	**63,229,275**	**63,401,721**
Title III -- OPERATION AND MAINTENANCE & OTHER									
Operation and Maintenance									
Operation and Maintenance, Army	24,965,342	25,050,587	24,661,004	-338,305	24,627,037	24,965,342	25,050,587	24,661,004	24,627,037
Operation and Maintenance, Navy	28,287,690	27,901,790	28,051,390	-312,131	27,975,559	28,287,690	27,901,790	28,051,390	27,975,559
Operation and Maintenance, Marine Corps	3,406,656	3,517,756	3,416,356	19,400	3,426,056	3,406,656	3,517,756	3,416,356	3,426,056
Operation and Maintenance, Air Force	27,793,931	25,298,960	26,956,431	-1,704,261	26,089,670	27,793,931	25,298,960	26,956,431	26,089,670
Operation and Maintenance, Defense-wide	16,570,847	16,134,047	15,739,047	-327,690	16,243,157	16,570,847	16,134,047	15,739,047	16,243,157
Operation and Maintenance, Army Reserve	1,952,009	1,954,009	1,955,009	14,000	1,966,009	1,952,009	1,954,009	1,955,009	1,966,009
Operation and Maintenance, Navy Reserve	1,171,921	1,171,921	1,170,421		1,171,921	1,171,921	1,171,921	1,170,421	1,171,921
Operation and Maintenance, Marine Corps Reserve	173,952	199,452	173,452		173,952	173,952	199,452	173,452	173,952
Operation and Maintenance, Air Force Reserve	2,179,188	2,170,188	2,178,688		2,179,188	2,179,188	2,170,188	2,178,688	2,179,188
Operation and Maintenance, Army National Guard	4,211,331	4,194,331	4,230,331	45,000	4,256,331	4,211,331	4,194,331	4,230,331	4,256,331
Operation and Maintenance, Air National Guard	4,402,646	4,404,646	4,405,646	3,500	4,406,146	4,402,646	4,404,646	4,405,646	4,406,146
United States Court of Appeals for the Armed Forces	10,333	10,333	10,333		10,333	10,333	10,333	10,333	10,333
Environmental Restoration, Army	396,018	396,018	396,018		396,018	396,018	396,018	396,018	396,018
Environmental Restoration, Navy	256,153	256,153	256,153		256,153	256,153	256,153	256,153	256,153
Environmental Restoration, Air Force	384,307	384,307	384,307		384,307	384,307	384,307	384,307	384,307
Environmental Restoration, Defense-Wide	24,081	24,081	24,081		24,081	24,081	24,081	24,081	24,081
Environmental Restoration, Formerly Used Defense Sites	212,619	212,619	252,619	40,000	252,619	212,619	212,619	252,619	252,619
Cooperative Threat Reduction	450,800	450,800	450,800		450,800	450,800	450,800	450,800	450,800
Overseas Military Investment Recovery						1,331	1,331	1,331	1,331
Disposal of DoD Real Property						16,303	16,303	16,303	16,303

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
Lease of DoD Real Property						14,770	14,770	14,770	14,770
Overseas Humanitarian, Disaster, & Civic Aid	59,000	59,000	59,000		59,000	59,000	59,000	59,000	59,000
National Science Center, Army						5	5	5	5
Burdensharing						500,000	500,000	500,000	500,000
Rocky Mountain Arsenal						6,210	6,210	6,210	6,210
United States Industrial Base Capabilities Fund		100,000					100,000		
Overseas Contingency Operations Transfer Fund	50,000			-45,000	5,000	50,000			5,000
Drug Interdiction and Counter-Drug (Transfer from Other Programs)			817,371					817,371	
Defense Health Program (Transfer from Other Programs)			14,862,900					14,862,900	
Office of the Inspector General (Transfer from Other Programs)			160,049					160,049	
Subtotal Operation and Maintenance	**116,958,824**	**113,890,998**	**130,611,406**	**-2,605,487**	**114,353,337**	**117,497,443**	**114,429,617**	**131,150,025**	**114,891,956**
Other Programs									
Drug Interdiction and Counter-Drug Activities, Defense	817,371	817,371			817,371	817,371	817,371		817,371
Defense Health Program	15,270,509	15,317,063		131,000	15,401,509	15,270,509	15,317,063		15,401,509
Office of the Inspector General	162,449	162,449			162,449	162,449	162,449		162,449
Chemical Agents and Munitions Destruction, Army	1,650,076	1,580,261		-119,815	1,530,261	1,650,076	1,580,261		1,530,261
Subtotal Other Programs	**17,900,405**	**17,877,144**		**11,185**	**17,911,590**	**17,900,405**	**17,877,144**		**17,911,590**
Total Operation and Maintenance & Other Programs	**134,859,229**	**131,768,142**	**130,611,406**	**-2,594,302**	**132,264,927**	**135,397,848**	**132,306,761**	**131,150,025**	**132,803,546**
REVOLVING AND MANAGEMENT FUNDS									
Defense Working Capital Funds	1,721,507	1,721,507	1,661,307		1,721,507	1,721,507	1,721,507	1,661,307	1,721,507
National Defense Sealift Fund	1,062,762	1,102,762	1,062,762		1,062,762	1,062,762	1,102,762	1,062,762	1,062,762

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
National Defense Stockpile Transaction Fund						-99,558	-99,558	-99,558	-99,558
Armed Forces Retirement Home Fund	65,279	65,279	65,279		65,279				
Refined Petroleum Transfer Account Proposal						675,000			
Other Legislation	45,000			-45,000		45,000			
Total Revolving and Management Funds	**2,894,548**	**2,889,548**	**2,789,348**	**-45,000**	**2,849,548**	**3,404,711**	**2,724,711**	**2,624,511**	**2,684,711**
MILITARY PERSONNEL	**98,956,065**	**98,634,511**	**99,194,206**	**-47,665**	**98,908,400**	**98,956,065**	**98,634,511**	**99,194,206**	**98,908,400**
DIVISION B									
MILITARY CONSTRUCTION									
Military Construction, Army	1,678,210	1,604,480	1,360,710	-229,971	1,448,239	1,678,210	1,462,280	1,360,710	1,448,239
Military Construction, Navy	1,147,537	1,251,946	1,182,568	90,921	1,238,458	1,147,537	1,237,267	1,182,568	1,238,458
Military Construction, Air Force	830,671	986,076	1,035,538	237,080	1,067,751	830,671	986,076	1,035,538	1,067,751
Military Construction, Defense-wide*	655,381	802,549	614,090	46,490	701,871	726,981	841,469	685,670	773,471
Military Construction, Army National Guard	168,298	253,788	276,779	143,294	311,592	168,298	253,788	276,779	311,592
Military Construction, Air National Guard	60,430	123,408	208,530	162,478	222,908	60,430	123,408	208,530	222,908
Military Construction, Army Reserve	68,478	89,840	74,478	19,973	88,451	68,478	89,840	74,478	88,451
Military Construction, Naval and Marine Corps Reserve	28,032	45,762	34,132	17,466	45,498	28,032	45,762	34,132	45,498
Military Construction, Air Force Reserve	44,312	61,143	53,912	17,720	62,032	44,312	61,143	53,912	62,032
Military Construction, Foreign Currency Fluctuations						55,000	55,000	55,000	55,000
Base Realignment and Closure IV	370,427	370,427	370,427		370,427	370,427	370,427	370,427	370,427
NATO Security Investment Program	169,300	169,300	169,300		169,300	169,300	169,300	169,300	169,300
Chem Agents and Munitions Destruction (Transfer from Other Programs)			119,815					119,815	
Total Military Construction	**5,221,076**	**5,758,719**	**5,500,279**	**505,451**	**5,726,527**	**5,347,676**	**5,695,760**	**5,626,859**	**5,853,127**

* House Authorized and Conference Agreement include Chem Agents and Munitions Destruction (Transfer from Other Programs).

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
FAMILY HOUSING									
Family Housing Construction, Army	409,191	409,191	409,191	-25,600	383,591	409,191	356,891	409,191	383,591
Family Housing Support, Army	1,043,026	1,043,026	1,031,853	-10,000	1,033,026	1,043,026	1,043,026	1,031,853	1,033,026
Family Housing Construction, Navy and Marine Corps	184,193	184,193	184,193		184,193	184,193	184,193	184,193	184,193
Family Housing Support, Navy and Marine Corps	852,778	852,778	813,158	-17,700	835,078	852,778	852,778	813,158	835,078
Family Housing Construction, Air Force	657,065	657,065	657,065		657,065	657,065	637,718	657,065	657,065
Family Housing Support, Air Force	834,468	834,468	812,770	-18,394	816,074	834,468	834,468	812,770	816,074
Family Housing Construction, Defense-wide	350	350	350		350	350	350	350	350
Family Housing Support, Defense-wide	49,440	49,440	49,440		49,440	49,440	49,440	49,440	49,440
DoD Family Housing Improvement Fund	300	300	300		300	300	300	300	300
Total Family Housing	**4,030,811**	**4,030,811**	**3,958,320**	**-71,694**	**3,959,117**	**4,030,811**	**3,959,164**	**3,958,320**	**3,959,117**
FY 03 Military Construction and Family Housing Rescission**	-261,206		-153,373		-496,244	-261,206		-153,373	-496,244
**The House included $261,206 in rescissions within the specific program lines in the House Budget Authority Implication column.									
Total Military Construction and Family Housing	**8,990,681**	**9,789,530**	**9,305,226**	**433,757**	**9,189,400**	**9,117,281**	**9,654,924**	**9,431,806**	**9,316,000**
OTHER DoD MILITARY									
Other Trust Funds						271,439	271,439	271,439	271,439
Sale of Material in National Defense Stockpile						-139,573	-139,573	-139,573	-139,573
Sale of Additional Material in National Defense Stockpile						-15,000	-15,000		-20,000

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
Receipts from Travel and Purchase Card Refunds						44,000	44,000	44,000	44,000
Offsetting Receipts and Other						-1,233,546	-1,233,546	-1,233,546	-1,233,546
Nonappropriated Fund BRAC Reserve Account							51,000		31,000
Land Conveyance and Other Property Transactions								2,000	2,000
Increased Death Benefit								23,000	23,000
USMC Heritage Center								34,000	34,000
Military Housing Privatization Initiative							120,000		
Immigration and Naturalization Provision								20,000	
Concurrent Receipt								3,285,000	804,000
Total Other DoD Military						**-1,072,680**	**-901,680**	**2,306,320**	**-183,679**
TOTAL DEPARTMENT OF DEFENSE MILITARY (051)	**380,180,687**	**380,815,543**	**380,751,260**	**854,858**	**380,800,507**	**380,367,905**	**380,237,555**	**383,642,458**	**381,201,725**
DIVISION C									
ATOMIC ENERGY DEFENSE ACTIVITIES (053)									
Energy Supply	110,473	110,473	110,473		110,473	110,473	110,473	110,473	110,473
Weapons Activities	6,378,000	6,393,000	6,457,272	56,772	6,434,772	6,378,000	6,393,000	6,457,272	6,434,772
Defense Nuclear Nonproliferation	1,340,195	1,312,695	1,340,195	-8,000	1,332,195	1,340,195	1,312,695	1,340,195	1,332,195
Naval Reactors	768,400	768,400	788,400		768,400	768,400	768,400	788,400	768,400
Office of the Administrator	347,980	347,980	347,980	-6,000	341,980	347,980	347,980	347,980	341,980
Total National Nuclear Security Administration	**8,834,575**	**8,822,075**	**8,933,847**	**42,772**	**8,877,347**	**8,834,575**	**8,822,075**	**8,933,847**	**8,877,347**
Defense Site Acceleration Completion	5,814,635	5,824,135	5,814,635		5,814,635	5,814,635	5,824,135	5,814,635	5,814,635
Defense Environmental Services	995,179	995,179	995,179		995,179	995,179	995,179	995,179	995,179
Other Defense Activities	494,331	497,331	465,059	-5,272	489,059	494,331	497,331	465,059	489,059
Defense Nuclear Waste Disposal	430,000	430,000	360,000	-37,500	392,500	430,000	430,000	360,000	392,500
Total Environmental & Other Defense Activities	**7,734,145**	**7,746,645**	**7,634,873**	**-42,772**	**7,691,373**	**7,734,145**	**7,746,645**	**7,634,873**	**7,691,373**

SUMMARY OF NATIONAL DEFENSE AUTHORIZATION FOR FY 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Change	Conference Agreement	Budget Authority Implication Request	House	Senate	Conference
Energy Employees Illness Compensation Fund						425,000	425,000	425,000	425,000
Energy Employees Compensation - Administration						55,000	55,000	55,000	55,000
Corps of Engineers - Civil Works						140,000	140,000	140,000	140,000
Department of Homeland Security						92,000	92,000	92,000	92,000
Cerro Grande Fire Activities Rescission						-75,000	-75,000	-75,000	-75,000
Defense Nuclear Facilities Safety Board	19,559	19,559	19,559		19,559	19,559	19,559	19,559	19,559
TOTAL ATOMIC ENERGY DEFENSE ACTIVITIES (053)	**16,698,752**	**16,698,752**	**16,698,752**		**16,698,752**	**17,335,752**	**17,335,752**	**17,335,752**	**17,335,752**
DEFENSE RELATED ACTIVITIES (054)									
Department of Education						8,000	8,000	8,000	8,000
Department of Homeland Security						1,575,000	1,575,000	1,575,000	1,575,000
Department of Justice						524,000	524,000	524,000	524,000
Radiation Exposure Compensation Trust Fund						107,000	107,000	107,000	107,000
Department of Transportation - MARAD Maritime Security Program						99,000	99,000	99,000	99,000
Intelligence Community Management Account						125,000	125,000	125,000	125,000
CIA Retirement & Disability						226,000	226,000	226,000	226,000
National Science Foundation - Antarctic Research Activities						68,000	68,000	68,000	68,000
Selective Service System - Salaries and Expenses						28,000	28,000	28,000	28,000
TOTAL DEFENSE-RELATED ACTIVITIES (054)						**2,760,000**	**2,760,000**	**2,760,000**	**2,760,000**
TOTAL NATIONAL DEFENSE FUNCTION (050)	**396,879,439**	**397,514,295**	**397,450,012**	**854,858**	**397,499,259**	**400,463,657**	**400,333,307**	**403,738,210**	**401,297,477**
Authorization of the 2004 Emergency Supplemental					**64,702,554**				**64,702,554**

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Overview

The budget request for fiscal year 2004 included an authorization of $72,653.5 million for Procurement for the Department of Defense.

The House bill would authorize $75,010.0 million.

The Senate amendment would authorize $75,638.8 million.

The conferees recommend an authorization of $74,203.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2004
(Dollars in Thousands)

Title I -- PROCUREMENT	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Aircraft Procurement, Army	2,128,485	2,194,585	2,159,285	-29,500	2,098,985
Missile Procurement, Army	1,459,462	1,594,662	1,553,462	90,000	1,549,462
Procurement of W&TCV, Army	1,640,704	2,297,404	1,658,504	356,600	1,997,304
Procurement of Ammunition, Army	1,309,966	1,428,966	1,363,305	103,339	1,413,305
Other Procurement, Army	4,216,854	4,321,496	4,268,027	148,392	4,365,246
Aircraft Procurement, Navy	8,788,148	9,050,048	8,996,948	221,800	9,009,948
Weapons Procurement, Navy	1,991,821	2,529,821	2,046,821	241,713	2,233,534
Procurement of Ammunition, Navy & Marine Corps	922,355	963,355	924,355	2,000	924,355
Shipbuilding and Conversion, Navy	11,438,984	11,472,384	11,707,984	291,000	11,729,984
Other Procurement, Navy	4,679,443	4,614,892	4,741,943	59,700	4,739,143
Procurement, Marine Corps	1,070,999	1,154,299	1,089,599	52,500	1,123,499
Aircraft Procurement, Air Force	12,079,360	12,604,451	12,103,051	-44,209	12,035,151
Procurement of Ammunition, Air Force	1,284,725	1,324,725	1,284,725	0	1,284,725
Missile Procurement, Air Force	4,393,039	4,348,039	4,394,439	-94,534	4,298,505
Other Procurement, Air Force	11,583,659	11,376,059	11,630,659	48,200	11,631,859
Procurement, Defense-Wide	3,665,506	3,734,821	3,855,506	103,000	3,768,506
Defense Production Act Purchases					
Defense Health Program			327,826		
Office of the Inspector General			2,100		
Chem Agents & Munitions Destruction, Defense			1,530,261		
TOTAL PROCUREMENT	72,653,510	75,010,007	75,638,800	1,550,001	74,203,511

ITEMS OF SPECIAL INTEREST

LEGISLATIVE PROVISIONS ADOPTED

Aircraft Procurement, Army—Overview

The budget request for fiscal year 2004 included an authorization of $2,128.5 million for Aircraft Procurement, Army in the Department of Defense.

The House bill would authorize $2,194.6 million.

The Senate amendment would authorize $2,159.3 million.

The conferees recommend an authorization of $2,099.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Aircraft Procurement, Army										
	Aircraft										
	Fixed Wing										
1	UTILITY F/W (MR) AIRCRAFT			1	7,800			1	7,800		7,800
	UC-35 aircraft			[1]	[7,800]			[1]	[7,800]		
	Rotary Wing										
2	UH-60 BLACK HAWK (MYP)	10	138,859	19	251,659	17	210,359	7	70,700	17	209,559
	Additional UH-60s					[7]	[70,700]	[7]	[70,700]		
	UH-60Ls - additional 5 for ARNG			[5]	[52,000]						
	HH-60Ls - additional 4 for ARNG			[4]	[60,800]						
	Engine inlet barrier system						[800]				
3	UH-60 BLACK HAWK (MYP) (AP-CY)		28,141		28,141		28,141				28,141
4	HELICOPTER NEW TRAINING										
	Modification of Aircraft										
	Modification of Aircraft										
5	GUARDRAIL MODS (TIARA)		3,176		3,176		3,176				3,176
6	ARL MODS (TIARA)		5,707		5,707		5,707				5,707
7	AH-64 MODS		58,879		74,379		58,879				58,879
	AH-64 bladefold kits				[15,500]						
8	CH-47 CARGO HELICOPTER MODS		495,525		501,525		510,525				495,525
	CH-47 helicopter induction for MH-47G						[15,000]				
	Crashworthy crew seats				[6,000]						
9	CH-47 CARGO HELICOPTER MODS (MYP) (AP-CY)		20,515		20,515		20,515				20,515
10	UTILITY/CARGO AIRPLANE MODS		10,448		10,448		10,448				10,448
11	OH-58 MODS		477		477		477				477

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
12	AIRCRAFT LONG RANGE MODS		762		762		762				762
13	LONGBOW		762,464		762,464		762,464				762,464
14	LONGBOW (AP-CY)		14,204		14,204		14,204				14,204
15	UH-60 MODS		136,496		36,496		36,496		-100,000		36,496
	UH-60M program delays (transfer to PE 23744A, RDA 162)				[-100,000]		[-100,000]		[-100,000]		
16	KIOWA WARRIOR		45,051		54,051		57,351		10,000		55,051
	Safety enhancement program GAU-19 machine gun						[12,300]		[6,000]		
	COTS helmet mounted display				[9,000]				[4,000]		
17	AIRBORNE AVIONICS		71,206		71,206		71,206		2,000		73,206
	Cockpit Airbag System (CABS)								[2,000]		
18	GATM ROLLUP		59,104		59,104		59,104		-35,000		24,104
	GATM C-23 aircraft and upgrades								[-35,000]		
19	AIRBORNE DIGITIZATION		1,906		1,906		1,906				1,906
	Spares and Repair Parts										
	Spares and Repair Parts										
20	SPARE PARTS (AIR)		11,299		11,299		11,299				11,299
	Support Equipment and Facilities										
	Ground Support Avionics										
21	AIRCRAFT SURVIVABILITY EQUIPMENT		14,879		14,879		21,879		5,000		19,879
	AVR-2 laser detecting set						[7,000]		[5,000]		
22	ASE INFRARED CM		75,713		75,713		75,713				75,713

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Support										
23	AIRBORNE COMMAND & CONTROL		26,594		26,594		26,594				26,594
24	AVIONICS SUPPORT EQUIPMENT		13,295		28,295		28,295		10,000		23,295
	Additional aviation night vision system goggles				[15,000]		[15,000]		[10,000]		
25	COMMON GROUND EQUIPMENT		16,597		16,597		16,597				16,597
26	AIRCREW INTEGRATED SYSTEMS		28,894		28,894		38,894				28,894
	Cockpit airbag system (CABS)						[10,000]				
27	AIR TRAFFIC CONTROL		59,963		59,963		59,963				59,963
28	INDUSTRIAL FACILITIES		1,203		1,203		1,203				1,203
29	LAUNCHER, 2.75 ROCKET		2,512		2,512		2,512				2,512
30	AIRBORNE COMMUNICATIONS		24,616		24,616		24,616				24,616
	Total - Aircraft Procurement, Army		**2,128,485**		**2,194,585**		**2,159,285**		**(29,500)**		**2,098,985**

UH–60 Blackhawk

The budget request included $138.9 million to procure ten UH–60 Blackhawk helicopters.

The House bill would authorize an increase of $52.0 million to procure an additional five UH–60L Blackhawk helicopters for the Army National guard (ARNG) and $60.8 million for four HH–60L medical evacuation Blackhawk helicopters for the ARNG.

The Senate amendment would authorize an increase of $70.7 million to procure an additional seven Blackhawk helicopters for the Army and $800,000 for an inlet barrier system.

The conferees agree to authorize $70.7 million to procure seven additional UH–60 Blackhawk helicopters to be fielded to the active or reserve component in accordance with Army priorities.

Missile Procurement, Army—Overview

The budget request for fiscal year 2004 included an authorization of $1,459.5 million for Missile Procurement, Army in the Department of Defense.

The House bill would authorize $1,594.7 million.

The Senate amendment would authorize $1,553.5 million.

The conferees recommend an authorization of $1,549.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Missile Procurement, Army										
	Other Missiles										
	Surface-to-air Missile System										
1	PATRIOT SYSTEM SUMMARY	108	561,555	138	687,555	108	561,555	30	90,000	138	651,555
	PAC-3			[30]	[126,000]			[30]	[90,000]		
2	STINGER SYSTEM SUMMARY		2,942		2,942		2,942				2,942
3	AVENGER SYSTEM SUMMARY										
4	SURFACE-LAUNCHED AMRAAM SYSTEM SUMM		7,452		7,452		7,452				7,452
	Air-to-surface Missile System										
5	HELLFIRE SYS SUMMARY		33,061		33,061		76,061				33,061
	Additional Hellfire II missiles						[43,000]				
6	APKWS (ADV PRECISION KILL WEAPON SYSTEM)										
7	APKWS (ADV PRECISION KILL WEAPON SYSTEM) (AP-CY)										
	Anti-tank/Assault Missile System										
8	JAVELIN (AAWS-M) SYSTEM SUMMARY	901	133,115	901	133,115	901	173,115			901	133,115
	Additional Javelin command launch units						[40,000]				
9	JAVELIN (AAWS-M) SYSTEM SUMMARY (AP-		7,600		7,600		7,600				7,600
10	LINE OF SIGHT ANTI-TANK (LOSAT) SYSTEM	76	43,232	76	43,232	76	43,232			76	43,232
11	LINE OF SIGHT ANTI-TANK (LOSAT) SYS SUM										
12	TOW 2 SYSTEM SUMMARY	200	10,010	200	10,010	200	10,010			200	10,010
13	TOW 2 SYSTEM SUMMARY (AP-CY)		16,366		16,366		16,366				16,366
14	GUIDED MLRS ROCKET (GMLRS)	786	107,759	786	107,759	786	107,759			786	107,759
15	MLRS REDUCED RANGE PRACTICE ROCKETS (R	2,934	14,646	2,934	14,646	2,934	14,646			2,934	14,646
16	MLRS LAUNCHER SYSTEMS		40,155		40,155		40,155				40,155
17	HIMARS LAUNCHER	24	124,191	24	124,191	24	124,191			24	124,191
18	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	50	50,301	50	50,301	50	50,301			50	50,301
19	ATACMS BLKII SYSTEM SUMMARY										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
20	ATACMS PENETRATOR										
	Modification of Missiles										
	Modifications										
21	PATRIOT MODS		212,575		212,575		223,575				212,575
	PAC-3 improvements						[11,000]				
22	STINGER MODS		973		973		973				973
23	AVENGER MODS										
24	ITAS/TOW MODS		15,707		24,907		15,707				15,707
	Improved target acquisition system lithium batteries				[9,200]						
25	MLRS MODS		19,918		19,918		19,918				19,918
26	HIMARS MODIFICATIONS: (NON AAO)		467		467		467				467
	Spares and Repair Parts										
	Spares and Repair Parts										
27	SPARES AND REPAIR PARTS		50,542		50,542		50,542				50,542
	Support Equipment and Facilities										
	Support Equipment and Facilities										
28	AIR DEFENSE TARGETS		3,464		3,464		3,464				3,464
29	ITEMS LESS THAN $5.0M (MISSILES)		10		10		10				10
30	MISSILE DEMILITARIZATION										
31	PRODUCTION BASE SUPPORT		3,421		3,421		3,421				3,421
	Total - Missile Procurement Army		**1,459,462**		**1,594,662**		**1,553,462**		**90,000**		**1,549,462**

Procurement of Weapons and Tracked Combat Vehicles, Army—Overview

The budget request for fiscal year 2004 included an authorization of $1,640.7 million for Procurement of Weapons and Tracked Combat Vehicles, Army in the Department of Defense.

The House bill would authorize $2,297.4 million.

The Senate amendment would authorize $1,658.5 million.

The conferees recommend an authorization of $1,997.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement of Weapons and Tracked Combat										
	Tracked Combat Vehicles										
	Tracked Combat Vehicles										
1	ABRAMS TRNG DEV MOD		6,252		6,252		6,252				6,252
2	BRADLEY BASE SUSTAINMENT		113,302		372,102		113,302	144	258,800		372,102
	Bradley A2 ODS-D+ for Counterattack Corps				[258,800]			[144]	[258,800]		
3	BRADLEY BASE SUSTAINMENT (AP-CY)										
4	BRADLEY FVS TRAINING DEVICES		3,397		3,397		3,397				3,397
5	ABRAMS TANK TRAINING DEVICES										
6	STRYKER	301	955,027	301	1,055,027	301	955,027			301	955,027
	Lethality and sustainability enhancements				[100,000]						
7	FUTURE COMBAT SYSTEMS: (FCS)										
	Modification of Tracked Combat Vehicles										
8	CARRIER, MOD										
9	FIST VEHICLE (MOD)		16,756		16,756		16,756				16,756
10	MOD OF IN-SVC EQUIP, FIST VEHICLE		676		676		676				676
11	BFVS SERIES (MOD)		23,126		23,126		23,126				23,126
12	HOWITZER, MED SP FT 155MM M109A6 (MOD)		36,092		36,092		36,092				36,092
13	FAASV PIP TO FLEET		10,981		10,981		10,981				10,981
14	IMPROVED RECOVERY VEHICLE (M88 MOD)										
15	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)										
16	ARMORED VEH LAUNCH BRIDGE (AVLB)										
17	M1 ABRAMS TANK (MOD)		268,644		160,644		268,644		-75,000		193,644
	LV100 engine unable to enter procurement				[-108,000]				[-75,000]		
18	M1A1D RETROFIT										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
19	SYSTEM ENHANCEMENT PGM: SEP M1A2				424,000				155,000		155,000
	M1A2 SEP upgrades for Counterattack Corps modernization				[284,000]				[155,000]		
	Reprioritized from M1 Abrams tank modifications				[108,000]						
	Reprioritized from Abrams Upgrade Program				[32,000]						
20	ABRAMS UPGRADE PROGRAM		92,942		60,942		92,942				92,942
	M1A1 AIM funds not required				[-32,000]						
21	ABRAMS UPGRADE PROGRAM (AP-CY)										
	Support Equipment and Facilities										
22	ITEMS LESS THAN $5.0M (TCV-WTCV)		489		489		489				489
23	PRODUCTION BASE SUPPORT (TCV-WTCV)		10,188		10,188		10,188				10,188
	Weapons and Other Combat Vehicles										
	Weapons and Other Combat Vehicles										
24	ARMOR MACHINE GUN, 7.62MM M240 SERIES	1,480	16,559	1,480	16,559	1,480	16,559			1,480	16,559
25	MACHINE GUN, 5.56MM (SAW)				13,900		6,900		6,900		6,900
	Additional M249 Squad Automatic Weapons (SAW)				[7,000]		[6,900]		[6,900]		
	Transfer from OPA 136 "Land Warrior"				[6,900]						
26	GRENADE LAUNCHER, AUTO, 40MM, MK19-3										
27	MORTAR SYSTEMS	59	10,102	59	10,102	59	10,102			59	10,102
28	M16 RIFLE										
29	XM107, CAL. 50, SNIPER RIFLE	600	8,753	600	8,753	600	8,753			600	8,753
30	5.56 CARBINE M4	8,635	8,978	8,635	8,978	8,635	8,978			8,635	8,978
31	HOWITZER LT WT 155MM (T)		4,998		4,998		8,998		4,000		8,998
	LW-155 howitzer long lead items						[4,000]		[4,000]		
	Modification of Weapons and Other Combat										
32	MARK-19 MODIFICATIONS		3,845		3,845		3,845				3,845
33	M4 CARBINE MODS		6,660		6,660		11,660		5,000		11,660
	M4 Carbine modifications for rapid fielding initiative						[5,000]		[5,000]		

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
34	SQUAD AUTOMATIC WEAPON (MOD)		5,096		5,096		5,396		300		5,396
	SAW modifications for rapid fielding initiative						[300]		[300]		
35	MEDIUM MACHINE GUNS (MODS)		2,970		2,970		3,170		200		3,170
	Machine gun modifications for rapid fielding initiative						[200]		[200]		
36	HOWITZER, TOWED, 155MM, M198 (MODS)	13	882	13	882	13	882			13	882
37	M119 MODIFICATIONS										
38	M16 RIFLE MODS		2,369		2,369		2,369				2,369
39	MODIFICATIONS LESS THAN $5.0M (WOCV-		2,220		2,220		2,920		700		2,920
	Lightweight shotguns for rapid fielding initiative						[700]		[700]		
	Support Equipment and Facilities										
40	ITEMS LESS THAN $5.0M (WOCV-WTCV)		489		489		1,189		700		1,189
	M145 machine gun optics for rapid fielding initiative						[700]		[700]		
41	PRODUCTION BASE SUPPORT (WOCV-WTCV)		7,089		7,089		7,089				7,089
42	INDUSTRIAL PREPAREDNESS		2,675		2,675		2,675				2,675
43	SMALL ARMS (SOLDIER ENH PROG)		1,117		1,117		1,117				1,117
44	CLOSED ACCOUNT ADJUSTMENTS										
	Spares and Repair Parts										
45	SPARES AND REPAIR PARTS (WTCV)		18,030		18,030		18,030				18,030
	Total - Procurement of WTCV, Army		**1,640,704**		**2,297,404**		**1,658,504**		**356,600**		**1,997,304**

Other Procurement, Army—Overview

The budget request for fiscal year 2004 included an authorization of $4,216.9 million for Other Procurement, Army in the Department of Defense.

The House bill would authorize $4,321.5 million.

The Senate amendment would authorize $4,268.0 million.

The conferees recommend an authorization of $4,365.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement of Ammunition, Army										
	Ammunition										
	Small/Medium Caliber Ammunition										
1	CTG, 5.56MM, ALL TYPES		183,731		183,731		183,731				183,731
2	CTG, 7.62MM, ALL TYPES		65,414		65,414		65,414				65,414
3	CTG, 9MM, ALL TYPES		5,557		5,557		5,557				5,557
4	CTG, .50 CAL, ALL TYPES		60,484		60,484		60,484				60,484
5	CTG, 20MM, ALL TYPES										
6	CTG, 25MM, ALL TYPES		8,812		33,812		18,812		10,000		18,812
	M919 Armor-piercing, fin-stabilized, w/ tracer 25 mm				[25,000]		[10,000]		[10,000]		
7	CTG, 30MM, ALL TYPES		12,941		12,941		13,941		1,000		13,941
	M789 high-explosive, dual purpose cartridge						[1,000]		[1,000]		
8	CTG, 40MM, ALL TYPES		126,994		126,994		126,994				126,994
	Mortar Ammunition										
9	60MM MORTAR, ALL TYPES		45,408		44,408		45,408		-1,000		44,408
	M769 full range practice round - no production rqmt				[-1,000]				[-1,000]		
10	81MM MORTAR, ALL TYPES		14,104		14,104		14,104				14,104
11	CTG, MORTAR, 120MM, ALL TYPES		53,621		65,621		55,621		9,000		62,621
	M930 illumination cartridge				[5,000]		[2,000]		[2,000]		
	M931 full range practice round				[2,000]				[2,000]		
	M934A1 HE round				[5,000]				[5,000]		
	Tank Ammunition										
12	CTG TANK 105MM: ALL TYPES		20,607		20,607		20,607				20,607
13	120MM TANK TRAINING, ALL TYPES		134,270		134,270		134,270				134,270
14	CTG, TANK, 120MM TACTICAL, ALL TYPES		42,408		42,408		42,408				42,408
	Artillery Ammunition										
15	CTG ARTY 75MM BLANK M337A1		34		34		34				34

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16	CTG, ARTY, 105MM: ALL TYPES		30,151		34,151		30,151				30,151
	M314 illumination cartridge				[4,000]						
17	CTG, ARTY, 155MM, ALL TYPES		77,781		77,781		78,781		1,000		78,781
	M485 illumination cartridge						[1,000]		[1,000]		
18	REMOTE AREA DENIAL ARTILLERY MUNITION (RADAM										
19	MODULAR ARTILLERY CHARGE SYSTEM (MACS), ALL T		78,949		98,949		78,949		3,000		81,949
	Modular artillery charge system				[20,000]				[3,000]		
	Artillery Fuzes										
20	ARTILLERY FUZES, ALL TYPES		47,400		47,400		47,400				47,400
	Mines										
21	MINE, TRAINING, ALL TYPES										
22	MINE AT VOLCANO,: ALL TYPES						5,000		5,000		5,000
	M87A1 Volcano anti-tank mine						[5,000]		[5,000]		
23	MINE, CLEARING CHARGE, ALL TYPES		14,564		14,564		14,564				14,564
24	WIDE AREA MUNITIONS (WAM), ALL TYPES										
25	ANTIPERSONNEL LANDMINE ALTERNATIVES										
	Rockets										
26	SHOULDER FIRED ROCKETS, ALL TYPES		13,836		13,836		13,836				13,836
27	ROCKET, HYDRA 70, ALL TYPES		21,981		32,981		21,981		11,000		32,981
	Hydra 70 rockets				[11,000]				[11,000]		
	Other Ammunition										
28	DEMOLITION MUNITIONS, ALL TYPES		24,959		28,959		25,959		4,000		28,959
	Modern demolition initiators				[4,000]		[1,000]		[4,000]		
29	GRENADES, ALL TYPES		27,010		27,010		27,010				27,010
30	SIGNALS, ALL TYPES		8,999		8,999		8,999				8,999
31	SIMULATORS, ALL TYPES		9,035		9,035		9,035				9,035
	Miscellaneous										
32	AMMO COMPONENTS, ALL TYPES		10,529		10,529		10,529				10,529

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33	NON-LETHAL AMMUNITION, ALL TYPES										
34	CAD/PAD ALL TYPES		4,808		4,808		4,808				4,808
35	ITEMS LESS THAN $5 MILLION		7,697		7,697		7,697				7,697
36	AMMUNITION PECULIAR EQUIPMENT		7,415		7,415		7,415				7,415
37	FIRST DESTINATION TRANSPORTATION		11,868		11,868		11,868				11,868
38	CLOSEOUT LIABILITIES		98		98		98				98
	Ammunition Production Base Support										
	Production Base Support										
39	PROVISION OF INDUSTRIAL FACILITIES		33,570		77,570		60,909		54,339		87,909
	Medium caliber links manufacturing die sets				[5,000]		[1,000]		[5,000]		
	Modern munitions load, assembly, and pack technology				[15,000]		[2,000]		[5,000]		
	Transfer from WCF for white phos. production equipment						[24,339]		[24,339]		
	Small caliber production line upgrades				[24,000]				[20,000]		
40	LAYAWAY OF INDUSTRIAL FACILITIES		13,020		13,020		13,020				13,020
41	MAINTENANCE OF INACTIVE FACILITIES		9,664		9,664		9,664				9,664
42	CONVENTIONAL AMMO DEMILITARIZATION		77,592		77,592		83,592		6,000		83,592
	Conventional ammunition demilitarization						[6,000]		[6,000]		
43	ARMS INITIATIVE		4,655		4,655		4,655				4,655
	Total - Procurement of Ammunition, Army		**1,309,966**		**1,428,966**		**1,363,305**		**103,339**		**1,413,305**

Combat Support Medical

The budget request included $16.6 million for Combat Support Medical.

The House bill would authorize an increase of $1.0 million to procure additional computer sets for Army medical logistics battalions.

The Senate amendment would authorize an increase of $2.0 million to procure rapid infusion pumps.

The conferees agree to authorize an increase of $1.0 million to procure additional Combat Automated Service Support-Medical (CASS–M) medical computer sets and an increase of $2.0 million for additional rapid infusion pumps to be fielded to the active or reserve component in accordance with Army priorities.

Aircraft Procurement, Navy—Overview

The budget request for fiscal year 2004 included an authorization of $8,788.1 million for Aircraft Procurement, Navy in the Department of Defense.

The House bill would authorize $9,050.0 million.

The Senate amendment would authorize $8,996.9 million.

The conferees recommend an authorization of $9,009.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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	Other Procurement, Army										
	Tactical and Support Vehicles										
	Tactical Vehicles										
1	TACTICAL TRAILERS/DOLLY SETS		17,977		17,977		17,977				17,977
2	SEMITRAILERS, FLATBED:		23,950		23,950		27,950				23,950
	M871A3 trailers						[4,000]				
3	SEMITRAILERS, TANKERS		9,499		9,499		9,499				9,499
4	HI MOB MULTI-PURP WHLD VEH (HMMWV)		137,847		155,847		161,347		25,250		163,097
	Additional HMMWVs						[23,500]		[20,000]		
	Additional M1114s for AR				[9,000]						
	Additional M1114s for ARNG				[9,000]				[5,250]		
5	TRUCK, DUMP, 20T (CCE)										
6	FAMILY OF MEDIUM TACTICAL VEH (FMTV)		309,810		349,810		309,810		40,000		349,810
	Additional A1CR vehicles				[40,000]				[40,000]		
7	FIRETRUCKS & ASSOCIATED FIREFIGHTING EQI		14,968		14,968		14,968				14,968
8	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV		133,130		164,030		158,130		30,900		164,030
	Movement Tracking System (MTS)				[9,000]		[25,000]		[9,000]		
	Additional HEMTTs for Counterattack Corps				[11,900]				[11,900]		
	Additional HEMTTs for ARNG				[10,000]				[10,000]		
9	ARMORED SECURITY VEHICLES (ASV)										
10	TRUCK, TRACTOR, LINE HAUL, M915/M916		45,772		45,772		45,772				45,772
11	TOWING DEVICE, 5TH WHEEL										
12	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	5	979	5	979	5	979			5	979
13	HVY EXPANDED MOBILE TACTICAL TRUCK EX'	139	24,838	139	24,838	139	24,838			139	24,838
14	LINE HAUL ESP										
15	MODIFICATION OF IN SVC EQUIP		57,061		57,061		57,061				57,061
16	ITEMS LESS THAN $5.0M (TAC VEH)		245		245		245				245
17	TOWING DEVICE-FIFTH WHEEL	40	1,958	40	1,958	40	1,958			40	1,958

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	Non-tactical Vehicles										
18	HEAVY ARMORED SEDAN	4	608	4	608	4	608			4	608
19	PASSENGER CARRYING VEHICLES		3,078		3,078		3,078				3,078
20	NONTACTICAL VEHICLES, OTHER	85	6,260	85	6,260	85	6,260			85	6,260
	Communications and Electronics Equipment										
	Comm-Joint Communications										
21	COMBAT IDENTIFICATION PROGRAM										
22	WIN - TACTICAL PROGRAM		3,231				3,231		-3,231		
	Unjustified request				[-3,231]				[-3,231]		
23	JCSE EQUIPMENT (USREDCOM)		4,570		4,570		4,570				4,570
	Comm-Satellite Communications										
24	DEFENSE SATELLITE COMMUNICATIONS SYS (S		98,272		98,272		98,272				98,272
25	SHF TERM		17,492		17,492		17,492				17,492
26	SAT TERM, EMUT (SPACE)		5,154		5,154		5,154				5,154
27	NAVSTAR GLOBAL POSITIONING SYSTEM (SPA(	14,195	44,290	14,195	44,290	14,195	44,290			14,195	44,290
28	SMART-T (SPACE)		48,585		48,585		48,585				48,585
29	SCAMP (SPACE)		600		600		600				600
30	SCAMP BLOCK II										
31	GLOBAL BRDCST SVC - GBS		8,859		8,859		8,859				8,859
32	MOD OF IN-SVC EQUIP (TAC SAT)		10,668		10,668		10,668				10,668
	Comm-C3 System										
33	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		16,499		16,499		16,499				16,499
	Comm-Combat Communications										
34	ARMY DATA DISTRIBUTION SYSTEM (DATA RA		52,384		55,884		52,384		3,500		55,884
	Additional EPLRS for Counterattack Corps				[3,500]				[3,500]		
35	RADIO TERMINAL SET, MIDS LVT(2)		2,937		2,937		2,937				2,937

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36	SINCGARS FAMILY		39,275		47,275		54,275		15,000		54,275
	Additional SINCGARS radios						[15,000]		[15,000]		
	Additional SINCGARS radios for ARNG				[8,000]						
37	MULTI-PURPOSE INFORMATION OPERATIONS S	1	6,087	1	6,087	1	6,087			1	6,087
38	JOINT TACTICAL AREA COMMAND SYSTEMS		850		8,850		850				850
	AN/ARS-6(V) COTS upgrades				[8,000]						
39	ACUS MOD PROGRAM		108,391		108,391		133,391				108,391
	Shelters for Army Common User System (ACUS)						[25,000]				
40	COMMS-ELEC EQUIP FIELDING		15,903		23,903		22,103		8,200		24,103
	Multiband radios for rapid fielding initiative						[6,200]		[6,200]		
	AN/PRC-148 multiband inter-team radios				[8,000]				[2,000]		
41	SOLDIER ENHANCEMENT PGM COMM/ELECTRC		8,025		8,025		8,025				8,025
42	COMBAT SURVIVOR EVADER LOCATOR (CSEL)		15,393		15,393		15,393				15,393
43	MEDICAL COMM FOR CBT CASUALTY CARE (M		6,602		6,602		6,602				6,602
	Comm-Intelligence Communications										
44	JWICS CONNECTIVITY										
45	CI AUTOMATION ARCHITECTURE		1,241		1,241		1,241				1,241
	Information Security										
46	TSEC - ARMY KEY MGT SYS (AKMS)		2,702		2,702		2,702				2,702
47	INFORMATION SYSTEM SECURITY PROGRAM-		124,419		124,419		124,419				124,419
	Comm-Long Haul Communications										
48	TERRESTRIAL TRANSMISSION		10,332		10,332		10,332				10,332
49	BASE SUPPORT COMMUNICATIONS		46,835		46,835		46,835				46,835
50	ARMY DISN ROUTER		6,016		6,016		6,016				6,016
51	ELECTROMAG COMP PROG (EMCP)		457		457		457				457
52	WW TECH CON IMP PROG (WWTCIP)		2,975		2,975		2,975				2,975
	Comm-Base Communications										
53	INFORMATION SYSTEMS		328,188		328,188		328,188				328,188

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54	DEFENSE MESSAGE SYSTEM (DMS)		12,435		12,435		12,435				12,435
55	LOCAL AREA NETWORK (LAN)		96,475		104,475		96,475		8,000		104,475
	Local area networks				[8,000]				[8,000]		
56	PENTAGON INFORMATION MGT AND		14,424		14,424		14,424				14,424
	Elect Equip-Nat For Int Prog (NFIP)										
57	FOREIGN COUNTERINTELLIGENCE PROG (FCI)		1,624		1,624		1,624				1,624
58	GENERAL DEFENSE INTELL PROG (GDIP)		24,632		24,632		24,632				24,632
	Elect Equip-Tact Int Rel Act (TIARA)										
59	ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)		36,980		37,680		36,980		700		37,680
	Additional ASAS for Counterattack Corps				[700]				[700]		
60	JTT/CIBS-M (TIARA)										
61	PROPHET GROUND (TIARA)		3,175		3,175		3,175				3,175
62	TUAV	8	73,764	8	73,764	8	73,764			8	73,764
63	ARMY COMMON GROUND STATION (CGS) (TIAF		8,261		8,261		8,261				8,261
64	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA		13,003		13,003		13,003				13,003
65	DRUG INTERDICTION PROGRAM (DIP) (TIARA)										
66	TACTICAL EXPLOITATION SYSTEM (TIARA)										
67	DCGS-A UNIT OF EMPLOYMENT (JMIP)		2,687		2,687		2,687				2,687
68	JOINT TACTICAL GROUND STATION MODS (JTA										
69	TROJAN (TIARA)		6,535		6,535		6,535				6,535
70	MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)		2,619		2,619		2,619				2,619
71	CI HUMINT INFO MANAGEMENT SYS (CHIMS) (T		7,892		7,892		7,892				7,892
72	ITEMS LESS THAN $5.0M (TIARA)	4	4,983	4	4,983	4	4,983			4	4,983
	Elect Equip-Electronic Warfare (EW)										
73	SHORTSTOP										
74	COUNTERINTELLIGENCE/SECURITY		2,296		2,296		2,296				2,296
	Elect Equip-Tactical Surv. (TAC SURV)										
75	FAAD GBS										

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76	SENTINEL MODS		17,595		17,595		17,595				17,595
77	NIGHT VISION DEVICES		65,629		65,629		67,429		1,800		67,429
	NVDs for rapid fielding initiative						[1,800]		[1,800]		
78	LONG RANGE ADVANCED SCOUT SURVEILLAN(	110	50,125	110	50,125	110	50,125			110	50,125
79	LTWT VIDEO RECON SYSTEM (LWVRS)				10,700						
	Additional LVRS for USASOC				[10,700]						
80	NIGHT VISION, THERMAL WPN SIGHT	3,104	50,504	3,104	50,504	3,104	50,504			3,104	50,504
81	COMBAT IDENTIFICATION / AIMING LIGHT										
82	ARTILLERY ACCURACY EQUIP		13,594		13,594		13,594				13,594
83	MOD OF IN-SVC EQUIP (MMS)		644		644		644				644
84	MOD OF IN-SVC EQUIP (MVS)		274		274		274				274
85	PROFILER	10	12,591	10	12,591	10	12,591			10	12,591
86	MOD OF IN-SVC EQUIP (TAC SURV)		35,169		35,169		35,169				35,169
87	FORCE XXI BATTLE CMD BRIGADE & BELOW (F	2,674	83,200	2,674	83,200	2,674	83,200			2,674	83,200
88	LIGHTWEIGHT LASER DESIGNATOR/RANGEFIN]	45	12,302	45	12,302	45	12,302			45	12,302
89	MORTAR FIRE CONTROL SYSTEM	158	39,517	158	39,517	158	39,517			158	39,517
90	INTEGRATED MET SYS SENSORS (IMETS) - TIAR		9,080		9,080		9,080				9,080
	Elect Equip-Tactical C2 Systems										
91	TACTICAL OPERATIONS CENTERS		45,613		69,513		45,613		23,900		69,513
	Additional TOCs for Counterattack Corps				[23,900]				[23,900]		
92	ADV FA TAC DATA SYS / EFF CTRL SYS		22,324		22,324		22,324				22,324
93	MOD OF IN-SVC EQUIP, AFATDS		2,059		2,059		2,059				2,059
94	LIGHT WEIGHT TECH FIRE DIRECTION SYS (LW'		3,223		3,223		3,223				3,223
95	CMBT SVC SUPT CONTROL SYS (CSSCS)		22,197		22,197		22,197				22,197
96	FAAD C2		19,474		19,474		19,474				19,474
97	AIR & MSL DEFENSE PLANNING & CONTROL SY		8,996		8,996		8,996				8,996
98	FORWARD ENTRY DEVICE / LIGHTWEIGHT FED		6,023		6,023		6,023				6,023

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99	KNIGHT FAMILY		6,732		35,232		6,732		20,000		26,732
	Knight family for ARNG				[28,500]				[20,000]		
100	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		1,814		1,814		1,814				1,814
101	LOGTECH		8,774		8,774		8,774				8,774
102	TC AIMS II		17,492		17,492		17,492				17,492
103	GUN LAYING AND POS SYS (GLPS)										
104	ISYSCON EQUIPMENT		21,528		21,528		21,528				21,528
105	JOINT NETWORK MANAGEMENT SYSTEM (JNM		9,452		9,452		9,452				9,452
106	TACTICAL INTERNET MANAGER		8,321		8,321		8,321				8,321
107	MANEUVER CONTROL SYSTEM (MCS)	201	37,141	201	41,141	201	37,141		4,000		41,141
	Additional MCS for Counterattack Corps				[4,000]				[4,000]		
108	STAMIS TACTICAL COMPUTERS (STACOMP)		46,233		46,233		46,233				46,233
109	STANDARD INTEGRATED CMD POST SYSTEM		361		361		361				361
	Elect Equip-Automation										
110	ARMY TRAINING MODERNIZATION		6,186		6,186		6,186				6,186
111	AUTOMATED DATA PROCESSING EQUIP		213,055		213,055		213,055				213,055
112	RESERVE COMPONENT AUTOMATION SYS		45,789		45,789		45,789				45,789
	Elect Equip-Audio Visual Sys (A/V)										
113	SPECIAL INFORMATION OPERATIONS (SIO)										
114	AFRTS		2,519		2,519		2,519				2,519
115	ITEMS LESS THAN $5.0M (A/V)		3,879		3,879		3,879				3,879
116	ITEMS LESS THAN $5M (SURVEYING		2,047		2,047		2,047				2,047
	Elect Equip-Support										
117	PRODUCTION BASE SUPPORT (C-E)		426		426		426				426
	Other Support Equipment										
	Chemical Defensive Equipment										
118	SMOKE & OBSCURANT FAMILY: SOF (NON AAO		35,252		35,252		35,252				35,252

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	Bridging Equipment										
119	TACTICAL BRIDGING		42,539		42,539		42,539				42,539
120	TACTICAL BRIDGE, FLOAT-RIBBON		59,393		59,393		59,393				59,393
	Engineer (Non-construction) Equipment										
121	DISPENSER, MINE M139		5,231		5,231		5,231				5,231
122	TOWED VOLCANO DELIVERY SYSTEM										
123	VOLCANO LIGHT										
124	HANDHELD STANDOFF MINEFIELD DETECTION	69	1,766	69	1,766	69	1,766			69	1,766
125	KIT, STANDARD TELEOPERATING	12	2,314	12	2,314	12	2,314			12	2,314
126	GRND STANDOFF MINE DETECTION SYSTEM										
127	WIDE AREA MUNITIONS (REMOTE CONTROL UI										
128	ROBOTIC COMBAT SUPPORT SYSTEM (RCSS)	36	8,247	36	8,247	36	8,247			36	8,247
129	EXPLOSIVE ORDNANCE DISPOSAL EQPMT (EOD		9,398		9,398		9,398				9,398
130	ITEMS LESS THAN $5M, COUNTERMINE EQUIPM	3	624	3	624	3	624			3	624
	Combat Service Support Equipment										
131	HEATERS AND ECU'S		13,544		13,544		13,544				13,544
132	LAUNDRIES, SHOWERS AND LATRINES		5,979		5,979		5,979				5,979
133	FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS										
134	SOLDIER ENHANCEMENT	795	4,286	795	4,286	795	4,286			795	4,286
135	LIGHTWEIGHT MAINTENANCE ENCLOSURE (LM		7,577		7,577		7,577				7,577
136	LAND WARRIOR	2,425	94,827					-2,425	-94,827		
	Reduction - not ready for production				[-21,427]		[-21,327]	[-2,425]	[-36,327]		
	Transfer to PE 64713A (RDA 102)				[-58,500]		[-73,500]		[-58,500]		
	Transfer to OPA 40				[-8,000]						
	Transfer to W&TCV 25 "M249 SAW"				[-6,900]						
137	AUTHORIZED STOCKAGE LIST MOBILITY SYSTI		4,451		4,451		4,451				4,451
138	FIELD FEEDING EQUIPMENT		16,021		16,021		16,021				16,021
139	AIR DROP PROGRAM		4,892		4,892		4,892				4,892

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
140	CAMOUFLAGE: ULCANS										
141	ITEMS LESS THAN $5.0M (ENG SPT EQ)		10,947		10,947		10,947				10,947
142	ITEMS LESS THAN $5.0M (CSS EQ)										
	Petroleum Equipment										
143	QUALITY SURVEILLANCE EQUIPMENT										
144	DISTRIBUTION SYSTEMS, PETROLEUM & WATE		24,205		24,205		24,205				24,205
145	INLAND PETROLEUM DISTRIBUTION SYSTEM		1,182		1,182		1,182				1,182
	Water Equipment										
146	WATER PURIFICATION SYSTEMS		15,809		15,809		15,809				15,809
	Medical Equipment										
147	COMBAT SUPPORT MEDICAL		16,555		18,555		18,555		3,000		19,555
	Rapid infusion pumps						[2,000]		[2,000]		
	Combat Automated Service Support-Medical				[2,000]				[1,000]		
	Maintenance Equipment										
148	SHOP EQ CONTACT MAINTENANCE TRK MTD	186	12,855	186	12,855	186	12,855			186	12,855
149	WELDING SHOP, TRAILER MTD	112	5,873	112	5,873	112	5,873			112	5,873
150	ITEMS LESS THAN $5.0M (MAINT EQ)		4,002		4,002		4,002				4,002
	Construction Equipment										
151	GRADER, ROAD MTZD, HVY, 6X4 (CCE)										
152	SCRAPERS, EARTHMOVING										
153	DISTR, WATER, SP MIN 2500G SEC/NON-SEC										
154	MISSION MODULES - ENGINEERING		16,607		16,607		16,607				16,607
155	COMPACTOR										
156	LOADERS		8,148		8,148		8,148				8,148
157	HYDRAULIC EXCAVATOR										
158	DEPLOYABLE UNIVERSAL COMBAT EARTH MO										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
159	TRACTOR, FULL TRACKED				10,000						
	Additional dozers for Counterattack Corps				[5,000]						
	Additional dozers for ARNG				[5,000]						
160	CRANES		4,131		4,131		4,131				4,131
161	CRUSHING/SCREENING PLANT, 150 TPH	1	1,781	1	1,781	1	1,781			1	1,781
162	PLANT, ASPHALT MIXING	1	1,937	1	1,937	1	1,937			1	1,937
163	ARMORED COMBAT EARTHMOVER, M9 ACE										
164	HIGH MOBILITY ENGINEER EXCAVATOR (HMEE	15	4,842	15	4,842	15	4,842			15	4,842
165	CONST EQUIP ESP				10,000		10,200		10,000		10,000
	Construction equipment extended service program (ESP)						[10,200]		[10,000]		
	SLEP for ARNG and AR				[10,000]						
166	ITEMS LESS THAN $5.0M (CONST EQUIP)		6,305		6,305		6,305				6,305
	Rail Float Containerization Equipment										
167	FLOATING CRANE, 100-250 TON										
168	LOGISTIC SUPPORT VESSEL (LSV)			1	36,500			1	3,000		3,000
	Logistic support vessel				[33,000]						
	Small tugs			[1]	[3,500]			[1]	[3,000]		
169	CAUSEWAY SYSTEMS						25,000		12,000		12,000
	Modular causeway system (MCS)						[25,000]		[12,000]		
170	ITEMS LESS THAN $5.0M (FLOAT/RAIL)		7,860		7,860		7,860				7,860
	Generators										
171	GENERATORS AND ASSOCIATED EQUIP		62,853		62,853		62,853				62,853
	Material Handling Equipment										
172	ROUGH TERRAIN CONTAINER HANDLER (RTCH	72	36,237	72	36,237	72	36,237			72	36,237
173	ALL TERRAIN LIFTING ARMY SYSTEM	142	22,422	142	22,422	142	22,422			142	22,422
174	MHE EXTENDED SERVICE PROGRAM (ESP)	6	1,329	6	1,329	6	1,329			6	1,329
175	ITEMS LESS THAN $5.0M (MHE)										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Training Equipment										
176	COMBAT TRAINING CENTERS (CTC) SUPPORT		36,827		36,827		36,827				36,827
177	TRAINING DEVICES, NONSYSTEM		165,254		175,254		170,054		9,800		175,054
	Military Ops in Urban Terrain (MOUT) instrumentation						[4,800]		[4,800]		
	Laser marksmanship training systems for AR				[10,000]				[2,500]		
	Laser marksmanship training systems for ARNG								[2,500]		
178	CLOSE COMBAT TACTICAL TRAINER		71,692		71,692		71,692				71,692
179	AVIATION COMBINED ARMS TACTICAL TRAINE		10,295		10,295		10,295				10,295
	Test Measure and Dig Equipment (TMD)										
180	CALIBRATION SETS EQUIPMENT		18,304		18,304		18,304				18,304
181	INTEGRATED FAMILY OF TEST EQUIPMENT (IF		27,952		37,952		27,952		1,500		29,452
	Additional TSC-750 maintenance support devices				[10,000]				[1,500]		
182	TEST EQUIPMENT MODERNIZATION (TEMOD)		14,718		14,718		14,718				14,718
183	ARMY DIAGNOSTICS IMPROVEMENT PGM (ADII										
	Other Support Equipment										
184	RECONFIGURABLE SIMULATORS										
185	PHYSICAL SECURITY SYSTEMS (OPA3)		75,288		75,288		75,288				75,288
186	BASE LEVEL COM'L EQUIPMENT		15,026		15,026		15,026				15,026
187	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		47,918		47,918		47,918				47,918
188	PRODUCTION BASE SUPPORT (OTH)		2,571		2,571		2,571				2,571
189	SPECIAL EQUIPMENT FOR USER TESTING		11,526		11,526		11,526				11,526

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
190	MA8975		2,419		2,419		2,419				2,419
191	CLOSED ACCOUNT ADJUSTMENTS										
	Spares and Repair Parts										
	OPA2										
192	INITIAL SPARES - C&E		44,714		44,714		44,714				44,714
	OPA3										
193	INITIAL SPARES - OTHER SUPPORT EQUIPMENT		1,250		1,250		1,250				1,250
xx	WMD - Civil Support Teams						25,900		25,900		25,900
	Financial information systems						-22,400				
	Information technology general reduction				-68,000						
	Total - Other Procurement, Army		**4,216,854**		**4,321,496**		**4,268,027**		**148,392**		**4,365,246**

Weapons Procurement, Navy—Overview

The budget request for fiscal year 2004 included an authorization of $1,991.8 million for Weapons Procurement, Navy in the Department of Defense.

The House bill would authorize $2,529.8 million.

The Senate amendment would authorize $2,046.8 million.

The conferees recommend an authorization of $2,233.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Aircraft Procurement, Navy										
	Combat Aircraft										
	Combat Aircraft										
1	AV-8B (V/STOL)HARRIER (MYP)		12,493		12,493		12,493				12,493
2	F/A-18E/F (FIGHTER) HORNET (MYP)	42	2,946,380	42	2,971,380	42	2,946,380			42	2,946,380
	F/A-18E/F aircraft armament equipment				[25,000]						
3	F/A-18E/F (FIGHTER) HORNET (MYP) (AP-CY)		84,765		84,765		84,765				84,765
4	F/A-18G (FIGHTER) HORNET (MYP) (AP-CY)										
5	V-22 (MEDIUM LIFT)	9	833,109	9	833,109	9	833,109			9	833,109
6	V-22 (MEDIUM LIFT) (AP-CY)		39,058		39,058		39,058				39,058
7	AH-1W (HELICOPTER) SEA COBRA										
8	UH-1Y/AH-1Z	9	310,799	9	310,799	9	310,799			9	310,799
9	MH-60S (MYP)	13	336,536	13	336,536	13	336,536			13	336,536
10	MH-60S (MYP) ADVANCE PROCUREMENT (CY)		94,972		94,972		94,972				94,972
11	MH-60R	6	352,057	6	352,057	6	355,557			6	352,057
	Airborne low frequency sonar (ALFS)						[3,500]				
12	MH-60R ADVANCE PROCUREMENT (CY)		46,472		46,472		46,472				46,472
13	E-2C (EARLY WARNING) HAWKEYE (MYP)	2	211,097	2	211,097	2	211,097			2	211,097
14	E-2C (EARLY WARNING) HAWKEYE (MYP) (AP-		17,409		17,409		17,409				17,409
	Airlift Aircraft										
	Airlift Aircraft										
15	MH-60S (MYP)										
16	UC-35	2	15,579	2	15,579	4	31,179	2	15,600	4	31,179
	Operational Support Aircraft (OSA)					[2]	[15,600]	[2]	[15,600]		
17	C-40A	1	63,952	1	63,952	1	63,952			1	63,952
18	C-37						55,000	1	55,000	1	55,000
	C-37 aircraft procurement acceleration						[55,000]	[1]	[55,000]		

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Trainer Aircraft										
	Trainer Aircraft										
19	T-39	1	22,018	1	22,018	1	22,018			1	22,018
20	T-45TS (TRAINER) GOSHAWK	15	339,201	15	339,201	15	339,201			15	339,201
21	JPATS		2,399		17,099	5	37,399		21,700		24,099
	T-6A aircraft and ground based systems				[14,700]	[5]	[35,000]		[21,700]		
	Other Aircraft										
	Other Aircraft										
22	KC-130J		39,163		39,163		39,163				39,163
23	KC-130J (AP-CY)		40,000		40,000		40,000				40,000
24	F-5	4	1,947	4	1,947	4	1,947			4	1,947
	Modification of Aircraft										
	Modification of Aircraft										
25	EA-6 SERIES		207,146		339,546		207,146		60,000		267,146
	EA-6B OWP				[60,000]				[60,000]		
	EA-6B OBOGS				[6,000]						
	EA-6B ICAP III kits				[66,400]						
26	AV-8 SERIES		20,866		57,866		70,866		37,000		57,866
	AV-8B avionics upgrade						[13,000]				
	Litening AT pods and conversion of Litening II to AT				[37,000]		[37,000]		[37,000]		
27	F-14 SERIES										
28	ADVERSARY		2,649		2,649		2,649				2,649
29	F-18 SERIES		335,894		335,894		335,894				335,894
30	H-46 SERIES		81,072		85,072		81,072				81,072
	CH-46 OSIP inventory adjustment				[4,000]						
31	AH-1W SERIES		5,810		5,810		5,810				5,810
32	H-53 SERIES		9,676		9,676		9,676				9,676
33	SH-60 SERIES		18,405		18,405		18,405				18,405

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
34	H-1 SERIES		3,492		15,492		8,992		5,000		8,492
	Navigational thermal imaging system						[5,500]		[5,000]		
	AH/UH-1 IR suppression system modifications				[12,000]						
35	H-3 SERIES										
36	EP-3 SERIES		31,506		40,206		36,306				31,506
	EP-3 service life assessment						[4,800]				
	USQ-146 communication jammer upgrade				[8,700]						
37	P-3 SERIES		94,972		103,972		134,372		27,500		122,472
	P-3 ASUW improvement program (AIP)						[39,400]		[26,000]		
	Electro-optics and communications upgrades				[9,000]				[1,500]		
38	S-3 SERIES		8,364		8,364		8,364				8,364
39	E-2 SERIES		43,139		43,139		43,139				43,139
40	TRAINER A/C SERIES		10,497		10,497		10,497				10,497
41	C-2A		35,318		35,318		35,318				35,318
42	C-130 SERIES		6,554		6,554		6,554				6,554
43	FEWSG		565		565		565				565
44	CARGO/TRANSPORT A/C SERIES		13,290		13,290		13,290				13,290
45	E-6 SERIES		48,517		48,517		48,517				48,517
46	EXECUTIVE HELICOPTERS SERIES		26,537		26,537		26,537				26,537
47	SPECIAL PROJECT AIRCRAFT		49,601		49,601		49,601				49,601
48	T-45 SERIES		22,321		41,421		22,321				22,321
	T-45A to C conversion				[19,100]						
49	POWER PLANT CHANGES		21,564		21,564		21,564				21,564
50	JPATS SERIES		534		534		534				534
51	AVIATION LIFE SUPPORT MODS		6,358		6,358		6,358				6,358
52	COMMON ECM EQUIPMENT		20,729		20,729		20,729				20,729
53	COMMON AVIONICS CHANGES		148,627		148,627		148,627				148,627
54	V-22 (TILT/ROTOR ACFT) OSPREY		4,814		4,814		4,814				4,814

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Aircraft Spares and Repair Parts										
	Aircraft Spares and Repair Parts										
55	SPARES AND REPAIR PARTS		1,158,057		1,158,057		1,158,057				1,158,057
	Aircraft Support Equipment and Facilities										
	Aircraft Support Equipment and Facilities										
56	CANCELLED ACCOUNT ADJUSTMENTS (M)										
57	CANCELLED ACCOUNT ADJUSTMENTS (88)										
58	CANCELLED ACCOUNT ADJ (89)										
59	CANCELLED ACCOUNT ADJUSTMENT (90)										
60	PEACEKEEPER										
61	COMMON GROUND EQUIPMENT		460,865		460,865		460,865				460,865
62	AIRCRAFT INDUSTRIAL FACILITIES		15,487		15,487		15,487				15,487
63	WAR CONSUMABLES		11,247		11,247		11,247				11,247
64	OTHER PRODUCTION CHARGES		25,790		25,790		25,790				25,790
65	SPECIAL SUPPORT EQUIPMENT		26,785		26,785		26,785				26,785
66	FIRST DESTINATION TRANSPORTATION		1,694		1,694		1,694				1,694
67	CANCELLED ACCOUNT ADJUSTMENTS										
	Total - Aircraft Procurement, Navy		**8,788,148**		**9,050,048**		**8,996,948**		**221,800**		**9,009,948**

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Weapons Procurement, Navy										
	Ballistic Missiles										
	Ballistic Missiles										
1	TRIDENT II	12	675,209	12	675,209	12	675,209			12	675,209
2	ADVANCE PROCUREMENT (CY)										
	Modification of Missiles										
3	TRIDENT II MODS										
	Support Equipment and Facilities										
4	MISSILE INDUSTRIAL FACILITIES		1,305		1,305		1,305				1,305
	Other Missiles										
	Strategic Missiles										
5	TOMAHAWK	267	277,588	600	653,588	267	277,588		208,000		485,588
	Additional missiles				[336,000]				[183,000]		
	Tooling and testing				[40,000]				[25,000]		
5a	Affordable weapon			2,000	138,000						
6	ESSM	105	112,774	105	112,774	105	112,774			105	112,774
	Tactical Missiles										
7	AMRAAM	53	37,648	53	37,648	53	37,648			53	37,648
8	SIDEWINDER	167	35,818	167	35,818	167	35,818			167	35,818
9	JSOW	429	138,451	429	138,451	429	138,451			429	138,451
10	SLAM-ER	84	54,145	84	54,145	84	54,145			84	54,145
11	STANDARD MISSILE	75	148,308	75	148,308	75	148,308			75	148,308
12	RAM	90	48,315	90	48,315	90	48,315			90	48,315
13	AERIAL TARGETS		70,676		85,676		85,676		10,000		80,676
	GQM-163A Supersonic Sea Skimming Tgts (SSST)				[15,000]		[15,000]		[10,000]		
14	DRONES AND DECOYS										
15	OTHER MISSILE SUPPORT		10,943		10,943		10,943				10,943

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Modification of Missiles										
16	SIDEWINDER MODS										
17	HARM MODS		7,787		7,787		7,787		-7,787		
	Precision navigation units upgrade - termination								[-7,787]		
18	STANDARD MISSILES MODS		50,836		50,836		50,836				50,836
	Support Equipment and Facilities										
19	WEAPONS INDUSTRIAL FACILITIES		7,443		7,443		27,443		20,000		27,443
	ABL facilities restoration						[20,000]		[20,000]		
20	FLEET SATELLITE COMM (MYP) (SPACE)										
	Ordnance Support Equipment										
21	ORDNANCE SUPPORT EQUIPMENT		15,361		15,361		15,361				15,361
	Torpedoes and Related Equipment										
	Torpedoes and Related Equip.										
22	ASW TARGETS		25,532		25,532		25,532				25,532
	Mod of Torpedoes and Related Equipment										
23	MK-46 TORPEDO MODS		34,249		34,249		34,249				34,249
24	MK-48 TORPEDO ADCAP MODS		60,372		60,372		60,372				60,372
25	QUICKSTRIKE MINE		3,210		3,210		3,210				3,210
	Support Equipment										
26	TORPEDO SUPPORT EQUIPMENT		24,943		24,943		24,943				24,943
27	ASW RANGE SUPPORT		12,811		12,811		12,811				12,811
	Destination Transportation										
28	FIRST DESTINATION TRANSPORTATION		2,776		2,776		2,776				2,776
	Other Weapons										
	Guns and Gun Mounts										
29	SMALL ARMS AND WEAPONS		4,240		4,240		4,240				4,240
30	COAST GUARD WEAPONS										
31	AIRBORNE MINE NEUTRALIZATION SYSTEMS										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Modification of Guns and Gun Mounts										
32	CIWS MODS		41,448		50,448		61,448		15,000		56,448
	CIWS-1B upgrade kits				[9,000]		[20,000]		[15,000]		
33	5/54 GUN MOUNT MODS										
34	GUN MOUNT MODS		27,263		27,263		27,263		-3,500		23,763
	Slow obligations/expenditures								[-3,500]		
	Other										
35	PIONEER		13,622		13,622		13,622				13,622
36	CANCELLED ACCOUNT ADJUSTMENTS										
37	CANCELLED ACCOUNT ADJ (89)										
	Spares and Repair Parts										
	Spares and Repair Parts										
38	SPARES AND REPAIR PARTS		48,748		48,748		48,748				48,748
	Total - Weapons Procurement, Navy		**1,991,821**		**2,529,821**		**2,046,821**		**241,713**		**2,233,534**

Procurement of Ammunition, Navy and Marine Corps—Overview

The budget request for fiscal year 2004 included an authorization of $922.4 million for Ammunition Procurement, Navy and Marine Corps in the Department of Defense.

The House bill would authorize $963.4 million.

The Senate amendment would authorize $924.3 million.

The conferees recommend an authorization of $924.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement of Ammunition, Navy & Marine Corps										
	Proc Ammo, Navy										
	Navy Ammunition										
1	GENERAL PURPOSE BOMBS		164,105		184,105		164,105				164,105
	Bomb bodies to synchronize with PGM kits				[20,000]						
2	JDAM	12,326	277,347	12,326	277,347	12,326	277,347			12,326	277,347
3	AIRBORNE ROCKETS, ALL TYPES		28,245		28,245		28,245				28,245
4	MACHINE GUN AMMUNITION		17,933		17,933		17,933				17,933
5	PRACTICE BOMBS		51,417		51,417		51,417				51,417
6	CARTRIDGES & CART ACTUATED DEVICES		26,374		26,374		26,374				26,374
7	AIRCRAFT ESCAPE ROCKETS		10,904		10,904		10,904				10,904
8	AIR EXPENDABLE COUNTERMEASURES		44,068		44,068		44,068				44,068
9	JATOS		4,627		4,627		4,627				4,627
10	5 INCH/54 GUN AMMUNITION		13,248		13,248		13,248				13,248
11	EXTENDED RANGE GUIDED MUNITIONS (ERGM		3,776		3,776		3,776				3,776
12	76MM GUN AMMUNITION		1,226		1,226		1,226				1,226
13	OTHER SHIP GUN AMMUNITION		16,368		16,368		16,368				16,368
14	SMALL ARMS & LANDING PARTY AMMO		17,724		17,724		17,724				17,724
15	PYROTECHNIC AND DEMOLITION		10,469		10,469		10,469				10,469
16	MINE NEUTRALIZATION DEVICES										
17	AMMUNITION LESS THAN $5 MILLION		2,173		2,173		2,173				2,173
18	CAWCF CLOSURE COSTS										
	Proc Ammo, MC										
	Marine Corps Ammunition										
19	5.56 MM, ALL TYPES		24,618		29,618		24,618				24,618
	M855 lead free round				[5,000]						
20	7.62 MM, ALL TYPES		6,351		6,351		6,351				6,351
21	LINEAR CHARGES, ALL TYPES		36,552		36,552		36,552				36,552

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
22	.50 CALIBER		10,218		10,218		10,218				10,218
23	40 MM, ALL TYPES		10,191		10,191		10,191				10,191
24	60 MM HE M888										
25	60MM, ALL TYPES		6,064		12,064		8,064		2,000		8,064
	60 MM high explosive cartridge				[6,000]		[2,000]		[2,000]		
26	81MM, ALL TYPES		19,361		19,361		19,361				19,361
27	120MM, ALL TYPES		18,691		18,691		18,691				18,691
28	FUZE, ET, XM762										
29	CTG 25MM, ALL TYPES		3,859		3,859		3,859				3,859
30	9 MM ALL TYPES		2,706		2,706		2,706				2,706
31	GRENADES, ALL TYPES		7,914		7,914		7,914				7,914
32	STINGER SLEP										
33	ROCKETS, ALL TYPES		15,461		15,461		15,461				15,461
34	ARTILLERY, ALL TYPES		49,813		59,813		49,813				49,813
	M795 HE round				[10,000]						
35	AAAV										
36	DEMOLITION MUNITIONS, ALL TYPES		3,752		3,752		3,752				3,752
37	FUZE, ALL TYPES		4,397		4,397		4,397				4,397
38	NON LETHALS		3,671		3,671		3,671				3,671
39	AMMO MODERNIZATION		7,116		7,116		7,116				7,116
40	ITEMS LESS THAN $5 MILLION		1,616		1,616		1,616				1,616
	Total - Procurement of Ammunition, Navy &		**922,355**		**963,355**		**924,355**		**2,000**		**924,355**

Shipbuilding and Conversion, Navy—Overview

The budget request for fiscal year 2004 included an authorization of $11,439.0 million for Shipbuilding and Conversion, Navy in the Department of Defense.

The House bill would authorize $11,472.4 million.

The Senate amendment would authorize $11,708.0 million.

The conferees recommend an authorization of $11,730.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Shipbuilding and Conversion, Navy										
	Other Warships										
	Other Warships										
1	CARRIER REPLACEMENT PROGRAM										
2	CARRIER REPLACEMENT PROGRAM (AP-CY)		1,186,564		1,186,564		1,186,564				1,186,564
3	VIRGINIA CLASS SUBMARINE	1	1,511,935	1	1,511,935	1	1,511,935			1	1,511,935
4	VIRGINIA CLASS SUBMARINE (AP-CY)		1,016,172		1,016,172		1,016,172		-65,000		951,172
	FY 2004 for FY 2008								[-65,000]		
5	SSGN CONVERSION	2	930,700	2	930,700	2	930,700			2	930,700
6	SSGN ADVANCE PROCUREMENT (CY)		236,600		236,600		236,600				236,600
7	CRUISER CONVERSION	1	194,440	1	194,440	1	194,440			1	194,440
8	CRUISER CONVERSION ADVANCE										
9	CVN REFUELING OVERHAULS										
10	CVN REFUELING OVERHAULS (AP-CY)		367,832		367,832		367,832				367,832
11	SUBMARINE REFUELING OVERHAULS						248,000		248,000		248,000
	SSN refueling overhaul						[248,000]		[248,000]		
12	SUBMARINE REFUELING OVERHAULS (AP-CY)		164,372		164,372		164,372				164,372
13	DDG-51	3	3,198,311	3	3,198,311	3	3,219,311		20,000	3	3,218,311
	DDG-51 modernization program						[20,000]		[20,000]		
	Composite ship louvers						[1,000]				
14	DDG-51 (AP-CY)										
	Amphibious Ships										
	Amphibious Ships										
15	LHD-1 AMPHIBIOUS ASSAULT SHIP		355,006		355,006		355,006				355,006
16	LPD-17	1	1,192,034	1	1,192,034	1	1,192,034		75,000	1	1,267,034
	Advance procurement for LPD-23								[75,000]		
17	LPD-17 (AP-CY)										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Auxiliaries, Craft and Prior Year Program Costs										
	Auxiliaries, Craft and Prior Year Program Costs										
18	LCU(X)										
19	OUTFITTING		344,949		344,949		344,949		1,000		345,949
	Composite ship louvers								[1,000]		
20	SERVICE CRAFT		31,480		34,480		31,480	1	3,000	1	34,480
	Yard oiler				[3,000]			[1]	[3,000]		
21	LCAC SLEP	3	73,087	4	94,087	3	73,087			3	73,087
	LCAC SLEP			[1]	[21,000]						
22	CANCELLED ACCOUNT ADJUSTMENTS										
23	MINE HUNTER			2	9,400			2	9,000	2	9,000
	Minehunter SWATH			[2]	[9,400]			[2]	[9,000]		
24	COMPLETION OF PY SHIPBUILDING PROGRAMS		635,502		635,502		635,502				635,502
	Total - Shipbuilding and Conversion, Navy		**11,438,984**		**11,472,384**		**11,707,984**		**291,000**		**11,729,984**

Other Procurement, Navy—Overview

The budget request for fiscal year 2004 included an authorization of $4,679.4 million for Other Procurement, Navy in the Department of Defense.

The House bill would authorize $4,614.9 million.

The Senate amendment would authorize $4,741.9 million.

The conferees recommend an authorization of $4,739.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Procurement, Navy										
	Ships Support Equipment										
	Ship Propulsion Equipment										
1	LM-2500 GAS TURBINE		10,664		10,664		10,664				10,664
2	ALLISON 501K GAS TURBINE		12,910		12,910		12,910				12,910
	Propellers										
3	SUBMARINE PROPELLERS										
	Navigation Equipment										
4	OTHER NAVIGATION EQUIPMENT		15,130		15,130		15,130				15,130
	Underway Replenishment Equipment										
5	UNDERWAY REPLENISHMENT EQUIPMENT		1,398		1,398		1,398				1,398
	Periscopes										
6	SUB PERISCOPES & IMAGING EQUIPMENT		33,391		33,391		33,391				33,391
	Other Shipboard Equipment										
7	FIREFIGHTING EQUIPMENT		22,015		22,015		22,015				22,015
8	COMMAND AND CONTROL SWITCHBOARD		4,102		4,102		4,102				4,102
9	POLLUTION CONTROL EQUIPMENT		50,392		50,392		50,392				50,392
10	SUBMARINE SUPPORT EQUIPMENT		8,830		8,830		8,830				8,830
11	VIRGINIA CLASS SUPPORT EQUIPMENT										
12	SUBMARINE BATTERIES		11,471		11,471		11,471				11,471
13	STRATEGIC PLATFORM SUPPORT EQUIP		26,660		26,660		26,660				26,660
14	DSSP EQUIPMENT		27,493		27,493		27,493				27,493
15	LCAC		10,627		10,627		10,627				10,627
16	MINESWEEPING EQUIPMENT		13,592		13,592		13,592				13,592
17	ITEMS LESS THAN $5 MILLION		124,214		127,214		133,614		2,000		126,214
	Integrated condition assessment system (ICAS)						[9,400]		[2,000]		
	Fuel and engine maintenance savings system				[3,000]						
18	CHEMICAL WARFARE DETECTORS										

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(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
19	SUBMARINE LIFE SUPPORT SYSTEM		14,591		14,591		14,591				14,591
	Reactor Plant Equipment										
20	REACTOR POWER UNITS		333,107		333,107		333,107				333,107
21	REACTOR COMPONENTS		211,030		211,030		211,030				211,030
	Ocean Engineering										
22	DIVING AND SALVAGE EQUIPMENT		7,258		7,258		7,258				7,258
	Small Boats										
23	STANDARD BOATS		53,913		53,913		53,913				53,913
	Training Equipment										
24	OTHER SHIPS TRAINING EQUIPMENT		8,115		8,115		8,115				8,115
	Production Facilities and Equipment										
25	OPERATING FORCES IPE		5,499		13,499		5,499		8,000		13,499
	Expeditionary maintenance facility				[8,000]				[8,000]		
	Other Ship Support										
26	NUCLEAR ALTERATIONS		128,441		128,441		128,441				128,441
	Drug Interdiction Support										
27	DRUG INTERDICTION SUPPORT										
	Communications and Electronics Equipment										
	Ship Radars										
28	RADAR SUPPORT										
29	TISS										
	Ship Sonars										
30	SPQ-9B RADAR		9,739		29,539		19,439		10,000		19,739
	Shipboard radar transmitter				[19,800]		[9,700]		[10,000]		
31	AN/SQQ-89 SURF ASW COMBAT SYSTEM										
32	SSN ACOUSTICS		265,423		265,423		265,423				265,423
33	UUV PROGRAM										
34	UNDERSEA WARFARE SUPPORT EQUIPMENT		5,758		5,758		5,758				5,758

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
35	SONAR SWITCHES AND TRANSDUCERS		13,644		13,644		13,644				13,644
	ASW Electronic Equipment										
36	SUBMARINE ACOUSTIC WARFARE SYSTEM		24,631		27,631		24,631		3,000		27,631
	Acoustic intercept improvement				[3,000]				[3,000]		
37	SSTD		11,277		11,277		11,277				11,277
38	ADVANCE DEPLOYABLE SYSTEM										
39	FIXED SURVEILLANCE SYSTEM		46,360		46,360		46,360				46,360
40	SURTASS		15,228		15,228		15,228				15,228
41	ASW OPERATIONS CENTER		6,516		6,516		6,516				6,516
	Electronic Warfare Equipment										
42	AN/SLQ-32		19,429		19,429		19,429				19,429
43	INFORMATION WARFARE SYSTEMS		4,191		4,191		4,191				4,191
	Reconnaissance Equipment										
44	SHIPBOARD IW EXPLOIT		123,267		123,267		123,267				123,267
	Submarine Surveillance Equipment										
45	SUBMARINE SUPPORT EQUIPMENT PROGRAM		71,411		71,411		71,411				71,411
	Other Ship Electronic Equipment										
46	NAVY TACTICAL DATA SYSTEM				6,500						
	Navy tactical data system				[6,500]						
47	COOPERATIVE ENGAGEMENT CAPABILITY		62,845		62,845		62,845				62,845
48	GCCS-M EQUIPMENT		52,398		52,398		52,398				52,398
49	NAVAL TACTICAL COMMAND SUPPORT SYSTE!		52,594		52,594		52,594				52,594
50	ATDLS		16,197		16,197		16,197				16,197
51	MINESWEEPING SYSTEM REPLACEMENT		18,324		18,324		18,324				18,324
52	NAVSTAR GPS RECEIVERS (SPACE)		15,674		15,674		15,674				15,674
53	ARMED FORCES RADIO AND TV		4,194		4,194		4,194				4,194
54	STRATEGIC PLATFORM SUPPORT EQUIP		8,560		8,560		8,560				8,560

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(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Training Equipment										
55	OTHER SPAWAR TRAINING EQUIPMENT										
56	OTHER TRAINING EQUIPMENT		50,542		50,542		50,542				50,542
	Aviation Electronic Equipment										
57	MATCALS		15,629		15,629		15,629				15,629
58	SHIPBOARD AIR TRAFFIC CONTROL		7,860		7,860		7,860				7,860
59	AUTOMATIC CARRIER LANDING SYSTEM		17,493		17,493		17,493				17,493
60	NATIONAL AIR SPACE SYSTEM		30,095		30,095		30,095		-14,000		16,095
	Delay in procurement schedule								[-14,000]		
61	AIR STATION SUPPORT EQUIPMENT		7,633		7,633		7,633				7,633
62	MICROWAVE LANDING SYSTEM										
63	FACSFAC		4,337		4,337		4,337				4,337
64	ID SYSTEMS		21,829		21,829		21,829				21,829
65	TAC A/C MISSION PLANNING SYS(TAMPS)		8,639		8,639		8,639				8,639
	Other Shore Electronic Equipment										
66	DEPLOYABLE JOINT COMMAND AND CONT		46,551				46,551				46,551
	Program reduction				[-46,551]						
67	TADIX-B										
68	NAVAL SPACE SURVEILLANCE SYSTEM										
69	DIMHRS		5,512		5,512		5,512				5,512
70	COMMON IMAGERY GROUND SURFACE SYSTEM		60,600		60,600		60,600				60,600
71	RADIAC		8,600		8,600		8,600				8,600
72	GPETE		10,006		10,006		10,006				10,006
73	INTEG COMBAT SYSTEM TEST FACILITY		8,726		8,726		8,726				8,726
74	EMI CONTROL INSTRUMENTATION		6,469		6,469		6,469				6,469
75	ITEMS LESS THAN $5 MILLION		15,420		19,420		15,420		5,000		20,420
	Law enforcement information exchange (LINX)				[4,000]						
	Shipboard communications upgrade								[5,000]		

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Shipboard Communications										
76	SHIPBOARD TACTICAL COMMUNICATIONS		49,430		49,430		49,430				49,430
77	SHIP COMMUNICATIONS AUTOMATION		175,087		175,087		182,387				175,087
	Upgrade deployed shipboard switching systems						[7,300]				
78	COMMUNICATIONS ITEMS UNDER $5M		25,213		25,213		25,213				25,213
	Submarine Communications										
79	SHORE LF/VLF COMMUNICATIONS		16,591		16,591		16,591				16,591
80	SUBMARINE COMMUNICATION EQUIPMENT		104,935		104,935		115,935		6,000		110,935
	Submarine high data rate antenna						[11,000]		[6,000]		
	Satellite Communications										
81	SATELLITE COMMUNICATIONS SYSTEMS		257,388		257,388		257,388				257,388
	Shore Communications										
82	JCS COMMUNICATIONS EQUIPMENT		3,939		3,939		3,939				3,939
83	ELECTRICAL POWER SYSTEMS		1,437		1,437		1,437				1,437
84	NSIPS		363		363		363				363
85	JEDMICS										
	JEDMICS						[2,500]				
	JEDMICS (Transfer to PE 63739, RDN 71)						[-2,500]				
86	NAVAL SHORE COMMUNICATIONS		75,336		75,336		75,336				75,336
	Cryptographic Equipment										
87	INFO SYSTEMS SECURITY PROGRAM (ISSP)		81,938		81,938		81,938				81,938
	Cryptologic Equipment										
88	CRYPTOLOGIC COMMUNICATIONS		24,739		24,739		24,739				24,739
	Other Electronic Support										
89	COAST GUARD EQUIPMENT		12,582		12,582		12,582				12,582
	Drug Interdiction Support										
90	OTHER DRUG INTERDICTION SUPPORT										

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(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Aviation Support Equipment										
	Sonobuoys										
91	SONOBUOYS - ALL TYPES		85,632		85,632		85,632				85,632
	Aircraft Support Equipment										
92	WEAPONS RANGE SUPPORT EQUIPMENT		30,981		30,981		30,981				30,981
93	EXPEDITIONARY AIRFIELDS		7,569		7,569		7,569				7,569
94	AIRCRAFT REARMING EQUIPMENT		11,850		11,850		11,850				11,850
95	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		20,277		20,277		20,277				20,277
96	METEOROLOGICAL EQUIPMENT		25,658		25,658		25,658				25,658
97	OTHER PHOTOGRAPHIC EQUIPMENT		1,775		1,775		1,775				1,775
98	AVIATION LIFE SUPPORT		27,749		27,749		27,749				27,749
99	AIRBORNE MINE COUNTERMEASURES		13,624		23,624		13,624				13,624
	Mk-105 Influence Mine Sweeping System				[10,000]						
100	LAMPS MK III SHIPBOARD EQUIPMENT		22,537		22,537		22,537				22,537
101	OTHER AVIATION SUPPORT EQUIPMENT		4,969		4,969		4,969				4,969
	Ordnance Support Equipment										
	Ship Gun System Equipment										
102	GUN FIRE CONTROL EQUIPMENT										
103	NAVAL FIRES CONTROL SYSTEM		4,301		9,001		4,301		4,700		9,001
	NFCS for LCS				[4,700]				[4,700]		
104	MK98-NIGHT VISION DEVICES		12,638		12,638		12,638				12,638
	Ship Missile System Equipment										
105	NATO SEASPARROW		32,797		32,797		32,797				32,797
106	RAM GMLS		31,300		31,300		31,300				31,300
107	SHIP SELF DEFENSE SYSTEM		58,089		58,089		58,089				58,089
108	AEGIS SUPPORT EQUIPMENT		105,227		105,227		117,227		6,000		111,227
	Integrated bridge system (IBS)						[12,000]		[6,000]		
109	SURFACE TOMAHAWK SUPPORT EQUIPMENT		63,423		63,423		63,423				63,423

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(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
110	SUBMARINE TOMAHAWK SUPPORT		5,786		5,786		5,786				5,786
111	VERTICAL LAUNCH SYSTEMS		7,875		7,875		7,875				7,875
	FBM Support Equipment										
112	STRATEGIC PLATFORM SUPPORT EQUIPMENT										
113	STRATEGIC MISSILE SYSTEMS EQUIPMENT		103,874		103,874		103,874				103,874
	ASW Support Equipment										
114	SSN COMBAT CONTROL SYSTEMS		68,032		68,032		68,032				68,032
115	SUBMARINE ASW SUPPORT EQUIPMENT		4,951		4,951		4,951				4,951
116	SURFACE ASW SUPPORT EQUIPMENT		4,780		4,780		4,780				4,780
117	ASW RANGE SUPPORT EQUIPMENT		7,275		7,275		7,275				7,275
	Other Ordnance Support Equipment										
118	EXPLOSIVE ORDNANCE DISPOSAL EQUIPMENT		8,083		8,083		8,083				8,083
119	ITEMS LESS THAN $5 MILLION		4,726		4,726		4,726				4,726
	Other Expendable Ordnance										
120	ANTI-SHIP MISSILE DECOY SYSTEM		44,757		44,757		55,757		11,000		55,757
	NULKA decoys						[11,000]		[11,000]		
121	SURFACE TRAINING DEVICE MODS		7,352		7,352		7,352				7,352
122	SUBMARINE TRAINING DEVICE MODS		25,150		25,150		30,150		5,000		30,150
	Submarine training performance support systems						[5,000]		[5,000]		
	Civil Engineering Support Equipment										
	Civil Engineering Support Equipment										
123	ARMORED SEDANS										
124	PASSENGER CARRYING VEHICLES		2,305		2,305		2,305				2,305
125	GENERAL PURPOSE TRUCKS		1,472		1,472		1,472				1,472
126	CONSTRUCTION & MAINTENANCE EQUIP		19,721		19,721		19,721				19,721
127	FIRE FIGHTING EQUIPMENT		8,834		8,834		8,834				8,834
128	TACTICAL VEHICLES		38,745		38,745		38,745				38,745
129	AMPHIBIOUS EQUIPMENT		4,251		4,251		4,251				4,251

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
130	POLLUTION CONTROL EQUIPMENT		5,007		5,007		5,007				5,007
131	ITEMS UNDER $5 MILLION		13,608		13,608		13,608				13,608
132	PHYSICAL SECURITY VEHICLES		943		943		943				943
	Supply Support Equipment										
	Supply Support Equipment										
133	MATERIALS HANDLING EQUIPMENT		15,053		15,053		15,053				15,053
134	OTHER SUPPLY SUPPORT EQUIPMENT		13,883		19,883		21,883		6,000		19,883
	Serial number tracking system (SNTS)				[6,000]		[8,000]		[6,000]		
135	FIRST DESTINATION TRANSPORTATION		5,197		5,197		5,197				5,197
136	SPECIAL PURPOSE SUPPLY SYSTEMS		75,571		75,571		75,571				75,571
	Personnel and Command Support Equipment										
	Training Devices										
137	TRAINING SUPPORT EQUIPMENT		2,532		2,532		2,532				2,532
	Command Support Equipment										
138	COMMAND SUPPORT EQUIPMENT		60,688		60,688		70,688		7,000		67,688
	Man overboard indicator (MOBI) system						[10,000]		[7,000]		
139	EDUCATION SUPPORT EQUIPMENT		7,786		7,786		7,786				7,786

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
140	MEDICAL SUPPORT EQUIPMENT		9,511		9,511		9,511				9,511
141	INTELLIGENCE SUPPORT EQUIPMENT		21,148		21,148		21,148				21,148
142	OPERATING FORCES SUPPORT EQUIPMENT		9,219		9,219		9,219				9,219
143	MOBILE SENSOR PLATFORM		35,899		35,899		35,899				35,899
144	ENVIRONMENTAL SUPPORT EQUIPMENT		15,349		15,349		15,349				15,349
145	PHYSICAL SECURITY EQUIPMENT		74,626		91,626		74,626				74,626
	Nonlethal swimmer detection systems				[17,000]						
	Productivity Programs										
146	JUDGMENT FUND REIMBURSEMENT										
	Other										
147	CANCELLED ACCOUNT ADJUSTMENTS										
148	CANCELLED ACCOUNT ADJUSTMENT (88)										
	Spares and Repair Parts										
149	SPARES AND REPAIR PARTS		247,636		247,636		247,636				247,636
	Financial information systems						-20,900				
	Information technology general reduction				-100,000						
	Total - Other Procurement, Navy		**4,679,443**		**4,614,892**		**4,741,943**		**59,700**		**4,739,143**

Procurement, Marine Corps—Overview

The budget request for fiscal year 2004 included an authorization of $1,071.0 million for Procurement, Marine Corps in the Department of Defense.

The House bill would authorize $1,154.3 million.

The Senate amendment would authorize $1,089.6 million.

The conferees recommend an authorization of $1,123.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement, Marine Corps										
	Weapons and Combat Vehicles										
	Tracked Combat Vehicles										
1	AAV7A1 PIP		11,297		36,297		11,297		5,000		16,297
	AAV RAM/RS				[25,000]				[5,000]		
2	AAAV		97,915		97,915		97,915				97,915
3	LAV PIP		13,191		25,891		13,191				13,191
	LAV RAM				[12,700]						
4	IMPROVED RECOVERY VEHICLE (IRV)		3,650		3,650		3,650				3,650
5	MODIFICATION KITS (TRKD VEH)		6,757		6,757		6,757				6,757
6	M1A1 FIREPOWER ENHANCEMENTS		4,222		4,222		4,222				4,222
	Artillery and Other Weapons										
7	HIMARS	1	17,954	1	17,954	1	17,954			1	17,954
8	155MM LIGHTWEIGHT TOWED HOWITZER	60	111,489	60	111,489	60	111,489			60	111,489
9	MOD KITS (ARTILLERY)		3,305		3,305		3,305				3,305
10	MARINE ENHANCEMENT PROGRAM		6,898		6,898		6,898				6,898
11	WEAPONS AND COMBAT VEHICLES UNDER $5 M		4,977		13,077		6,177		5,000		9,977
	Additional M249 Squad automatic weapons (SAW)				[8,100]		[1,200]		[5,000]		
	Weapons										
12	MODULAR WEAPON SYSTEM		13,712		13,712		13,712				13,712
	Other Support										
13	OPERATIONS OTHER THAN WAR		1,349		1,349		1,349				1,349
	Guided Missiles and Equipment										
	Guided Missiles										
14	EADS MOD		1,996		1,996		1,996				1,996
15	JAVELIN										
16	PEDESTAL MOUNTED STINGER (PMS) (MYP)		817		817		817				817
17	HIMARS ROCKETS										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
18	PREDATOR (SRAW)	526	36,398	526	36,398	526	36,398			526	36,398
	Other Support										
19	MODIFICATION KITS		587		587		587				587
	Communications and Electronics Equipment										
	Vehicle Mounted Radios and Equipment										
20	SMALL UNIT REMOTE SCOUTING SYSTEM		2,058		2,058		2,058				2,058
	Command and Control Systems										
21	UNIT OPERATIONS CENTER		29,225		29,225		29,225				29,225
22	GLOBAL COMBAT SUPPORT SYSTEM		13,548		13,548		13,548				13,548
23	MULTIPLE ROLE RADAR SYSTEM		1,633		1,633		1,633				1,633
24	JOINT TACTICAL RADIO SYSTEMS		13,919		13,919		13,919				13,919
25	TRANSITION SWITCH MODULE		23,072		23,072		23,072				23,072
26	COMPLIMENTARY LOW ALTITUDE WEAPON										
	Repair and Test Equipment										
27	AUTO TEST EQUIP SYS		20,462		20,462		20,462				20,462
28	GENERAL PURPOSE ELECTRONIC TEST		8,369		8,369		8,369				8,369
	Radar Equipment (Non-tel)										
29	RADAR SET AN/TPS-59		18,211		18,211		18,211				18,211
	Intell/Comm Equipment (Non-tel)										
30	TACTICAL REMOTE SENSOR SYSTEM		9,476		9,476		9,476				9,476
31	INTELLIGENCE SUPPORT EQUIPMENT		12,476		12,476		12,476				12,476
32	MOD KITS (INTEL)		7,856		7,856		7,856				7,856
33	ITEMS UNDER $5 MILLION (INTEL)										
	Repair and Test Equipment (Non-tel)										
34	GENERAL PURPOSE MECHANICAL TMDE		13,215		13,215		13,215				13,215

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Comm/Elec Equipment (Non-tel)										
35	NIGHT VISION EQUIPMENT		24,428		34,828		29,828		8,400		32,828
	AN/PVS-14 night vision equipment				[5,400]		[5,400]		[5,400]		
	AN/PVS-17 miniature night sights				[5,000]				[3,000]		
	Other Support (Non-tel)										
36	ITEMS UNDER $5 MILLION (COMM & ELEC)		463		463		463				463
37	COMMON COMPUTER RESOURCES		61,514		61,514		61,514				61,514
38	COMMAND POST SYSTEMS		9,316		9,316		9,316				9,316
39	RADIO SYSTEMS		10,633		10,633		22,633		21,600		32,233
	Lightweight multiband satellite terminals						[12,000]		[12,000]		
	AN/PRC-148 tactical hand held radios				[9,600]				[9,600]		
40	COMM SWITCHING & CONTROL SYSTEMS		19,252		19,252		19,252				19,252
41	COMM & ELEC INFRASTRUCTURE SUPPORT		24,360		24,360		24,360				24,360
42	MOD KITS MAGTF C41		20,786		20,786		20,786				20,786
43	AIR OPERATIONS C2 SYSTEMS		10,790		10,790		10,790				10,790
44	INTELLIGENCE C2 SYSTEMS		3,626		3,626		3,626				3,626
45	FIRE SUPPORT SYSTEM		28,444		28,444		28,444				28,444
	Support Vehicles										
	Administrative Vehicles										
46	COMMERCIAL PASSENGER VEHICLES	30	963	30	963	30	963			30	963
47	COMMERCIAL CARGO VEHICLES		10,278		10,278		10,278				10,278
	Tactical Vehicles										
48	5/4T TRUCK HMMWV (MYP)	1,738	124,548	1,738	124,548	1,738	124,548			1,738	124,548
49	MEDIUM TACTICAL VEHICLE REPLACEMENT		4,611		4,611		4,611				4,611
50	LOGISTICS VEHICLE SYSTEM REP		3,386		3,386		3,386				3,386
51	FAMILY OF TACTICAL TRAILERS										
	Other Support										
52	ITEMS LESS THAN $5 MILLION		4,027		4,027		4,027				4,027

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Engineer and Other Equipment										
	Engineer and Other Equipment										
53	ENVIRONMENTAL CONTROL EQUIP ASSORT		2,724		2,724		2,724				2,724
54	COMBAT BREACHER VEHICLE										
55	BULK LIQUID EQUIPMENT		15,812		15,812		15,812				15,812
56	TACTICAL FUEL SYSTEMS		5,067		5,067		5,067				5,067
57	DEMOLITION SUPPORT SYSTEMS		2,041		2,041		2,041				2,041
58	POWER EQUIPMENT ASSORTED		12,982		12,982		12,982				12,982
59	FAMILY OF EOD EQUIPMENT		4,608		4,608		4,608				4,608
60	BRIDGE BOATS		10,760		10,760		10,760				10,760
	Material Handling Equipment										
61	COMMAND SUPPORT EQUIPMENT										
62	AMPHIBIOUS RAID EQUIPMENT		21,404		21,404		21,404				21,404
63	PHYSICAL SECURITY EQUIPMENT		5,064		5,064		5,064				5,064
64	GARRISON MOBILE ENGR EQUIP		10,742		10,742		10,742				10,742
65	MATERIAL HANDLING EQUIP		27,885		27,885		27,885				27,885
66	FIRST DESTINATION TRANSPORTATION		8,091		8,091		8,091				8,091
	General Property										
67	FIELD MEDICAL EQUIPMENT		1,975		1,975		1,975				1,975
68	TRAINING DEVICES		19,988		27,988		19,988		3,000		22,988
	Battle effects simulators				[4,000]						
	Common range instrumentation system				[4,000]				[3,000]		
69	CONTAINER FAMILY		5,150		5,150		5,150				5,150

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
70	FAMILY OF CONSTRUCTION EQUIPMENT		14,380		14,380		14,380				14,380
71	FAMILY OF INTERNALLY TRANSPORTABLE VEI										
72	RAPID DEPLOYABLE KITCHEN										
	Other Support										
73	FAMILY OF INCIDENT RESPONSE		3,447		3,447		3,447				3,447
74	MODIFICATION KITS		2,597		2,597		2,597				2,597
75	ITEMS LESS THAN $5 MILLION		5,206		14,706		5,206		9,500		14,706
	6T/NATO equivalent absorbed glass mat batteries				[9,500]				[9,500]		
76	CANCELLED ACCOUNT ADJUSTMENT (M)										
	Spares and Repair Parts										
77	SPARES AND REPAIR PARTS		19,617		19,617		19,617				19,617
	Total - Procurement, Marine Corps		**1,070,999**		**1,154,299**		**1,089,599**		**52,500**		**1,123,499**

Aircraft Procurement, Air Force—Overview

The budget request for fiscal year 2004 included an authorization of $12,079.4 million for Aircraft Procurement, Air Force in the Department of Defense.

The House bill would authorize $12,604.5 million.

The Senate amendment would authorize $12,103.1 million.

The conferees recommend an authorization of $12,035.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Aircraft Procurement, Air Force										
	Combat Aircraft										
	Tactical Forces										
1	JOINT STRIKE FIGHTER										
2	JOINT STRIKE FIGHTER (AP-CY)										
3	F-22 RAPTOR	22	3,727,093	22	3,566,093	20	3,510,093		-161,000	22	3,566,093
	Vendor cost savings				[-161,000]	[-2]	[-217,000]		[-161,000]		
4	F-22 RAPTOR (AP-CY)		498,285		498,285		498,285				498,285
	Airlift Aircraft										
	Tactical Airlift										
5	C-17A (MYP)	11	2,027,572	12	2,199,572	11	2,115,572		88,000	11	2,115,572
	C-17 Multiyear procurement program - transfer request						[88,000]		[88,000]		
	AF requested transfer				[-10,000]						
	Additional aircraft				[182,000]						
6	C-17A (MYP) (AP-CY)		504,100		504,100		406,100		-98,000		406,100
	C-17 Advance procurement- transfer request						[-98,000]		[-98,000]		
7	C-17 ICS		927,627		927,627		927,627				927,627
	Other Airlift										
8	C-130H										
9	C-130J	5	335,991	5	335,991	5	335,991			5	335,991
10	C-130J (AP-CY)		110,000		110,000		110,000				110,000
	Trainer Aircraft										
	UPT Trainers										
11	CLASSIFIED PROGRAMS										
	Operational Trainers										
12	JPATS	52	280,569	52	280,569	52	280,569			52	280,569

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Aircraft										
	Helicopters										
13	V-22 OSPREY	2	217,853	2	217,853	2	217,853			2	217,853
14	V-22 OSPREY (AP-CY)		15,150		15,150		15,150				15,150
	Mission Support Aircraft										
15	C-32B FEST/DEST AIRCRAFT										
16	CIVIL AIR PATROL A/C	27	2,540	27	2,540	27	2,540			27	2,540
	Other Aircraft										
17	TARGET DRONES		48,402		48,402		48,402				48,402
18	E-8C										
19	E-8C (AP-CY)										
20	HAEUAV	4	197,912	4	197,912	4	197,912			4	197,912
21	HAEUAV (AP-CY)		55,000		55,000		55,000				55,000
22	PREDATOR UAV	16	193,569	16	211,569	16	193,569		18,000		211,569
	Predator B unmanned aerial vehicle				[18,000]				[18,000]		
	Modification of Inservice Aircraft										
	Strategic Aircraft										
23	B-2A		76,464		128,255		101,155		51,791		128,255
	Transfer from PE 64240F (RDAF 116)						[24,691]				
	AF requested transfer				[24,691]				[24,691]		
	Aft deck modification				[27,100]				[27,100]		
24	B-1B		91,623		111,923		111,923		5,300		96,923
	B-1B bomber modifications				[20,300]		[20,300]		[20,300]		
	WCMD modification kits								[-15,000]		
25	B-52		61,133		80,133		61,133				61,133
	Wiring kits/targeting pods				[19,000]						
26	F-117		16,790		16,790		16,790				16,790

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Tactical Aircraft										
27	A-10		17,769		17,769		37,769				17,769
	A-10 Litening pods						[20,000]				
28	F-15		197,605		237,605		234,105		41,500		239,105
	F-15 mods - Identification Friend or Foe (IFF) equipment						[11,500]		[11,500]		
	F-15 engine upgrades / E-Kits				[30,000]		[25,000]		[20,000]		
	ALQ-135 Band 1.5				[10,000]				[10,000]		
29	F-16		300,596		314,796		358,796		25,800		326,396
	F-16 engine procurement						[48,200]		[20,000]		
	F-16 Litening pods						[10,000]				
	Falcon STAR				[5,800]						
	OBOGS retrofit				[8,400]				[5,800]		
30	F-22 RAPTOR		8,284		8,284		8,284				8,284
31	T/AT-37		79		79		79				79
	Airlift Aircraft										
32	C-5		92,047		131,447		131,447		19,700		111,747
	C-5A avionics modernization program						[39,400]				
	C-5 AMP				[39,400]				[19,700]		
33	C-9		978		978		978				978
34	C-17A		42,801		49,101		49,101		6,300		49,101
	C-17 aircraft modifications - AF requested transfer				[6,300]		[6,300]		[6,300]		
35	C-21		1,367		1,367		1,367				1,367
36	C-32A		189		189		189				189
37	C-37A		355		355		355				355
38	C-141										
	Trainer Aircraft										
39	T6 MODIFICATIONS		4,201		4,201		4,201				4,201
40	T-38		132,196		132,196		132,196				132,196

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
41	T-41 AIRCRAFT		88		88		88				88
42	T-43		8,224		8,224		8,224				8,224
	Other Aircraft										
43	KC-10A (ATCA)		20,622		20,622		20,622				20,622
44	C-12		5,769		5,769		5,769				5,769
45	C-18										
46	C-20 MODS		444		444		444				444
47	VC-25A MOD		69,857		69,857		69,857				69,857
48	C-40		200		200		200				200
49	C-130		195,737		201,837		208,637		9,900		205,637
	C-130 APN-241 radar upgrade						[6,100]				
	AN/APN-241 radars for ANG				[6,100]				[3,100]		
	KU-Band satellite integration						[6,800]		[6,800]		
50	C130J MODS		9,759		9,759		9,759				9,759
51	C-135		176,382		405,582		184,982		-65,000		111,382
	Boom operator weapon system trainer						[8,600]		[5,000]		
	Air Force Air Refueling Transfer Account				[229,200]						
	Re-engining								[-70,000]		
52	C-29A MODS										
53	DARP		90,133		105,633		113,933		8,500		98,633
	Cobra Ball dual-sided SIGINT						[12,100]		[3,000]		
	Rivet Joint SIGINT modernization				[5,500]		[5,500]				
	Rivet Joint specific emitter identification						[6,200]				
	Senior Scout intelligent comm exploitation program				[3,000]				[3,000]		
	Cobra ball multichannel tracker				[7,000]				[2,500]		
54	E-3		53,467		62,267		53,467				53,467
	AWACS RSIP				[8,800]						
55	E-4		58,708		58,708		58,708				58,708

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
56	E-8		36,017		63,017		36,017		5,000		41,017
	JSTARS reengining				[27,000]				[5,000]		
57	H-1		3,367		3,367		3,367				3,367
58	H-60		44,723		49,423		44,723				44,723
	AN/ARS-6 V12				[4,700]						
59	OTHER AIRCRAFT		69,706		74,506		69,706				69,706
	Fixed aircrew standardized seats				[4,800]						
60	PREDATOR MODS		14,178		14,178		14,178				14,178
61	CV-22 MODS		279		279		279				279
	Other Modifications										
62	CLASSIFIED PROJECTS		16,525		25,525		16,525				16,525
	Compass Call - block 35 upgrade				[9,000]						
	Aircraft Spares and Repair Parts										
	Aircraft Spares and Repair Parts										
64	SPECIAL OPERATIONS FORCES		11,381		11,381		11,381				11,381
	Aircraft Support Equipment and Facilities										
65	COMMON SUPPORT EQUIPMENT		216,219		216,219		216,219				216,219
	Post Production Support										
66	B-1		8,448		8,448		8,448				8,448
67	B-2A		6,919		6,919		6,919				6,919
68	B-2A		31,556		31,556		31,556				31,556
69	C-130		8,470		8,470		8,470				8,470
70	F-15 POST PRODUCTION SUPPORT		7,292		7,292		7,292				7,292
71	F-16 POST PRODUCTION SUPPORT		13,871		13,871		13,871				13,871
	Industrial Preparedness										
72	REPLEN SPARES/REPAIR PARTS		21,728		21,728		21,728				21,728
	War Consumables										
73	WAR CONSUMABLES		25,716		25,716		25,716				25,716

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Production Charges										
74	REPLEN SPARES/REPAIR PARTS		327,231		327,231		327,231				327,231
75	DEPOT MODERNIZATION		57,690		57,690		57,690				57,690
	CLASSIFIED PROGRAMS										
76	REPLEN SPARES/REPAIR PARTS		9,449		9,449		9,449				9,449
	DARP										
77	DARP		82,933		82,933		82,933				82,933
	Cancelled Account Adjustments										
78	SUPPLY DEPOTS/OPERATIONS (NON-IF)										
	Total - Aircraft Procurement, Air Force		**12,079,360**		**12,604,451**		**12,103,051**		**-44,209**		**12,035,151**

E–8C joint surveillance and target attack radar system reengining

The budget request included $36.0 million for E–8C joint surveillance and target attack radar system (JSTARS) modifications, but included no funding for reengining of the JSTARS aircraft.

The House bill would authorize an increase of $27.0 million to begin a reengining program for the E–8C JSTARS aircraft.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million to begin a possible reengining program for the E–8C JSTARS aircraft.

The conferees understand that the E–8C's current engines are old, inefficient, provide marginal power to support the E–8C's mission taskings, and are expensive to maintain and operate in comparison to new engines currently available in the commercial marketplace. The conferees note that the Department of the Air Force submitted a budget/program fact paper that supported a 16-year lease program for E–8C replacement engines. While the conferees also note that an engine lease was not included in the budget request or on the Air Force's unfunded priority list, the conferees believe that a future E–8C reengining program may be necessary. Accordingly, the conferees direct the Secretary of Defense to provide a report to the congressional defense committees by February 13, 2004 that provides an economic analysis of options for maintaining engines for the E–8C aircraft. This analysis should compare the options of maintaining the current engines, buying and installing new engines, and leasing and installing new engines. This report should indicate the Department's preferred option, and plans for implementation of that preferred option.

Overview

The budget request for fiscal year 2004 included an authorization of $1.3 billion for Ammunition Procurement, Air Force in the Department of Defense.

The House bill would authorize $1.3 billion.

The Senate amendment would authorize the budget request.

The conferees recommend an authorization of $1.3 billion. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement of Ammunition, Air Force										
	Procurement of Ammo, Air Force										
	Rockets										
1	ROCKETS		64,494		74,494		64,494				64,494
	Rockets				[10,000]						
	Cartridges										
2	CARTRIDGES		159,746		159,746		159,746				159,746
	Bombs										
3	PRACTICE BOMBS		45,909		45,909		45,909				45,909
4	GENERAL PURPOSE BOMBS		167,834		187,834		167,834				167,834
	Bomb bodies to synchronize with PGM kits				[20,000]						
5	CAWCF CLOSURE COSTS										
6	SENSOR FUZED WEAPON	294	117,841	294	117,841	294	117,841			294	117,841
7	JOINT DIRECT ATTACK MUNITION	20,244	427,709	20,244	427,709	20,244	427,709			20,244	427,709
8	WIND CORRECTED MUNITIONS DISP	2,516	72,411	2,516	72,411	2,516	72,411			2,516	72,411
	Flare, IR MJU-7B										
9	CAD/PAD		20,030		20,030		20,030				20,030
10	EXPLOSIVE ORDINANCE DISPOSAL		3,175		3,175		3,175				3,175
11	SPARES AND REPAIR PARTS		164		164		164				164
12	REPLENISHMENT SPARES		3,167		3,167		3,167				3,167
13	MODIFICATIONS <5M		189		189		189				189

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
14	ITEMS LESS THAN $5,000,000		336		336		336				336
	Fuzes										
15	FLARES		146,221		156,221		146,221				146,221
	Flares				[10,000]						
16	FUZES		36,466		36,466		36,466				36,466
	Weapons										
	Small Arms										
17	SMALL ARMS		19,033		19,033		19,033				19,033
	Total - Procurement of Ammunition, Air Force		**1,284,725**		**1,324,725**		**1,284,725**				**1,284,725**

Missile Procurement, Air Force—Overview

The budget request for fiscal year 2004 included an authorization of $4,393.0 million for Missile Procurement, Air Force in the Department of Defense.

The House bill would authorize $4,348.0 million.

The Senate amendment would authorize $4,394.4 million.

The conferees recommend an authorization of $4,298.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Missile Procurement, Air Force										
	Ballistic Missiles										
	Missile Replacement Equipment-Ballistic										
1	MISSILE REPLACEMENT EQ-BALLISTIC		50,713		50,713		50,713				50,713
	Other Missiles										
	Tactical										
2	JASSM	250	102,534	250	102,534	250	102,534	-125	-46,534	125	56,000
	Maintain LRIP							[-125]	[-46,534]		
3	JOINT STANDOFF WEAPON	325	79,981	325	79,981	325	79,981			325	79,981
4	SIDEWINDER (AIM-9X)	386	69,072	386	69,072	386	69,072	-65	-13,000	321	56,072
	Maintain LRIP							[-65]	[-13,000]		
5	AMRAAM	201	105,246	201	105,246	201	105,246			201	105,246
6	PREDATOR HELLFIRE MISSILE	280	23,117	280	23,117	280	23,117			280	23,117
7	SMALL DIAMETER BOMB										
	Industrial Facilities										
8	REPLEN SPARES/REPAIR PARTS		1,948		1,948		1,948				1,948
	Modification of Inservice Missiles										
	Class IV										
9	ADVANCED CRUISE MISSILE		3,498		3,498		3,498				3,498
10	MM III MODIFICATIONS		606,964		606,964		593,364				606,964
	GRP excess overhead						[-13,600]				
11	AGM-65D MAVERICK		318		318		318				318
12	AIR LAUNCH CRUISE MISSILE		11,478		11,478		11,478				11,478
13	PEACEKEEPER (M-X)										
	Missile Spares and Repair Parts										
14	REPLEN SPARES/REPAIR PARTS		78,449		78,449		78,449				78,449
	Other Support										
	Space Programs										

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
15	ADVANCE PROCUREMENT (CY)										
16	WIDEBAND GAPFILLER SATELLITES		34,588		34,588		34,588				34,588
17	ADVANCE PROCUREMENT (CY)										
18	SPACEBORNE EQUIP (COMSEC)		9,145		9,145		9,145				9,145
19	GLOBAL POSITIONING (SPACE)		226,622		226,622		226,622				226,622
20	GLOBAL POSITIONING (SPACE) (AP-CY)		32,230		32,230		32,230				32,230
21	NUDET DETECTION SYSTEM										
22	DEF METEOROLOGICAL SAT PROG(S		68,026		68,026		68,026				68,026
23	DEFENSE SUPPORT PROGRAM(SPACE		113,067		113,067		113,067				113,067
24	DEFENSE SATELLITE COMM SYSTEM		12,479		12,479		12,479				12,479
25	TITAN SPACE BOOSTERS(SPACE)		91,499		46,499		46,499		-45,000		46,499
	Excess Funds				[-45,000]		[-45,000]		[-45,000]		
26	EVOLVED EXPENDABLE LAUNCH VEH	4	609,310	4	609,310	4	669,310		10,000	4	619,310
	Assured access						[60,000]		[10,000]		
27	MEDIUM LAUNCH VEHICLE(SPACE)		91,128		91,128		91,128				91,128
	Special Programs										
28	CANCELLED ACCOUNT										
29	DEFENSE SPACE RECONN PROGRAM		292,000		292,000		292,000				292,000
30	SPECIAL PROGRAMS		1,552,081		1,552,081		1,552,081				1,552,081
31	SPECIAL UPDATE PROGRAMS		127,546		127,546		127,546				127,546
	Total - Missile Procurement, Air Force		**4,393,039**		**4,348,039**		**4,394,439**		**-94,534**		**4,298,505**

Other Procurement, Air Force—Overview

The budget request for fiscal year 2004 included an authorization of $11,583.7 million for Other Procurement, Air Force in the Department of Defense.

The House bill would authorize $11,376.1 million.

The Senate amendment would authorize $11,630.7 million.

The conferees recommend an authorization of $11,631.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Other Procurement, Air Force										
	Vehicular Equipment										
	Passenger Carrying Vehicles										
1	SEDAN, 4 DR 4X2										
2	STATION WAGON, 4X2										
3	BUSES										
4	AMBULANCES										
5	LAW ENFORCEMENT VEHICLE										
6	ARMORED VEHICLE	1	243	1	243	1	243			1	243
7	PASSENGER CARRYING VEHICLE	269	12,031	269	12,031	269	12,031			269	12,031
	Cargo and Utility Vehicles										
8	TRUCK, CARGO-UTILITY, 3/4T, 4		15,515		15,515		15,515				15,515
9	TRUCK, CARGO-UTILITY, 3/4T, 4		5,374		5,374		5,374				5,374
10	TRUCK MAINT/UTILITY/DELIVERY		10,244		10,244		10,244				10,244
11	TRUCK CARRYALL		9,552		9,552		9,552				9,552
12	FAMILY MEDIUM TACTICAL VEHICLE		5,687		5,687		5,687				5,687
13	HIGH MOBILITY VEHICLE (MYP)		3,714		3,714		3,714				3,714
14	CAP VEHICLES		786		786		786				786
15	ITEMS LESS THAN $5,000,000		38,283		38,283		38,283				38,283
	Special Purpose Vehicles										
16	TRUCK TANK FUEL R-11		14,115		14,115		14,115				14,115
17	HMMWV, ARMORED		2,968		2,968		2,968				2,968
18	HMWWV, UP-ARMORED		5,809		5,809		5,809				5,809
19	TRACTOR, A/C TOW, MB-2										
20	TRACTOR, A/C TOW, MB-4		3,768		3,768		3,768				3,768
21	TRACTOR, TOW, FLIGHTLINE		6,052		6,052		6,052				6,052
22	TRUCK HYDRANT FUEL		1,397		1,397		1,397				1,397
23	ITEMS LESS THAN $5,000,000		24,028		24,028		24,028				24,028

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Fire Fighting Equipment										
24	TRUCK CRASH P-19		4,836		4,836		4,836				4,836
25	ITEMS LESS THAN $5,000,000		5,564		5,564		5,564				5,564
	Material Handling Equipment										
26	TRUCK, F/L 10,000 LB		8,510		8,510		8,510				8,510
27	TUNNER LOADER										
28	HALVERSEN LOADER	30	19,339	30	19,339	30	19,339			30	19,339
29	ITEMS LESS THAN $5,000,000		9,423		9,423		9,423				9,423
	Base Maintenance Support										
30	LOADER, SCOOP		5,656		5,656		5,656				5,656
31	TRUCK, DUMP		4,990		4,990		4,990				4,990
32	RUNWAY SNOW REMOVAL & CLEANING		16,298		16,298		16,298				16,298
33	MODIFICATIONS		564		564		564				564
34	ITEMS LESS THAN $5,000,000		12,260		12,260		12,260				12,260
	Electronics and Telecommunications										
	Comm Security Equipment (COMSEC)										
35	COMSEC EQUIPMENT		30,417		30,417		30,417				30,417
36	MODIFICATIONS (COMSEC)										
	Intelligence Programs										
37	INTELLIGENCE TRAINING EQUIPMENT		2,935		2,935		2,935				2,935
38	INTELLIGENCE COMM EQUIPMENT		1,683		1,683		14,083		12,400		14,083
	Jumbo-digital Transit Cased System						[12,400]		[12,400]		
	Electronics Programs										
39	AIR TRAFFIC CTRL/LAND SYSTEM		74,664		74,664		74,664				74,664
40	NATIONAL AIRSPACE SYSTEM		33,704		33,704		33,704		-3,500		30,204
	Digital airport surveillance radar								[-3,500]		
41	THEATER AIR CONTROL SYS IMPRO		29,849		29,849		29,849				29,849

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
42	WEATHER OBSERVE/FORECAST		32,839		36,739		32,839				32,839
	NPOESS support initiative				[3,900]						
43	STRATEGIC COMMAND AND CONTROL		43,094		43,094		43,094				43,094
44	CHEYENNE MOUNTAIN COMPLEX		20,613		20,613		20,613				20,613
45	TAC SIGINT SUPPORT		389		389		389				389
46	DRUG INTERDICTION PROGRAM		403		403		403				403
47	HIGH PERFORMANCE COMPUTING MO		48,927		23,927		48,927				48,927
	High performance computing				[-25,000]						
	Special Comm-Electronics Projects										
48	GENERAL INFORMATION TECHNOLOGY		119,534		114,534		119,534		-10,500		109,034
	Joint personnel adjudication system				[-17,000]				[-15,000]		
	SELDI				[12,000]				[4,500]		
49	AF GLOBAL COMMAND & CONTROL S		23,457		23,457		23,457				23,457
50	MOBILITY COMMAND AND CONTROL		9,247		9,247		9,247				9,247
51	AIR FORCE PHYSICAL SECURITY S		34,877		34,877		34,877				34,877
52	COMBAT TRAINING RANGES		23,442		32,242		28,442		10,000		33,442
	Joint Threat Emitter System procurement acceleration						[5,000]		[5,000]		
	Mini MUTES				[8,800]				[5,000]		
53	MINIMUM ESSENTIAL EMERGENCY C										
54	C3 COUNTERMEASURES		11,634		11,634		11,634				11,634
55	GCSS-AF FOS		17,147		17,147		17,147				17,147
56	THEATER BATTLE MGT C2 SYS		50,803		50,803		50,803				50,803
57	AIR OPERATIONS CENTER (AOC)		45,954		45,954		45,954				45,954
	Air Force Communications										
58	BASE INFORMATION INFRASTRUCTURE		268,408		243,408		276,408		6,000		274,408
	Information transport system (ITS)						[8,000]		[6,000]		
	Defend the Enclave				[-25,000]						
59	USCENTCOM		30,335		30,335		30,335				30,335

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
60	DEFENSE MESSAGE SYSTEM (DMS)		10,555		10,555		10,555				10,555
	DISA Programs										
61	SPACE BASED IR SENSOR PROG SP		95,421		95,421		95,421				95,421
62	NAVSTAR GPS SPACE		10,332		10,332		10,332				10,332
63	NUDET DETECTION SYS (NDS) SPA		10,786		10,786		10,786				10,786
64	AF SATELLITE CONTROL NETWORK		48,229		48,229		48,229				48,229
65	SPACELIFT RANGE SYSTEM SPACE		80,635		80,635		80,635				80,635
66	MILSATCOM SPACE		42,329		42,329		42,329				42,329
67	SPACE MODS SPACE		30,747		30,747		30,747				30,747
68	COUNTERSPACE SYSTEMS										
	Organization and Base										
69	TACTICAL C-E EQUIPMENT		158,322		158,322		158,322				158,322
70	COMBAT SURVIVOR EVADER LOCATE		8,839		22,539		8,839				8,839
	Program increase				[13,700]						
71	RADIO EQUIPMENT		8,750		8,750		8,750				8,750
72	TV EQUIPMENT (AFRTV)		2,590		2,590		2,590				2,590
73	CCTV/AUDIOVISUAL EQUIPMENT		3,238		3,238		3,238				3,238
74	BASE COMM INFRASTRUCTURE		160,558		160,558		160,558				160,558
75	CAP COM & ELECT										
76	ITEMS LESS THAN $5,000,000		5,960		5,960		5,960				5,960
	Modifications										
77	COMM ELECT MODS		38,732		38,732		38,732				38,732
	Other Base Maintenance and Support Equipment										
	Test Equipment										
78	BASE/ALC CALIBRATION PACKAGE		13,528		13,528		13,528				13,528
79	PRIMARY STANDARDS LABORATORY		1,074		1,074		1,074				1,074
80	ITEMS LESS THAN $5,000,000		9,382		9,382		9,382				9,382

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Personal Safety and Rescue Equipment										
81	NIGHT VISION GOGGLES		5,340		5,340		13,640		5,000		10,340
	Panoramic Night Vision Goggles (PNVG)						[8,300]		[5,000]		
82	ITEMS LESS THAN $5,000,000		7,435		7,435		19,235		11,800		19,235
	Aircraft survivable radio test equipment						[7,000]		[7,000]		
	Fixed Aircraft Standardized Seats						[4,800]		[4,800]		
	Depot Plant and Material Handling Equipment										
83	MECHANIZED MATERIAL HANDLING		13,919		25,919		25,919		8,000		21,919
	Point of Maintenance Initiative program				[12,000]		[12,000]		[8,000]		
84	ITEMS LESS THAN $5,000,000		11,702		11,702		11,702				11,702
	Electrical Equipment										
85	FLOODLIGHTS		5,616		5,616		5,616				5,616
86	ITEMS LESS THAN $5,000,000		9,570		9,570		9,570				9,570
	Base Support Equipment										
87	BASE PROCURED EQUIPMENT		9,617		18,617		9,617		6,000		15,617
	Combat arms training system				[9,000]				[6,000]		
88	MEDICAL/DENTAL EQUIPMENT		13,889		13,889		16,889		3,000		16,889
	Expeditionary medical support packages (EMEDS)						[3,000]		[3,000]		
89	ENVIRONMENTAL PROJECTS		664		664		664				664
90	AIR BASE OPERABILITY		5,502		5,502		5,502				5,502
91	PHOTOGRAPHIC EQUIPMENT		5,708		5,708		5,708				5,708
92	PRODUCTIVITY ENHANCING CAPITA		6,210		6,210		6,210				6,210
93	MOBILITY EQUIPMENT		92,951		92,951		92,951				92,951
94	AIR CONDITIONERS		10,238		10,238		10,238				10,238
95	ITEMS LESS THAN $5,000,000		14,940		14,940		14,940				14,940
	Special Support Projects										
96	PRODUCTION ACTIVITIES		50,442		50,442		50,442				50,442
97	TECH SURV COUNTERMEASURES EQ		3,998		3,998		3,998				3,998

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
98	DARP RC135		16,775		16,775		16,775				16,775
99	DARP, MRIGS		99,915		99,915		99,915				99,915
100	SELECTED ACTIVITIES		8,981,728		8,981,728		8,981,728				8,981,728
101	SPECIAL UPDATE PROGRAM		220,228		220,228		220,228				220,228
102	DEFENSE SPACE RECONNAISSANCE		14,141		14,141		14,141				14,141
103	INDUSTRIAL PREPAREDNESS										
104	MODIFICATIONS		201		201		201				201
105	FIRST DESTINATION TRANSPORTATION		4,980		4,980		4,980				4,980
	Spares and Repair Parts										
	Spares and Repair Parts										
106	SPARES AND REPAIR PARTS		36,582		36,582		36,582				36,582
	Financial information systems						-13,500				
	Information technology general reduction				-200,000						
	Total - Other Procurement, Air Force		**11,583,659**		**11,376,059**		**11,630,659**		**48,200**		**11,631,859**

Procurement, Defense-Wide—Overview

The budget request for fiscal year 2004 included an authorization of $3,665.5 million for Procurement, Defense-wide in the Department of Defense.

The House bill would authorize $3,734.8 million.

The Senate amendment would authorize $3,855.5 million.

The conferees recommend an authorization of $3,768.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Procurement, Defense-Wide										
	Major Equipment										
	Major Equipment, OSD/WHS										
1	WHS MOTOR VEHICLES	2	70	2	70	2	70			2	70
2	MAJOR EQUIPMENT, OSD		37,291		37,291		37,291				37,291
3	MAJOR EQUIPMENT, WHS		21,622		16,622		21,622				21,622
	Case control management system				[-5,000]						
	Major Equipment, NSA										
4	CONSOLIDATED CRYPTOLOGIC PROGRAM	[ ]	[ ]								
5	INFORMATION SYSTEMS SECURITY PROGRAM	[ ]	[ ]								
6	DEFENSE AIRBORNE RECONNAISSANCE PGM	[ ]	[ ]								
7	DEFENSE INTELLIGENCE COUNTERDRUG PROG										
	Major Equipment, DISA										
8	INFORMATION SYSTEMS SECURITY		32,860		32,860		32,860				32,860
9	CONTINUITY OF OPERATIONS										
10	DEFENSE MESSAGE SYSTEM		5,277				5,277				5,277
	Defense messaging system				[-5,277]						
11	GLOBAL COMMAND AND CONTROL SYS		4,743		4,743		4,743				4,743
12	GLOBAL COMBAT SUPPORT SYSTEM		2,507		2,507		2,507				2,507
13	TELEPORTS		58,160		58,160		58,160				58,160
14	GLOBAL INFORMATION GRID		380,135		380,135		380,135				380,135
15	ITEMS LESS THAN $5M		70,025		61,617		70,025				70,025
	Program reduction				[-8,408]						
	Major Equipment, DIA										
16	INTELLIGENCE AND COMMUNITCATIONS	[ ]	[ ]								
17	INTELLIGENCE PLANNING AND REVIEW ACTIVI	[ ]	[ ]								
18	HEADQUARTERS MANAGEMENT DIA	[ ]	[ ]								
19	INTEL SUPPORT TO OSD COUNTER-NARCOTICS	[ ]	[ ]								

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Major Equipment, DLA										
20	MAJOR EQUIPMENT		8,545		8,545		8,545				8,545
	Major Equipment, DCAA										
21	MAJOR EQUIPMENT/ITEMS LESS THAN $5.0M		1,500		1,500		1,500				1,500
	Major Equipment, TJS										
22	MAJOR EQUIPMENT, TJS		46,114		46,114		46,114				46,114
	Missile Defense Agency										
23	PATRIOT PAC-3										
	Major Equipment, DHRA										
24	PERSONNEL ADMINISTRATION		7,312		7,312		7,312				7,312
	National Imagery and Mapping Agency										
25	NATIONAL IMAGERY AND MAPPING AGENCY	[ ]	[ ]								
	Defense Threat Reduction Agency										
26	MAJOR EQUIPMENT, NIMA		200		200		200				200
27	OTHER MAJOR EQUIPMENT		37,350		37,350		37,350				37,350
	Defense Security Cooperation Agency										
28	OTHER MAJOR EQUIPMENT		209		209		209				209
	Major Equipment, AFIS										
29	MAJOR EQUIPMENT, AFIS		6,824		6,824		6,824				6,824
	Major Equipment, DODDE										
30	AUTOMATION/EDUCATIONAL SUPPORT AND		2,337		2,337		2,337				2,337
	Major Equipment, DCMA										
31	MAJOR EQUIPMENT		9,908		9,908		9,908				9,908
	Major Equipment, DTSA										
32	MAJOR EQUIPMENT		590		590		590				590

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
	Special Operations Command										
	Aviation Programs										
33	SOF ROTARY WING UPGRADES		675,063		675,063		675,063				675,063
	MH-60L altitude hold						[3,100]				
	MH-60L altitude hold						[-3,100]				
34	SOF TRAINING SYSTEMS		56,133		56,133		56,133				56,133
35	MC-130H COMBAT TALON II		8,838		8,838		8,838				8,838
36	CV-22 SOF MODIFICATION	2	108,790	2	108,790	2	108,790			2	108,790
37	AC-130U GUNSHIP ACQUISITION		390,054		390,054		390,054				390,054
38	C-130 MODIFICATIONS		214,798		214,798		237,798		5,000		219,798
	Commando Solo						[23,000]		[5,000]		
39	AIRCRAFT SUPPORT		295		295		295				295
	Shipbuilding										
40	ADVANCED SEAL DELIVERY SYSTEM		8,351		8,351		8,351				8,351
41	ADVANCED SEAL DELIVERY SYSTEM (AP-CY)		23,573		23,573		-27				23,573
	reduction						[-23,600]				
42	MK VIII MOD 1 - SEAL DELIVERY VEHICLE		10,100		10,100		10,100				10,100
	Ammunition Programs										
43	SOF ORDNANCE REPLENISHMENT		35,746		35,746		35,746				35,746
44	CONVENTIONAL AMMO WORKING CAPITAL FU										
45	SOF ORDNANCE ACQUISITION		22,506		33,006		22,506		2,500		25,006
	Special Operations Forces (SOF) ordnance				[10,500]				[2,500]		
	Other Procurement Programs										
46	COMM EQUIPMENT & ELECTRONICS		56,225		56,225		56,225		-5,000		51,225
	Reqmnt for TALCAN satisfied with PY sup funds								[-5,000]		
47	SOF INTELLIGENCE SYSTEMS		16,522		16,522		28,222				16,522
	Joint threat warning system						[5,700]				
	Recce-Pad						[6,000]				

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
48	SOF SMALL ARMS & WEAPONS		16,003		32,503		57,203		41,500		57,503
	Advanced lightweight grenade launcher						[22,200]		[22,000]		
	Light weight counter mortar radar				[5,000]		[6,500]		[4,000]		
	Night vision and laser targeting devices						[12,500]		[8,500]		
	Mini night vision sight (SOPMOD)				[8,000]				[4,000]		
	Infrared zoom laser illuminator/designator				[3,500]				[3,000]		
49	JOINT MILITARY INTELLIGENCE PROGRAM		18,269		18,269		18,269				18,269
50	ITV		5,206		5,206		5,206				5,206
51	MARITIME EQUIPMENT MODS		1,316		1,316		1,316				1,316
52	SOF COMBATANT CRAFT SYSTEMS		9,981		9,981		26,481		13,500		23,481
	Special Operations riverine craft						[16,500]		[13,500]		
53	SPARES AND REPAIR PARTS		7,995		7,995		7,995				7,995
54	SOF MARITIME EQUIPMENT		1,990		1,990		1,990				1,990
55	DRUG INTERDICTION										
56	MISCELLANEOUS EQUIPMENT		11,207		11,207		11,207				11,207
57	SOF PLANNING AND REHEARSAL SYSTEM		292		292		292				292
58	SOF OPERATIONAL ENHANCEMENTS		235,269		235,269		235,269				235,269
	SOF ops enhancements						[25,500]				
	Program reduction						[-25,500]				
59	PSYOP EQUIPMENT		18,264		18,264		18,264				18,264
	Chemical/Biological Defense										
	CBDP										
60	INDIVIDUAL PROTECTION		85,018		85,018		121,518		500		85,518
	JSLIST						[36,000]				
	M45 army aircrew protective masks						[500]		[500]		
61	DECONTAMINATION		12,643		12,643		22,643		1,000		13,643
	M291/295 decon kits						[2,000]		[1,000]		
	Wide-area decontamination applicator						[8,000]				

Title I - Procurement

(Dollars in Thousands)

Line	Program Title	FY 2004 Request Qty	FY 2004 Request Cost-ORIG	House Authorized Qty	House Authorized Cost	Senate Authorized Qty	Senate Authorized Cost	Conference Change Qty	Conference Change Cost	Conference Authorized Qty	Conference Authorized Cost
62	JOINT BIOLOGICAL DEFENSE PROGRAM		71,952		71,952		71,952				71,952
63	COLLECTIVE PROTECTION		17,608		53,608		19,608		30,000		47,608
	Chem-bio protective shelter				[31,000]		[2,000]		[25,000]		
	M28 protective equipment				[5,000]				[5,000]		
64	CONTAMINATION AVOIDANCE		318,516		343,516		399,116		13,000		331,516
	CBIFPP detection suite						[76,600]				
	JCAD				[15,000]		[2,000]		[3,000]		
	ACADA				[10,000]		[2,000]		[10,000]		
999	CLASSIFIED PROGRAMS		473,404		473,404		473,404				473,404
xx	WMD - Civil Support Teams						1,000		1,000		1,000
	Financial information systems						-8,900				
	Total - Procurement, Defense-Wide		**3,665,506**		**3,734,821**		**3,855,506**		**103,000**		**3,768,506**
	TOTAL PROCUREMENT		**72,653,510**		**75,010,007**		**75,638,800**		**1,550,001**		**74,203,511**

Advanced SEAL Delivery System advance procurement

The House bill would authorize $23.6 million, as proposed in the budget request, for the advance procurement of long lead time items associated with the Advanced SEAL Delivery System (ASDS), a flagship acquisition program of the U.S. Special Operations Command (SOCOM).

The Senate amendment recommended against funding advance procurement for ASDS because of continuing developmental problems plaguing the ASDS program.

The conferees agree to authorize $23.6 million in procurement, Defense-wide, for ASDS advance procurement, but direct that none of the authorized funds may be obligated or expended until 15 days after the Secretary of Defense notifies the congressional defense committees, in writing, of a favorable Milestone C decision with regard to continuing the ASDS program. This report shall include a detailed summary on the program's revised cost estimate and future cost estimates, as validated by the Cost Analysis and Improvement Group. Additionally, the report shall include: an evaluation of contractor performance, to date; a detailed acquisition strategy; and, a plan to demonstrate realistic solutions to key technical and performance problems identified during operational test and evaluation.

The conferees remain committed to meeting SOCOM's requirement for this capability, but are concerned that technical and financial problems that have plagued this program since its inception are still not yet fully resolved. The program is six years behind schedule and hundreds of millions of dollars over original cost estimates. It is possible that potential solutions to technical and performance problems, as yet not demonstrated, may require additional design changes. The conferees expect that advance procurement of long lead time items for additional ASDS boats will be delayed until key technical problems are demonstrably resolved and fundamental design of future boats is stable.

National Guard and Reserve Equipment

The conferees recommend that, of the amounts appropriated in fiscal year 2004 for National Guard and Reserve equipment, priority consideration should be given to the following items: Joint Threat Emitter System, Improved Target Acquisition System, F–16 Block 42 Re-engining Program, Extended Cold Weather Clothing System, F–16 and A–10 LITENING AT Targeting Pod, Movement Tracking System, Laser Marksmanship Training System, Bladefold Kits for Apache Helicopters, High Mobility Multi-purpose Wheeled Vehicles (HMMWV), Up-Armored HMMWV, Construction Equipment SLEP, AN/PVS–14, LITENING II, E–8C nonrecurring engineering for Re-engining, and Family of Medium Tactical Vehicles (FMTV).

Subtitle A—Authorization of Appropriations

Authorization of appropriations (secs. 101–104)

The House bill contained provisions (secs. 101–104) that would authorize the recommended fiscal year 2004 funding levels for pro-

curement Army, Navy, Marine Corps, Air Force, and Defense-wide activities.

The Senate amendment contained similar provisions (secs. 101–104) and additional provisions (secs. 105–107) that would authorize the recommended fiscal year 2004 funding levels for procurement for the Defense Inspector General, the Chemical Demilitarization Program, and the Defense Health Program.

The conference agreement includes a provision that would authorize funding levels for the Army, Navy, Marine Corps, Air Force, and Defense-wide activities. The conference agreement includes authorizations for the Defense Inspector General, the Chemical Demilitarization Program, and the Defense Health Program, as provided elsewhere in this conference report.

Subtitle B—Army Programs

Stryker vehicle program (sec. 111)

The House bill contained a provision (sec. 111) that would withhold $300.0 million from the authorization of appropriations for Stryker vehicle procurement until the Secretary of the Army provided a report to the congressional defense committees. The report would identify options for modifications to the equipment and configuration of the Stryker Brigade Combat Team (SBCT) that would make the SBCT more survivable, more capable across a broader spectrum of combat operations, and capable to be employed independent of higher-level command formations and support. The provision would also direct the Secretary to certify to the congressional defense committees whether fielding the fourth SBCT, as planned, would meet the objectives of a more capable and survivable brigade. The provision would also direct that all funds authorized for appropriation would be spent on Stryker vehicles only.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would withhold 20 percent of the budget request for the Stryker vehicle program until the Secretary of the Army provides a report to the congressional defense committees that identifies options for modifications to the equipment and configuration of the SBCT.

CH–47 helicopter program (sec. 112)

The Senate amendment contained a provision (sec. 111) that would direct a study of the feasibility and costs and benefits of providing for a second source for the production of gears for CH–47 helicopter transmissions.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Navy Programs

Multiyear procurement authority for F/A–18 aircraft program (sec. 121)

The House bill contained a provision (sec. 121) that would authorize the Secretary of the Navy to enter into a multiyear procurement contract for up to 234 aircraft in the F/A–18E, F/A–18F, and EA–18G configurations. The budget request included a baseline

multiyear procurement authority for 42 aircraft a year, a total of 210 aircraft, with the flexibility to procure an additional six aircraft a year for the last four years of the multiyear procurement, potentially bringing the total to 234 aircraft.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter into multiyear procurement contracts for a number of Navy programs, including the F/A–18E/F program.

The Senate recedes.

Multiyear procurement authority for Tactical Tomahawk cruise missile program (sec. 122)

The House bill contained a provision (sec. 122) that would authorize the Secretary of the Navy to enter into a multiyear procurement contract for the Tactical Tomahawk cruise missile program, limiting the production to no more than 900 cruise missiles in any year.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter into multiyear procurement contracts for a number of Navy programs, including the Tactical Tomahawk cruise missile program. The provision would require the Secretary to determine that the cruise missile is effective for fleet use as a result of operational testing before entering into the multiyear procurement contract.

The Senate recedes with an amendment that would authorize the Secretary to enter into a multiyear procurement contract for the Tactical Tomahawk cruise missile program, limiting the production to no more than 900 cruise missiles in any year. The Secretary would be required to submit a determination to the congressional defense committees that the Tactical Tomahawk cruise missile is effective for fleet use, based on operational testing, before entering into the multiyear procurement contract.

Multiyear procurement authority for Virginia class submarine program (sec. 123)

The House bill contained a provision (sec. 123) that would authorize the Secretary of the Navy to enter into a multiyear procurement contract for seven *Virginia*-class submarines, with a limitation that the Secretary could not enter into the contract until 30 days after submitting a certification of compliance with subsection (a) of section 2306b of title 10, United States Code, to the congressional defense committees.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter multiyear procurement contracts for a number of Navy programs, including the *Virginia*-class submarine, subject to the contractor teaming agreement included in paragraphs (2)(A), (3) and (4) of section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85).

The Senate recedes with an amendment that would authorize the Secretary to enter into a multiyear procurement contract for *Virginia*-class submarines. The provision would restrict the Secretary from entering into the contract until 30 days after submitting a certification of compliance with subsection (a) of section

2306b of title 10, United States Code, to the congressional defense committees. The provision also mandates continuance of the teaming arrangement authorized in paragraphs (2)(A), (3), and (4) of section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) for the multiyear procurement contract.

Multiyear procurement authority for E–2C aircraft program (sec. 124)

The House bill contained a provision (sec. 124) that would authorize the Secretary of the Navy to enter into multiyear procurement contracts for the procurement of four E–2C aircraft, four TE–2C aircraft, and 16 engines for aircraft in the E–2C or TE–2C configuration. The provision would limit the period of the contract to four program years.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary to enter into multiyear procurement contracts for a number of Navy programs, including the E–2C aircraft program.

The Senate recedes with an amendment that would authorize the Secretary to enter into multiyear procurement contracts for E–2C aircraft, TE–2C aircraft, and engines for aircraft in the E–2C and TE–2C configurations, with the period of the contract limited to four program years.

Multiyear procurement authority for Phalanx close in weapon system program (sec. 125)

The House bill contained a number of separate provisions which would authorize Navy multiyear procurement contracts, but did not have multiyear procurement authorization for the Phalanx CIWS–1B program.

The Senate amendment contained a provision (sec. 121) that would authorize the Secretary of the Navy to enter into multiyear procurement contracts for a number of Navy programs, including block 1B of the Phalanx close in weapon system (CIWS–1B).

The House recedes with an amendment that would authorize the Secretary to enter into a multiyear procurement contract for the Phalanx CIWS–1B program.

Pilot program for flexible funding of cruiser conversions and overhauls (sec. 126)

The Senate amendment contained a provision (sec. 122) that would authorize a pilot program through which the Secretary of the Navy could transfer funds from certain appropriations accounts to procurement for shipbuilding and conversion accounts. The provision would authorize the pilot program from fiscal year 2004 through fiscal year 2012. The provision would allow the transfer of funds to provide funds for conversion or overhaul of cruisers when it is due to an increase in the workload to meet conversion or overhaul requirements, or a new conversion or overhaul requirement is established. The Secretary would not be able to make a transfer under this section for 30 days after a notification containing details of the transfer is transmitted to the congressional defense committees.

The House bill contained no similar provision.

The House recedes.

Subtitle D—Air Force Programs

Elimination of quantity limitations on multiyear procurement authority for C–130J aircraft (sec. 131)

The House bill contained a provision (sec. 132) that would amend section 131(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) by raising the number of C–130J aircraft authorized in the current multiyear procurement contract from 40 aircraft to 42 aircraft.

The Senate amendment contained a provision (sec. 131) that would amend section 131(a) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) by eliminating the numerical limits in the current multiyear procurement contract for C–130J aircraft in the CC–130J and KC–130J configurations.

The House recedes.

Limitation on retiring C–5 aircraft (sec. 132)

The House bill contained a provision (sec. 133) that would prevent the Secretary of the Air Force from retiring C–5A aircraft from the active inventory of the Air Force in any number that would reduce the total number of C–5 aircraft in the active inventory below 112, until the Air Force has modified a C–5A aircraft with the reliability enhancement and reengining program; and the Director, Operational Test and Evaluation, has submitted an operational assessment of that aircraft based on an operational evaluation.

The Senate amendment contained no similar provision.

The Senate recedes.

Limitation on obligation of funds for procurement of F/A–22 aircraft (sec. 133)

The House bill contained a provision (sec. 134) that would prohibit the obligation of $136.0 million of the funds appropriated for F/A–22 aircraft procurement in fiscal year 2004 until the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) certifies the following: (1) four F/A–22 operational test aircraft are equipped with version 3.1.2 or later of the operational flight program; and, (2) these four aircraft, so equipped, have demonstrated 20 hours mean time between avionics software instability events. The provision would include a waiver by which the Secretary of Defense could waive this limitation in the event the USD (AT&L) was unable to make the certification.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would: (1) change the number of test aircraft to five aircraft for the operational test, plus the avionics test aircraft, and ensure that all aircraft are equipped with the software operational flight program configured for initial operational test and evaluation (IOT&E); and, (2) change the software stability metric to five hours mean time between avi-

onics anomalies, classified as software events of type 1 or type 2 failures, or a hardware event of type 5 failure.

The conferees understand that much attention has been given to the F/A–22 aircraft software stability over the last several months, and that significant improvement has been made in this area. However, the conferees are concerned that the Department of Defense has focused so keenly on software stability that they may be missing other aspects of reliability and maintainability contained in the operational requirements document. Meeting these operational suitability requirements will, in the end, determine the operational utility of the aircraft, and deserve senior level attention.

Aircraft for performance of aerial refueling mission (sec. 134)

The Senate amendment contained a provision (sec. 367) that would restrict the Secretary of the Air Force from retiring more than 12 KC–135E aerial refueling aircraft in fiscal year 2004. The provision would also require the Secretary to submit an analysis of alternatives, conducted by a federally funded research and development center or another entity independent of the Department of Defense, for meeting Air Force aerial refueling requirements to the congressional defense committees not later than March 1, 2004.

The House bill contained no similar provision.

The House recedes.

Procurement of tanker aircraft (sec. 135)

The conferees recommend a provision that would authorize the Secretary of the Air Force to enter into a lease for no more than 20 aerial refueling tanker aircraft, and would further authorize the Secretary of the Air Force to enter into a multiyear procurement program, using incremental funding, for up to 80 aerial refueling aircraft for not in excess of 10 program years beginning as early as fiscal year 2004.

The provision would also require the Secretary of Defense to conduct a study to identify alternative means for meeting the long-term requirements of the Air Force for both the maintenance and training in the operation of aerial refueling aircraft leased or procured through this program. This study would be delivered to the congressional defense committees no later than April 1, 2004.

The conferees expect that this study would identify a time frame within which the program could transition to competitively-based maintenance, and within which the program could transition to a centralized training concept consistent with those used by other Air Force airlift and tanker aircraft with comparable numbers of aircraft in the force structure.

Air Force Air Refueling Transfer Account

The House bill contained a provision (sec. 131) that would establish an account for the Department of the Air Force, known as the Air Force Air Refueling Transfer Account. The provision would authorize $229.2 million for the necessary expenses to prepare for leasing of tanker aircraft under section 8159 of the Department of Defense Appropriations Act for Fiscal Year 2002 (division A of Public Law 107–117), for the necessary expenses to prepare for the

purchase of tanker aircraft for the Air Force, or for retaining in active service (rather than retiring) KC–135E aircraft.

The Senate amendment contained no similar provision.

The House recedes.

Subtitle E—Other Programs

LEGISLATIVE PROVISIONS NOT ADOPTED

B–1B bomber aircraft

The Senate amendment contained a provision (sec. 132) that would authorize $20.3 million for the reconstitution of B–1B bomber fleet, offset by a commensurate reduction from funds for Special Operations Forces operational enhancements. It would also require the Secretary of the Air Force to submit a report to the congressional defense committees on the amount necessary to be included in the future-years defense program to reconstitute the entire B1–B bomber aircraft fleet.

The House bill contained no similar provision, but included an increase of $20.3 million for the B–1B.

The Senate recedes.

The conferees agree to authorize an increase of $20.3 million for the B–1B bomber, as noted elsewhere in this conference report.

Configuration of the fourth Stryker brigade combat team

The House bill contained a provision (sec. 112) that would authorize an increase of $100.0 million in Procurement of Weapons and Tracked Combat Vehicles, Army, for the procurement of additional lethality and sustainability enhancements for the fourth Stryker brigade combat team.

The Senate amendment contained no similar provision.

The House recedes.

LPD–17 class vessel

The House bill contained a provision (sec. 125) that would authorize an increase for shipbuilding and conversion for advance procurement of long-lead items, including the advanced fabrication of components, for the LPD–17 class vessel. This authorization would be for the lesser amount of $200.0 million or funds appropriated in any fiscal year 2003 act making supplemental appropriations, after May 7, 2003, for the procurement of Tomahawk cruise missiles.

The Senate amendment contained no similar provision.

The House recedes.

Rapid infusion pumps

The Senate amendment contained a provision (sec. 112) that would authorize an increase of $2.0 million in Other Procurement, Army, for the procurement of medical rapid infusion (IV) pumps.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of $2.0 million for rapid infusion pumps, as noted elsewhere in this conference report.

Reduction in authorization

The Senate amendment contained a provision (sec. 108) that would reduce procurement, Defense-wide, Special Operations Forces rotary wing upgrades by $2.1 million and procurement, Defense-wide, Special Operations Forces operational enhancements by $1.2 million, for a total reduction of $3.3 million. After Senate Armed Services Committee action on the National Defense Authorization Bill (S. 1050), the Commander, U.S. Special Operations Command, was able to procure certain unfunded priorities with fiscal year 2003 supplemental funding, obviating the need for certain additions included in the original bill.

The House bill contained no similar provision.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Overview

The budget request for fiscal year 2004 included an authorization of $61,826.7 million for Research and Development for the Department of Defense.

The House bill would authorize $62,723.8 million.

The Senate amendment would authorize $63,212.3 million.

The conferees recommend an authorization of $63,384.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 2004
(Dollars in Thousands)

Title II -- RESEARCH, DEVELOPMENT, TEST & EVALUATION	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Research, Development, Test & Evaluation, Army	9,122,825	9,338,382	9,016,200	422,008	9,544,833
Research, Development, Test & Evaluation, Navy	14,106,653	14,364,510	14,604,784	738,850	14,845,503
Research, Development, Test & Evaluation, Air Force	20,336,258	20,552,867	20,389,516	219,409	20,555,667
Research, Development, Test & Evaluation, Defense-wide	17,974,257	18,181,385	18,849,018	177,800	18,152,057
Operational Test & Evaluation	286,661	286,661	286,661		286,661
Defense Health Program			65,796		
Office of the Inspector General			300		
TOTAL RDT&E	**61,826,654**	**62,723,805**	**63,211,975**	**1,558,067**	**63,384,721**

Department of Defense science and technology funding

The budget request included $10,232.0 million for defense science and technology, including all Defense-wide and military service funding for basic research, applied research, and advanced technology development. To address the conferees' concerns with respect to critical shortcomings in the budget request, the conferees recommend an authorization of $11,029.6 million, an increase of $797.6 million for the Department of Defense (DOD) Science and Technology (S&T) Program.

The past year has provided numerous examples of successful technology development and deployment. The men and women of the U.S. Armed Forces are better equipped, trained, and protected because of revolutionary breakthroughs emerging from the technology base. The Global War On Terrorism has provided a showcase for precision munitions, unmanned and robotic systems, instantaneous global communications, and other technologies that enable our military superiority. With continued robust and stable science and technology investments, future forces will leverage revolutionary technologies such as directed energy, nanotechnology, and intelligent robotics to accomplish their missions.

The conferees commend the Department for increasing the budget request for science and technology by nearly 25 percent over the past two fiscal years and moving towards meeting the Secretary of Defense's goal of funding the Science and Technology Program at three percent of the overall defense budget. In addition, the Department continues to make great strides in meeting the difficult challenges of technology transition and, throughout the past year, in successfully delivering revolutionary capabilities to the warfighter, ranging from thermobaric weapons to enhanced armor and protective systems to multilingual translation devices. The conferees note that the Technology Transition Initiative and the Defense Acquisition Challenge Program, programs originally established in the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314), continue to be successfully implemented by the Department to address critical transition challenges. Finally, the conferees note that the Office of the Director of Defense Research and Engineering has organized an important effort to address the critical workforce issues facing the Nation's defense research laboratories. The issues confronting the national treasures of the defense laboratory system cannot be overstated and will require forceful advocacy within the Department in the future.

Despite the positive aspects of the Department's Science and Technology Program, the conferees are concerned about long-term projections for reductions in DOD science and technology as a percentage of total obligation authority, which are well below the three percent level, and in short-term trends in the science and technology accounts of some of the military departments and defense agencies. In particular, the conferees share the concerns raised by the House regarding the Navy Science and Technology Program. As highlighted in the House report accompanying H.R. 1588 (H. Rept. 108–106), ". . . the Navy's core science and technology program is reduced to $1.48 billion, $460.0 million less than last year's appropriated level, 1.3 percent of the total Department of the Navy budg-

et, and the lowest in total and percentage funding of the military departments. The budget request represents the second straight year of a significant reduction in the Navy's science and technology program."

The conferees remain concerned that the level of investment in basic, long-term research remains anemic. This account will provide the next generation of warfighters with the equipment, training, and protection they will require in future conflicts. As the investment in science and technology continues to grow towards the Secretary's three percent goal, the basic research accounts must grow at comparable rates. In the face of growing near-term requirements and budget pressures, the Department must work to preserve its long range view of technology development and embrace the role that fundamental research plays in the future of our military. The recent successes of the technology base in the Global War On Terrorism should not lead to an expectation of science on demand.

The conferees also note that increasingly, scientific and technical advances are creating policy, privacy, and regulatory issues that must be addressed prior to final development and deployment of new technologies. These issues must be adequately addressed in parallel with research and technology development so that new capabilities are delivered to warfighters in a manner that is consistent with well developed and technically informed policies.

ARMY

Research, Development, Test and Evaluation, Army—Overview

The budget request for fiscal year 2004 included an authorization of $9,122.8 million for Research, Development, Test and Evaluation, Army in the Department of Defense.

The House bill would authorize $9,338.4 million.

The Senate amendment would authorize $9,016.2 million.

The conferees recommend an authorization of $9,544.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
		RESEARCH, DEVELOPMENT, TEST & EVALUATION, ARMY					
0601101A	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	24,121	24,121	24,121		24,121
0601102A	2	DEFENSE RESEARCH SCIENCES	128,798	134,798	134,798	8,000	136,798
		Low temperature research			[2,000]	[2,000]	
		Desert terrain analysis		[4,000]	[4,000]	[4,000]	
		Advanced deployable nano-sensors		[2,000]		[2,000]	
0601103A	3	UNIVERSITY RESEARCH INITIATIVES	71,642	71,642			71,642
		Transfer program to PE 61103D8Z (RDDW 3)			[-71,642]		
0601104A	4	UNIVERSITY AND INDUSTRY RESEARCH CENTERS	84,816	90,916	89,816	3,100	87,916
		Infrastructure protection research			[4,000]		
		Ferroelectric nanomaterials fabrication			[1,000]	[1,000]	
		Jidoka project		[1,500]			
		Army Centers of Excellence		[2,500]		[2,100]	
		Electromagnetic gun initiative		[2,100]			
0601105A	5	FORCE HEALTH PROTECTION	9,847	9,847	9,847		9,847
0601114A	6	DEFENSE EXPERIMENTAL PGM TO STIM COMPET RESEARCH	9,730	9,730	9,730		9,730
0601228A	7	HISTORICALLY BLACK COL AND UNIVERSITIES/MINORITY INST	14,083	14,083	14,083		14,083
		Network centric operations research (non-add)			[1,000]		
0602105A	8	MATERIALS TECHNOLOGY	15,186	35,186	21,186	8,000	23,186
		Advanced materials processing			[3,000]	[3,000]	
		Multifunctional composite materials			[3,000]		
		Composite multifunction materials for Future Combat Systems		[5,000]		[4,000]	
		Volumetrically controlled manufacturing (VCM)		[15,000]		[1,000]	
0602120A	9	SENSORS AND ELECTRONIC SURVIVABILITY	22,765	22,765	22,765		22,765
0602122A	10	TRACTOR HIP	5,835	5,835	5,835		5,835
0602211A	11	AVIATION TECHNOLOGY	39,459	39,459	39,459		39,459
0602270A	12	EW TECHNOLOGY	17,029	17,029	17,029		17,029

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602303A	13	MISSILE TECHNOLOGY	43,269	53,269	52,269	17,096	60,365
		Short range air defense radar			[8,000]		
		Short range air defense radar (Transfer to RDA 58)			[-8,000]		
		Maneuver air defense system			[6,500]	[6,500]	
		Multiple component flight test			[2,500]	[2,500]	
		Micro electro-mechanical systems inertial measurement unit/GPS		[10,000]		[10,000]	
		National aerospace initiative				[-1,904]	
0602307A	14	ADVANCED WEAPONS TECHNOLOGY	14,189	21,189	14,189		14,189
		Diode-pumped solid-state high energy laser		[7,000]			
0602308A	15	ADVANCED CONCEPTS AND SIMULATION	15,941	15,941	23,441	7,500	23,441
		Advanced photonic detectors			[5,000]	[5,000]	
		Immersive simulation and training research			[2,500]	[2,500]	
0602601A	16	COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	80,910	90,810	92,910	14,500	95,410
		Corrosion-resistant coatings			[1,500]	[1,500]	
		Rapid prototyping technologies			[2,000]	[2,000]	
		Unmanned vehicle control technologies			[2,500]	[2,500]	
		Advanced energy and manufacturing technology			[3,000]	[3,000]	
		Advanced electric drive		[3,000]	[3,000]	[2,000]	
		M-gator advanced powertrains		[4,400]		[1,000]	
		Fuel preporator		[2,500]		[2,500]	
0602618A	17	BALLISTICS TECHNOLOGY	53,478	53,478	53,478		53,478
0602622A	18	CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECH	3,540	8,540	3,540	4,000	7,540
		Metal particles in defense applications obscurant smokes		[5,000]		[4,000]	
0602623A	19	JOINT SERVICE SMALL ARMS PROGRAM	5,835	10,835	5,835	5,000	10,835
		Anti-material sniper rifle		[5,000]		[5,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602624A	20	WEAPONS AND MUNITIONS TECHNOLOGY	39,485	55,985	42,485	12,250	51,735
		Single crystal tungsten alloy penetrators			[3,000]	[3,000]	
		Alloy tungsten (LA-T) kinetic energy penetrator technology ammo		[5,500]		[4,250]	
		Generation 2 (X-caliber) warhead technology		[3,000]		[3,000]	
		TEMPER		[8,000]		[2,000]	
0602705A	21	ELECTRONICS AND ELECTRONIC DEVICES	33,694	57,694	42,694	26,000	59,694
		Flexible Display Initiative		[4,000]	[9,000]	[6,000]	
		Advanced battery technology initiative		[20,000]		[20,000]	
0602709A	22	NIGHT VISION TECHNOLOGY	22,233	22,233	22,233		22,233
0602712A	23	COUNTERMINE SYSTEMS	21,291	21,291	30,791	4,500	25,791
		Chemical vapor sensing			[2,500]	[2,500]	
		Synthetic aperture radar mine detection systems			[2,000]	[2,000]	
		Rapid and reliable countermine capabilities			[5,000]		
0602716A	24	HUMAN FACTORS ENGINEERING TECHNOLOGY	16,749	20,249	16,749	3,500	20,249
		Human systems integration (MANPRINT)		[3,500]		[3,500]	
0602720A	25	ENVIRONMENTAL QUALITY TECHNOLOGY	18,252	18,252	19,252		18,252
		Environmental response and security protection program			[1,000]		
0602782A	26	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	18,728	18,728	18,728		18,728
0602783A	27	COMPUTER AND SOFTWARE TECHNOLOGY	4,142	4,142	4,142		4,142
0602784A	28	MILITARY ENGINEERING TECHNOLOGY	45,407	47,407	48,407	3,000	48,407
		Geosciences and atmospheric research			[3,000]	[3,000]	
		Brooks energy and sustainability lab		[2,000]			
0602785A	29	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	15,548	15,548	15,548		15,548
0602786A	30	WARFIGHTER TECHNOLOGY	29,421	32,921	34,221	2,000	31,421
		Embedded optical communications			[4,800]		
		Adv microbial tech for treating military textiles and clothing		[3,500]		[2,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602787A	31	MEDICAL TECHNOLOGY	58,877	67,077	63,077	9,200	68,077
		Anthrax research			[2,500]	[2,500]	
		Minimally invasive digital printing for human tissue			[1,700]	[1,700]	
		Remote acoustic homeostasis		[8,200]		[5,000]	
0602805A	32	DUAL USE SCIENCE AND TECHNOLOGY					
0603001A	33	WARFIGHTER ADVANCED TECHNOLOGY	63,882	63,882	63,882		63,882
0603002A	34	MEDICAL ADVANCED TECHNOLOGY	35,168	47,168	47,168	18,500	53,668
		Rugged textile electronic garments		[3,000]	[5,000]	[3,500]	
		Stable hemostat			[5,000]	[5,000]	
		Hemoglobin-based oxygen carrier		[5,000]		[5,000]	
		Genomics research			[2,000]	[2,000]	
		Pseudofolliculitis Barbae research		[1,000]			
		Diagnosis of dermatological diseases		[3,000]		[3,000]	
0603003A	35	AVIATION ADVANCED TECHNOLOGY	72,083	89,783	72,083	7,000	79,083
		Airborne manned/unmanned system technology		[5,000]		[2,000]	
		Broad area unmanned responsive re-supply operations		[9,700]		[3,000]	
		Reconfiguring tooling system		[3,000]		[2,000]	
0603004A	36	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	47,752	55,752	47,752		47,752
		ScramFire 120mm powered munition		[5,000]			
		Lightweight cartridge cases		[3,000]			

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603005A	37	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECH	210,856	220,856	245,856	36,000	246,856
		21st century truck			[17,500]	[12,000]	
		Fuel cell technology			[5,000]	[4,000]	
		Advanced collaborative environments			[2,000]	[2,000]	
		Fastening and joining technologies			[1,500]	[1,500]	
		Tactical vehicle design tools			[2,000]	[1,000]	
		Advanced thermal management controls			[1,500]	[1,500]	
		Advanced composite materials			[5,500]	[4,000]	
		Aluminum lightweight structure initiative		[5,000]		[1,000]	
		Advanced Army composite bridge		[5,000]		[3,000]	
		Mobile parts hospital development				[6,000]	
0603006A	38	COMMAND, CONTROL, COMMUNICATIONS ADV TECH	10,379	10,379	10,379		10,379
0603007A	39	MANPOWER, PERSONNEL AND TRAINING ADV TECH	4,931	9,931	4,931	5,000	9,931
		Ground systems team training		[5,000]		[5,000]	
0603008A	40	ELECTRONIC WARFARE ADVANCED TECHNOLOGY (H)	40,347	58,947	42,347	14,000	54,347
		Mobile emergency broadband systems		[8,600]	[2,000]	[4,000]	
		Applied communication and information networking		[10,000]		[10,000]	
0603009A	41	TRACTOR HIKE	8,781	8,781	8,781		8,781
0603015A	42	NEXT GENERATION TRAINING & SIMULATION SYSTEMS	18,649	18,649	24,149	4,000	22,649
		Immersive simulation and training research			[5,500]	[4,000]	
0603017A	43	TRACTOR RED					
0603020A	44	TRACTOR ROSE	2,872	2,872	2,872		2,872
0603103A	45	EXPLOSIVES DEMILITARIZATION TECHNOLOGY	9,349	9,349			9,349
		Transfer program to PE 63104D8Z (RDDW 26)			[-9,349]		
0603105A	46	MILITARY HIV RESEARCH	6,733	6,733	6,733		6,733
0603125A	47	COMBATING TERRORISM, TECHNOLOGY DEVELOPMENT	4,916	4,916	4,916		4,916
0603238A	48	GLOBAL SURVEILLANCE/AIR DEF/PREC STRIKE TECH DEM	12,660	12,660	12,660		12,660
0603270A	49	EW TECHNOLOGY	11,273	11,273	11,273		11,273

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603313A	50	MISSILE AND ROCKET ADVANCED TECHNOLOGY	111,321	116,321	117,321	5,000	116,321
		Close-in Active Protection (CIAPS) prototype			[6,000]	[4,000]	
		Army manufacturing and maintenance organization		[5,000]		[1,000]	
0603322A	51	TRACTOR CAGE	7,592	7,592	7,592		7,592
0603606A	52	LANDMINE WARFARE AND BARRIER ADVANCED TECH	24,552	24,552	24,552		24,552
0603607A	53	JOINT SERVICE SMALL ARMS PROGRAM	6,193	6,193	6,193		6,193
0603654A	54	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	8,847	8,847	8,847		8,847
0603710A	55	NIGHT VISION ADVANCED TECHNOLOGY	47,088	72,588	50,088	26,000	73,088
		Warfighter/firefighter position, location, and tracking sensor			[3,000]	[3,000]	
		Night vision fusion (I2 &IR)		[5,000]		[5,000]	
		Buster backpack unmanned aerial vehicle		[10,000]		[10,000]	
		DoD firefighter helmet mounted thermal imaging camera system		[5,500]		[3,000]	
		Wire detection, wind sensor, and obstacle avoidance system		[5,000]		[5,000]	
0603728A	56	ENVIRONMENTAL QUALITY TECHNOLOGY DEMO	15,776	15,776	15,776		15,776
0603734A	57	MILITARY ENGINEERING ADVANCED TECHNOLOGY	3,441	3,441	3,441		3,441
0603772A	58	ADV TACTICAL COMPUTER SCIENCE AND SENSOR TECH	20,255	39,255	28,255	10,000	30,255
		Short range air defense radar			[8,000]	[6,000]	
		Lightweight counter mortar radar		[8,000]			
		Multi-mission radar program		[7,000]			
		Palletized SAR MTI radar sets		[4,000]		[4,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603305A	59	ARMY MISSILE DEF SYSTEMS INTEGRATION (NON SPACE)	51,547	63,047	83,947	30,500	82,047
		Mobile tactical high energy laser			[7,000]	[7,000]	
		Advanced laser electric power			[2,900]		
		Integrated composite missile structures			[5,000]	[4,000]	
		Low cost interceptor			[6,000]	[6,000]	
		Advanced radars and electro optical sensors			[6,500]		
		Radar power technology			[5,000]	[4,000]	
		Advanced battery technology demonstration and validation		[4,000]		[3,000]	
		Advanced tactical operations center		[7,500]		[6,500]	
0603308A	60	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (SPACE)	9,632	9,632	9,632		9,632
0603327A	61	AIR AND MISSILE DEFENSE SYSTEMS ENGINEERING	79,959	86,959	82,959	5,000	84,959
		AMD Architecture Analysis (A3) program		[7,000]	[3,000]	[5,000]	
0603619A	62	LANDMINE WARFARE AND BARRIER - ADV DEV	36,976	36,976	36,976		36,976
0603627A	63	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV	10,262	10,262	10,262		10,262
0603639A	64	TANK AND MEDIUM CALIBER AMMUNITION	11,249	11,249	11,249		11,249
0603653A	65	ADVANCED TANK ARMAMENT SYSTEM (ATAS)	61,377	61,377	61,377		61,377
0603747A	66	SOLDIER SUPPORT AND SURVIVABILITY	13,987	13,987	13,987		13,987
0603748A	XX	Defense Language Institute		5,000			
0603766A	67	TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV	17,068	17,068	17,068		17,068
0603774A	68	NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	5,283	5,283	5,283		5,283
0603779A	69	ENVIRONMENTAL QUALITY TECHNOLOGY	11,514	13,514	18,014	6,500	18,014
		Managing Army Technologies for Environmental Enhancement			[4,500]	[4,500]	
		Manganese Health Research Program			[2,000]		
		Asbestos pilot program		[2,000]		[2,000]	
0603782A	70	WARFIGHTER INFORMATION NETWORK-TACTICAL	90,774	90,774	90,774	-8,463	82,311
		Reduce programmed growth - NAC tech				[-8,463]	
0603790A	71	NATO RESEARCH AND DEVELOPMENT	4,779	4,779	4,779		4,779
0603801A	72	AVIATION - ADV DEV	9,968	9,968	9,968		9,968

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603802A	73	WEAPONS AND MUNITIONS - ADV DEV	31,856	31,856	31,856		31,856
0603804A	74	LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	12,008	12,008	25,508	7,500	19,508
		Mobile parts hospital development			[6,000]		
		Theater support vessel development			[7,500]	[7,500]	
0603805A	75	COMBAT SERVICE SPT CNTRL SYS EVAL AND ANALYSIS	8,682	8,682	8,682		8,682
0603807A	76	MEDICAL SYSTEMS - ADV DEV	11,042	11,042	16,042	5,000	16,042
		Automated laboratories for biodefense			[5,000]	[5,000]	
0603850A	77	INTEGRATED BROADCAST SERVICE (JMIP/DISTP)	2,097		2,097		2,097
		Program reduction		[-2,097]			
0603851A	78	TRACTOR CAGE					
0603854A	79	ARTILLERY SYSTEMS	28,028	28,028	28,028		28,028
0603856A	80	SCAMP BLOCK II	276,259			-276,259	
0603869A	81	MEDIUM EXTENDED AIR DEF SYS (MEADS) CONCEPTS			[-34,934]		
		Program reduction			[-241,325]		
		Transfer to PE 64865C (RDDW 90)		[-276,259]			
		MEADS transfer				[-276,259]	
		Transfer to PE 63869A (RDA 81a)				450,734	450,734
0603869A	81a	PAC-3 SPIRAL DEVELOPMENT				[276,259]	
		Transfer from PE 63869A (RDA 81)				[174,475]	
		Transfer from PE 64865A (RDA 130)				-5,000	59,650
0604201A	82	AIRCRAFT AVIONICS	64,650	64,650	64,650	[-5,000]	
		Reduce programmed growth					
0604220A	83	ARMED, DEPLOYABLE OH-58D	1,079,257	1,079,257	1,079,257		1,079,257
0604223A	84	COMANCHE	33,214	33,214	33,214		33,214
0604270A	85	EW DEVELOPMENT	134,693	134,693	134,693		134,693
0604280A	86	JOINT TACTICAL RADIO	20,168	20,168	20,168		20,168
0604321A	87	ALL SOURCE ANALYSIS SYSTEM	16,215	16,215	16,215		16,215
0604328A	88	TRACTOR CAGE					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0604329A	89	COMMON MISSILE	183,790	183,790	183,790	-18,000	165,790
		Program refocused				[-18,000]	
0604601A	90	INFANTRY SUPPORT WEAPONS	21,637	21,637	21,637		21,637
0604604A	91	MEDIUM TACTICAL VEHICLES	4,366	4,366	4,366		4,366
0604609A	92	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-SDD	12,094	12,094	12,094		12,094
0604611A	93	JAVELIN	956	956	956		956
0604619A	94	LANDMINE WARFARE	9,200	9,200	9,200		9,200
0604622A	95	FAMILY OF HEAVY TACTICAL VEHICLES	2,514	2,514	2,514		2,514
0604633A	96	AIR TRAFFIC CONTROL			2,800		
0604641A	97	TACTICAL UNMANNED GROUND VEHICLE (TUGV)			[2,800]		
		TUGV	15,700	15,700	15,700		15,700
0604642A	98	LIGHT TACTICAL WHEELED VEHICLES	1,701,331	1,245,118	1,701,331	-1,701,331	
0604645A	99	ARMORED SYSTEMS MODERNIZATION (ASM)-SDD		[-102,971]		[-102,971]	
		Transfer to Network fires systems tech (new PE 0604646A)		[-353,242]		[-353,242]	
		Transfer to Objective Force indirect fires (new PE 0604647A)				[-1,245,118]	
		Transfer to Future Combat System - SDD (PE 0604645A)				1,245,118	1,245,118
0604645A	99	Future Combat System - SDD		102,971		102,971	102,971
0604646A	XX	Networked fires systems technology - SDD		353,242		353,242	353,242
0604647A	XX	Objective Force indirect fires - SDD					
0604649A	100	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	29,022	32,022	29,022		29,022
0604710A	101	NIGHT VISION SYSTEMS - SDD		[3,000]			
		Modular multi function laser system	67,283	125,783	140,783	58,500	125,783
0604713A	102	COMBAT FEEDING, CLOTHING, AND EQUIPMENT			[15,000]		
		Integrated battlefield combat situational awareness (IB-CSAS)		[58,500]	[58,500]	[58,500]	
		Land Warrior development (transfer from OPA 136)	71,616	62,849	71,616		71,616
0604715A	103	NON-SYSTEM TRAINING DEVICES - SDD		[-8,767]			
		Program reduction	6,977	6,977	6,977		6,977
0604716A	104	TERRAIN INFORMATION - SDD					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0604726A	105	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	3,309	3,309	3,309		3,309
0604738A	106	JSIMS CORE PROGRAM					
0604741A	107	AIR DEFENSE COMMAND, CONTROL AND INTEL - SDD	29,297	29,297	29,297		29,297
0604742A	108	CONSTRUCTIVE SIMULATION SYSTEMS DEVELOPMENT	16,994	2,274	16,994		16,994
		Program reduction		[-14,720]			
0604746A	109	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	4,634	4,634	4,634		4,634
0604760A	110	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - SDD	26,358	26,358	26,358		26,358
0604766A	111	TACTICAL SURVEILLANCE SYSTEMS - SDD	19,695	25,695	19,695	5,000	24,695
		Broadband intelligence training system		[6,000]		[5,000]	
0604768A	112	ARMY TACTICAL MISSILE SYSTEM (ATACMS)	55,075	55,075	62,575	-51,075	4,000
		Viper strike munitions			[7,500]	[4,000]	
		Reduce programmed growth				[-55,075]	
0604770A	113	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	4,705	4,705	4,705		4,705
0604778A	114	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	1,574	1,574	1,574		1,574
0604780A	115	COMBINED ARMS TACTICAL TRAINER (CATT) CORE	3,998	3,998	3,998		3,998
0604783A	116	JOINT NETWORK MANAGEMENT SYSTEM	9,437	9,437	9,437		9,437
0604801A	117	AVIATION - SDD	2,379	2,379	2,379		2,379
0604802A	118	WEAPONS AND MUNITIONS - SDD	129,409	138,409	149,409	10,000	139,409
		Advanced Precision Kill Weapon System (APKWS)		[9,000]	[20,000]	[10,000]	
0604804A	119	LOGISTICS AND ENGINEER EQUIPMENT - SDD	86,288	86,288	86,288		86,288
0604805A	120	COMMAND, CONTROL, COMMUNICATIONS SYS - SDD	219,088	219,088	219,088		219,088
0604807A	121	MEDICAL MATERIEL/MED BIOLOGICAL DEF EQPMT - SDD	12,202	12,202	12,202		12,202
0604808A	122	LANDMINE WARFARE/BARRIER - SDD	90,396	90,396	90,396		90,396
0604814A	123	ARTILLERY MUNITIONS	133,994	133,994	133,994		133,994
0604817A	124	COMBAT IDENTIFICATION	3,541	3,541	3,541		3,541
0604818A	125	ARMY TAC COMMAND & CNTRL HARDWARE & SOFTWARE	98,129	102,029	102,029	3,000	101,129
		Army Airborne Command and Control System (A2C2S)		[3,900]	[3,900]	[3,000]	
0604819A	126	LOSAT	30,809	30,809	30,809		30,809

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0604820A	127	RADAR DEVELOPMENT					
0604823A	128	FIREFINDER	27,107	27,107	27,107		27,107
0604854A	129	ARTILLERY SYSTEMS	32,629	32,629	32,629		32,629
0604865A	130	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION	174,475	253,475		-174,475	
		Transfer to PE 64865C (RDDW 90)			[-174,475]		
		PAC-3 R&D		[79,000]			
		Transfer to PE 63869A (RDA 81a)				[-174,475]	
0605013A	131	INFORMATION TECHNOLOGY DEVELOPMENT	47,566	47,566	47,566		47,566
0604256A	132	THREAT SIMULATOR DEVELOPMENT	17,751	17,751	17,751		17,751
0604258A	133	TARGET SYSTEMS DEVELOPMENT	13,890	13,890	13,890		13,890
0604759A	134	MAJOR T&E INVESTMENT	62,135	62,135	62,135		62,135
0605103A	135	RAND ARROYO CENTER	22,804	22,804	22,804		22,804
0605301A	136	ARMY KWAJALEIN ATOLL	137,307	137,307	137,307		137,307
0605326A	137	CONCEPTS EXPERIMENTATION PROGRAM	26,473	26,473	26,473		26,473
0605502A	138	SMALL BUSINESS INNOVATIVE RESEARCH					
0605601A	139	ARMY TEST RANGES AND FACILITIES	174,603	182,003	174,603		174,603
		Army Aviation Technical Test Center upgrade for helicopter		[7,400]			
0605602A	140	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	54,986	54,986	54,986		54,986
0605604A	141	SURVIVABILITY/LETHALITY ANALYSIS	39,138	39,138	39,138		39,138
0605605A	142	DOD HIGH ENERGY LASER TEST FACILITY	17,806	17,806	17,806		17,806
0605606A	143	AIRCRAFT CERTIFICATION	3,098	3,098	3,098		3,098
0605702A	144	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	9,669	9,669	9,669		9,669
0605706A	145	MATERIEL SYSTEMS ANALYSIS	15,832	15,832	15,832		15,832
0605709A	146	EXPLOITATION OF FOREIGN ITEMS	3,579	3,579	3,579		3,579
0605712A	147	SUPPORT OF OPERATIONAL TESTING	67,795	67,795	67,795		67,795
0605716A	148	ARMY EVALUATION CENTER	57,074	47,074	57,074	-10,000	47,074
		Program reduction		[-10,000]		[-10,000]	
0605718A	149	SIMULATION & MODELING FOR ACQ, RQTS, & TNG (SMART)	2,654	2,654	2,654		2,654

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0605801A	150	PROGRAMWIDE ACTIVITIES	71,555	71,555	71,555		71,555
0605803A	151	TECHNICAL INFORMATION ACTIVITIES	28,520	28,520	28,520		28,520
0605805A	152	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	19,855	28,355	19,855	6,500	26,355
		Advanced cluster energetics (ACE) manufacturing technology		[5,000]		[3,000]	
		Cadmium zinc telluride detectors		[3,500]		[3,500]	
0605857A	153	ENVIRONMENTAL QUALITY TECHNOLOGY MGMT SUPPORT	4,938	4,938	4,938		4,938
0605898A	154	MANAGEMENT HEADQUARTERS (R&D)	8,995	8,995	8,995		8,995
0909999A	155	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS					
0603778A	156	MLRS PRODUCT IMPROVEMENT PROGRAM	84,839	84,839	84,839		84,839
0102419A	157	AEROSTAT JOINT PROJECT OFFICE	57,549	60,549	57,549	3,000	60,549
		Lightweight X-band radar MEMS antenna technology		[3,000]		[3,000]	
0203610A	158	DOMESTIC PREP AGAINST WEAPONS OF MASS DESTR					
0203726A	159	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	28,917	28,917	28,917		28,917
0203735A	160	COMBAT VEHICLE IMPROVEMENT PROGRAMS	24,486	24,486	29,186	1,000	25,486
		Abrams track improvement			[4,700]	[1,000]	
0203740A	161	MANEUVER CONTROL SYSTEM	39,581	39,581	39,581		39,581
0203744A	162	AIRCRAFT MODIFICATIONS/PROD IMPROVEMENT PGMS	187,959	287,959	287,959	85,000	272,959
		Transfer from APA 15		[100,000]	[100,000]	[85,000]	
0203752A	163	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PGM	3,399	3,399	8,399	5,000	8,399
		Full authority digital engine control (FADEC)			[5,000]	[5,000]	
0203758A	164	DIGITIZATION	18,251	18,251	18,251		18,251
0203759A	165	FORCE XXI BATTLE CMD, BRIG AND BELOW (FBCB2)	48,436	48,436	48,436		48,436
0203761A	166	FORCE XXI, WARFIGHTING RAPID ACQUISITION PROGRAM					
0203801A	167	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PGM	44,468	54,468	48,468	1,000	45,468
		PAC-3 antenna mast group			[4,000]	[1,000]	
		PAC-2		[10,000]			
0203802A	168	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	9,822	9,822	9,822		9,822
0203806A	169	TRACTOR RUT	8,851	8,851	8,851		8,851

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0203808A	170	TRACTOR CARD	9,255	9,255	9,255		9,255
0208010A	171	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	16,543	16,543	16,543		16,543
0208053A	172	JOINT TACTICAL GROUND SYSTEM	9,767	9,767	9,767		9,767
0301359A	173	SPECIAL ARMY PROGRAM	5,968	5,968	5,968		5,968
0303028A	174	SECURITY AND INTELLIGENCE ACTIVITIES		10,000	10,000	17,000	17,000
		Base protection and monitoring system			[8,000]	[8,000]	
		Portable documentation exploitation			[2,000]	[2,000]	
		Intelligence and security command global information portal		[5,000]		[3,000]	
		Info dominance center expanded processing for adv data analysis		[5,000]		[4,000]	
0303140A	175	INFORMATION SYSTEMS SECURITY PROGRAM	20,728	20,728	20,728		20,728
0303141A	176	GLOBAL COMBAT SUPPORT SYSTEM	58,983	58,983	58,983		58,983
0303142A	177	SATCOM GROUND ENVIRONMENT (SPACE)	87,352	87,352	87,352		87,352
0303150A	178	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	20,124	20,124	20,124		20,124
0305114A	179	TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM	956	956	956		956
0305204A	180	TACTICAL UNMANNED AERIAL VEHICLES	60,493	72,893	60,493	8,900	69,393
		Shadow unmanned aerial vehicle improvements		[12,400]		[8,900]	
0305206A	181	AIRBORNE RECONNAISSANCE SYSTEMS	4,751	13,451	4,751		4,751
		Hyperspectral long wave imagery for the tac environment (Hy lite)		[8,700]			
0305208A	182	DISTRIBUTED COMMON GROUND SYSTEMS	32,292	32,292	32,292		32,292
0708045A	183	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	65,981	68,981	65,981	3,000	68,981
		21st century high technology for legacy parts reinvention		[3,000]		[3,000]	
1001018A	184	NATO JOINT STARS	503	503	503		503
		Financial information systems			-18,200		
		Information technology reduction		-68,000			
		Total, RDT&E Army	**9,122,825**	**9,338,382**	**9,016,200**	**422,008**	**9,544,833**

Patriot Advanced Capability–3 spiral development

The budget request included in $174.5 million in PE 64865A for Patriot Advanced Capability–3 (PAC–3) advanced development; $276.3 million in PE 63869A for research and development on the Medium Extended Air Defense System (MEADS); $44.5 million in PE 23801A for development of Patriot system improvements; $561.6 million in Missile Procurement, Army, for procurement of 108 PAC–3 missiles; and $212.6 million in Missile Procurement, Army, for procurement of Patriot system modifications.

The House bill would authorize $253.5 million in PE 64865A for PAC–3 advanced development, an increase of $79.0 million; $276.3 million for MEADS research and development, the requested amount, but would transfer funding for the program to the Missile Defense Agency (MDA) in PE 63881C; $44.5 million in PE 23801A, the requested amount; $687.6 for procurement of 138 PAC–3 missiles and improvements in PAC–3 communications and radar, an increase of $126.0 million and 30 missiles; and $212.6 million, the requested amount, for procurement of Patriot system modifications.

The Senate amendment would authorize the merger of PAC–3 advanced development and MEADS research and development into a single PAC–3 spiral development program, with funds for the new alignment in a MDA program element. Specifically, the Senate amendment would authorize no funding in PE 64865A, a decrease of $174.5 million; no funding in PE 63869A, a decrease of $276.3 million; $415.8 million in PE 64865C, an increase of $415.8 million; $48.5 million in PE 23801A, an increase of $4.0 million for the light antenna mast group; and $223.6 million in Missile Procurement, Army, an increase of $11.0 million for procurement of unfunded PAC–3 requirements identified by the Army. Of the funds authorized in PE 64865C, $20.0 million would be directed toward meeting high priority unfunded PAC–3 evolutionary development efforts identified by the Army. Funding in this program element would represent an increase of $20.0 million for PAC–3 development and a decrease of $55.0 million for legacy MEADS development efforts.

The conferees agree to authorize $450.7 million in PE 63869A for PAC–3 spiral development. This funding represents the combined requests for PAC–3 development and MEADS, merged into a single account under the auspices of the Army. The conferees also agree to authorize $45.5 million in PE 23801A, an increase of $1.0 million for the light antenna mast group; $651.6 million in Missile Procurement, Army, for 138 PAC–3 missiles, an increase of $90.0 million and 30 missiles; and $212.6 million, the budget request, for procurement of Patriot system modifications.

Subsequent to the submission of the budget request, the Under Secretary of Defense for Acquisition, Technology, and Logistics approved the Army's plan for the merger of MEADS and PAC–3 development under Army management. The conferees agree that the PAC–3 development program and the MEADS research and development program are best managed as a single coordinated effort and funded in a single program element. The conferees expect that such a management structure will lead to the development of technologies that can be used in subsequent PAC–3 block procurement,

resulting in more rapid deployment of MEADS objective capabilities.

The conferees support the administration's efforts to encourage participation by U.S. allies and friends in the development of ballistic missile defenses. MEADS has been an example of those efforts. The conferees support a continuing, meaningful role for Germany and Italy in the combined development program.

The conferees recognize that PAC–3 also has air and cruise missile defense missions and that consequently the administration recommended that a merged PAC–3/MEADS program be funded in the Army. The conferees understand that programs with multiple missions, such as PAC–3, pose difficult management challenges. The conferees note that MDA is responsible for ballistic missile defense research and development; the services are responsible for air and cruise missile defense development, procurement of air and missile defense systems, and product improvement of those systems; and the Joint Theater Air and Missile Defense Organization is responsible for air and missile defense architectures. The conferees direct the Secretary of Defense to review this division of responsibilities, and to make any recommendations for changes to this management structure he deems desirable to the Committees on Armed Services of the Senate and House of Representatives by March 1, 2004.

The conferees also recognize that the transition of ballistic missile defense program procurement to the services poses serious management challenges for the spiral development of enhanced capabilities in the future. The conferees believe that MDA should retain the authority necessary to assure proper integration of missile defense assets. The conferees direct the Secretary of Defense to review the MDA's current authorities and planning for spiral development, and to make any recommendations for changes to these authorities and plans he deems desirable to the Committees on Armed Services of the Senate and House of Representatives by March 1, 2004.

The conferees reemphasize the priority placed by Congress and the President on development of defenses against ballistic missiles. The conferees understand that the Army has other competing priorities for force modernization and transformation funds. However, the conferees expect that the Army will obligate and expend funds authorized and appropriated for PAC–3/MEADS development solely for that purpose.

Space-based Radar

The budget request included $274.1 million for the space-based radar program.

The conferees agree to authorize $199.1 million for the space-based radar program, a reduction of $75.0 million.

The conferees continue to support the Department's plans to develop a Space-based Radar (SBR) system to support both military and intelligence missions. The conferees note that the program is in an early development phase, and consequently both the system's planned architecture and its concept of operations are as yet unclear. The conferees believe that robust competition will be impor-

tant to achieving the most effective SBR technologies, architectures, and concepts of operations.

The Senate report (S. Rept. 108–46) included a requirement that the Secretary of the Air Force submit two reports on options for Space-Based Radar architectures and spiral developments. In lieu of these reports, the conferees direct that the Secretary of the Air Force and the Under Secretary of Defense for Intelligence to jointly submit a report to the congressional defense and intelligence committees by March 30, 2004, and a follow-on report by March 15, 2005, on the SBR capabilities and concepts of operation to meet both military and intelligence community needs, and the options for the SBR architecture, technology, and spiral developments. These reports should include, when available, a description of the initial architecture planned for SBR, the rationale for choosing the initial architecture and spiral development planned for the system and for rejecting the alternatives, an assessment of the cost effectiveness of SBR architecture and spiral alternatives that were evaluated, and a description of the competitive processes used to ensure that all relevant technologies, architectures, and concepts of operations were thoroughly evaluated.

The conferees believe that proper definition of system capabilities and coordination with the intelligence community are key to success for the SBR program. The conferees understand that the Under Secretary of the Air Force intends to issue the request for proposal (RFP) for phase A SBR concept development and analysis of alternatives only after the Joint Requirements Oversight Council and the Mission Requirements Board agree on a statement of SBR capabilities and concepts of operations. The conferees fully support this approach. The conferees direct the Under Secretary of the Air Force to issue the RFP only after this agreement has been achieved. If this RFP has not been issued within 60 days of the date of enactment of this Act, the conferees further direct the Secretary of Defense and the Director of Central Intelligence to provide a report describing the reasons for the delay to the Committees on Armed Services of the Senate and House of Representatives, the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives. If required, this report shall be provided no later than March 30, 2004.

NAVY

Research, Development, Test and Evaluation, Navy—Overview

The budget request for fiscal year 2004 included an authorization of $14,106.7 million for Research, Development, Test and Evaluation, Navy in the Department of Defense.

The House bill would authorize $14,364.5 million.

The Senate amendment would authorize $14,604.8 million.

The conferees recommend an authorization of $14,845.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
		RESEARCH, DEVELOPMENT, TEST & EVALUATION, NAVY					
0601103N	1	UNIVERSITY RESEARCH INITIATIVES	70,669	76,669		3,600	74,269
		Transfer program to PE 61103D8Z (RDDW 3)			[-70,669]		
		Naval architecture and engineering		[6,000]		[3,600]	
0601152N	2	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	17,400	17,400	17,400		17,400
0601153N	3	DEFENSE RESEARCH SCIENCES	368,517	368,517	378,017	9,500	378,017
		Robotic countermine technology			[3,000]	[3,000]	
		Neutron detection technology			[1,500]	[1,500]	
		Advanced power and propulsion			[5,000]	[5,000]	
0602114N	4	POWER PROJECTION APPLIED RESEARCH	114,144	141,644	117,144	7,750	121,894
		Gallium nitride materials			[6,000]	[6,000]	
		Free electron laser			[10,000]	[10,000]	
		Chemical detection on UAVs			[2,000]	[2,000]	
		Silver Fox UAV		[15,000]	[8,000]		
		Transfer to PE 63114N (RDN18), Navy accounting error			[-25,000]	[-25,000]	
		Non-thermal imaging systems		[2,000]	[2,000]	[2,000]	
		Interrogator for high speed retro reflectometer		[4,000]		[4,000]	
		Hybrid Lidar-radar for improved optical imaging		[3,500]		[3,500]	
		Integrated high payoff rocket propulsion technology program		[3,000]		[1,000]	
		Intelligent control systems for SWARM UAVs				[4,250]	
0602123N	5	FORCE PROTECTION APPLIED RESEARCH	75,909	78,409	94,209	16,500	92,409
		Advanced fusion processing			[5,000]	[5,000]	
		Fiber reinforced polymers			[4,000]	[4,000]	
		Corrosion modeling			[4,500]	[4,500]	
		Polymeric aircraft components			[4,800]	[3,000]	
		Fire retarded POSS composites		[2,500]			
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	31,778	31,778	31,778		31,778
0602232N	7	COMMUNICATIONS, COMM AND CNTRL, INTEL, SURVEILLANCE					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602233N	8	HUMAN SYSTEMS TECHNOLOGY					
0602234N	9	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY					
0602235N	10	COMMON PICTURE APPLIED RESEARCH	59,022	65,022	59,022	6,000	65,022
		Theater undersea warfare initiative		[6,000]		[6,000]	
0602236N	11	WARFIGHTER SUSTAINMENT APPLIED RESEARCH	52,213	59,913	70,713	19,200	71,413
		Bioagent diagnostic tool			[4,000]	[4,000]	
		Biowarfare agent detector			[4,000]	[3,000]	
		Low observable materials			[6,000]	[4,000]	
		Formable aligned carbon thermoset materials		[1,500]	[1,500]	[1,500]	
		Space tether system			[1,000]		
		Coastal mapping systems			[2,000]	[2,000]	
		Marine mammal research program		[2,200]		[2,200]	
		Aerospace materials technology consortium		[4,000]		[2,500]	
0602271N	12	RF SYSTEMS APPLIED RESEARCH	44,019	59,519	49,019	6,500	50,519
		High brightness electron sources			[3,000]	[3,000]	
		Advanced semiconductor research			[2,000]	[2,000]	
		Vacuum electronics		[9,500]			
		Wide band gap semiconductor power electronics		[6,000]		[1,500]	
0602435N	13	OCEAN WARFIGHTING ENVIRONMENT APPLIED RESEARCH	48,785	49,785	54,785	6,000	54,785
		Ocean observing systems			[6,000]	[6,000]	
		Station-keeping ocean environment sensors		[1,000]			
0602633N	14	UNDERSEA WARFARE WEAPONRY TECHNOLOGY					
0602747N	15	UNDERSEA WARFARE APPLIED RESEARCH	62,583	65,083	65,383	2,500	65,083
		Low acoustic signature motors & propulsion		[2,500]	[2,800]	[2,500]	
0602782N	16	MINE AND EXPEDITIONARY WARFARE APPLIED RESEARCH	47,490	47,490	47,490		47,490
0602805N	17	DUAL USE SCIENCE AND TECHNOLOGY PROGRAM					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603114N	18	POWER PROJECTION ADVANCED TECHNOLOGY	173,478	203,978	198,478	49,000	222,478
		Transfer from PE 62114N (RDN 4), Navy accounting error			[25,000]	[25,000]	
		DP-2 thrust vectoring program		[10,000]		[10,000]	
		Cruise missile real time retargeting/LADAR technology		[10,000]		[6,000]	
		Low-power mega-performance UAV processing engines		[7,500]		[7,000]	
		Integrated high payoff rocket propulsion technology program		[3,000]		[1,000]	
0603123N	19	FORCE PROTECTION ADVANCED TECHNOLOGY	55,780	145,680	74,580	59,700	115,480
		Project M - Mark V seat demonstration / Project M		[4,000]	[4,700]	[4,700]	
		HTS AC synchronous ship propulsion motor		[15,800]	[10,000]	[10,000]	
		Laser welding for shipbuilding			[4,100]	[4,000]	
		Littoral support craft - experimental		[20,000]		[20,000]	
		Superconducting DC homopolar motor		[8,000]		[8,000]	
		Advanced Waterjet 21		[3,000]		[2,000]	
		Offshore mobile basing		[10,000]			
		Quad hull security caisson technical demonstration		[16,000]		[5,000]	
		COTS carbon fiber qualification		[5,500]		[4,000]	
		Electromagnetic gun initiative		[7,600]		[2,000]	
0603235N	20	COMMON PICTURE ADVANCED TECHNOLOGY	69,194	81,194	79,194	8,000	77,194
		Consolidated undersea situational awareness system		[7,000]	[4,000]	[4,000]	
		Shipboard automated reconstruction capability			[6,000]	[4,000]	
		Integrated maritime picture system of systems		[5,000]			
0603236N	21	WARFIGHTER SUSTAINMENT ADVANCED TECHNOLOGY	54,794	63,294	67,294	12,500	67,294
		Automated container and cargo handling system			[6,500]	[4,000]	
		Emerging/critical interconnection technology initiative		[5,000]	[3,000]	[4,000]	
		Expeditionary logistics software development			[3,000]	[2,000]	
		Reduction of catapult post-retraction exhaust discharge		[2,000]		[1,000]	
		IMPRINT		[1,500]		[1,500]	

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(Dollars in Thousands)

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0603271N	22	RF SYSTEMS ADVANCED TECHNOLOGY	45,475	58,475	55,475	15,000	60,475
		Precision surveillance and targeting radar			[10,000]	[7,000]	
		Remote ocean surveillance systems		[3,000]		[3,000]	
		LPI surveillance radar demonstration		[10,000]		[5,000]	
0603508N	23	SURFACE SHIP & SUBMARINE HM&E ADVANCED TECH					
0603640M	24	MARINE CORPS ADVANCED TECH DEMONSTRATION (ATD)	56,404	70,404	69,304	16,000	72,404
		Water purification technology			[6,000]	[6,000]	
		Center for Emerging Threats and Opportunities (CETO)			[1,500]		
		Dragon Eye UAV			[3,500]		
		Expeditionary communications system			[1,900]		
		Rapid deployment fortification wall live-fire testing		[3,500]			
		Advanced light strike vehicle		[5,000]		[5,000]	
		Mobile expandable shelters		[500]			
		Spike urban warfare system		[5,000]		[5,000]	
0603706N	25	MEDICAL DEVELOPMENT					
0603707N	26	MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV					
0603712N	27	ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNY					
0603727N	28	NAVY TECHNICAL INFORMATION PRESENTATION SYSTEM	151,058		151,058		151,058
		Joint Warfare Experimentation Pgm (Transfer to PE 63xxD8Z, RDDW 61a)		[-151,058]			
0603729N	29	WARFIGHTER PROTECTION ADVANCED TECHNOLOGY	11,435	23,935	11,435	3,000	14,435
		Biomedical research imaging		[5,000]			
		Organ transfer technology		[3,000]		[3,000]	
		Modeling and simulation of surgical procedures for battlefield trauma		[4,500]			
0603747N	30	UNDERSEA WARFARE ADVANCED TECHNOLOGY	38,168	38,168	38,168		38,168
0603757N	31	JOINT WARFARE EXPERIMENTS	13,684		28,684	11,000	24,684
		Modeling and simulation for homeland defense			[15,000]	[15,000]	
		Joint warfare experiments		[-13,684]			
		JSIMS				[-4,000]	

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0603758N	32	NAVY WARFIGHTING EXPERIMENTS AND DEMONSTRATIONS	20,584	20,584	20,584		20,584
0603782N	33	MINE AND EXPEDITIONARY WARFARE ADVANCED TECH	31,719	31,719	39,219	6,500	38,219
		Augmented reality research			[3,500]	[2,500]	
		Hyperspectral mapping			[4,000]	[4,000]	
0603792N	34	ADVANCED TECHNOLOGY TRANSITION					
0603207N	35	AIR/OCEAN TACTICAL APPLICATIONS	22,832	26,082	22,832		22,832
		Hydrographic science		[3,250]			
0603216N	36	AVIATION SURVIVABILITY	6,809	6,809	14,809	5,000	11,809
		Rotorcraft external airbag protection system (REAPS)			[8,000]	[5,000]	
0603237N	37	DEPLOYABLE JOINT COMMAND AND CONTROL	79,449	32,449	79,449		79,449
		Program reduction		[-47,000]			
0603254N	38	ASW SYSTEMS DEVELOPMENT	11,149	17,149	11,149	5,000	16,149
		Nonlinear dynamics stochastic resonance		[4,000]		[4,000]	
		Claymore marine		[2,000]		[1,000]	
0603261N	39	TACTICAL AIRBORNE RECONNAISSANCE	7,051		7,051		7,051
		UAV concept program reduction		[-7,051]			
0603382N	40	ADVANCED COMBAT SYSTEMS TECHNOLOGY	3,394	3,394	7,394	4,000	7,394
		Improved combat information center (CIC)			[4,000]	[4,000]	
0603502N	41	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	140,731	149,731	140,731		140,731
		Surface navy integrated undersea tactical technology		[9,000]			
0603506N	42	SURFACE SHIP TORPEDO DEFENSE	48,347	48,347	48,347		48,347
0603512N	43	CARRIER SYSTEMS DEVELOPMENT	144,965	144,965	165,965	20,000	164,965
		Aviation Ship Integration Center			[14,000]	[14,000]	
		Advanced battle station/decision support system			[7,000]	[6,000]	

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0603513N	44	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	20,431	21,931	23,431	4,000	24,431
		Improved surface vessel torpedo launcher			[3,000]	[3,000]	
		Navy AQB circuit breaker electronic trip units second source qualification		[1,500]		[1,000]	
0603525N	45	PILOT FISH	95,301	95,301	95,301		95,301
0603527N	46	RETRACT LARCH	74,111	74,111	74,111		74,111
0603536N	47	RETRACT JUNIPER	20,526	20,526	20,526		20,526
0603542N	48	RADIOLOGICAL CONTROL	1,112	1,112	1,112		1,112
0603553N	49	SURFACE ASW	2,506	2,506	5,006	2,500	5,006
		ASW risk reduction			[2,500]	[2,500]	
0603559N	50	SSGN CONVERSION	68,988	68,988	68,988		68,988
0603561N	51	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	52,744	91,444	89,444	36,700	89,444
		Submarine payload and sensors		[25,000]	[25,000]	[21,000]	
		Rotary electromagnetic launcher			[3,000]	[2,000]	
		Advanced metal fiber brushes		[8,700]	[8,700]	[8,700]	
		Advanced composite sail phase II		[5,000]		[5,000]	
0603562N	52	SUBMARINE TACTICAL WARFARE SYSTEMS	6,027	6,027	6,027		6,027
0603563N	53	SHIP CONCEPT ADVANCED DESIGN	7,679	7,679	7,679		7,679
0603564N	54	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES					
0603570N	55	ADVANCED NUCLEAR POWER SYSTEMS	201,239	201,239	201,239		201,239
0603573N	56	ADVANCED SURFACE MACHINERY SYSTEMS	1,468	1,468	1,468		1,468
0603576N	57	CHALK EAGLE	17,463	17,463	17,463		17,463
0603581N	58	LITTORAL COMBAT SHIP (LCS)	158,071	193,071	193,071	25,000	183,071
		LCS mission module development		[35,000]	[35,000]	[25,000]	
0603582N	59	COMBAT SYSTEM INTEGRATION	86,836	86,836	86,836		86,836
0603609N	60	CONVENTIONAL MUNITIONS	42,539	42,539	42,539		42,539
0603611M	61	MARINE CORPS ASSAULT VEHICLES	240,695	240,695	240,695		240,695
0603612M	62	MARINE CORPS MINE/COUNTERMEASURES SYS - ADV DEV	1,215	1,215	1,215		1,215

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0603635M	63	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	19,700	19,700	32,200	8,000	27,700
		Non-lethal weapons			[12,500]	[8,000]	
0603654N	64	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	12,385	12,385	12,385		12,385
0603658N	65	COOPERATIVE ENGAGEMENT	72,506	72,506	72,506		72,506
0603713N	66	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	18,180	18,180	21,680	3,500	21,680
		Distress signaling system evaluation			[3,500]	[3,500]	
0603721N	67	ENVIRONMENTAL PROTECTION	30,127	30,127	33,127	3,000	33,127
		Integrated Marine Mammal Monitoring and Protection System			[3,000]	[3,000]	
0603724N	68	NAVY ENERGY PROGRAM	1,713	1,713	1,713		1,713
0603725N	69	FACILITIES IMPROVEMENT	1,440	1,440	1,440		1,440
0603734N	70	CHALK CORAL	61,453	61,453	61,453		61,453
0603739N	71	NAVY LOGISTIC PRODUCTIVITY	7,591	7,591	10,091	2,500	10,091
		JEDMICS (Transfer from OPN 85)			[2,500]	[2,500]	
0603746N	72	RETRACT MAPLE	300,864	300,864	300,864		300,864
0603748N	73	LINK PLUMERIA	105,363	105,363	105,363		105,363
0603751N	74	RETRACT ELM	43,755	43,755	43,755		43,755
0603755N	75	SHIP SELF DEFENSE	9,733	9,733	9,733		9,733
0603764N	76	LINK EVERGREEN	95,796	95,796	95,796		95,796
0603787N	77	SPECIAL PROCESSES	53,450	53,450	53,450		53,450
0603790N	78	NATO RESEARCH AND DEVELOPMENT	7,941	7,941	7,941		7,941
0603795N	79	LAND ATTACK TECHNOLOGY	63,434	130,434	63,434	62,000	125,434
		Affordable weapon system		[40,000]		[40,000]	
		Naval fires network tactical dissemination module		[5,000]		[1,000]	
		Autonomous naval support round		[20,000]		[20,000]	
		Antijam GPS receive/comm link for hypersonic projectile		[2,000]		[1,000]	
0603851M	80	NONLETHAL WEAPONS	43,445	43,445	43,445		43,445

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0603857N	81	ALL SERVICE CBT IDENTIFICATION EVAL TEAM (ASCIET)	16,765	16,765	16,765		16,765
0603860N	82	JOINT PRECISION APPROACH AND LANDING SYSTEMS	24,304	24,304	24,304		24,304
0603879N	83	SINGLE INTEGRATED AIR PICTURE (SIAP) SYS ENG (SE)	15,053	15,053	15,053		15,053
0603889N	84	COUNTERDRUG RDT&E PROJECTS					
0604272N	85	TAC AIR DIRECTIONAL INFRARED COUNTERMEASURES					
0604327N	86	HARD AND DEEPLY BURIED TARGET DEFEAT SYS (HDBTDS)					
0604707N	87	SPACE AND ELECTRONIC WARFARE (SEW) ARCH/ENG SPT	31,369	31,369	36,369	5,000	36,369
		Advanced wireless network			[5,000]	[5,000]	
0603662N	88	FOREIGN COUNTER-INTELLIGENCE (FCI)	[ ]				
0603787N	89	SPECIAL PROCESSES	[ ]				
0603831N	90	CLASSIFIED PROGRAMS	[ ]				
0604212N	91	OTHER HELO DEVELOPMENT	66,764	67,764	67,764	1,000	67,764
		Advanced helicopter tow cable		[1,000]	[1,000]	[1,000]	
0604214N	92	AV-8B AIRCRAFT - ENG DEV	10,527	17,527	17,527		10,527
		AV-8B aircraft engine development		[7,000]	[7,000]		
0604215N	93	STANDARDS DEVELOPMENT	50,063	56,063	50,063	6,000	56,063
		Metrology		[6,000]		[6,000]	
0604216N	94	MULTI-MISSION HELICOPTER UPGRADE DEVELOPMENT	76,998	76,998	76,998		76,998
0604217N	95	S-3 WEAPON SYSTEM IMPROVEMENT					
0604218N	96	AIR/OCEAN EQUIPMENT ENGINEERING	4,309	4,309	4,309		4,309
0604221N	97	P-3 MODERNIZATION PROGRAM	7,306	24,806	19,606	12,300	19,606
		P-3 AIP phased capability upgrade		[17,500]	[12,300]	[12,300]	
0604230N	98	WARFARE SUPPORT SYSTEM	1,466	1,466	4,466	2,000	3,466
		Deployable autonomous distribution systems for MIUW			[3,000]	[2,000]	
0604231N	99	TACTICAL COMMAND SYSTEM	68,805	73,805	68,805	2,000	70,805
		F/A-22 EW at sea demo		[5,000]		[2,000]	
0604234N	100	E-2C RADAR MODERNIZATION	352,298	352,298	352,298		352,298
0604245N	101	H-1 UPGRADES	90,589	90,589	90,589		90,589

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0604261N	102	ACOUSTIC SEARCH SENSORS	15,831	15,831	15,831		15,831
0604262N	103	V-22A	441,142	441,142	441,142		441,142
0604264N	104	AIR CREW SYSTEMS DEVELOPMENT	8,765	12,765	8,765	4,000	12,765
		Joint Helmet Mounted Cueing System (JHMCS)		[4,000]		[4,000]	
0604270N	105	EW DEVELOPMENT	256,701	66,879	256,701	12,500	269,201
		IDECM ALE-55 development testing		[15,000]		[12,500]	
		Transfer to EA-18G (new PE 64271N)		[-204,822]			
0604271N	XX	EA-18G		204,822			
0604273N	106	VHXX EXECUTIVE HELO DEVELOPMENT	197,431	197,431	197,431		197,431
0604280N	107	JOINT TACTICAL RADIO SYSTEM - NAVY (JTRS-NAVY)	87,943	87,943	87,943		87,943
0604300N	108	SC-21 TOTAL SHIP SYSTEM ENGINEERING	1,037,987	1,041,987	1,037,987	-6,000	1,031,987
		Knowledge projection for fleet maintenance		[4,000]		[4,000]	
		DD(X) radar development				[-10,000]	
0604307N	109	SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	205,733	250,733	205,733	40,000	245,733
		AEGIS open architecture		[10,000]		[5,000]	
		S-band radar prototype		[35,000]		[35,000]	
0604311N	110	LPD-17 CLASS SYSTEMS INTEGRATION	7,989	7,989	7,989		7,989
0604312N	111	TRI-SERVICE STANDOFF ATTACK MISSILE	25,137	25,137	25,137		25,137
0604329N	112	SMALL DIAMETER BOMB (SDB)					
0604366N	113	STANDARD MISSILE IMPROVEMENTS	76,927	76,927	122,927	10,000	86,927
		ERAM acceleration			[46,000]	[10,000]	
0604373N	114	AIRBORNE MCM	88,514	88,514	88,514		88,514
0604503N	115	SSN-688 AND TRIDENT MODERNIZATION	80,815	87,315	85,815	5,000	85,815
		Submarine antenna technology improvements			[5,000]	[3,000]	
		Affordable towed array construction		[6,500]		[2,000]	
0604504N	116	AIR CONTROL	10,472	10,472	10,472		10,472
0604507N	117	ENHANCED MODULAR SIGNAL PROCESSOR	1,006	1,006	1,006		1,006

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0604512N	118	SHIPBOARD AVIATION SYSTEMS	18,352	26,252	18,352	4,000	22,352
		Aviation shipboard information technology		[6,500]		[4,000]	
		AutoRead		[1,400]			
0604518N	119	COMBAT INFORMATION CENTER CONVERSION	21,244	21,244	21,244		21,244
0604558N	120	NEW DESIGN SSN	112,355	122,355	138,555	26,200	138,555
		Virginia class - information assurance			[8,200]	[8,200]	
		Virginia class - multi mission module		[10,000]	[10,000]	[10,000]	
		Virginia class - network centric architecture			[8,000]	[8,000]	
0604561N	121	SSN-21 DEVELOPMENTS	13,482	13,482	15,482		13,482
		Composite sail test articles			[2,000]		
0604562N	122	SUBMARINE TACTICAL WARFARE SYSTEM	32,238	32,238	52,238	6,500	38,738
		Submarine tactical control system			[10,000]	[10,000]	
		Submarine weapons control system			[10,000]	[7,000]	
		AN/BSG-1 milestone III				[-10,500]	
0604567N	123	SHIP CONTRACT DESIGN/ LIVE FIRE T&E	138,017	138,017	138,017		138,017
0604574N	124	NAVY TACTICAL COMPUTER RESOURCES	2,267	2,267	2,267		2,267
0604601N	125	MINE DEVELOPMENT	1,497	1,497	1,497		1,497
0604603N	126	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	9,701	9,701	9,701		9,701
0604610N	127	LIGHTWEIGHT TORPEDO DEVELOPMENT	3,442	3,442	3,442		3,442
0604618N	128	JOINT DIRECT ATTACK MUNITION	33,029	33,029	33,029		33,029
0604654N	129	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	8,136	8,136	8,136		8,136
0604703N	130	PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,941	1,941	1,941		1,941
0604710N	131	NAVY ENERGY PROGRAM			3,500	3,500	3,500
		Uninterruptible PEM fuel cell			[3,500]	[3,500]	
0604721N	132	BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	16,942	16,942	16,942		16,942
0604727N	133	JOINT STANDOFF WEAPON SYSTEMS	775	775	775		775

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0604755N	134	SHIP SELF DEFENSE (DETECT & CONTROL)	40,930	56,930	40,930	6,000	46,930
		Integrated radar optical surveillance and sighting system		[16,000]		[6,000]	
0604756N	135	SHIP SELF DEFENSE (ENGAGE: HARD KILL)	23,076	23,076	23,076		23,076
0604757N	136	SHIP SELF DEFENSE (ENGAGE: SOFT KILL/EW)	35,508	35,508	46,508	11,000	46,508
		NULKA decoy development			[7,000]	[7,000]	
		Radar absorbing tiles			[4,000]	[4,000]	
0604771N	137	MEDICAL DEVELOPMENT	9,121	14,121	9,121	5,000	14,121
		Hemoglobin-based oxygen carrier		[5,000]		[5,000]	
0604777N	138	NAVIGATION/ID SYSTEM	45,726	45,726	45,726		45,726
0604784N	139	DISTRIBUTED SURVEILLANCE SYSTEM	28,755	28,755	28,755		28,755
0604800N	140	JOINT STRIKE FIGHTER (JSF)	2,171,736	2,171,736	2,227,736	56,000	2,227,736
		Interchangeable engine development			[56,000]	[56,000]	
0604910N	141	SMART CARD	552	552	552		552
0605013M	142	INFORMATION TECHNOLOGY DEVELOPMENT	8,835	8,835	8,835		8,835
0605013N	143	INFORMATION TECHNOLOGY DEVELOPMENT	30,562	39,562	32,562	10,000	40,562
		Wireless sensor technologies/Open architecture wireless sensors		[1,000]	[2,000]	[2,000]	
		Naval collaboration tool set		[8,000]		[8,000]	
0605014N	144	DEF INTEGRATED MILITARY HUMAN RESOURCES SYS (DIMHRS) -	78,724	50,724	78,724		78,724
		Defense integrated military human resource system		[-28,000]			
0605015N	145	JOINT COUNTER-INTELLIGENCE ASSESSMENT GRP (JCAG)					
0605500N	146	MULTI-MISSION MARITIME AIRCRAFT (MMA)	76,243	58,743	76,243		76,243
		Program reduction		[-17,500]			
0508713N	147	NAVY STANDARD INTEGRATED PERSONNEL SYS (NSIPS)	4,653	4,653	4,653		4,653
0604256N	148	THREAT SIMULATOR DEVELOPMENT	28,004	28,004	28,004		28,004
0604258N	149	TARGET SYSTEMS DEVELOPMENT	37,638	37,638	37,638		37,638
0604759N	150	MAJOR T&E INVESTMENT	43,908	43,908	43,908		43,908
0605152N	151	STUDIES AND ANALYSIS SUPPORT - NAVY	4,431	4,431	5,431	1,000	5,431
		Fire resistant fibers			[1,000]	[1,000]	

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0605154N	152	CENTER FOR NAVAL ANALYSES	40,726	42,326	40,726		40,726
		Fleet architecture studies		[1,600]			
0605155N	153	FLEET TACTICAL DEVELOPMENT	2,006	2,006	2,006		2,006
0605502N	154	SMALL BUSINESS INNOVATIVE RESEARCH					
0605804N	155	TECHNICAL INFORMATION SERVICES	726	726	726		726
0605853N	156	MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	30,236	30,236	33,736	2,500	32,736
		Warfare analysis and education			[3,500]	[2,500]	
0605856N	157	STRATEGIC TECHNICAL SUPPORT	3,883	3,883	3,883		3,883
0605861N	158	RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,885	64,885	64,885		64,885
0605862N	159	RDT&E INSTRUMENTATION MODERNIZATION	13,554	13,554	13,554		13,554
0605863N	160	RDT&E SHIP AND AIRCRAFT SUPPORT	78,648	78,648	78,648		78,648
0605864N	161	TEST AND EVALUATION SUPPORT	258,471	258,471	258,471		258,471
0605865N	162	OPERATIONAL TEST AND EVALUATION CAPABILITY	12,094	12,094	12,094		12,094
0605866N	163	NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	3,187	3,187	3,187		3,187
0605867N	164	SEW SURVEILLANCE/RECONNAISSANCE SUPPORT	12,091	12,091	12,091		12,091
0605873M	165	MARINE CORPS PROGRAM WIDE SUPPORT	16,635	16,635	16,635		16,635
0909999N	166	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS					
0603660N	167	ADVANCED DEVELOPMENT PROJECTS	[ ]				
0603661N	168	RETRACT VIOLET	[ ]				
0101221N	169	STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	104,793	104,793	106,293	1,500	106,293
		Thin plate pure lead batteries			[1,500]	[1,500]	
0101224N	170	SSBN SECURITY TECHNOLOGY PROGRAM	38,408	38,408	38,408		38,408
0101226N	171	SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	2,955	2,955	2,955		2,955
0101402N	172	NAVY STRATEGIC COMMUNICATIONS	27,357	27,357	27,357		27,357
0203761N	173	RAPID TECHNOLOGY TRANSITION (RTT)	14,662	14,662	14,662		14,662
0204136N	174	F/A-18 SQUADRONS	179,047	179,047	179,047		179,047
0204152N	175	E-2 SQUADRONS	9,083	9,083	9,083		9,083
0204163N	176	FLEET TELECOMMUNICATIONS (TACTICAL)	16,484	16,484	16,484		16,484

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0204229N	177	TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER	71,385	71,385	81,385	10,000	81,385
		Precision target aided navigation			[10,000]	[10,000]	
0204311N	178	INTEGRATED SURVEILLANCE SYSTEM	14,278	21,778	14,278		14,278
		All optical underwater segments		[7,500]			
0204413N	179	AMPHIBIOUS TACTICAL SUPPORT UNITS	5,652	5,652	5,652		5,652
0204571N	180	CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	21,719	22,719	21,719	1,000	22,719
		Battle force tactical training coalition interoperability		[1,000]		[1,000]	
0204574N	181	CRYPTOLOGIC DIRECT SUPPORT	1,466	1,466	1,466		1,466
0204575N	182	ELECTRONIC WARFARE (EW) READINESS SUPPORT	11,927	11,927	11,927		11,927
0205601N	183	HARM IMPROVEMENT	49,381	49,381	49,381		49,381
0205604N	184	TACTICAL DATA LINKS	44,526	44,526	44,526		44,526
0205620N	185	SURFACE ASW COMBAT SYSTEM INTEGRATION	12,179	12,179	12,179		12,179
0205632N	186	MK-48 ADCAP	17,227	17,227	17,227		17,227
0205633N	187	AVIATION IMPROVEMENTS	60,073	63,073	60,073	3,000	63,073
		Automated wire analysis		[3,000]		[3,000]	
0205658N	188	NAVY SCIENCE ASSISTANCE PROGRAM	7,236	7,236	7,236		7,236
0205667N	189	F-14 UPGRADE					
0205675N	190	OPERATIONAL NUCLEAR POWER SYSTEMS	62,751	62,751	62,751		62,751
0206313M	191	MARINE CORPS COMMUNICATIONS SYSTEMS	235,722	239,722	243,722	3,000	238,722
		Collaborative info warfare network			[8,000]		
		Digital intelligence situation mapboard		[4,000]		[3,000]	
0206623M	192	MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYS	35,439	35,439	35,439		35,439
0206624M	193	MARINE CORPS COMBAT SERVICES SUPPORT	19,723	19,723	19,723		19,723
0207161N	194	TACTICAL AIM MISSILES	2,322	2,322	2,322		2,322
0207163N	195	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	9,297	9,297	9,297		9,297
0301303N	196	MARITIME INTELLIGENCE	[ ]				
0301323N	197	COLLECTION MANAGEMENT	[ ]				
0301327N	198	TECHNICAL RECONNAISANCE AND SURVEILLANCE	[ ]				

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0303109N	199	SATELLITE COMMUNICATIONS (SPACE)	379,541	389,541	379,541	-15,000	364,541
		Joint integrated satellite communications technology		[10,000]		[10,000]	
		MUOS program reduction				[-25,000]	
0303140N	200	INFORMATION SYSTEMS SECURITY PROGRAM	18,404	18,404	18,404		18,404
0304111N	201	SPACE ACTIVITIES	[ ]				
0305149N	202	COBRA JUDY	69,369	69,369	69,369		69,369
0305160N	203	NAVY METEOROLOGICAL AND OCEAN SENSORS-SPACE	4,966	4,966	4,966		4,966
0305188N	204	JOINT C4ISR BATTLE CENTER (JBC)	50,413	50,413	50,413		50,413
0305192N	205	JOINT MILITARY INTELLIGENCE PROGRAMS	5,314	5,314	5,314		5,314
0305204N	206	TACTICAL UNMANNED AERIAL VEHICLES	56,521	74,021	102,921	50,400	106,921
		Fire Scout UAV			[46,400]	[46,400]	
		Airborne buried mine detection		[2,000]			
		Shadow 200 system components for USMC		[8,500]			
		UAV Joint Operational Test Bed System		[7,000]		[4,000]	
0305205N	207	ENDURANCE UNMANNED AERIAL VEHICLES	101,448	93,048	101,448		101,448
		Global Hawk maritime demonstration		[-8,400]			
0305206N	208	AIRBORNE RECONNAISSANCE SYSTEMS	13,345	24,345	18,445	11,500	24,845
		Podded sensors for air reconnaissance			[5,100]	[4,500]	
		Advanced sensor initiative		[11,000]		[7,000]	
0305207N	209	MANNED RECONNAISSANCE SYSTEMS	13,717	13,717	13,717		13,717
0305208N	210	DISTRIBUTED COMMON GROUND SYSTEMS	4,421	10,921	4,421	6,500	10,921
		Enterprise Targeting and Strike System (ETSS)		[6,500]		[6,500]	
0305927N	211	NAVAL SPACE SURVEILLANCE					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0308601N	212	MODELING AND SIMULATION SUPPORT	7,044	7,044	9,044	2,000	9,044
		Verification, validation and accreditation improvements			[2,000]	[2,000]	
0702207N	213	DEPOT MAINTENANCE (NON-IF)	9,073	9,073	9,073		9,073
0708011N	214	INDUSTRIAL PREPAREDNESS	54,593	54,593	54,593		54,593
0708730N	215	MARITIME TECHNOLOGY (MARITECH)	10,068	10,068	10,068		10,068
XXXXXXX	999	Classified Programs	1,028,497	1,028,497	1,028,497		1,028,497
		Financial information systems			-15,200		
		Information technology reduction		-100,000			
		Total, RDT&E Navy	**14,106,653**	**14,364,510**	**14,604,784**	**738,850**	**14,845,503**

AIR FORCE

Research, Development, Test and Evaluation, Air Force—Overview

The budget request for fiscal year 2004 included an authorization of $20,336.3 million for Research, Development, Test and Evaluation, Air Force in the Department of Defense.

The House bill would authorize $20,552.9 million.

The Senate amendment would authorize $20,389.5 million.

The conferees recommend an authorization of $20,555.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
		RESEARCH, DEVELOPMENT, TEST & EVALUATION, AIR FORCE					
0601102F	1	DEFENSE RESEARCH SCIENCES	204,754	209,754	210,254	9,500	214,254
		Quantum information technology			[1,500]	[1,500]	
		Adaptive optics research			[4,000]	[4,000]	
		Reduce biological research			[-5,000]		
		Increase propulsion research			[5,000]		
		Chabot Space and Science Center		[5,000]		[4,000]	
0601103F	2	UNIVERSITY RESEARCH INITIATIVES	105,224	105,224			105,224
		Transfer program to PE 61103D8Z (RDDW3)			[-105,224]		
0601108F	3	HIGH ENERGY LASER RESEARCH INITIATIVES	12,063	12,063			12,063
		Transfer program to PE 61108D8Z (RDDW 5)			[-12,063]		
0602102F	4	MATERIALS	68,657	76,157	86,157	25,000	93,657
		Composites for UAVs			[4,000]	[4,000]	
		Fabrication of microelectronic components			[6,000]	[6,000]	
		Closed cell foam materials			[2,000]	[2,000]	
		Nanostructured materials		[5,500]		[5,500]	
		Airbase materials technologies			[1,000]	[1,000]	
		Composite fire safety consortium		[2,000]		[2,000]	
		Nanotechnology research			[4,500]	[4,500]	
0602201F	5	AEROSPACE VEHICLE TECHNOLOGIES	65,662	65,662	65,662		65,662
0602202F	6	HUMAN EFFECTIVENESS APPLIED RESEARCH	66,795	68,795	66,795	2,000	68,795
		Flexible display and integrated communications development		[2,000]		[2,000]	
0602203F	7	AEROSPACE PROPULSION	101,575	105,575	101,575	1,000	102,575
		Integrated high payoff rocket propulsion technology		[4,000]		[1,000]	
0602204F	8	AEROSPACE SENSORS	75,577	81,577	75,577	4,000	79,577
		Advanced FT-IR gas analysis		[2,000]			
		Reconfigurable signal processors		[4,000]		[4,000]	
0602500F	9	MULTI-DISCIPLINARY SPACE TECHNOLOGY	90,526	90,526	90,526		90,526

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602601F	10	SPACE TECHNOLOGY	83,240	87,240	97,740	8,000	91,240
		Elastic memory composites			[4,000]	[3,000]	
		Thin film solar cells			[3,500]	[2,000]	
		Parallel datacom network			[4,000]		
		Microsatellite cluster technology			[3,000]	[3,000]	
		Hardening technologies for satellite protection		[4,000]			
0602602F	11	CONVENTIONAL MUNITIONS	46,455	46,455	46,455		46,455
0602605F	12	DIRECTED ENERGY TECHNOLOGY	35,359	35,359	35,359		35,359
0602702F	13	COMMAND CONTROL AND COMMUNICATIONS	71,674	87,174	78,674	9,000	80,674
		MASINT warfighter visualization tools		[8,000]	[7,000]	[4,000]	
		Central measurement intelligence office		[2,500]			
		MASINT Battlelab		[5,000]		[5,000]	
0602805F	14	DUAL USE SCIENCE AND TECHNOLOGY PROGRAM	10,586	10,586	10,586		10,586
0602890F	15	HIGH ENERGY LASER RESEARCH	41,854	41,854			41,854
		Transfer program to PE 62890D8Z (RDDW 22)			[-41,854]		
0603112F	16	ADVANCED MATERIALS FOR WEAPON SYSTEMS	33,079	43,079	40,079	7,000	40,079
		Metals affordability initiative		[7,000]	[7,000]	[5,000]	
		Hybrid bearings		[3,000]		[2,000]	
0603203F	17	ADVANCED AEROSPACE SENSORS	36,550	40,050	36,550	1,000	37,550
		National operational signature production and research capability		[3,500]		[1,000]	
0603205F	18	FLIGHT VEHICLE TECHNOLOGY					
0603211F	19	AEROSPACE TECHNOLOGY DEV/DEMO	73,416	76,416	84,916	12,000	85,416
		Advanced aluminum aerostructures			[6,500]	[5,000]	
		Life-cycle extension assessment			[2,000]	[1,000]	
		Fly-by-light photonic technology			[3,000]	[3,000]	
		3D bias woven preforms		[3,000]		[3,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603216F	20	AEROSPACE PROPULSION AND POWER TECHNOLOGY	114,726	114,726	127,726	5,000	119,726
		Fuels, lubrication and turbine engine technologies			[7,000]		
		Advanced turbine gas engine			[6,000]	[5,000]	
0603231F	21	CREW SYSTEMS AND PERSONNEL PROTECTION TECH	34,487	36,487	34,487	2,000	36,487
		Laser eye protection		[2,000]		[2,000]	
0603270F	22	ELECTRONIC COMBAT TECHNOLOGY	28,496	33,296	28,496	4,800	33,296
		Advanced threat alert receiver/lightweight modular support jammer		[4,800]		[4,800]	
0603311F	23	BALLISTIC MISSILE TECHNOLOGY		10,000		10,000	10,000
		Ballistic missile technology program		[10,000]		[10,000]	
0603333F	24	UNMANNED AIR VEHICLE DEV/DEMO					
0603401F	25	ADVANCED SPACECRAFT TECHNOLOGY	72,114	74,014	90,914	17,000	89,114
		Satellite hardening technologies			[6,800]	[5,000]	
		Thin film amorphous silicon solar arrays			[7,000]	[7,000]	
		Boron energy cell technology			[5,000]	[5,000]	
		SLV thermal protection technology		[1,900]			
0603436F	26	TRANSFORMATIONAL WIDEBAND MILSATCOM					
0603444F	27	MAUI SPACE SURVEILLANCE SYSTEM (MSSS)	6,323	16,323	16,323	10,000	16,323
		High accuracy network determination system (HANDS)		[10,000]	[10,000]	[10,000]	
0603500F	28	MULTI-DISCIPLINARY ADV DEVELOPMENT SPACE TECH	62,610	62,610	62,610		62,610
0603601F	29	CONVENTIONAL WEAPONS TECHNOLOGY	30,516	30,516	30,516		30,516
0603605F	30	ADVANCED WEAPONS TECHNOLOGY	27,024	30,524	27,024	3,500	30,524
		Laserspark countermeasure program		[3,500]		[3,500]	
0603723F	31	ENVIRONMENTAL ENGINEERING TECHNOLOGY		3,000			
		Environmental studies		[3,000]			
0603755F	32	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	185,282	201,482	185,282		185,282
		SMDC Simulation Center computer upgrade		[16,200]			

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603789F	33	C3I ADVANCED DEVELOPMENT	31,538	38,038	31,538	3,000	34,538
		All-source fusion and effects based operation for C2 Constellation		[4,500]		[1,000]	
		Fusion SIGINT enhancements for network centric intelligence		[2,000]		[2,000]	
0603801F	34	HIGH ENERGY LASER ADVANCED TECHNOLOGY PROGRAM	369,483	369,483	369,483		369,483
0603850F	35	INTEGRATED BROADCAST SERVICE	8,537	8,537	8,537		8,537
0603924F	36	HIGH ENERGY LASER ADVANCED TECHNOLOGY PROGRAM	10,910	10,910			10,910
		Transfer program to PE 63924D8Z (RDDW 56)			[-10,910]		
0207423F	37	ADVANCED COMMUNICATIONS SYSTEMS	12,053	12,053	12,053		12,053
0401840F	38	AMC COMMAND AND CONTROL SYSTEM	6,046	6,046	6,046		6,046
0804757F	39	JOINT NATIONAL TRAINING CENTER	2,940	2,940	2,940		2,940
0603260F	40	INTELLIGENCE ADVANCED DEVELOPMENT	4,513	4,513	4,513		4,513
0603287F	41	PHYSICAL SECURITY EQUIPMENT	24,483	27,483	24,483		24,483
		Enhanced techniques for detection of explosives		[3,000]			
0603421F	42	NAVSTAR GLOBAL POSITIONING SYSTEM III		45,000	80,000		
		Program increase		[45,000]	[80,000]		
0603430F	43	ADVANCED EHF MILSATCOM (SPACE)	778,078	838,078	838,078	45,000	823,078
		AEHF spare parts		[60,000]	[60,000]	[45,000]	
0603432F	44	POLAR MILSATCOM (SPACE)	5,580	5,580	5,580		5,580
0603434F	45	NATIONAL POLAR-ORBITING OPER ENVIRON SATELLITE SYS	267,716	267,716	267,716		267,716
0603438F	46	SPACE CONTROL TECHNOLOGY	14,714	14,714	18,714	4,000	18,714
		Space control / ASAT technology			[4,000]	[4,000]	
0603742F	47	COMBAT IDENTIFICATION TECHNOLOGY	16,575	16,575	16,575		16,575
0603790F	48	NATO RESEARCH AND DEVELOPMENT	3,888	3,888	3,888		3,888
0603791F	49	INTERNATIONAL SPACE COOPERATIVE R&D	545	545	545		545
0603845F	50	ADVANCED WIDEBAND SYSTEM (AWS)	439,277	359,277	389,277	-90,000	349,277
		Program reduction		[-80,000]	[-50,000]	[-90,000]	
0603850F	51	INTEGRATED BROADCAST SERVICE	16,466	16,466	16,466		16,466
0603851F	52	INTERCONTINENTAL BALLISTIC MISSILE	67,632	67,632	67,632		67,632

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(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603854F	53	WIDEBAND GAPFILLER SYSTEM RDT&E (SPACE)	36,686	36,686	36,686		36,686
0603856F	54	AIR FORCE/NATIONAL PROGRAM COOPERATION (AFNPC)					
0603858F	55	SPACE-BASED RADAR	274,104	274,104	274,104	-75,000	199,104
		Program affordability				[-75,000]	
0603859F	56	POLLUTION PREVENTION	2,318	2,318	2,318		2,318
0603860F	57	JOINT PRECISION APPROACH AND LANDING SYSTEMS	13,847	13,847	13,847		13,847
0604327F	58	HARD AND DEEPLY BURIED TARGET DEFEAT SYS (HDBTDS)	12,633	12,633	12,633		12,633
0604731F	59	UNMANNED COMBAT AIR VEHICLE (UCAV)	161,269	161,269	161,269		161,269
0604855F	60	OPERATIONALLY RESPONSIVE LAUNCH	24,440	36,440	24,440	2,000	26,440
		Program increase		[12,000]		[2,000]	
0604856F	61	COMMON AERO VEHICLE (CAV)	12,220	24,220	12,220	9,000	21,220
		Program increase		[12,000]		[9,000]	
0603xxxF	xx	NEXT GENERATION BOMBER		100,000		100,000	100,000
0603840F	62	GLOBAL BROADCAST SERVICE (GBS)	38,147	38,147	38,147		38,147
0604012F	63	JOINT HELMET MOUNTED CUEING SYSTEM (JHMCS)	843	843	843		843
0604222F	64	NUCLEAR WEAPONS SUPPORT	13,396	13,396	13,396		13,396
0604226F	65	B-1B	88,703	88,703	88,703		88,703
0604233F	66	SPECIALIZED UNDERGRADUATE FLIGHT TRAINING	3,267	3,267	3,267		3,267
0604239F	67	F-22	620,740	620,740	620,740		620,740
0604240F	68	B-2 ADVANCED TECHNOLOGY BOMBER	152,084	185,584	127,393	33,500	185,584
		Aft deck design		[3,900]		[3,900]	
		EHF SATCOM		[29,600]		[29,600]	
		Air Force requested transfer to APAF-23			[-24,691]		
0604251F	69	SPACE-BASED RADAR					
0604270F	70	EW DEVELOPMENT	74,034	86,634	93,834	16,000	90,034
		Precision location and identification (PLAID) technology program		[12,600]	[13,800]	[10,000]	
		Loitering electronic warfare killer (LEWK)			[6,000]	[6,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0604280F	71	JOINT TACTICAL RADIO	48,814	48,814	48,814	-8,000	40,814
		Phase 2 contract				[-8,000]	
0604287F	72	PHYSICAL SECURITY EQUIPMENT	7,261	7,261	7,261		7,261
0604329F	73	SMALL DIAMETER BOMB (SDB)	126,447	126,447	126,447		126,447
0604421F	74	COUNTERSPACE SYSTEMS	82,565	82,565	82,565		82,565
0604435F	75	INTERIM POLAR	13,740	13,740	13,740		13,740
0604441F	76	SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	617,229	632,229	617,229		617,229
		Program increase		[15,000]			
0604479F	77	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	1,383	1,383	1,383		1,383
0604600F	78	MUNITIONS DISPENSER DEVELOPMENT	15,849	15,849	15,849		15,849
0604602F	79	ARMAMENT/ORDNANCE DEVELOPMENT	8,419	8,419	13,419	2,500	10,919
		Passive attack weapon			[5,000]	[2,500]	
0604604F	80	SUBMUNITIONS	4,717	4,717	4,717		4,717
0604617F	81	AGILE COMBAT SUPPORT	5,574	5,574	5,574		5,574
0604618F	82	JOINT DIRECT ATTACK MUNITION	34,061	34,061	34,061		34,061
0604706F	83	LIFE SUPPORT SYSTEMS	269	269	269		269
0604731F	84	UNMANNED COMBAT AIR VEHICLE (UCAV)	14,675	14,675	14,675		14,675
0604735F	85	COMBAT TRAINING RANGES	20,383	20,383	20,383		20,383
0604740F	86	INTEGRATED COMMAND & CONTROL APPLICATIONS (IC2A)	239	5,239	239	4,000	4,239
		Distributed mission interoperability toolkit		[5,000]		[4,000]	
0604750F	87	INTELLIGENCE EQUIPMENT	1,320	1,320	1,320		1,320
0604754F	88	TACTICAL DATA LINK INFRASTRUCTURE	14,675	14,675	14,675		14,675
0604762F	89	COMMON LOW OBSERV VERIF SYS (CLOVERS)	7,000	7,000	7,000		7,000
0604779F	90	TACTICAL DATA LINK INTEROPERABILITY					
0604800F	91	JOINT STRIKE FIGHTER (JSF)	2,194,087	2,194,087	2,194,087		2,194,087
0604851F	92	INTERCONTINENTAL BALLISTIC MISSILE	184,193	184,193	184,193		184,193
0604853F	93	EVOLVED EXPENDABLE LAUNCH VEHICLE PGM (SPACE)	8,000	8,000	8,000		8,000
0605011F	94	RDT&E FOR AGING AIRCRAFT	24,063	24,063	24,063		24,063

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(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0207249F	95	PRECISION ATTACK SYSTEMS PROCUREMENT					
0207256F	96	UNMANNED COMBAT AIR VEHICLE JOINT PGM OFFICE	4,892	4,892	4,892		4,892
0207434F	97	LINK-16 SUPPORT AND SUSTAINMENT	58,783	58,783	58,783		58,783
0207701F	98	FULL COMBAT MISSION TRAINING	6,946	6,946	6,946		6,946
0305176F	99	COMBAT SURVIVOR EVADER LOCATOR	14,684	22,384	14,684		14,684
		Program increase		[7,700]			
0401318F	100	CV-22	65,703	65,703	65,703		65,703
0604256F	101	THREAT SIMULATOR DEVELOPMENT	36,595	36,595	36,595		36,595
0604759F	102	MAJOR T&E INVESTMENT	50,215	50,215	52,315	2,100	52,315
		Magnetic levitation technologies			[2,100]	[2,100]	
0605101F	103	RAND PROJECT AIR FORCE	24,586	24,586	24,586		24,586
0605306F	104	RANCH HAND II EPIDEMIOLOGY STUDY	4,692	4,692	4,692		4,692
0605502F	105	SMALL BUSINESS INNOVATION RESEARCH					
0605712F	106	INITIAL OPERATIONAL TEST & EVALUATION	34,646	34,646	34,646		34,646
0605807F	107	TEST AND EVALUATION SUPPORT	336,720	336,720	336,720		336,720
0605860F	108	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	9,673	9,673	25,173	15,500	25,173
		Ballistic missile range safety technology			[15,500]	[15,500]	
0605864F	109	SPACE TEST PROGRAM (STP)	42,909	42,909	39,609	-3,300	39,609
		STP			[-3,300]	[-3,300]	
0605976F	110	FACILITIES REST AND MOD - TEST AND EVAL SPT	33,940	33,940	33,940		33,940
0605978F	111	FACILITIES SUSTAINMENT - TEST AND EVALUATION SPT	15,770	15,770	15,770		15,770
0804731F	112	GENERAL SKILL TRAINING	318	318	318		318
0909900F	113	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS					
0909980F	114	JUDGMENT FUND REIMBURSEMENT	36,434	36,434	36,434		36,434
1001004F	115	INTERNATIONAL ACTIVITIES	3,867	3,867	3,867		3,867
0604240F	116	B-2 ADVANCED TECHNOLOGY BOMBER	24,691		24,691	-24,691	
		Air Force requested transfer to APAF-23		[-24,691]		[-24,691]	
0605024F	117	ANTI-TAMPER TECHNOLOGY EXECUTIVE AGENCY	7,855	7,855	7,855		7,855

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0101113F	118	B-52 SQUADRONS	28,649	28,649	28,649		28,649
0101120F	119	ADVANCED CRUISE MISSILE	13,364	13,364	13,364		13,364
0101122F	120	AIR-LAUNCHED CRUISE MISSILE (ALCM)	29,804	29,804	29,804		29,804
0101313F	121	STRAT WAR PLANNING SYSTEM - USSTRATCOM	1,748	1,748	1,748		1,748
0101815F	122	ADVANCED STRATEGIC PROGRAMS	6,100	6,100	6,100		6,100
0102326F	123	REGION/SECTOR OPERATION CONTROL CTR MODERNIZATION PGM	22,573	22,573	22,573		22,573
0203761F	124	WARFIGHTER RAPID ACQ PROCESS (WRAP) RPD TRANS FUND					
0207028F	125	JOINT EXPEDITIONARY FORCE EXPERIMENT	51,367	51,367	51,367		51,367
0207131F	126	A-10 SQUADRONS	29,729	29,729	29,729		29,729
0207133F	127	F-16 SQUADRONS	87,478	107,478	87,478	10,000	97,478
		AN/APG-68(V)9 radar upgrade		[10,000]		[10,000]	
		Block 40/42 AN/APX-113 integration for ANG		[10,000]			
0207134F	128	F-15E SQUADRONS	112,085	128,585	128,585	-500	111,585
		F-15C/D radar upgrade		[16,500]	[16,500]	[16,500]	
		Execution/scheduling delays				[-17,000]	
0207136F	129	MANNED DESTRUCTIVE SUPPRESSION	20,633	20,633	20,633		20,633
0207138F	130	F-22 SQUADRONS	315,784	315,784	315,784		315,784
0207141F	131	F-117A SQUADRONS	14,752	14,752	14,752		14,752
0207161F	132	TACTICAL AIM MISSILES	375	375	375		375
0207163F	133	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	32,429	32,429	32,429		32,429
0207224F	134	COMBAT RESCUE AND RECOVERY					
0207247F	135	AF TENCAP	10,479	13,479	15,979	3,000	13,479
		GPS jammer detection and location system		[3,000]	[3,000]	[3,000]	
		Space control test bed			[2,500]		
0207248F	136	SPECIAL EVALUATION PROGRAM	164,239	164,239	164,239		164,239
0207253F	137	COMPASS CALL	3,790	3,790	3,790		3,790
0207268F	138	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	180,112	180,112	180,112		180,112

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0207277F	139	CSAF INNOVATION PROGRAM	1,880	1,880	9,880	5,000	6,880
		Eagle Vision commercial imagery program			[8,000]	[5,000]	
0207325F	140	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	31,216	31,216	48,216		31,216
		Joint Air-to-Surface Standoff Missile (JASSM) extended range			[17,000]		
0207410F	141	AEROSPACE OPERATIONS CENTER (AOC)	27,887	27,887	27,887		27,887
0207412F	142	CONTROL AND REPORTING CENTER (CRC)	16,083	16,083	16,083		16,083
0207417F	143	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	270,397	270,397	270,397		270,397
0207423F	144	ADVANCED COMMUNICATIONS SYSTEMS	12,312	12,312	12,312		12,312
0207424F	145	EVALUATION AND ANALYSIS PROGRAM					
0207433F	146	ADVANCED PROGRAM TECHNOLOGY	263,392	263,392	263,392		263,392
0207438F	147	THEATER BATTLE MANAGEMENT (TBM) C4I	31,647	31,647	31,647		31,647
0207445F	148	FIGHTER TACTICAL DATA LINK	42,877	42,877	42,877		42,877
0207446F	149	BOMBER TACTICAL DATA LINK	12,959	12,959	12,959		12,959
0207448F	150	C2ISR TACTICAL DATA LINK	26,927	26,927	26,927		26,927
0207449F	151	MC2C (MULTI-SENSOR C2 CONSTELLATION)	363,630	363,630	363,630		363,630
0207581F	152	JOINT SURVEIL AND TGT ATTACK RADAR SYS (JOINT STARS)	58,431	58,431	58,431		58,431
0207590F	153	SEEK EAGLE	19,587	19,587	19,587		19,587
0207591F	154	ADVANCED PROGRAM EVALUATION	425,486	425,486	425,486		425,486
0207601F	155	USAF MODELING AND SIMULATION	8,483	8,483	8,483		8,483
0207605F	156	WARGAMING AND SIMULATION CENTERS	6,262	6,262	6,262		6,262
0208006F	157	MISSION PLANNING SYSTEMS	62,348	39,348	62,348		62,348
		Air Force mission planning system program reduction		[-23,000]			
0208021F	158	INFORMATION WARFARE SUPPORT	12,091	12,091	12,091		12,091
0208160F	159	TECHNICAL EVALUATION SYSTEM					
0208161F	160	SPECIAL EVALUATION SYSTEM					
0301310F	161	NATIONAL AIR INTELLIGENCE CENTER	[ ]				
0301314F	162	COBRA BALL	[ ]				
0301315F	163	MISSILE AND SPACE TECHNICAL COLLECTION	[ ]				

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0301324F	164	FOREST GREEN	[ ]				
0301398F	165	MANAGEMENT HEADQUARTERS GDIP	[ ]				
0302015F	166	E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	44,377	44,377	44,377		44,377
0303110F	167	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)					
0303112F	168	AIR FORCE COMMUNICATIONS (AIRCOM)					
0303131F	169	MINIMUM ESSENTIAL EMERGENCY COMM NETWORK	10,716	10,716	10,716		10,716
0303140F	170	INFORMATION SYSTEMS SECURITY PROGRAM	37,667	37,667	39,667	2,000	39,667
		Cybersecurity research			[2,000]	[2,000]	
0303141F	171	GLOBAL COMBAT SUPPORT SYSTEM	17,473	17,473	17,473		17,473
0303150F	172	GLOBAL COMMAND AND CONTROL SYSTEM	3,547	3,547	3,547		3,547
0303401F	173	COMMUNICATIONS SECURITY (COMSEC)					
0303601F	174	MILSATCOM TERMINALS	173,831	173,831	173,831		173,831
0304111F	175	SPECIAL ACTIVITIES	[ ]				
0304311F	176	SELECTED ACTIVITIES	107,800	107,800	107,800		107,800
0305099F	177	GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	7,164	7,164	7,164		7,164
0305110F	178	SATELLITE CONTROL NETWORK (SPACE)	18,603	21,603	23,603	3,000	21,603
		Civil Reserve Space Service		[3,000]	[5,000]	[3,000]	
0305111F	179	WEATHER SERVICE	16,317	20,717	16,317		16,317
		NPOESS support initiative		[4,400]			
0305114F	180	AIR TRAFFIC CONTROL, APP, AND LANDING SYS (ATCALS)	10,622	10,622	10,622		10,622
0305128F	181	SECURITY AND INVESTIGATIVE ACTIVITIES	474	474	474		474
0305142F	182	APPLIED TECHNOLOGY AND INTEGRATION	[ ]				
0305144F	183	TITAN SPACE LAUNCH VEHICLES (SPACE)					
0305148F	184	AIR FORCE TAC MEASUREMENT AND SIG INTEL (MASINT) SYS	7,510	7,510	7,510		7,510
0305159F	185	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	232,287	232,287	128,487		232,287
		Classified reduction			[-103,800]		
0305160F	186	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	918	918	918		918
0305164F	187	NAVSTAR GLOBAL POSITIONING SYS (USER EQUIPMENT)	100,589	100,589	100,589		100,589

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0305165F	188	NAVSTAR GLOBAL POSITIONING SYS (SPACE AND CONTROL)	146,468	146,468	146,468		146,468
0305172F	189	COMBINED ADVANCED APPLICATIONS	[ ]				
0305174F	190	SPACE WARFARE CENTER	404	404	404		404
0305182F	191	SPACELIFT RANGE SYSTEM (SPACE)	63,210	63,210	63,210		63,210
0305202F	192	DRAGON U-2 (JMIP)	52,518	52,518	93,518	5,000	57,518
		U-2 SYERS 2 focal planes			[8,000]	[5,000]	
		U-2 SIGINT risk mitigation			[33,000]		
0305205F	193	ENDURANCE UNMANNED AERIAL VEHICLES	398,631	403,231	402,131	7,600	406,231
		Global Hawk lithium battery demonstration			[3,500]	[3,000]	
		Global Hawk advanced imagery architecture		[4,600]		[4,600]	
0305206F	194	AIRBORNE RECONNAISSANCE SYSTEMS	77,823	86,623	77,823	1,000	78,823
		F-16 theater airborne reconnaissance system		[6,800]			
		Ultra wideband laser communications for ISR		[2,000]		[1,000]	
0305207F	195	MANNED RECONNAISSANCE SYSTEMS	14,726	14,726	14,726		14,726
0305208F	196	DISTRIBUTED COMMON GROUND SYSTEMS	27,107	27,107	47,107		27,107
		Distributed common ground / surface system (DCGS) block 20			[20,000]		
0305906F	197	NCMC - TW/AA SYSTEM	57,933	57,933	57,933		57,933
0305910F	198	SPACETRACK (SPACE)	118,234	138,234	118,234		118,234
		Air Force space fence		[20,000]			
0305911F	199	DEFENSE SUPPORT PROGRAM (SPACE)					
0305913F	200	NUDET DETECTION SYSTEM (SPACE)	35,834	26,634	35,834		35,834
		Nuclear detonation detection system program reduction		[-9,200]			
0305917F	201	SPACE ARCHITECT	12,589	12,589	12,589		12,589
0308601F	202	MODELING AND SIMULATION SUPPORT					
0308699F	203	SHARED EARLY WARNING (SEW)	3,254	3,254	3,254		3,254
0401115F	204	C-130 AIRLIFT SQUADRON	105,381	105,381	105,381		105,381
0401119F	205	C-5 AIRLIFT SQUADRONS	356,570	356,570	356,570		356,570
0401130F	206	C-17 AIRCRAFT	184,089	184,089	184,089		184,089

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0401132F	207	C-130J PROGRAM	13,551	13,551	13,551		13,551
0401134F	208	LARGE AIRCRAFT IR COUNTERMEASURES (LAIRCM)	45,946	45,946	45,946		45,946
0401218F	209	KC-135S	1,473	1,473	4,873	3,400	4,873
		KC-135 simulator upgrades (boom)			[3,400]	[3,400]	
0401219F	210	KC-10S	2,306	2,306	2,306		2,306
0401839F	211	AIR MOBILITY TACTICAL DATA LINK					
0702207F	212	DEPOT MAINTENANCE (NON-IF)	1,406	1,406	1,406		1,406
0708011F	213	INDUSTRIAL PREPAREDNESS	39,396	46,396	39,396		39,396
		Metals affordability initiative		[7,000]			
0708012F	214	LOGISTICS SUPPORT ACTIVITIES					
0708026F	215	PRODUCTIVITY, REL, AVAIL, MAINTAIN. PROG OFC (PRAMPO)		7,000		5,000	5,000
		Aircraft turbine engine sustainment		[7,000]		[5,000]	
0708611F	216	SUPPORT SYSTEMS DEVELOPMENT	54,034	59,034	57,534	8,500	62,534
		Aging aircraft			[3,500]	[3,500]	
		Low emission/efficient hybrid aviation refueling truck propulsion		[5,000]		[5,000]	
0708612F	217	COMPUTER RESOURCES SPT IMPROVEMENT PGM (CRSIP)					
0901212F	218	SERVICE-WIDE SPT (NOT OTHERWISE ACCOUNTED FOR)	4,392	4,392	4,392		4,392
0901218F	219	CIVILIAN COMPENSATION PROGRAM	7,130	7,130	7,130		7,130
0901538F	220	FIN MGT INFORMATION SYSTEMS DEVELOPMENT	13,464	13,464	13,464		13,464
XXXXXXX	999	Classified Programs	5,245,898	5,275,898	5,245,898		5,245,898
		Program increase		[30,000]			
		Financial information systems			-11,500		
		Information technology reduction		-200,000			
		Total, RDT&E Air Force	**20,336,258**	**20,552,867**	**20,389,516**	**219,409**	**20,555,667**

Operationally responsive launch

The budget request included $24.2 million in PE 64855F for operationally responsive launch.

The House bill would authorize $36.2 million in PE 64855F, an increase of $12.0 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $26.2 million, an increase of $2.0 million, for technology development for operationally responsive launch.

The conferees understand that the Air Force intends to conduct an analysis of alternatives prior to awarding two development contracts in the third quarter of fiscal year 2004. The conferees direct the Secretary of the Air Force to take appropriate steps to ensure that technologies that are potentially important to operationally responsive launch continue to mature during this analysis of alternatives.

DEFENSE-WIDE

Research, Development, Test and Evaluation, Defense-Wide-Overview

The budget request for fiscal year 2004 included an authorization of $17,974.3 million for Research, Development, Test and Evaluation, Defense-wide in the Department of Defense.

The House bill would authorize $18,181.4 million.

The Senate amendment would authorize $18,849.0 million.

The conferees recommend an authorization of $18,152.1 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
		RESEARCH, DEVELOPMENT, TEST & EVALUATION, DEFENSE-WIDE					
0601101D8Z	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH					
0601101E	2	DEFENSE RESEARCH SCIENCES	151,029	158,029	172,029	21,000	172,029
		Nano- and microelectronics			[5,000]	[4,000]	
		Neural engineering research			[4,000]	[2,000]	
		Government industry cosponsorship of university research pgm			[10,000]	[8,000]	
		Nanophotonic systems fabrication			[2,000]	[2,000]	
		Advanced micro/nano-electromechanical systems technology		[5,000]		[5,000]	
		Integrated nano- and micro-manufacturing technology		[2,000]			
0601103D8Z	3	UNIVERSITY RESEARCH INITIATIVES			264,035	14,500	14,500
		Transfer program from PE 61103A (RDA 3)			[71,642]		
		Transfer program from PE 61103N (RDN 1)			[70,669]		
		Transfer program from PE 61103F (RDAF 2)			[105,224]		
		Photonics research			[3,500]	[3,500]	
		Advanced remote sensing software			[5,000]	[5,000]	
		Bioterrorism response analysis			[2,000]	[2,000]	
		Carbon nanotechnology research			[6,000]	[4,000]	
0601105D8Z	4	FORCE HEALTH PROTECTION					
0601108D8Z	5	HIGH ENERGY LASER RESEARCH INITIATIVES			12,063		
		Transfer program from PE 61108F (RDAF 3)			[12,063]		
0601111D8Z	6	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESE/					
0601114D8Z	7	DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPET RES]					
0601384BP	8	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	35,831	35,831	39,331	3,500	39,331
		Bacteriophage amplification			[1,500]	[1,500]	
		Cell and tissue culture and bacterial growth core research			[2,000]	[2,000]	
0602227D8Z	9	MEDICAL FREE ELECTRON LASER	9,494	19,494	18,494	9,000	18,494
		Medical free electron laser		[10,000]	[9,000]	[9,000]	
0602228D8Z	10	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCI]					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0602234D8Z	11	LINCOLN LABORATORY RESEARCH PROGRAM	27,231	27,231	27,231		27,231
0602301E	12	COMPUTING SYSTEMS AND COMMUNICATIONS TECH	404,859	404,859	384,859	-20,000	384,859
		Computer research projects			[-20,000]	[-20,000]	
0602302E	13	EMBEDDED SOFTWARE AND PERVASIVE COMPUTING	13,318	13,318	13,318		13,318
0602383E	14	BIOLOGICAL WARFARE DEFENSE	137,254	149,254	137,254	2,000	139,254
		Asymmetric protocols for biological defense		[12,000]		[2,000]	
0602384BP	15	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	106,451	136,451	127,451	35,500	141,951
		Acoustic wave sensor technology			[2,000]	[2,000]	
		Water quality sensors			[3,500]	[3,500]	
		Mustard gas antidote		[5,000]	[3,000]	[5,000]	
		Bioinformatics			[6,500]	[6,500]	
		Sensor technologies			[2,000]		
		Food security technologies			[3,000]		
		Nerve agent decontamination technology			[1,000]	[1,000]	
		Chemical biological defense applied research initiative		[25,000]		[17,500]	
0602702E	16	TACTICAL TECHNOLOGY	250,558	250,558	239,558		250,558
		Tactical technology			[-11,000]		
0602712E	17	MATERIALS AND ELECTRONICS TECHNOLOGY	465,544	465,544	445,544		465,544
		Biology research			[-20,000]		
0602715BR	18	NUCLEAR SUSTAINMENT & COUNTERPROLIFERATION TECH					
0602716BR	19	WMD DEFEAT TECHNOLOGY	183,178	193,178	183,178		183,178
		Nuclear weapons effects		[10,000]			
0602717BR	20	STRATEGIC DEFENSE TECHNOLOGIES	116,049	116,049	116,049		116,049
0602787D8Z	21	MEDICAL TECHNOLOGY	9,213	9,213	11,713		9,213
		AFRRI			[2,500]		
0602890D8Z	22	HIGH ENERGY LASER RESEARCH			41,854		
		Transfer program from PE 62890F (RDAF 15)			[41,854]		
1160401BB	23	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	9,715	9,715	9,715		9,715

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
1160407BB	24	SOF MEDICAL TECHNOLOGY DEVELOPMENT	1,961	1,961	1,961		1,961
0603002D8Z	25	MEDICAL ADVANCED TECHNOLOGY	5,028	12,128	5,028	5,000	10,028
		Anti-radiation drug development		[7,100]		[5,000]	
0603104D8Z	26	EXPLOSIVES DEMILITARIZATION TECHNOLOGY			18,849	7,400	7,400
		Transfer program from PE 63103A (RDA 45)			[9,349]		
		Actodemil			[2,500]	[2,400]	
		Prototype production capability			[4,000]	[2,500]	
		Photocatalytic decommissioning process			[3,000]	[2,500]	
0603121D8Z	27	SO/LIC ADVANCED DEVELOPMENT	31,300	31,300	31,300		31,300
0603122D8Z	28	COMBATING TERRORISM TECHNOLOGY SUPPORT	60,526	75,326	68,026	20,000	80,526
		Blast mitigation			[7,500]	[7,500]	
		Blast mitigation analysis		[5,000]		[4,500]	
		Facial recognition access control technology		[3,000]		[2,000]	
		Chemical biological electrostatic decontamination system		[4,800]		[4,000]	
		Magnetic quadrupole resonance explosive detection		[2,000]		[2,000]	
0603160BR	29	COUNTERPROLIFERATION ADVANCED DEVELOPMENT TECH	76,277	76,277	86,277	10,000	86,277
		Portable radiation search tool			[10,000]	[10,000]	
0603175C	30	BALLISTIC MISSILE DEFENSE TECHNOLOGY	240,820	185,020	240,820	5,500	246,320
		Program reduction		[-55,800]			
		Silicon carbide wide bandgap technology				[5,500]	
		Silicon carbide wide bandgap technology (non-add)		[5,500]			
		Silicon brain architecture (non-add)		[2,000]			
0603225D8Z	31	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	25,011	25,011	25,011		25,011
0603232D8Z	32	AUTOMATIC TARGET RECOGNITION					
0603285E	33	ADVANCED AEROSPACE SYSTEMS	323,730	333,730	303,730	-9,200	314,530
		Space technology			[-20,000]	[-12,200]	
		Suborbital space launch operations improvement		[10,000]		[3,000]	

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603384BP	34	CHEMICAL AND BIOLOGICAL DEFENSE PGM - ADV DEV	103,725	128,725	109,725	30,000	133,725
		SensorNet			[5,000]	[5,000]	
		Topically applied vector vaccine			[1,000]		
		Chem bio defense advanced technology demonstration initiative		[25,000]		[25,000]	
0603704D8Z	35	SPECIAL TECHNICAL SUPPORT	11,693	11,693	11,693		11,693
0603711BR	36	ARMS CONTROL TECHNOLOGY	4,807	4,807	4,807		4,807
0603712S	37	GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	22,359	23,359	45,359	21,000	43,359
		Manufacturing extension partnership			[9,000]	[8,000]	
		Diminishing manufacturing sources (DMS) database			[7,000]	[5,000]	
		Vehicle fuel cells			[7,000]	[7,000]	
		Connectory for rapid identification of technology sources		[1,000]		[1,000]	
0603716D8Z	38	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	47,068	47,068	47,068		47,068
0603727D8Z	39	JOINT WARFIGHTING PROGRAM	9,685	9,685	9,685		9,685
0603728D8Z	40	AGILE PORT DEMONSTRATION					
0603739E	41	ADVANCED ELECTRONICS TECHNOLOGIES	174,150	174,150	174,150		174,150
0603750D8Z	42	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	213,361	215,361	223,361		213,361
		High altitude airship			[10,000]		
		Elemental detector		[2,000]			
0603752D8Z	43	COMMERCIAL TECHNOLOGY INSERTION PROGRAM					
0603755D8Z	44	HIGH PERFORMANCE COMPUTING MODERNIZATION PGM					
0603760E	45	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	242,738	242,738	245,738		242,738
		All optical switching system			[3,000]		
0603762E	46	SENSOR AND GUIDANCE TECHNOLOGY	342,914	342,914	317,914		342,914
		Sensor technologies			[-25,000]		
0603763E	47	MARINE TECHNOLOGY	13,898	13,898	13,898		13,898
0603764E	48	LAND WARFARE TECHNOLOGY	82,387	82,387	89,887		82,387
		Organic micro air vehicle			[7,500]		
0603765E	49	CLASSIFIED DARPA PROGRAMS	210,532	210,532	210,532		210,532

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603766E	50	NETWORK-CENTRIC WARFARE TECHNOLOGY	95,654	95,654	95,654		95,654
0603769D8Z	51	DISTRIBUTED LEARNING ADVANCED TECHNOLOGY DEV					
0603781D8Z	52	SOFTWARE ENGINEERING INSTITUTE	22,652	22,652	22,652		22,652
0603805S	53	DUAL USE APPLICATION PROGRAMS					
0603826D8Z	54	QUICK REACTION SPECIAL PROJECTS	74,385	74,385	74,385		74,385
0603832D8Z	55	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	44,887	44,887	44,887		44,887
0603924D8Z	56	HIGH ENERGY LASER ADVANCED TECHNOLOGY PROGRAM			10,910		
		Transfer program from PE 63924F (RDAF 36)			[10,910]		
0603942D8Z	57	TECHNOLOGY LINK	2,000	2,000	2,000		2,000
0603943D8Z	58	AIR-TO-AIR TECHNOLOGY	2,000		2,000	-2,000	
		Program reduction		[-2,000]		[-2,000]	
0605160D8Z	59	COUNTERPROLIFERATION SUPPORT	1,882	1,882	1,882		1,882
0605803SE	60	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVAL	13,757	13,757	13,757		13,757
1160402BB	61	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEV	67,017	78,517	67,017		67,017
		Multi-band multi-mission radio		[10,000]			
		Computer assisted medical diagnosis		[1,500]			
0603xxxD8Z	61a	Joint experimentation		151,058			
		Joint experimentation (Transfer from PE 0603727N, RDN 28)		[151,058]			
0603228D8Z	62	PHYSICAL SECURITY EQUIPMENT					
0603709D8Z	63	JOINT ROBOTICS PROGRAM	11,515	11,515	14,515	2,000	13,515
		Semi-autonomous UGV			[3,000]		
		TUGV				[2,000]	
0603714D8Z	64	ADVANCED SENSOR APPLICATIONS PROGRAM	16,718	35,218	26,718	15,000	31,718
		Advanced solid-state dye laser		[6,500]		[3,000]	
		Multi-wavelength surface scanning biologics sensor		[2,000]		[2,000]	
		Advanced sensor applications program classified increase		[10,000]	[10,000]	[10,000]	
0603736D8Z	65	CALS INITIATIVE	4,000	4,000	4,000		4,000
0603851D8Z	66	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PGM	35,594	35,594	35,594		35,594

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603869C	67	MEADS CONCEPTS					
0603879C	68	ADVANCED CONCEPTS, EVALUATIONS AND SYSTEMS	151,696	151,696	151,696		151,696
0603880C	69	BALLISTIC MISSILE DEFENSE SYSTEM SEGMENT					
0603881C	70	BALLISTIC MISSILE DEFENSE TERMINAL DEF SEGMENT	810,440	1,123,699	820,440	10,000	820,440
		Arrow			[10,000]	[10,000]	
		Arrow (non-add)			[115,000]		
		MEADS transfer		[276,259]			
		THAAD		[37,000]			
0603882C	71	BALLISTIC MISSILE DEFENSE MIDCOURSE DEFENSE SEGMENT	3,613,266	3,643,166	3,701,566	122,900	3,736,166
		Ground-based midcourse			[100,000]	[100,000]	
		Aegis program management			[-11,700]		
		Aegis		[7,000]			
		Sea-based X-band radar (SBX)		[22,900]		[22,900]	
		Common RF scene generation capability (non-add)		[4,800]			
0603883C	72	BALLISTIC MISSILE DEFENSE BOOST DEFENSE SEGMENT	626,264	626,264	626,264		626,264
0603884BP	73	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	162,142	177,142	168,142	4,000	166,142
		Anthrax and plague oral vaccine development			[6,000]	[4,000]	
		Primate biomedical laboratory test and evaluation capability		[15,000]			
0603884C	74	BALLISTIC MISSILE DEFENSE SENSORS	438,242	438,242	441,492	10,000	448,242
		Airborne infrared system			[10,000]	[10,000]	
		X-band radar			[5,000]		
		E-2 infrared search and track (IRST)			[3,750]		
		STSS program management			[-15,500]		
0603886C	75	BALLISTIC MISSILE DEFENSE SYSTEM INTERCEPTOR	301,052	151,052	231,052	-150,000	151,052
		BMDS interceptors / System interceptor program reduction		[-150,000]	[-70,000]	[-150,000]	
0603888C	76	BALLISTIC MISSILE DEFENSE TEST & TARGETS	611,522	611,522	611,522		611,522
0603889C	77	BALLISTIC MISSILE DEFENSE PRODUCTS	343,644	312,544	343,644		343,644
		BMD products program reduction		[-31,100]			

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0603890C	78	BALLISTIC MISSILE DEFENSE SYSTEMS CORE	483,996	438,996	480,996	-38,000	445,996
		Corporate lethality testing			[-5,000]		
		Advanced Research Center (ARC)			[2,000]	[2,000]	
		BMDS core program reduction		[-45,000]		[-45,000]	
		Wide bandwidth technology				[5,000]	
		Wide bandwidth technology (non-add)		[9,500]			
		Ballistic missile launch canister design and manufacturing (non-add)		[5,000]			
0603910D8Z	79	STRATEGIC CAPABILITY MODERNIZATION					
0603920D8Z	80	HUMANITARIAN DEMINING	13,299	13,299	13,299		13,299
0603923D8Z	81	COALITION WARFARE	5,906	5,906	5,906		5,906
0604722D8Z	82	JOINT SERVICE EDUCATION AND TRAINING SYSTEMS DEV					
0303191D8Z	83	JOINT ELECTROMAGNETIC TECHNOLOGY (JET) PROGRAM	6,362	6,362	6,362		6,362
0604384BP	84	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	148,017	148,017	153,717		148,017
		Wide area decontamination solutions and applicators			[5,700]		
0604618D8Z	85	MANPADS DEFENSE PROGRAM	25,000	3,000	25,000		25,000
		Program reduction		[-22,000]			
0604709D8Z	86	JOINT ROBOTICS PROGRAM	13,597	26,097	15,597	2,000	15,597
		Counter-terrorism UGVs			[2,000]	[2,000]	
		Packbot tactical mobile robot		[12,500]			
0604764K	87	ADVANCED IT SERVICES JOINT PROGRAM OFFICE	18,910	18,910	18,910		18,910
0604771D8Z	88	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	10,633	10,633	10,633		10,633
0604861C	89	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD					
0604865C	90	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION			415,800		
		PAC-3 spiral development transfer from PE 63869A (RDA 81)			[241,325]		
		PAC-3 spiral development transfer from PE 23801A (RDA 130)			[174,475]		
		Patriot evolutionary development program (non-add)			[20,000]		
0604867C	91	NAVY AREA THEATER MISSILE DEFENSE					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0605013BL	92	INFORMATION TECHNOLOGY DEVELOPMENT	10,539		10,539		10,539
		Rapid acquisition incentives		[-10,539]			
0605013D8Z	93	PROTOTYPE ACCOUNTING SYSTEMS					
0605015BL	94	INFORMATION TECHNOLOGY DEV-STANDARD PROC SYS	5,195	5,195	5,195		5,195
0605016D8Z	95	FINANCIAL MANAGEMENT SYSTEM IMPROVEMENTS	84,688	84,688	84,688		84,688
0303129K	96	DEFENSE MESSAGE SYSTEM	10,170		10,170		10,170
		Program reduction		[-10,170]			
0303140K	97	INFORMATION SYSTEMS SECURITY PROGRAM	5,987	5,987	5,987		5,987
0303141K	98	GLOBAL COMBAT SUPPORT SYSTEM	17,259	17,259	17,259		17,259
0305840K	99	ELECTRONIC COMMERCE	6,028	6,028	6,028		6,028
0305840S	100	ELECTRONIC COMMERCE	2,360	2,360	2,360		2,360
0603757D8Z	101	TRAINING TRANSFORMATION (T2)	2,951	2,951	2,951		2,951
0603858D8Z	102	UNEXPLODED ORDNANCE DETECTION AND CLEARANCE					
0604774D8Z	103	DEFENSE READINESS REPORTING SYSTEM (DRRS)	18,575	18,575	18,575		18,575
0604943D8Z	104	THERMAL VICAR	7,157	7,157	7,157		7,157
0605104D8Z	105	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	30,204	32,204	30,204		30,204
		National Defense University sponsored research program		[2,000]			
0605110BR	106	CRITICAL TECHNOLOGY SUPPORT	1,858	1,858	1,858		1,858
0605114D8Z	107	BLACK LIGHT	19,675	19,675	19,675		19,675
0605114E	108	BLACK LIGHT					
0605116D8Z	109	GENERAL SUPPORT TO C3I	24,638	24,638	27,638	1,500	26,138
		See and avoid UAV technologies			[3,000]	[1,500]	
0605117D8Z	110	FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	33,916	33,916	33,916		33,916
0605123D8Z	111	INTERAGENCY EXPORT LICENSE AUTOMATION	8,837	5,837	8,837		8,837
		Program reduction - IT		[-3,000]			
0605124D8Z	112	DEFENSE TRAVEL SYSTEM	31,806	31,806	31,806		31,806
0605126J	113	JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	87,250	87,250	87,250		87,250
0605128D8Z	114	CLASSIFIED PROGRAM USD(P)					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0605130D8Z	115	FOREIGN COMPARATIVE TESTING	34,873	34,873	34,873		34,873
0605384BP	116	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	39,345	39,345	39,345		39,345
0605502C	117	SMALL BUSINESS INNOVATIVE RESEARCH - MDA					
0605502E	118	SMALL BUSINESS INNOVATIVE RESEARCH					
0605710D8Z	119	CLASSIFIED PROGRAMS - C3I	20,556	20,556	20,556		20,556
0605790D8Z	120	SMALL BUSINESS INNOVATION RESEARCH/CHALLENGE ADMIN	2,026	2,026	2,026		2,026
0605798S	121	DEFENSE TECHNOLOGY ANALYSIS	5,209	5,209	6,209		5,209
		Global research watch			[1,000]		
0605799D8Z	122	FORCE TRANSFORMATION DIRECTORATE	19,675	19,675	19,675		19,675
0605801K	123	DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	44,162	44,162	44,162		44,162
0605803SE	124	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVAL	8,858	8,858	8,858		8,858
0605804D8Z	125	DEVELOPMENT TEST AND EVALUATION	8,938	8,938	8,938		8,938
0605898E	126	MANAGEMENT HEADQUARTERS (R&D) DARPA	45,002	45,002	45,002		45,002
0901585C	127	PENTAGON RESERVATION	14,481	14,481	14,481		14,481
0901598C	128	MANAGEMENT HEADQUARTERS - MDA	93,441	93,441	93,441		93,441
0901598D8W	129	IT SOFTWARE DEV INITIATIVES	8,605	8,605	8,605		8,605
0909999E	130	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS					
0604805D8Z	131	COMMERCIAL OPERATIONS AND SPT SAVINGS INITIATIVE					
0605127T	132	PARTNERSHIP FOR PEACE (PFP) INFORMATION MGT SYS	1,934	1,934	1,934		1,934
0605601D8Z	133	RDT&E TRANSFORMATIONAL PROGRAMS					
0607384BP	134	CHEMICAL AND BIOLOGICAL DEF (OPERATIONAL SYS DEV)	3,442	3,442	3,442		3,442
0208043J	135	ISLAND SUN	1,469	1,469	1,469		1,469
0208045K	136	C4I INTEROPERABILITY	42,415	42,415	42,415		42,415
0208052J	137	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	7,254	7,254	7,254		7,254
0300205R	138	INFORMATION TECHNOLOGY SYSTEMS	550	550	550		550
0301011G	139	CRYPTOLOGIC ACTIVITIES	[ ]				
0301301L	140	GENERAL DEFENSE INTELLIGENCE PROGRAM	[ ]				
0301398L	141	MANAGEMENT HEADQUARTERS GDIP, DIA	[ ]				

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0302016K	142	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	1,133	1,133	1,133		1,133
0302019K	143	DEF INFO INFRASTRUCTURE ENGINEERING AND INTEGRATION	2,460	2,460	2,460		2,460
0303126K	144	LONG HAUL COMMUNICATIONS (DCS)	1,401	1,401	1,401		1,401
0303127K	145	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM					
0303131K	146	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK	7,198	7,198	7,198		7,198
0303140D8Z	147	INFORMATION SYSTEMS SECURITY PROGRAM	14,790	14,790	14,790		14,790
0303140G	148	INFORMATION SYSTEMS SECURITY PROGRAM	476,657	477,407	478,657	2,000	478,657
		Info systems security research			[2,000]	[2,000]	
		Program increase		[750]			
0303149J	149	C4I FOR THE WARRIOR	4,199	4,199	4,199		4,199
0303149K	150	C4I FOR THE WARRIOR	37,100	37,100	37,100		37,100
0303150K	151	GLOBAL COMMAND AND CONTROL SYSTEM	49,991	32,991	49,991		49,991
		Program reduction - IT		[-17,000]			
0303153K	152	JOINT SPECTRUM CENTER	18,850	18,850	18,850		18,850
0303165K	153	DEFENSE COLLABORATION TOOL SUITE (DCTS)	14,915	14,915	14,915		14,915
0303170K	154	NET-CENTRIC ENTERPRISE SERVICES (NCES)	40,830		40,830		40,830
		Program reduction - IT		[-40,830]			
0303610K	155	TELEPORT PROGRAM	10,462	10,462	10,462		10,462
0304210BB	156	SPECIAL APPLICATIONS FOR CONTINGENCIES	24,587	24,587	24,587		24,587
0304345BQ	157	NATIONAL IMAGERY AND MAPPING AGENCY	[ ]				
0305102BQ	158	DEFENSE IMAGERY AND MAPPING PROGRAM	161,873	174,073	179,873	18,700	180,573
		NIMA TPED for FIA development			[14,000]	[2,500]	
		BRITE			[4,000]	[4,000]	
		GeoSAR		[12,200]		[12,200]	
0305125D8Z	159	CRITICAL INFRASTRUCTURE PROTECTION (CIP)	2,051	2,051	2,051		2,051
0305127BZ	160	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	[ ]				
0305127V	161	FOREIGN COUNTERINTELLIGENCE ACTIVITIES					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
0305146BZ	162	DEFENSE JOINT COUNTERINTELLIGENCE PROGRAM (JMIP)	82,266	82,266	82,266	7,500	89,766
		Defense joint counterintelligence capability				[7,500]	
0305146D8Z	163	DEFENSE JOINT COUNTERINTELLIGENCE PROGRAM (JMIP)	30,757	38,257	30,757		30,757
		Defense joint counterintelligence program deception program		[7,500]			
0305190D8Z	164	C3I INTELLIGENCE PROGRAMS	132,094	132,094	132,094		132,094
0305191D8Z	165	TECHNOLOGY DEVELOPMENT	249,152	226,652	249,152		249,152
		Program reduction		[-22,500]			
0305193L	166	INTELLIGENCE SUPPORT TO INFORMATION OPERATIONS	[ ]				
0305202G	167	DRAGON U-2 (JMIP)	2,747	2,747	2,747		2,747
0305206G	168	AIRBORNE RECONNAISSANCE SYSTEMS	12,184	12,184	12,184		12,184
0305207G	169	MANNED RECONNAISSANCE SYSTEMS	4,424	4,424	4,424		4,424
0305208BQ	170	DISTRIBUTED COMMON GROUND SYSTEMS	[ ]				
0305208G	171	DISTRIBUTED COMMON GROUND SYSTEMS		2,460	2,460		
0305208L	172	DISTRIBUTED COMMON GROUND SYSTEMS	979	979	979		979
0305883L	173	HARD AND DEEPLY BURIED TARGET INTEL SUPPORT	[ ]				
0305884L	174	INTELLIGENCE PLANNING AND REVIEW ACTIVITIES	[ ]				
0305885G	175	TACTICAL CRYPTOLOGIC ACTIVITIES	112,691	112,691	112,691		112,691
0305889G	176	COUNTERDRUG INTELLIGENCE SUPPORT					
0305917D8Z	177	NATIONAL SECURITY SPACE ARCHITECT (NSSA)					
0708011S	178	INDUSTRIAL PREPAREDNESS	16,163	20,163	19,163	5,000	21,163
		Laser additive manufacturing technology			[3,000]	[3,000]	
		Titanium reduction processes		[4,000]		[2,000]	
0708012S	179	LOGISTICS SUPPORT ACTIVITIES	35,781	35,781	35,781		35,781
0902298J	180	MANAGEMENT HEADQUARTERS (JCS)	18,943	18,943	18,943		18,943
1001018D8Z	181	NATO JOINT STARS	24,721	24,721	24,721		24,721
1160279BB	182	SMALL BUS INNOVATIVE RSRCH/SMALL BUS TECH TRANS PILOT					
1160401BB	183	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT					
1160402BB	184	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEV					

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
1160404BB	185	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	255,981	265,981	267,481	12,000	267,981
		Light counter mortar radar			[1,500]	[1,500]	
		Multiband multimission radios			[10,000]	[5,000]	
		Advanced target identification capability for AC-130U Gunship		[6,500]		[5,500]	
		Cobra blue force tracking		[3,500]			
1160405BB	186	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEV	16,726	16,726	16,726		16,726
1160407BB	187	SOF MEDICAL TECHNOLOGY DEVELOPMENT					
1160408BB	188	SOF OPERATIONAL ENHANCEMENTS	64,430	64,430	64,430		64,430
XXXXXXX	999	Classified Programs	2,894,650	2,892,190	2,892,190		2,894,650
		Financial information systems			-10,500		
		Information technology reduction		-100,000			
		Total, RDT&E Defense-Wide	**17,974,257**	**18,181,385**	**18,849,018**	**177,800**	**18,152,057**

Chemical and biological defense program applied research

The budget request included $106.5 million in PE 62384BP for chemical and biological defense program applied research.

The House bill would authorize $136.5 million in PE 62384BP for chemical and biological defense program applied research, including $25.0 million for a chemical-biological defense applied research initiative and $5.0 million for mustard gas antidote.

The Senate amendment would authorize $127.5 million in PE 62384BP for chemical and biological defense program applied research, including $2.0 million for acoustic wave sensor technology, $3.5 million for water quality sensors, $3.0 million for mustard gas antidote, $6.5 million for bioinformatics, $2.0 million for sensor technologies, $3.0 million for food security technologies, and $1.0 million for nerve agent decontamination technologies.

The conferees agree to authorize $142.0 million in PE 62384BP for chemical and biological defense program applied research, including $17.5 million for a chemical-biological defense applied research initiative, $2.0 million for acoustic wave sensor technology, $3.5 million for water quality sensors, $5.0 million for mustard gas antidote, $6.5 million for bioinformatics, and $1.0 million for nerve agent decontamination technologies.

The conferees note that projects and technologies to be considered for funding under the chemical-biological defense program applied research initiative should be selected on the basis of technical and potential operational merit. The conferees recommend that the projects and technologies to be considered for funding under the chemical-biological defense program applied research initiative should include, but are not limited to, the following: Air contaminant monitoring system; automated liquid phase detection of toxic chemicals; rapid decontamination system for nerve agents; rapid antibody-based biological countermeasures (RABBC); and multivalent Ebola-Marburg filovirus technologies.

Ballistic missile defense products

The budget request included $343.6 million in PE 63889C for ballistic missile defense (BMD) products.

The House bill would authorize $312.5 million, a reduction of $31.1 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize $343.6 million, the budget request, for BMD products.

The conferees direct the Secretary of Defense to prioritize funding in this line to maximize the effectiveness of the initial defensive operations capability and to ensure that sufficient modeling and simulation is conducted to verify the effectiveness of BMD system battle management and command and control.

Ballistic missile defense system core

The budget request included $484.0 million in PE 63890C for ballistic missile defense system (BMDS) core activities.

The House bill would authorize $439.0 million in PE 63890C, a reduction of $45.0 million.

The Senate amendment would authorize $481.0 million in PE 63890C, an increase of $2.0 million for the Advanced Research Center and a decrease of $5.0 million for lethality testing.

The conferees agree to authorize $446.0 million in PE 63890C, an increase of $2.0 million for the Advanced Research Center, an increase of $5.0 million for wide bandwidth technology, and a program reduction of $45.0 million.

The conferees are aware that the Missile Defense Agency (MDA) believes that a program reduction to BMDS core activities could significantly disrupt MDA's efforts to field an initial capability by the end of fiscal year 2004 and will slow the effort to define and develop the interfaces needed to assure an integrated missile defense system with enhanced capabilities. The conferees support the President's decision to field an initial set of missile defense capabilities and understand the utility of integrating disparate BMDS elements into a single integrated BMD system. The conferees encourage MDA to more clearly define discrete products generated by BMDS core activities and the purpose of these products, along with associated costs and schedules, to allow for better congressional oversight in these matters.

TEST AND EVALUATION

Operational Test and Evaluation, Defense-Overview

The budget request for fiscal year 2004 included an authorization of $286.7 million for Operational Test and Evaluation, Defense.

The House bill would authorize $286.7 million.

The Senate amendment would authorize $286.7 million.

The conferees recommend an authorization of $286.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II-RDT and E

(Dollars in Thousands)

Account	Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
		OPERATIONAL TEST & EVALUATION, DEFENSE					
0603941D8Z	1	TEST & EVALUATION SCIENCE & TECHNOLOGY	12,804	12,804	12,804		12,804
0604940D8Z	2	CENTRAL TEST AND EVALUATION INVESTMENT DEV (CTEIP)	123,215	123,215	123,215		123,215
0605118D8Z	3	OPERATIONAL TEST AND EVALUATION	37,323	37,323	37,323		37,323
0605131D8Z	4	LIVE FIRE TESTING	10,074	10,074	10,074		10,074
0605804D8Z	5	DEVELOPMENT TEST AND EVALUATION	103,245	103,245	103,245		103,245
		Total, Operational Test & Evaluation, Defense	**286,661**	**286,661**	**286,661**		**286,661**
		TOTAL RDT&E	**61,826,654**	**62,723,805**	**63,146,179**	**1,558,067**	**63,384,721**

ITEMS OF SPECIAL INTEREST

Manned airborne reconnaissance aircraft replacement

Recent military operations in Iraq and Afghanistan, along with broader requirements to support the global war on terrorism and standing global reconnaissance requirements, have placed enormous operational tempo demands on manned airborne reconnaissance platforms operated by the U.S. Army, Navy, and Air Force. The limited number of these assets and the large number of requirements placed on them have led to their designation as "high demand/low density" assets that have to be intensively managed by the Department of Defense (DOD) to ensure the most productive, efficient use. While many of these airborne reconnaissance platforms were initially developed for service-specific reconnaissance requirements, over time they have evolved into a patchwork airborne reconnaissance architecture that is not optimized to support national and combatant commanders' intelligence requirements.

Congress established the position of Under Secretary of Defense for Intelligence (USD(I)) in the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314). A clear intent of that action was to create a position and an organization in DOD that would better assess service and Defense-wide intelligence requirements, and better develop, coordinate and integrate current and projected DOD intelligence capabilities in support of service, joint, and national intelligence collection requirements. The conferees expect the USD(I) to move expeditiously to establish requirements for the development of a fully integrated manned and unmanned airborne reconnaissance architecture for the future that has adequate capabilities and availability to meet projected requirements, minimizes unnecessary duplication of effort, and maximizes operational efficiency.

Some of these platforms, such as the Navy's EP–3E and the Army's RC–12 Guardrail, are nearing the end of their expected service lives and are in urgent need of replacement. The conferees are concerned that while the need to recapitalize manned airborne reconnaissance platforms in a coordinated, integrated fashion is well known within the DOD, only the Army has established a formal program for replacing its legacy manned airborne signals intelligence reconnaissance platforms by the competitive development and production of the Aerial Common Sensor (ACS).

The conferees are aware that the Navy is interested in taking advantage of the work done by the Army on ACS, and is considering the adoption of an ACS-based solution for replacement of the EP–3E. The conferees applaud the Navy efforts to establish a joint program with the Army, but are concerned that a thorough analysis of options has not yet been conducted. While the Navy did commission an initial analysis of options, the conferees feel a more rigorous, thorough analysis is warranted for such an important program.

The conferees direct the Secretary of Defense to conduct a thorough analysis of options to replace the EP–3E mission capability. The analysis should be conducted as expeditiously as possible in order to avoid delaying an EP–3E replacement. The conferees expect that the analysis should evaluate: (1) all reasonable alter-

natives, including all manned and unmanned replacement alternatives, such as the RC–135 Rivet Joint, Global Hawk unmanned aerial vehicle, and the ACS; (2) the consistency of the cost methodology; and, (3) a solution that maximizes signals intelligence capability, low life-cycle costs, and increases interoperability. In order to ensure the Navy makes a well-founded acquisition decision, the conferees direct the Secretary of the Navy not to proceed with the acquisition of an EP–3E replacement until this analysis is complete and Defense Acquisition Board approval has been granted. The Navy should use additional funding that may be available to expedite the study, analysis, and decision making processes.

The conferees are also concerned that the Air Force has not moved more aggressively to analyze program alternatives for replacing or modernizing the RC–135, which will also be required in future years. The conferees believe that, when it is time to replace the RC–135 platform, DOD could avail itself of more modern platforms that use state of the art technology in aircraft and intelligence collection systems, emphasize lower operating costs, and take full advantage of robust communications capabilities to reduce platform size, weight, and operational costs.

The conferees direct the Secretary of Defense to conduct a formal Analysis of Alternatives (AOA) for replacement or modernization of the RC–135 mission. The AOA shall consider all manned and unmanned replacement alternatives, including high altitude, long endurance unmanned aerial vehicles, an ACS-based option, and more cutting edge technologies such as high altitude aero-bodies. The AOA should also specifically address the option of forming a joint program with Army, Navy, and Air Force participation.

The conferees expect these analyses will be coordinated with the Under Secretary of Defense for Acquisition, Technology and Logistics and the USD(I), and will be a consistent part of the comprehensive effort by the USD(I) to establish requirements for the development of a fully integrated manned and unmanned airborne reconnaissance architecture that makes appropriate use of reach-back technology.

Sniper detection systems

The conferees note the growing need for reliable sniper detection systems and support the use of technology to rapidly and reliably classify and precisely locate hostile fire in complex and urban terrain. The conferees further note continuing work in several alternate technologies for sniper detection by various defense agencies and laboratories. The conferees encourage the Department of Defense to support accelerated research and development for such technologies to protect the lives of U.S. service personnel.

Supercomputer research and development

The conferees encourage the Secretary of Defense and the Secretary of Energy to take measures to ensure that the United States continues to be the world leader in supercomputing applications and infrastructure. The conferees note that the July 2002, "Report on High Performance Computing for the National Security," submitted by the Department of Defense, stated that supercomputing ". . . has been a key technology in the development of our nu-

clear arsenal, other major weapon systems, in critical intelligence fields of image processing and cryptanalysis, and as a key enabler for U.S. leadership in national-security fields of science and discovery." The conferees believe it is necessary to support a robust research and development program for basic and applied research on supercomputing systems and applications to maintain the United States' competitive position in the global marketplace and to meet military requirements.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of appropriations (sec. 201)

The House bill contained a provision (sec. 201) that would authorize the recommended fiscal year 2004 funding levels for the research, development, test, and evaluation accounts for the Army, Navy, Marine Corps, Air Force, Defense-wide activities, and the Director of Operational Test and Evaluation.

The Senate amendment contained an identical provision (sec. 201) and additional provisions (secs. 203–204) that would authorize the recommended fiscal year 2004 funding levels for research, development, test, and evaluation for the Defense Inspector General and the Defense Health Program.

The conference agreement includes a provision that would authorize funding levels for the Army, Navy, Marine Corps, Air Force, Defense-wide activities, and the Director of Test and Evaluation. The conference agreement includes authorizations for the Defense Inspector General and the Defense Health Program, as provided elsewhere in this conference report.

Amount for defense science and technology (sec. 202)

The budget request included an authorization of $10,232.0 million for Department of Defense (DOD) science and technology programs.

The House bill would authorize $10,893.1 million.

The Senate amendment would authorize $10,705.6 million.

The conferees agree to authorize $11,029.6 million for DOD science and technology programs. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Subtitle B—Program Requirements, Restrictions, and Limitations

Collaborative program for development of electromagnetic gun technology (sec. 211)

The House bill contained a provision (sec. 211) that would establish a collaborative program for the development of electromagnetic gun technology.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees note that electromagnetic guns show significant potential to transform the capabilities of our military forces. The conferees believe that the program established by this provision should be a robustly funded, joint endeavor that aggressively develops and transitions electromagnetic gun systems and supporting

technologies to warfighters, while continuing to address the fundamental scientific issues supporting their development.

The conferees direct the Director of Defense Research and Engineering to assign lead responsibility to appropriate organizations within the Department of Defense for the development of the various enabling technologies to achieve the program's goals. The conferees note that the Army, Navy, and Defense Advanced Research Projects Agency each have unique expertise, capabilities, and resources to support this Department of Defense program. The conferees believe that the memorandum of agreement established for the program should clearly delineate the roles and responsibilities for each of the participating organizations.

Leadership and duties of Department of Defense Test Resource Management Center (sec. 212)

The House bill contained a provision (sec. 212) that would amend section 196(b)(1) of title 10, United States Code, to provide that, in addition to a commissioned officer of the armed forces serving on active duty, the Secretary of Defense may also consider for possible selection as Director of the Department of Defense Test Resource Management Center (DTRMC) a senior civilian official or employee of the Department of Defense who has substantial experience in the field of test and evaluation.

The Senate amendment contained a similar provision (sec. 862) that would also clarify that the Director of Operational Test and Evaluation (DOT&E) budget is not subject to review by the DTRMC and that DOT&E access to records and data would include relevant operational records and data for systems that are deployed prior to the completion of the operational test and evaluation.

The House recedes with an amendment that would authorize the selection of a senior civilian official as Director of the DTRMC and provide that the DOT&E budget is not subject to review by the DTRMC. The issue of DOT&E access to operational records and data is addressed elsewhere in this conference report.

Development of the joint tactical radio system (sec. 213)

The House bill contained a provision (sec. 213) that would establish an independent joint tactical radio system (JTRS) joint program office (JPO) under rotating military service leadership. The provision would also centralize program funding and place all JTRS cluster development under JPO control. The JPO would ensure a joint JTRS concept of operations.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to provide an implementation plan for the JTRS program that would (1) adopt a program management structure that provides strong and effective joint management; (2) have sufficient control and authority to properly execute the program; and (3) establish processes to resolve differences between services expeditiously. The provision would direct the Secretary to develop a single, unified concept of operations for all JTRS users. The provision would also require the Secretary to submit the implementation plan and unified concept of operations to the Committees on Armed Services of the Senate and the House of Representatives by

January 1, 2004, and to ensure that this plan is implemented no later than October 1, 2004.

The conferees believe that the JTRS program is on a successful path to develop and procure Cluster 1 waveforms for a software programmable radio. However, the conferees also believe that the JTRS has reached a critical stage in its development that requires increased oversight and management.

Future combat systems (sec. 214)

The House bill contained a provision (sec. 214) that would require the budget request for the projects within the Armored Systems Modernization Program within the Department of the Army to be displayed in separate program elements. Further, this section would preclude authorization of appropriations until the Secretary of Defense provides to the congressional defense committees more detailed justification for the $1.7 billion program.

The Senate amendment contained a similar provision (sec. 212) that would require the Objective Force Indirect Fires project be planned, programmed, and budgeted as a separate and distinct program element.

The House recedes with an amendment that would require the Secretary of Defense to ensure that the Future Combat Systems (FCS), Networked Fires System Technology, and Objective Force Indirect Fires projects are planned, programmed and budgeted for as separate, distinct program elements. Further, the provision requires that the Secretary of the Army provide to the congressional defense committees an annual report on the cost breakdown for each project under the FCS program element, including sufficient detail to justify the requested budget and any updates of the Future Combat System analysis of alternatives.

The Under Secretary for Defense for Acquisition, Technology and Logistics approved the FCS Increment 1 to proceed into systems design and development and be managed as a single major defense acquisition program. The conferees note that the Department of the Army requested $1.7 billion in funding although the key performance parameters for FCS will not be quantified until November 2004. The technology development, concept design, system design, and key performance parameters specification of this evolutionary program are performed in parallel. The financial risks are high and program management function is challenging. If this program is to be managed successfully, the specific tasks and objectives to be accomplished must be clearly defined. This new "system-of-systems" rapid development approach is new to the Department of the Army. The high cost and high risk require congressional oversight which can be better accomplished through the application of separate and distinct program elements for the FCS, Networked Fire Systems Technology, and Objective Force Indirect Fires projects. The conferees also understand that the acquisition system should not discourage nor inhibit spiral development. Therefore, the conferees support further development of an improved process that strengthens congressional oversight and provides the Army the flexibility to manage the program without further subdividing the remaining projects under the FCS into program elements.

Although the Networked Fires and Objective Force Indirect Fires projects will be managed as separate and distinct program elements from FCS, the conferees understand the high value placed on interdependence and connectivity between these programs. The future Networked Fires program will not only fund missile development, but will also develop the command, control, communications, and computers, and intelligence, surveillance, and reconnaissance capabilities required for FCS. Similarly, the future Objective Force Indirect Fires program will not only fund the development of the non-line-of-sight cannon capability but will also serve as the technology driver and the lead system for the development of common components for manned ground systems, such as the chassis.

The conferees support Army transformation and the related FCS. The transformation of the Army's capabilities with the FCS is pivotal in meeting the goals of the Objective Force. However, the conferees believe that it is essential that the FCS be properly defined and managed to ensure the successful fielding of this capability.

The conferees recognize that this evolutionary program requires a certain level of flexibility to maintain the aggressive schedule. As a result, the conferees increase the limit for reprogramming funds within the three Future Combat Systems elements to $20.0 million before congressional approval is required. The Secretary of the Army shall notify the congressional defense committees of any below threshold reprogramming actions. Reprogramming funds from outside the FCS program to the FCS program would require the normal congressional defense committee approval process.

Extension of reporting requirement for RAH–66 Comanche aircraft program (sec. 215)

The House bill contained a provision (sec. 216) that would extend the requirement for the Secretary of the Army to report quarterly to the Committees on Armed Services of the Senate and the House of Representatives on the progress of the restructured Comanche aircraft program.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees continue to support the RAH–66 Comanche aircraft program and note that the Army is making progress on program execution.

Studies of Fleet Platform Architectures for the Navy (sec. 216)

The House bill contained a provision (sec. 217) that would direct the Secretary of Defense to provide for the performance of eight independent studies of alternative Navy future fleet platform architectures. These studies would examine, without constraint and in unclassified and, to the extent necessary, classified format: (1) the national security strategy; (2) potential threats; (3) traditional roles and missions; (4) alternative roles and missions; (5) evolving technology; and (6) personnel reduction opportunities in recommending future fleet architectures.

The Senate recedes with an amendment that would require the Secretary to provide for the performance of two studies that would

recommend future fleet architectures of the Navy. One study would be performed by a federally funded research and development center, such as the Institute for Defense Analyses. The other study would be performed by the Office of Force Transformation within the Office of the Secretary of Defense, with participation from the Office of Net Assessment within the Office of the Secretary of Defense, the Department of the Navy, and the Joint Staff. The studies would be required to be delivered to the congressional defense committees not later than January 15, 2005.

Subtitle C—Ballistic Missile Defense

Enhanced flexibility for ballistic missile defense systems (sec. 221)

The House bill contained a provision (sec. 221) that would amend subsection (a) of section 223 of title 10, United States Code, to allow the President flexibility in designating program elements for the Missile Defense Agency (MDA). The provision would make conforming changes, including those related to reporting requirements, and other technical issues.

The Senate amendment contained a similar provision (sec. 222) that would repeal subsection (a) of section 223 of title 10, United States Code.

The Senate recedes. The conferees are aware of the Administration's interest in submitting an MDA budget request in fiscal year 2005 that reflects a single program element. The conferees believe that submission of future budget justification material should be consistent with past practice, and that a budget request reflecting a single program element would be inappropriate.

Fielding of ballistic missile defense capabilities (sec. 222)

The Senate amendment contained a provision (sec. 221) that would allow the Department of Defense to use research, development, test and evaluation funding to develop and field an initial set of ballistic missile defense capabilities.

The House bill contained no similar provision.

The House recedes.

Oversight of procurement of ballistic missile defense system elements (sec. 223)

The Senate amendment contained a provision (sec. 223) that would require: (1) the Secretary of Defense to submit, for ballistic missile defense (BMD) system elements for which the Missile Defense Agency (MDA) is engaged in planning for production and initial fielding, the production rate capabilities being planned, the potential date of availability of the element, the expected costs of initial production and fielding, and the estimated date that the element could be transferred to a military department; (2) the Missile Defense Agency to establish and submit to Congress measurable performance criteria for each block of the BMD system and its elements that describe the intended effectiveness of that block against foreign adversary capabilities; (3) the Director of Operational Test and Evaluation (DOT&E), in consultation with the Director of MDA, to establish and provide to Congress appropriate plans and schedules for operational testing, including an estimate of when the

element would demonstrate its ability to meet its performance criteria through such testing; (4) the DOT&E to provide to Congress an assessment of progress being made in verifying element performance through operational testing; and (5) the Secretary of Defense to provide an estimate of funding necessary for procurement of BMD system elements in the future-years defense program (FYDP).

The House bill contained no similar provision.

The House recedes with an amendment that would require: (1) the Secretary of Defense to submit production rate capabilities being planned, the potential date of availability of the element, and the estimated date that the element could be transferred to a military department for BMD system elements for which MDA is engaged in planning for production and initial fielding; (2) the Secretary to provide an estimate of funding necessary for procurement of BMD system elements in the FYDP; (3) that performance criteria for development phases of the BMD system and its elements describe the intended effectiveness of each phase against foreign adversary capabilities; and (4) DOT&E to make available for review by March 1, 2004, the developmental and operational test plans established to assess the effectiveness of the BMD system and its elements with respect to performance criteria.

The conferees believe that the System Capability Specifications and Foreign Adversary Capabilities documents submitted by MDA with the fiscal year 2004 budget request were valuable documents that provide the Armed Services Committees of the Senate and the House of Representatives improved insight into the intent and progress of missile defense programs. The conferees believe that the System Capability Specification Document should reference those threats described in the Foreign Adversary Capabilities Document to which the performance criteria are intended to apply. The conferees expect that descriptions of intended effectiveness will appropriately address potential countermeasures.

Renewal of authority to assist local communities affected by ballistic missile defense system test bed (sec. 224)

The Senate amendment contained a provision (sec. 224) that would renew for three years the authority of the Missile Defense Agency to use research, development, test, and evaluation funds for assistance to communities significantly impacted by the expanded ballistic missile defense test bed. The provision would also require the Secretary of Defense to submit a description of the community assistance projects to be supported in a given fiscal year along with an estimate of the total cost of each project.

The House bill contained no similar provision.

The House recedes with an amendment that would renew this authority for one year, and require the Secretary of Defense to submit within 60 days of enactment of this Act a description of the community assistance projects to be supported along with an estimate of the total cost of each project.

Prohibition on use of funds for nuclear armed interceptors in missile defense systems (sec. 225)

The Senate amendment contained a provision (sec. 226) that would prohibit the use of funds authorized to be appropriated for the Department of Defense in fiscal year 2004 for research, development, test, and evaluation, procurement, or deployment of nuclear armed interceptors in a missile defense system.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Follow-on research, development, test, and evaluation related to system improvements for missile defense programs transferred to military departments (sec. 226)

The conferees recommend a provision that would amend section 224 of Title 10, U.S. Code. Section 224 requires that funding for ballistic missile defense (BMD) research and development be included in Missile Defense Agency (MDA) budget accounts and that responsibility for follow-on research and development on BMD elements transferred to the services remain with the Director of MDA. The amendment to section 224 would require that research and development funding requested for the purpose of integrating a BMD element into the overall integrated BMD architecture be included in the MDA budget accounts and that responsibility for follow-on research and development on BMD elements transferred to the services be clearly delineated.

The conferees agree that significant capability enhancements can be achieved through the integration of ballistic missile system elements into a seamless web of interceptor, battle management, communications, and sensor systems, and that MDA must have the budgetary resources and management authority to ensure that such integration is achieved. The conferees recommend that the MDA director continue to play an active role in the management of ballistic missile defense programs transferred to the services.

Subtitle D—Other Matters

Global Research Watch Program in the Office of the Director of Defense Research and Engineering (sec. 231)

The Senate amendment contained a provision (sec. 231) that would establish a Global Research Watch program.

The House bill contained no similar provision.

The House recedes with an amendment that would direct the military departments and defense agencies to participate in the program and to provide a sunset provision for the legislative provision.

Defense Advanced Research Projects Agency Biennial Strategic Plan (sec. 232)

The Senate amendment contained a provision (sec. 232) that would require the preparation of a biennial strategic plan for the activities of the Defense Advance Research Projects Agency (DARPA) and for the establishment of a senior review panel to assist in the formulation, review, and approval of the strategic plan.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Director, DARPA, to prepare a biennial strategic plan and would also require the Secretary of Defense to submit the plan to Congress in even-numbered years at the same time that the President submits the budget request.

The conferees note that in accomplishing DARPA's mission as the central research and development organization of the Department of Defense with a primary responsibility to maintain U.S. technological superiority over potential adversaries, the Director of DARPA has been granted wide latitude in discharging his responsibilities for the organization, direction, and management of DARPA and all assigned resources. Focusing on revolutionary research initiatives with high technical risk and high payoff, and responding to tasks and guidance from the Office of the Secretary of Defense (OSD) and the Joint Chiefs of Staff (JCS), the Director, DARPA, exercises his responsibilities under the direction, authority, and control of the Under Secretary of Defense for Acquisition, Technology and Logistics and the Director of Defense Research and Engineering (DDR&E). For DARPA to execute its mission, the conferees believe that close and regular communication is required between the agency, OSD, the JCS and combatant commands, the military departments and defense components, the intelligence community, other federal agencies, private industry, academia, and research institutions.

The conferees note and share the views contained in the Report of the Defense Science Board Task Force for the Investment Strategy for DARPA, dated July 1999, recommending that DARPA strengthen its approach to strategic planning in order to develop the warfighting capabilities, which will be required by U.S. Armed Forces to address the new asymmetric threats and complex and diverse missions expected in the 21st Century, and the technologies to support those capabilities. The task force noted that strategic planning should be based on a collaboration between the DARPA Director and his Office Directors, and that the resulting plans must be communicated to the agency's program managers, as well as the DDR&E, USD (AT&L), the Joint Staff and Congress. The task force cautioned that the planning process should not be too bureaucratic and that resource flexibility must be maintained to address emerging opportunities.

The conferees note that the DARPA Strategic Plan, February 2003, listed a number of defense officials who have been briefed on major elements of the current DARPA strategy. The conferees observe that it is common practice for scientific and technical organizations, both in the public and private sector, to engage advisory boards and/or visiting committees to assist in the review of strategic plans and programs. For example, the Defense Science Board has effectively reviewed a number of DOD programs, including DARPA's, on several occasions. The conferees believe that the ability of the DARPA Director and other senior officials to draw on such activities would be of immeasurable value in developing and reviewing the DARPA strategic plan. Finally, the conferees note that the recent controversy surrounding DARPA's Terrorism Information Awareness program, the handling of the issue by DARPA and OSD management, and the resulting termination of the pro-

gram, might have been avoided had a properly vetted strategic review of DARPA programs been in place, as contemplated by this provision. The conferees direct the Secretary of Defense to establish an appropriate means for review and approval of the DARPA strategic plan.

Enhancement of authority of Secretary of Defense to support science, mathematics, engineering and technology education (sec. 233)

The Senate amendment contained a provision (sec. 233) that would enhance the authority of the Secretary of Defense to support science, mathematics, and technology education.

The House bill contained no similar provision. The House recedes with an amendment that would provide authority for the Secretary to support competition judging and event and award ceremony activities in conjunction with these educational programs.

The conferees intend for the Secretary to use this authority to continue and expand upon educational activities that are consistent with the mission of the Department of Defense, including the Army's eCybermission program. The conferees intend that this authority will allow for the covering of appropriate expenses for events, ceremonies, and personnel, including non-federal personnel, associated with these activities.

Department of Defense program to expand high-speed, network-centric bandwidth capabilities for network-centric operations (sec. 234)

The Senate amendment contained a provision (sec. 234) that would require the Secretary of Defense to establish a comprehensive research and development program for advanced technologies to achieve high-speed, high-bandwidth wireless communications for the Department of Defense. The Senate provision would direct that the program focus on technologies to improve utilization of the radio frequency spectrum for wireless and mobile systems, highly networked systems, efficient communications devices, and computer software applications, including robust security, encryption, and privacy applications. The program would also include the development of common technology requirements and requirements among the military services and defense agencies to enhance interoperability and joint experimentation to improve network-centric warfare capabilities from the operational to the small unit level. Finally, the provision would require the Secretary to carry out the program through the Director of Defense Research and Engineering (DDR&E).

The House bill contained no similar provision.

The House recedes with an amendment that would assign to the Secretary of Defense the responsibility for carrying out the program.

The conferees endorse the establishment of a comprehensive research and development program that would support the Department's transformation to a network-centric force in which the rapid delivery of large amounts of data throughout the theater of operations would dramatically enhance the capability and situational awareness of the fighting forces. The conferees note that both the DDR&E and the Assistant Secretary of Defense for Networks and

Information Integration (ASD(NII)) would have significant responsibilities with respect to the planning and execution of such a program: the DDR&E, as the principal staff assistant and advisor to the Under Secretary of Defense for Acquisition, Technology, and Logistics, with respect to oversight of the Department's science and technology program, including basic and applied research and advanced technology development; and the ASD(NII), as the principal staff advisor for networks and network centric concepts and for command, control and communications (C3), with respect to oversight of acquisition, technology, and logistics regarding C3 and information programs. The conferees expect that the DDR&E and the ASD(NII) will closely coordinate their respective responsibilities and activities regarding the program with one another and with the secretaries of the military departments, the heads of appropriate defense agencies, and the heads of other appropriate elements of the Department, in order to achieve an integrated, comprehensive research and development program that accomplishes the objectives established by the provision.

Blue forces tracking initiative (sec. 235)

The Senate amendment contained a provision (sec. 1031) that would require the Secretary of Defense to coordinate the developmental activities associated with U.S. military efforts to collect and display information on the location of U.S. and allied forces on the battlefield, which is sometimes called "blue forces tracking" or "blue forces situational awareness." The provision would further direct the Commander, U.S. Joint Forces Command, to conduct a blue forces tracking joint experiment in fiscal year 2004 in order to demonstrate and evaluate available technologies, and to recommend an achievable solution for Defense-wide fielding. The provision would require the Secretary to submit a report to the congressional defense committees on the results of the joint experiment and a plan for how the Department of Defense would proceed with the development, acquisition, and fielding of a blue forces tracking system.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees are concerned that despite improvements in technology and despite lessons learned from previous conflicts, the U.S. Armed Forces still lack a fully functional, near real-time blue forces tracking system. While overall casualties have declined in recent conflicts, the percent of casualties associated with friendly fire incidents has remained relatively constant. Additionally, different elements of the Department are working on disparate capabilities that are not fully interoperable. An initial lesson learned from Operation Iraqi Freedom has been that coalition battlefield commanders did not have a complete picture of where all friendly forces were located and that available tracking systems were not fully interoperable.

The conferees urge the Secretary to ensure that all funding within the Department for blue forces tracking development is fully coordinated, and that he implement a comprehensive plan for the development, acquisition, and fielding of a functional, interoperable blue force tracking system as soon as possible.

LEGISLATIVE PROVISIONS NOT ADOPTED

Amount for collaborative information warfare network

The Senate amendment contained a provision (sec. 236) that would authorize an increase of $8.0 million in PE 206313M, to be used for the Collaborative Information Warfare Network program, to be offset by a general decrease of $8.0 million in Operation and Maintenance, Air Force.

The House bill contained no similar provision.

The Senate recedes.

Amount for joint engineering data management information and control systems

The Senate amendment contained a provision (sec. 213) that would authorize an increase of $2.5 million in PE 63739N for the joint engineering data management information and control system (JEDMICS), and a decrease of $2.5 million in Other Procurement, Navy, for the same system.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of $2.5 million in PE 63739N for JEDMICS.

Amount for network centric operations

The Senate amendment contained a provision (sec. 221) that would authorize $1.0 million in PE 61228A for the initiation of a capability in historically black colleges and universities to support network centric operations of the Department of Defense.

The House bill contained no similar provision.

The Senate recedes on the provision.

Boron energy cell technology

The Senate amendment contained a provision (sec. 219) that would provide a $5.0 million increase for boron energy cell technology research and development and would offset the increase with a reduction from funds authorized for appropriation for Army operation and maintenance.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize an increase of $5.0 million in PE 63401F for boron energy cell technology research and development, as noted elsewhere in this conference report.

Composite sail test articles

The Senate amendment contained a provision (sec. 217) that would authorize an increase of $2.0 million in PE 64561N for development and fabrication of composite sail test articles for incorporation into designs for future submarines.

The House bill contained no similar provision.

The Senate recedes.

Coproduction of Arrow ballistic missile defense system

The Senate amendment contained a provision (sec. 237) that would make available $115.0 million for coproduction of the Arrow

ballistic missile defense system from funds authorized for appropriation for ballistic missile defense in section 201 of this Act.

The House bill contained no similar provision.

The Senate recedes.

Enhanced production of titanium

The House bill contained a provision (sec. 215) that would require the Secretary of Defense, through the Secretary of the Army, to assess technologies leading to the enhanced production of titanium by the United States, select on a competitive basis the most viable technologies, and authorize $8.0 million under PE 62624A to carry out this provision.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree to authorize $2.0 million in PE 62624A for titanium extraction mining and process engineering research.

The conferees note the need for the Department of Defense to develop advanced low-cost titanium materials for use in military non-aerospace applications. The conferees direct the Secretary of Defense to develop an integrated plan for the development and processing of low-cost titanium materials and associated manufacturing technologies. The plan should also identify, to the maximum extent possible, military systems that may utilize low-cost titanium materials. The Secretary of Defense shall provide the plan to the congressional defense committees along with the fiscal year 2005 budget request.

Human tissue engineering

The Senate amendment contained a provision (sec. 214) that would authorize an increase of $1.7 million in PE 62787A for human tissue engineering.

The House bill contained no similar provision.

The Senate recedes on the provision.

The conferees agree to authorize an increase of $1.7 million in PE 62787A for minimally invasive digital printing for human tissue engineering.

Magnetic levitation

The Senate amendment contained a provision (sec. 216) that would authorize an additional $2.1 million in PE 64759F for research and development on magnetic levitation technologies at the high speed test track at Holloman Air Force Base, New Mexico.

The House bill contained no similar provision.

The Senate recedes on the provision.

The conferees agree to authorize an increase of $2.1 million in PE 64759F for research and development on magnetic levitation technologies at the high speed test track at Holloman Air Force Base, New Mexico.

Modification of program element of short range air defense radar program of the Army

The Senate amendment contained a provision (sec. 220) that would modify the program element for the Army's short range air defense radar program from PE 62303A (Missile Technology) to PE

63772A (Advanced Tactical Computer Science and Sensor Technology).

The House bill contained no similar provision.

The Senate recedes on the provision.

The conferees agree to authorize an additional $6.0 million in PE63772A for the Army's short range air defense radar program.

Non-thermal imaging systems

The Senate amendment contained a provision (sec. 215) that would authorize an additional $2.0 million in PE 62114N for research and development of non-thermal imaging systems.

The House bill contained no similar provision, however, it would authorize an increase of $2.0 million in PE 62114N for applied research in promising non-thermal imaging technologies, including FireLidar, for military and civilian firefighting and operational applications.

The Senate recedes.

The conferees agree to authorize an increase of $2.0 million in PE 62114N for applied research in non-thermal imaging systems, such as FireLidar.

Portable mobile emergency broadband systems

The Senate amendment contained a provision (sec. 218) that would authorize an additional $2.0 million in PE 63008A for development of portable mobile emergency broadband systems.

The House bill contained no similar provision. The House authorized $8.6 million in PE 63008A for development of a portable and mobile emergency broadband system.

The Senate recedes on the provision.

The conferees agree to authorize an increase of $4.0 million in PE 63008A for development of portable mobile emergency broadband systems.

Program increases

The House bill contained a provision (sec. 203) that would authorize $3.0 million in PE 63002A for diagnosis of dermatological diseases, $3.0 million in PE 63004A for lightweight cartridge cases for ammunition, $6.5 million in PE 64512N for aviation-shipboard information technology, $1.4 million in PE 64512N for the AutoREAD system, $5.0 million in PE 63640M for SPIKE urban warfare system, $3.25 million in PE 63207N for research in hydrographic sciences, $5.0 million in PE 64231N for an at-sea demonstration of the F/A–22 electronic warfare product improvement program, $4.0 million in PE 62204F for reconfigurable signal processors, $2.0 million in PE 63750D8Z for an evaluation of systems to detect concentrations of specific compounds, and $5.0 million in PE 63284BP for mustard gas antidote.

The Senate bill contained no similar provision.

The House recedes.

The conferees agree to authorize $3.0 million in PE 63002A for diagnosis of dermatological diseases, $4.0 million in PE 64512N for aviation-shipboard information technology, $5.0 million in PE 63640M for SPIKE urban warfare system, $2.0 million in PE 64231N for an F/A–22 EW at-sea demo, $4.0 million in PE 62204F

for reconfigurable signal processors, and $5.0 million in PE 62384BP for mustard gas antidote. These authorizations are also noted elsewhere in this conference report.

Prohibition on transfer of certain programs outside the Office of the Secretary of Defense

The Senate amendment contained a provision (sec. 211) that would prohibit the transfer of five research, development, test and evaluation (RDT&E) programs from the Office of the Secretary of Defense to the military services. These programs are: explosive demilitarization technology (PE 63104D8Z); high energy laser research initiative (PE 61108D8Z); high energy laser research (PE 62890D8Z); high energy laser advanced development (PE 63924D8Z); and university research initiative (PE 61103D8Z).

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the Department of Defense (DOD), and in particular the Office of the Director of Defense Research and Engineering (DDR&E), has assured the conferees that, despite the devolvement of these programs, the nature of the programs will not change. The conferees have, and will continue to pay particular attention to these programs in the future. The Secretary of Defense should consider these programs congressional interest items for purposes of the Base for Reprogramming (DD 1414). Any reprogramming of funds from these accounts shall only occur after approval by the congressional defense committees. The conferees may remove this designation after several years experience with the devolved programs.

The conferees further note their concerns about funding levels and technical content of the basic research activities of the defense science and technology program. The Department's investment in basic research provides the foundation upon which our modern military is built. It is critical the basic research investment remain strong, stable, and focused on the fundamental search for new knowledge. Therefore, the conferees direct the National Academies of Science to evaluate the DOD basic research portfolio. The evaluation shall utilize the official DOD definition of basic research to determine whether the basic research portfolio is consistent with the definition provided in DOD regulation. The conferees expect to work closely with the National Academies of Science and the Secretary to build the terms of reference for this evaluation. The evaluation should be made available to the congressional defense committees prior to the fiscal year 2006 budget request.

The conferees direct the Secretary to submit a report for each of the fifteen programs devolved in the fiscal year 2004 President's budget request, if the current year's budget request for the program is less than the fiscal year 2004 budget request in constant dollars. This reporting requirement is intended to be in effect for the next four fiscal years. This report shall be included with each fiscal year budget request, and shall contain budget request and appropriated levels for the program dating back to calendar year 2000 in both current and constant dollars, and an analysis of the impact of the reduced funding on the development of military capa-

bilities, affected contractors, technical workforce, and scientific and technological advancement.

Requirement for specific authorization of Congress for design, development, or deployment of hit-to-kill ballistic missile interceptors

The Senate amendment contained a provision (sec. 225) that would: (1) require specific congressional authorization for the use of funds toward design, development, or deployment of hit-to-kill interceptors or other weapons for placement in space; and (2) make $14.0 million of funds authorized to be appropriated for fiscal year 2004 for Ballistic Missile Defense System Interceptors available for research and concept definition for a space based test bed.

The House bill contained no similar provision.

The Senate recedes.

The conferees understand that the Missile Defense Agency has no plans to use any fiscal year 2004 funding for space-based interceptor research, development, design or deployment.

TITLE III—OPERATION AND MAINTENANCE

Overview

The budget request for fiscal year 2004 included an authorization of $116,958.8 million for Operation and Maintenance, $17,900.4 for Other Programs, and $2,894.5 for Working Capital Fund Accounts in the Department of Defense.

The House bill would authorize $113,891.0 million for Operation and Maintenance, $17,877.1 for Other Programs, and $2,889.5 for Working Capital Fund Accounts.

The Senate amendment would authorize $130,611.4 million for Operation and Maintenance and $2,789.3 for Working Capital Fund Accounts.

The conferees recommend an authorization of $114,353.3 million for Operation and Maintenance, $17,911.6 for Other Programs, and $2,849.5 for Working Capital Fund Accounts. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Operation and Maintenance and Other Programs

(Dollars In Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Title III -- OPERATION AND MAINTENANCE AND OTHER PROGRAMS					
OPERATION AND MAINTENANCE					
Operation and Maintenance, Army	24,965,342	25,050,587	24,661,004	-338,305	24,627,037
Operation and Maintenance, Navy	28,287,690	27,901,790	28,051,390	-312,131	27,975,559
Operation and Maintenance, MC	3,406,656	3,517,756	3,416,356	19,400	3,426,056
Operation and Maintenance, AF	27,793,931	25,298,960	26,956,431	-1,704,261	26,089,670
Operation and Maintenance, Defense-wide	16,570,847	16,134,047	15,739,047	-327,690	16,243,157
Operation and Maintenance, Army Reserve	1,952,009	1,954,009	1,955,009	14,000	1,966,009
Operation and Maintenance, Navy Reserve	1,171,921	1,171,921	1,170,421		1,171,921
Operation and Maintenance, Marine Corps Reserve	173,952	199,452	173,452		173,952
Operation and Maintenance, Air Force Reserve	2,179,188	2,170,188	2,178,688		2,179,188
Operation and Maintenance, Army National Guard	4,211,331	4,194,331	4,230,331	45,000	4,256,331
Operation and Maintenance, Air National Guard	4,402,646	4,404,646	4,405,646	3,500	4,406,146
Transfer Accounts	1,323,178	1,373,178	1,313,178	-5,000	1,318,178
Miscellaneous Appropriations	520,133	520,133	520,133		520,133
Defense Health Program, O&M			14,862,900		
Defense Health Program (Transfer from Other Programs)			[14,876,887]		
Financial information systems			[-14,000]		
Drug Interdiction and Counter-Drug Activities (Transfer from Other Programs)			817,371		
Office of the Inspector General, O&M (Transfer from Other Programs)			160,049		
SUBTOTAL OPERATION AND MAINTENANCE	**116,958,824**	**113,890,998**	**130,611,406**	**-2,605,487**	**114,353,337**
OTHER PROGRAMS (Formerly in the O&M Title)					
Defense Health Program, O&M	14,876,887	14,923,441		131,000	15,007,887
Marshall Island diabetes program		[2,000]		[1,000]	
Army Choices program		[150]		[150]	
Operations in Southwest Asia		[-6,596]		[-150]	
Manganese Health Research Program				[2,000]	
TRICARE for Reserve Component Personnel				[128,000]	
Defense Health Program, RDTE	65,796	65,796			65,796

Operation and Maintenance and Other Programs

(Dollars In Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Defense Health Program, Procurement	327,826	327,826			327,826
Subtotal Defense Health Program	**15,270,509**	**15,317,063**			**15,401,509**
Drug Interdiction and Counter-Drug Activities	817,371	817,371			817,371
Southwest border fence		[6,700]		[4,000]	
ISR and tanker support		[-2,000]		[-1,500]	
Ground based end game operations		[-3,500]		[-2,500]	
Subtotal Drug Interdiction and Counter-Drug Activities	**817,371**	**817,371**			**817,371**
Office of the Inspector General, O&M	160,049	160,049			160,049
Office of the Inspector General, RDTE	2,100	2,100			2,100
Office of the Inspector General, Procurement	300	300			300
Subtotal Office of the Inspection General	**162,449**	**162,449**			**162,449**
Chemical Agents and Munitions Destruction, O&M	1,199,168	1,249,168			1,199,168
Chemical Agents and Munitions Destruction, RDTE	251,881	251,881			251,881
Chemical Agents and Munitions Destruction, Procurement	79,212	79,212			79,212
Chemical Agents and Munitions Destruction, Military Construction	119,815			-119,815	
Subtotal Chemical Agents and Munitions Destruction	**1,650,076**	**1,580,261**			**1,530,261**
SUBTOTAL OTHER PROGRAMS	**17,900,405**	**17,877,144**			**17,911,590**
TOTAL OPERATION AND MAINTENANCE AND OTHER PROGRAMS	**134,859,229**	**131,768,142**	**130,611,406**	**-2,594,302**	**132,264,927**
REVOLVING AND MANAGEMENT FUNDS					
Defense Working Capital Funds	632,261	632,261	632,261		632,261
Defense Working Capital Funds - DeCA	1,089,246	1,089,246	1,089,246		1,089,246
National Defense Sealift Fund	1,062,762	1,102,762	1,062,762		1,062,762
Armed Forces Retirement Home	65,279	65,279	65,279		65,279
Other Legislation	45,000		45,000	-45,000	
TOTAL REVOLVING AND MANAGEMENT FUNDS	**2,894,548**	**2,889,548**	**2,894,548**	**-45,000**	**2,849,548**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Army					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	LAND FORCES					
1	DIVISIONS	1,506,922	1,830,172	1,514,422	7,000	1,513,922
	Extended cold weather clothing system			[5,000]	[5,000]	
	Field battery charging technology			[2,500]		
	Consumable parts		[90,000]			
	Hydration on the move (Camelbak)		[2,000]		[2,000]	
	Depot maintenance		[231,250]			
2	CORPS COMBAT FORCES	478,563	478,563	478,563		478,563
3	CORPS SUPPORT FORCES	383,755	383,755	383,755		383,755
4	ECHELON ABOVE CORPS SUPPORT FORCES	467,026	467,026	467,026		467,026
5	LAND FORCES OPERATIONS SUPPORT	1,078,757	1,012,307	1,078,757		1,078,757
	Fuel reduction		[-20,450]			
	Working capital fund cash reduction		[-50,000]			
	Controlled humidity preservation (CHP) program		[4,000]			
	LAND FORCES READINESS					
6	FORCE READINESS OPERATIONS SUPPORT	1,568,900	1,568,900	1,568,900		1,568,900
7	LAND FORCES SYSTEMS READINESS	488,918	488,918	488,918		488,918
8	LAND FORCES DEPOT MAINTENANCE	1,007,481	1,007,481	1,007,481	10,000	1,017,481
	Tank transmission upgrades (non-add)			[15,000]		
	Tank transmission upgrades				[10,000]	

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	LAND FORCES READINESS SUPPORT					
9	BASE OPERATIONS SUPPORT	2,651,539	2,651,539	2,651,539		2,651,539
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,094,309	1,094,309	1,094,309		1,094,309
11	MANAGEMENT & OPERATIONAL HEADQUARTERS	243,033	243,033	243,033		243,033
12	UNIFIED COMMANDS	85,115	85,115	85,115		85,115
13	MISCELLANEOUS ACTIVITIES	1,562,793	1,362,393	1,562,793		1,562,793
	Contingency operations, Southwest Asia		[-200,400]			
	TOTAL, BA 01: OPERATING FORCES	**12,617,111**	**12,673,511**	**12,624,611**	**17,000**	**12,634,111**
	BUDGET ACTIVITY 02: MOBILIZATION					
	MOBILITY OPERATIONS					
14	STRATEGIC MOBILIZATION	378,432	378,432	382,432	4,000	382,432
	Quadruple shipping containers			[4,000]	[4,000]	
15	ARMY PREPOSITIONED STOCKS	145,728	145,728	145,728		145,728
16	INDUSTRIAL PREPAREDNESS	7,753	7,753	7,753		7,753
17	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	6,933	6,933	6,933		6,933
	TOTAL, BA 02: MOBILIZATION	**538,846**	**538,846**	**542,846**	**4,000**	**542,846**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
	ACCESSION TRAINING					
18	OFFICER ACQUISITION	89,853	89,853	89,853		89,853
19	RECRUIT TRAINING	22,977	22,977	22,977		22,977
20	ONE STATION UNIT TRAINING	39,106	39,106	39,106		39,106
21	SENIOR RESERVE OFFICERS' TRAINING CORPS	214,264	214,264	214,264		214,264
22	BASE OPERATIONS SUPPORT	80,110	80,110	80,110		80,110
23	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	61,096	61,096	61,096		61,096
	BASIC SKILL/ ADVANCE TRAINING					
24	SPECIALIZED SKILL TRAINING	306,272	312,772	308,272	6,000	312,272
	Satellite communications language training (SCOLA)			[2,000]		
	US Army Engineer School		[4,000]		[4,000]	
	Army Defense Language Institute (same as SCOLA)		[2,500]		[2,000]	
25	FLIGHT TRAINING	499,040	647,040	514,040	5,000	504,040
	Flight School XXI		[148,000]	[15,000]	[5,000]	
26	PROFESSIONAL DEVELOPMENT EDUCATION	142,038	142,038	142,038		142,038
27	TRAINING SUPPORT	478,903	478,903	478,903		478,903
28	BASE OPERATIONS SUPPORT	819,604	819,604	819,604		819,604
29	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	392,550	392,550	392,550		392,550

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	RECRUITING/OTHER TRAINING					
30	RECRUITING AND ADVERTISING	468,035	468,035	455,035		468,035
	Recruiting and advertising costs			[-13,000]		
31	EXAMINING	83,269	83,269	83,269		83,269
32	OFF-DUTY AND VOLUNTARY EDUCATION	226,011	226,011	226,011		226,011
33	CIVILIAN EDUCATION AND TRAINING	92,536	92,536	92,536		92,536
34	JUNIOR RESERVE OFFICERS' TRAINING CORPS	129,978	129,978	129,978		129,978
35	BASE OPERATIONS SUPPORT	238,993	238,993	238,993		238,993
	TOTAL, BA 03: TRAINING AND RECRUITING	**4,384,635**	**4,539,135**	**4,388,635**	**11,000**	**4,395,635**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	SECURITY PROGRAMS					
36	SECURITY PROGRAMS	591,622	591,622	591,622		591,622
	LOGISTICS OPERATIONS					
37	SERVICEWIDE TRANSPORTATION	661,551	665,551	661,551	2,000	663,551
	Military vehicle tires		[2,000]			
	Military vehicle batteries		[2,000]		[2,000]	
38	CENTRAL SUPPLY ACTIVITIES	491,835	491,835	491,835		491,835
39	LOGISTICS SUPPORT ACTIVITIES	1,058,760	1,058,760	1,066,760	8,000	1,066,760
	Corrosion prevention and control			[8,000]	[8,000]	
40	AMMUNITION MANAGEMENT	330,129	330,129	330,129		330,129

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	SERVICEWIDE SUPPORT					
41	ADMINISTRATION	664,135	667,135	664,135		664,135
	Red Cross notification grant		[3,000]			
42	SERVICEWIDE COMMUNICATIONS	623,102	623,102	623,102		623,102
43	MANPOWER MANAGEMENT	210,202	210,202	210,202		210,202
44	OTHER PERSONNEL SUPPORT	198,716	199,716	198,716		198,716
	Center for military history - Vietnam historical perspectives		[1,000]			
45	OTHER SERVICE SUPPORT	707,558	707,558	707,558		707,558
46	ARMY CLAIMS	116,691	116,691	116,691		116,691
47	REAL ESTATE MANAGEMENT	50,173	50,173	50,173		50,173
48	BASE OPERATIONS SUPPORT	1,194,134	1,194,134	1,194,134		1,194,134
49	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	260,288	260,288	260,288		260,288
50	COMMISSARY OPERATIONS					
	Other support services		-7,119			
	Administration		-7,936			
	Civilian personnel underexecution		-26,600			
	Army knowledge management		-24,000			

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	SUPPORT OF OTHER NATIONS					
51	SUPPORT OF NATO OPERATIONS	207,125	207,125	207,125		207,125
52	MISC. SUPPORT OF OTHER NATIONS	58,729	58,729	58,729		58,729
53	EXPANSION OF NATO					
	Information technology reduction		-68,000			
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**7,424,750**	**7,299,095**	**7,432,750**	**10,000**	**7,434,750**
999a	WMD - Civil Support Teams			23,300	23,300	23,300
	Operations in Southwest Asia			-200,400	-200,400	-200,400
	WCF excess cash balances			-107,000	-107,000	-107,000
	Transfer from WCF for WP production equipment (PAA 39)			-24,339		
	Civilian personnel underexecution			-19,400	-9,850	-9,850
	Unobligated balances				-31,300	-31,300
	Administration and servicewide activities				-15,055	-15,055
	Information technology reduction				-40,000	-40,000
	Total Operation and Maintenance, Army	**24,965,342**	**25,050,587**	**24,661,004**	**-338,305**	**24,627,037**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Navy					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	AIR OPERATIONS					
1	MISSION AND OTHER FLIGHT OPERATIONS	3,262,507	3,435,007	3,262,507		3,262,507
	Flight operations		[172,500]			
2	FLEET AIR TRAINING	1,025,326	1,025,326	1,025,326		1,025,326
3	INTERMEDIATE MAINTENANCE	73,961	73,961	73,961		73,961
4	AIR OPERATIONS AND SAFETY SUPPORT	105,559	105,559	105,559		105,559
5	AIRCRAFT DEPOT MAINTENANCE	980,136	980,136	980,136		980,136
6	AIRCRAFT DEPOT OPERATIONS SUPPORT	50,725	50,725	50,725		50,725
	Fuel		-122,700			
	Contingency operations, Southwest Asia		-76,100			
	NMCI		-6,000			
	SHIP OPERATIONS					
7	MISSION AND OTHER SHIP OPERATIONS	2,485,605	2,485,605	2,492,105	5,000	2,490,605
	Condition-based maintenance photonic sensors			[6,500]	[5,000]	
8	SHIP OPERATIONAL SUPPORT AND TRAINING	614,525	614,525	614,525		614,525
9	INTERMEDIATE MAINTENANCE /1					
10	SHIP DEPOT MAINTENANCE /1	3,567,545	3,643,545	3,567,545		3,567,545
	Depot maintenance - LHA midlife and AOE-1 sustainment		[76,000]			

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
11	SHIP DEPOT OPERATIONS SUPPORT	1,087,587	1,087,587	1,087,587		1,087,587
	NMCI		-46,000			
	COMBAT OPERATIONS/SUPPORT					
12	COMBAT COMMUNICATIONS	377,493	377,493	377,493	3,000	380,493
	Manufacturing Technical Assistance and Production Pgm (MTAPP)				[3,000]	
13	ELECTRONIC WARFARE	15,574	15,574	15,574		15,574
14	SPACE SYSTEMS & SURVEILLANCE	125,107	125,107	125,107		125,107
15	WARFARE TACTICS	235,237	235,237	235,237		235,237
16	OPERATIONAL METEOROLOGY & OCEANOGRAPHY	257,475	257,475	257,475		257,475
17	COMBAT SUPPORT FORCES	892,241	892,241	892,241		892,241
18	EQUIPMENT MAINTENANCE	166,033	166,033	169,033		166,033
	Lead paint removal			[3,000]		
19	DEPOT OPERATIONS SUPPORT	2,733	2,733	2,733		2,733
	WEAPONS SUPPORT					
20	CRUISE MISSILE	151,456	151,456	151,456		151,456
21	FLEET BALLISTIC MISSILE	806,058	806,058	806,058		806,058
22	IN-SERVICE WEAPONS SYSTEMS SUPPORT	44,092	44,092	44,092		44,092
23	WEAPONS MAINTENANCE	466,425	466,425	466,425		466,425
	WORKING CAPITAL FUND SUPPORT					
24	NWCF SUPPORT /2	-447,755	-447,755	-491,255	-43,500	-491,255
	Navy excess carryover			[-43,500]	[-43,500]	

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BASE SUPPORT					
25	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,079,723	1,079,723	1,079,723		1,079,723
26	BASE OPERATIONS SUPPORT	2,609,334	2,609,334	2,580,334		2,609,334
	Naval Station Roosevelt Roads			[-29,000]		
	NMCI		-25,000			
	TOTAL, BA 01: OPERATING FORCES	**20,034,702**	**20,007,402**	**19,971,702**	**-35,500**	**19,999,202**
	BUDGET ACTIVITY 02: MOBILIZATION					
	READY RESERVE AND PREPOSITIONING FORCES					
27	SHIP PREPOSITIONING AND SURGE	506,690	506,690	506,690		506,690
	ACTIVATIONS/INACTIVATIONS					
28	AIRCRAFT ACTIVATIONS/INACTIVATIONS	8,217	8,217	8,217		8,217
29	SHIP ACTIVATIONS/INACTIVATIONS	167,127	167,127	167,127		167,127

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	MOBILIZATION PREPAREDNESS					
30	FLEET HOSPITAL PROGRAM	25,361	25,361	25,361		25,361
31	INDUSTRIAL READINESS	1,702	1,702	1,702		1,702
32	COAST GUARD SUPPORT	18,137	18,137	18,137		18,137
	TOTAL, BA 02: MOBILIZATION	**727,234**	**727,234**	**727,234**		**727,234**
	BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
	ACCESSION TRAINING					
33	OFFICER ACQUISITION	116,022	116,022	116,022		116,022
34	RECRUIT TRAINING	8,693	8,693	8,693		8,693
35	RESERVE OFFICERS TRAINING CORPS	91,788	91,788	91,788		91,788
	BASIC SKILLS AND ADVANCED TRAINING					
36	SPECIALIZED SKILL TRAINING	363,006	363,006	363,006		363,006
37	FLIGHT TRAINING	441,982	441,982	441,982		441,982
38	PROFESSIONAL DEVELOPMENT EDUCATION	113,134	113,134	113,134		113,134
39	TRAINING SUPPORT	300,843	285,843	300,843	-15,000	285,843
	Program reduction		[-15,000]		[-15,000]	

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	RECRUITING, AND OTHER TRAINING AND EDUCATION					
40	RECRUITING AND ADVERTISING	251,507	252,507	246,507	1,000	252,507
	Recruiting and advertising costs			[-5,000]		
	Naval Sea Cadets Corps		[1,000]		[1,000]	
41	OFF-DUTY AND VOLUNTARY EDUCATION	98,885	98,885	98,885		98,885
42	CIVILIAN EDUCATION AND TRAINING	70,628	70,628	70,628		70,628
43	JUNIOR ROTC	40,333	40,333	40,333		40,333
	BASE SUPPORT					
44	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	201,993	201,993	201,993		201,993
45	BASE OPERATIONS SUPPORT	373,377	373,377	373,377		373,377
	TOTAL, BA 03: TRAINING AND RECRUITING	**2,472,191**	**2,458,191**	**2,467,191**	**-14,000**	**2,458,191**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT					
46	ADMINISTRATION	698,422	688,422	698,422		698,422
	Program reduction		[-10,000]			
47	EXTERNAL RELATIONS	4,026	4,026	4,026		4,026
48	CIVILIAN MANPOWER & PERSONNEL MGT	104,963	104,963	104,963		104,963

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
49	MILITARY MANPOWER & PERSONNEL MGT	221,170	179,570	221,170		221,170
	Navy personnel, Navy military personnel system		[-4,300]			
	Navy reserve integrated management		[-2,300]			
	Navy military personnel distribution system		[-5,000]			
	Other Navy military manpower/personnel		[-30,000]			
50	OTHER PERSONNEL SUPPORT	212,060	212,060	212,060		212,060
51	SERVICEWIDE COMMUNICATIONS	632,682	632,682	632,682		632,682
52	MEDICAL ACTIVITIES					
	NMCI		-76,000			
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT					
53	SERVICEWIDE TRANSPORTATION	193,045	193,045	193,045		193,045
54	ENVIRONMENTAL PROGRAMS					
55	PLANNING, ENGINEERING & DESIGN	301,365	291,365	301,365	-10,000	291,365
	Program reduction		[-10,000]		[-10,000]	
56	ACQUISITION AND PROGRAM MANAGEMENT	905,432	905,432	905,432		905,432
57	AIR SYSTEMS SUPPORT	447,639	447,639	447,639		447,639
58	HULL, MECHANICAL & ELECTRICAL SUPPORT	62,927	62,927	62,927		62,927
59	COMBAT/WEAPONS SYSTEMS	40,093	40,093	40,093		40,093
60	SPACE & ELECTRONIC WARFARE SYSTEMS	66,236	66,236	66,236		66,236
61	COMMISSARY OPERATIONS					
	NMCI		-7,000			

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	SECURITY PROGRAMS					
62	SECURITY PROGRAMS	801,509	801,509	801,509		801,509
	SUPPORT OF OTHER NATIONS					
63	INTERNATIONAL HDQTRS & AGENCIES	10,542	10,542	10,542		10,542
	BASE SUPPORT					
64	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	98,108	98,108	98,108		98,108
65	BASE OPERATIONS SUPPORT	253,344	253,344	253,344		253,344
	CANCELLED ACCOUNTS					
66	CANCELLED ACCOUNT					
	Information technology reduction		-200,000			
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**5,053,563**	**4,708,963**	**5,053,563**	**-10,000**	**5,043,563**
	Operations in Southwest Asia			-75,800	-75,800	-75,800
	WCF excess cash balances			-92,500	-45,000	-45,000
	Unobligated balances				-61,831	-61,831
	Administration and servicewide activities				-10,000	-10,000
	Information technology reduction				-60,000	-60,000
	Total Operation and Maintenance, Navy	**28,287,690**	**27,901,790**	**28,051,390**	**-312,131**	**27,975,559**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Marine Corps					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	EXPEDITIONARY FORCES					
1	OPERATIONAL FORCES	588,653	612,853	593,653	12,000	600,653
	Initial issue			[5,000]	[10,000]	
	Hydration on the move (Camelbak)		[2,000]		[2,000]	
	Deployable virtual training environment		[2,500]			
	Individual first aid kit		[6,200]			
	US Joint Maritime BEQ facility		[600]			
	Restrictive use easements		[5,800]			
	Marine air command and control sustainment		[1,100]			
	Corrosion control and coating program		[6,000]			
2	FIELD LOGISTICS	320,108	320,108	325,108	5,000	325,108
	Corrosion prevention and control			[5,000]	[5,000]	
3	DEPOT MAINTENANCE	101,439	188,339	101,439	5,000	106,439
	Depot maintenance		[35,900]		[5,000]	
	Initial issue		[51,000]			
4	BASE OPERATIONS SUPPORT	912,934	912,934	912,934		912,934
5	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	498,007	498,007	498,007		498,007
xx	Chem-Bio Incident Response Force Family of Incident Response System			2,000	2,000	2,000

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	USMC PREPOSITIONING					
6	MARITIME PREPOSITIONING	76,996	76,996	76,996		76,996
7	NORWAY PREPOSITIONING	4,035	4,035	4,035		4,035
	TOTAL, BA 01: OPERATING FORCES	**2,502,172**	**2,613,272**	**2,514,172**	**24,000**	**2,526,172**
	BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
	ACCESSION TRAINING					
8	RECRUIT TRAINING	10,242	10,242	10,242		10,242
9	OFFICER ACQUISITION	348	348	348		348
10	BASE OPERATIONS SUPPORT					
11	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					
	BASIC SKILLS AND ADVANCED TRAINING					
12	SPECIALIZED SKILLS TRAINING	41,514	41,514	41,514		41,514
13	FLIGHT TRAINING	171	171	171		171
14	PROFESSIONAL DEVELOPMENT EDUCATION	8,863	8,863	8,863		8,863
15	TRAINING SUPPORT	123,007	123,007	123,007		123,007
16	BASE OPERATIONS SUPPORT					
17	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	RECRUITING AND OTHER TRAINING EDUCATION					
18	RECRUITING AND ADVERTISING	115,167	115,167	113,167		115,167
	Recruiting and advertising costs			[-2,000]		
19	OFF-DUTY AND VOLUNTARY EDUCATION	35,606	35,606	35,606		35,606
20	JUNIOR ROTC	13,200	13,200	13,200		13,200
21	BASE OPERATIONS SUPPORT					
22	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION					
	BASE SUPPORT					
23	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	78,073	78,073	78,073		78,073
24	BASE OPERATIONS SUPPORT	151,071	151,071	151,071		151,071
	TOTAL, BA 03: TRAINING AND RECRUITING	**577,262**	**577,262**	**575,262**		**577,262**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT					
25	SPECIAL SUPPORT	229,485	229,485	229,485		229,485
26	SERVICEWIDE TRANSPORTATION	35,733	35,733	35,733		35,733
27	ADMINISTRATION	39,377	39,377	39,377		39,377
28	BASE OPERATIONS SUPPORT	18,991	18,991	18,991		18,991
29	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	3,636	3,636	3,636		3,636
30	COMMISSARY OPERATIONS					

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	CANCELLED ACCOUNT					
31	CANCELLED ACCOUNT					
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**327,222**	**327,222**	**327,222**		**327,222**
	Operations in Southwest Asia			-300	-500	-500
	Unobligated balances				-4,100	-4,100
	Total Operation and Maintenance, Marine Corps	**3,406,656**	**3,517,756**	**3,416,356**	**19,400**	**3,426,056**
	Operation and Maintenance, Air Force					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	AIR OPERATIONS					
1	PRIMARY COMBAT FORCES	3,496,496	3,496,496	3,496,496		3,496,496
2	PRIMARY COMBAT WEAPONS	331,972	331,972	331,972		331,972
3	COMBAT ENHANCEMENT FORCES	332,062	332,062	332,062		332,062
4	AIR OPERATIONS TRAINING	1,243,900	1,243,900	1,243,900		1,243,900

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
5	DEPOT MAINTENANCE	1,817,063	2,236,729	1,946,963		1,817,063
	Depot maintenance			[125,000]		
	Missile maintenance			[4,900]		
	Depot maintenance equipment		[329,666]			
	Depot level reparables (spares) for flying hour program		[90,000]			
6	COMBAT COMMUNICATIONS	1,350,589	1,350,589	1,350,589		1,350,589
7	BASE SUPPORT	2,260,913	1,960,913	2,260,913		2,260,913
	Program reduction		[-300,000]			
8	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION	936,519	936,519	936,519		936,519
	Fuel		-224,950			
	Contingency operations, Southwest Asia		-707,550			
	Working capital fund - cash		-26,000			
	COMBAT RELATED OPERATIONS					
9	GLOBAL C3I & EARLY WARNING	976,608	976,608	976,608		976,608
10	NAVIGATION/WEATHER SUPPORT	187,202	187,202	187,202		187,202
11	OTHER COMBAT OPERATIONS SUPPORT PROGRAMS	597,331	597,331	597,331		597,331
12	JCS EXERCISES	35,543	35,543	35,543		35,543
13	MANAGEMENT/OPERATIONAL HEADQUARTERS	213,088	213,088	213,088		213,088
14	TACTICAL INTELLIGENCE AND SPECIAL ACTIVITIES	223,946	223,946	223,946		223,946
	SPACE OPERATIONS					
15	LAUNCH FACILITIES	321,829	321,829	321,829		321,829
16	LAUNCH VEHICLES	67,232	67,232	67,232		67,232

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
17	SPACE CONTROL SYSTEMS	242,294	242,294	242,294		242,294
18	SATELLITE SYSTEMS	57,046	57,046	57,046		57,046
19	OTHER SPACE OPERATIONS	243,778	243,778	243,778		243,778
20	BASE SUPPORT	566,936	566,936	566,936		566,936
21	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION	148,408	148,408	148,408		148,408
	TOTAL, BA 01: OPERATING FORCES	**15,650,755**	**14,811,921**	**15,780,655**		**15,650,755**
	BUDGET ACTIVITY 02: MOBILIZATION					
	MOBILITY OPERATIONS					
22	AIRLIFT OPERATIONS	2,167,958	1,222,482	2,167,958		2,167,958
	Working capital fund - transportation		[-945,476]			
23	AIRLIFT OPERATIONS C3I	36,758	36,758	36,758		36,758
24	MOBILIZATION PREPAREDNESS	172,134	172,134	172,134		172,134
25	DEPOT MAINTENANCE	361,521	361,521	486,521		361,521
	Depot maintenance			[125,000]		
26	PAYMENTS TO TRANSPORTATION BUSINESS AREA		-135,500			
	Overstated airlift readiness account baseline		[-135,500]			
27	BASE SUPPORT	514,123	514,123	514,123		514,123
28	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION	200,836	200,836	200,836		200,836
	TOTAL, BA 02: MOBILIZATION	**3,453,330**	**2,372,354**	**3,578,330**		**3,453,330**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
	ACCESSION TRAINING					
29	OFFICER ACQUISITION	67,763	67,763	67,763		67,763
30	RECRUIT TRAINING	6,112	6,112	6,112		6,112
31	RESERVE OFFICER TRAINING CORPS (ROTC)	82,586	82,586	82,586		82,586
32	BASE SUPPORT (ACADEMIES ONLY)	68,682	68,682	68,682		68,682
33	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (A	75,337	75,337	75,337		75,337
	BASIC SKILLS AND ADVANCED TRAINING					
34	SPECIALIZED SKILL TRAINING	324,067	324,067	324,067		324,067
35	FLIGHT TRAINING	675,173	675,173	675,173		675,173
36	PROFESSIONAL DEVELOPMENT EDUCATION	154,978	154,978	154,978		154,978
37	TRAINING SUPPORT	92,652	92,652	92,652		92,652
38	DEPOT MAINTENANCE	8,461	8,461	8,461		8,461
39	BASE SUPPORT (OTHER TRAINING)	529,663	529,663	529,663		529,663
40	FACILITIES SUSTAINMENT, RESTORATION, AND MODERNIZATION	167,050	167,050	167,050		167,050
	RECRUITING, AND OTHER TRAINING AND EDUCATION					
41	RECRUITING AND ADVERTISING	150,744	150,744	145,744		150,744
	Recruiting and advertising costs			[-5,000]		
42	EXAMINING	3,103	3,103	3,103		3,103
43	OFF DUTY AND VOLUNTARY EDUCATION	114,240	114,240	114,240		114,240
44	CIVILIAN EDUCATION AND TRAINING	133,706	133,706	133,706		133,706

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
45	JUNIOR ROTC	43,413	43,413	43,413		43,413
	TOTAL, BA 03: TRAINING AND RECRUITING	**2,697,730**	**2,697,730**	**2,692,730**		**2,697,730**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	LOGISTICS OPERATIONS					
46	LOGISTICS OPERATIONS	965,075	965,075	968,075		965,075
	Manufacturing technical assistance and production program			[3,000]		
47	TECHNICAL SUPPORT ACTIVITIES	409,392	409,392	409,392		409,392
48	SERVICEWIDE TRANSPORTATION	240,064	240,064	240,064		240,064
49	DEPOT MAINTENANCE	130,930	130,930	130,930		130,930
50	BASE SUPPORT	1,082,612	1,082,612	1,082,612		1,082,612
51	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION	241,207	241,207	241,207		241,207
	Supply management		-344,350			
	SERVICEWIDE ACTIVITIES					
52	ADMINISTRATION	234,370	234,370	234,370		234,370
53	SERVICEWIDE COMMUNICATIONS	347,528	347,528	347,528		347,528
54	PERSONNEL PROGRAMS	213,901	203,901	213,901		213,901
	PCS moves		[-10,000]			
55	RESCUE AND RECOVERY SERVICES	121,063	121,063	121,063		121,063
56	ARMS CONTROL	33,640	33,640	33,640		33,640
57	OTHER SERVICEWIDE ACTIVITIES	679,177	679,177	679,177		679,177

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
58	OTHER PERSONNEL SUPPORT	34,655	13,844	34,655		34,655
	Program reduction		[-20,811]			
59	CIVIL AIR PATROL CORPORATION	21,432	21,432	21,432		21,432
60	BASE SUPPORT	299,750	299,750	299,750		299,750
61	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION	11,011	11,011	11,011		11,011
62	COMMISSARY OPERATIONS SUPPORT					
	SECURITY PROGRAMS					
63	SECURITY PROGRAMS	907,694	907,694	907,694		907,694
	SUPPORT TO OTHER NATIONS					
64	INTERNATIONAL SUPPORT	18,615	18,615	18,615		18,615
	Information technology reduction		-200,000			
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**5,992,116**	**5,416,955**	**5,995,116**		**5,992,116**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operations in Southwest Asia			-707,600	-707,550	-707,550
	Supply Management Activity Group, Air Force WCF			-250,000	-40,000	-40,000
	WCF excess cash balances			-114,000	-220,000	-220,000
	Civilian personnel underexecution			-18,800	-31,400	-31,400
	Unobligated Balances				-13,500	-13,500
	Administration and Servicewide Activities				-30,811	-30,811
	Base Operations Support				-150,000	-150,000
	Transportation WCF				-451,000	-451,000
	Information technology reduction				-60,000	-60,000
	Total Operation and Maintenance, Air Force	**27,793,931**	**25,298,960**	**26,956,431**	**-1,704,261**	**26,089,670**
	Operation and Maintenance, Defense-wide					
	BUDGET ACTIVITY 1: OPERATING FORCES					
1	JOINT CHIEFS OF STAFF	420,036	423,436	430,036		420,036
	Combatant Commander Initiative Fund			[10,000]		
	CJCS exercise program		[3,400]			
2	SPECIAL OPERATIONS COMMAND	1,851,533	1,851,533	1,851,533		1,851,533
	Tracing portable, sensitive items (non-add)		[1,100]			
	Fuel		-40,900			
	Contingency operations, Southwest Asia		-58,100			
	TOTAL, BUDGET ACTIVITY 1:	**2,271,569**	**2,175,969**	**2,281,569**		**2,271,569**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BUDGET ACTIVITY 2: MOBILIZATION					
5	DEFENSE LOGISTICS AGENCY	49,991	49,991	49,991		49,991
	TOTAL, BUDGET ACTIVITY 2:	**49,991**	**49,991**	**49,991**		**49,991**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
6	AMERICAN FORCES INFORMATION SERVICE	14,005	14,005	14,005		14,005
7	CLASSIFIED PROGRAMS	3,058	3,058	3,058		3,058
8	DEFENSE ACQUISITION UNIVERSITY	101,695	101,695	101,695		101,695
9	DEFENSE CONTRACT AUDIT AGENCY	5,517	5,517	5,517		5,517
10	DEFENSE FINANCE AND ACCOUNTING SERVICE					
11	DEFENSE HUMAN RESOURCES ACTIVITY	35,262	35,262	35,262		35,262
	Joint Advertising Market Research and Studies (non-add)				[7,500]	
12	DEFENSE SECURITY SERVICE	7,173	7,173	7,173		7,173
13	DEFENSE THREAT REDUCTION AGENCY	4,796	4,796	4,796		4,796
14	SPECIAL OPERATIONS COMMAND	92,646	92,646	92,646		92,646
	TOTAL, BUDGET ACTIVITY 3:	**264,152**	**264,152**	**264,152**		**264,152**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
15	AMERICAN FORCES INFORMATION SERVICE	105,261	105,261	105,261		105,261

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
16	CIVIL MILITARY PROGRAMS	99,030	140,030	99,030		99,030
	National Guard Youth Challenge		[6,000]			
	Supplementary DoD Impact Aid		[35,000]			
17	CLASSIFIED PROGRAMS	6,788,178	6,788,178	6,788,178		6,788,178
18	DEFENSE CONTRACT AUDIT AGENCY	359,011	359,011	359,011		359,011
19	DEFENSE CONTRACT MANAGEMENT AGENCY	1,008,908	1,008,908	1,008,908		1,008,908
20	DEFENSE FINANCE AND ACCOUNTING SERVICE	1,659	1,659	1,659		1,659
21	DEFENSE HUMAN RESOURCES ACTIVITY	276,802	276,802	276,802		276,802
22	DEFENSE INFORMATION SYSTEMS AGENCY	1,129,876	1,119,276	1,129,876	-10,600	1,119,276
	Program reduction		[-10,600]		[-10,600]	
23	DEFENSE LOGISTICS AGENCY	259,713	254,013	259,713		259,713
	Defense Logistics Agency (CTMA)		[10,000]			
	Defense Logistics Agency (DPAO)		[-15,700]			
24	DEFENSE LEGAL SERVICES AGENCY	17,757	17,757	17,757		17,757
25	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,698,075	1,698,075	1,698,075		1,698,075
26	DEFENSE POW /MISSING PERSONS OFFICE	15,800	15,800	15,800		15,800
27	DEFENSE SECURITY COOPERATION AGENCY	284,767	84,767	84,767	-200,000	84,767
	Counter-terrorism train and equip program		[-200,000]	[-200,000]	[-200,000]	
28	DEFENSE SECURITY SERVICE	200,054	200,054	200,054		200,054
29	DEFENSE THREAT REDUCTION AGENCY	291,246	292,646	291,246		291,246
30	OFFICE OF ECONOMIC ADJUSTMENT	14,105	14,105	14,105		14,105

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
31	OFFICE OF THE SECRETARY OF DEFENSE	712,567	692,767	715,567	421	712,988
	Information Assurance Scholarship Program			[3,000]	[3,000]	
	Contract of support services		[-13,000]			
	Long range planning		[-6,800]		[-2,579]	
32	SPECIAL OPERATIONS COMMAND	61,932	61,932	61,932		61,932
33	SPECIAL ACTIVITIES					
34	JOINT CHIEFS OF STAFF	234,498	234,498	234,498		234,498
35	WASHINGTON HEADQUARTERS SERVICES	405,500	405,500	405,500		405,500
36	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	20,396	20,396	20,396		20,396
	Sikes Act extension		1,500			
	NIMA, archive and dissemination systems		-10,000			
	NIMA, production and information systems support		-10,000			
	Defense Health Program (TRICARE)		-25,000			
	Defense Security Service case control management		-4,000			
	Information technology reduction		-100,000			
	TOTAL, BUDGET ACTIVITY 4:	**13,985,135**	**13,643,935**	**13,788,135**	**-210,179**	**13,774,956**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Impact aid			30,000	30,000	30,000
	Impact aid for children with disabilities			5,000	5,000	5,000
	American Red Cross emergency communication services			5,000	5,000	5,000
	Operations in Southwest Asia			-80,100	-72,511	-72,511
	Transportation WCF			-600,000		
	Financial information systems			-4,700		
	Contract services				-45,000	-45,000
	Information technology reduction				-40,000	-40,000
	Total Operation and Maintenance, Defense-Wide	**16,570,847**	**16,134,047**	**15,739,047**	**-327,690**	**16,243,157**
	Operation and Maintenance, Army Reserve					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	LAND FORCES					
1	DIVISION FORCES	14,791	16,791	21,791	7,000	21,791
	Extended cold weather clothing system (ECWCS)		[2,000]	[7,000]	[7,000]	
2	CORPS COMBAT FORCES	35,798	35,798	35,798		35,798
3	CORPS SUPPORT FORCES	309,462	309,462	309,462		309,462
4	ECHELON ABOVE CORPS FORCES	135,342	135,342	135,342		135,342
5	LAND FORCES OPERATIONS SUPPORT	467,097	467,097	468,097	1,000	468,097
	Equipment storage site initial operations			[1,000]	[1,000]	

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	LAND FORCES READINESS					
6	FORCES READINESS OPERATIONS SUPPORT	122,020	122,020	125,020	2,000	124,020
	Army Reserve Info Ops Center			[3,000]	[2,000]	
7	LAND FORCES SYSTEM READINESS	59,846	59,846	59,846		59,846
8	DEPOT MAINTENANCE	62,947	62,947	62,947		62,947
	LAND FORCES READINESS SUPPORT					
9	BASE OPERATIONS SUPPORT	323,592	323,592	323,592		323,592
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	182,079	182,079	182,079		182,079
11	ADDITIONAL ACTIVITIES	3,672	3,672	3,672		3,672
	TOTAL, BA 01: OPERATING FORCES	**1,716,646**	**1,718,646**	**1,727,646**	**10,000**	**1,726,646**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES					
12	ADMINISTRATION	47,714	47,714	47,714		47,714
13	SERVICEWIDE COMMUNICATIONS	37,862	37,862	37,862		37,862
14	PERSONNEL/FINANCIAL ADMINISTRATION	47,092	47,092	47,092		47,092
15	RECRUITING AND ADVERTISING	102,695	102,695	94,695		102,695
	Recruiting and advertising costs			[-8,000]		
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**235,363**	**235,363**	**227,363**		**235,363**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Controlled humidity protection				4,000	4,000
	Total Operation and Maintenance, Army Reserve	**1,952,009**	**1,954,009**	**1,955,009**	**14,000**	**1,966,009**
	Operation and Maintenance, Navy Reserve					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	RESERVE AIR OPERATIONS					
1	MISSION AND OTHER FLIGHT OPERATIONS	417,743	417,743	417,743		417,743
3	INTERMEDIATE MAINTENANCE	16,464	16,464	16,464		16,464
4	AIR OPERATIONS AND SAFETY SUPPORT	2,166	2,166	2,166		2,166
5	AIRCRAFT DEPOT MAINTENANCE	138,135	138,135	138,135		138,135
6	AIRCRAFT DEPOT OPERATIONS SUPPORT	362	362	362		362
	RESERVE SHIP OPERATIONS					
7	MISSION AND OTHER SHIP OPERATIONS	67,211	67,211	67,211		67,211
8	SHIP OPERATIONAL SUPPORT AND TRAINING	537	537	537		537
9	INTERMEDIATE MAINTENANCE					
10	SHIP DEPOT MAINTENANCE	83,577	83,577	83,577		83,577
11	SHIP DEPOT OPERATIONS SUPPORT	3,440	3,440	3,440		3,440
	RESERVE COMBAT OPERATIONS SUPPORT					
12	COMBAT SUPPORT FORCES	65,347	65,347	65,347		65,347

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	RESERVE WEAPONS SUPPORT					
13	WEAPONS MAINTENANCE	5,544	5,544	5,544		5,544
	BASE SUPPORT					
14	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	61,929	61,929	61,929		61,929
15	BASE OPERATIONS SUPPORT	131,109	131,109	131,109		131,109
	TOTAL, BA 01: OPERATING FORCES	**993,564**	**993,564**	**993,564**		**993,564**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES					
16	ADMINISTRATION	12,560	12,560	12,560		12,560
17	CIVILIAN MANPOWER & PERSONNEL MGT	2,269	2,269	2,269		2,269
18	MILITARY MANPOWER & PERSONNEL MGT	36,276	36,276	34,776		36,276
	Recruiting and advertising costs			[-1,500]		
19	SERVICEWIDE COMMUNICATIONS	120,733	120,733	120,733		120,733
20	COMBAT/WEAPONS SYSTEMS	5,665	5,665	5,665		5,665

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
21	OTHER SERVICEWIDE SUPPORT	854	854	854		854
	CANCELLED ACCOUNTS					
22	CANCELLED ACCOUNTS					
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**178,357**	**178,357**	**176,857**		**178,357**
	Total Operation and Maintenance, Navy Reserve	**1,171,921**	**1,171,921**	**1,170,421**		**1,171,921**
	Operation and Maintenance, Marine Corps Reserve					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	MISSION FORCES					
1	OPERATING FORCES	61,261	74,461	61,261		61,261
	Initial issue		[13,200]			
2	DEPOT MAINTENANCE	10,231	22,531	10,231		10,231
	Depot level maintenance		[7,300]			
	Cartridge, 5.56 ball M855, lead free shot		[5,000]			
3	BASE OPERATIONS SUPPORT	33,621	33,621	33,621		33,621
4	TRAINING SUPPORT	25,953	25,953	25,953		25,953
5	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	8,770	8,770	8,770		8,770
	TOTAL, BA 01: OPERATING FORCES	**139,836**	**165,336**	**139,836**		**139,836**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES					
6	SPECIAL SUPPORT	8,956	8,956	8,956		8,956
7	SERVICEWIDE TRANSPORTATION	578	578	578		578
8	ADMINISTRATION	9,721	9,721	9,721		9,721
9	BASE OPERATIONS SUPPORT	6,701	6,701	6,701		6,701
10	RECRUITING AND ADVERTISING	8,160	8,160	7,660		8,160
	Recruiting and advertising costs			[-500]		
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**34,116**	**34,116**	**33,616**		**34,116**
	Total Operation and Maintenance, Marine Corps Reserve	**173,952**	**199,452**	**173,452**		**173,952**
	Operation and Maintenance, Air Force Reserve					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	AIR OPERATIONS					
1	PRIMARY COMBAT FORCES	1,351,819	1,351,819	1,351,819		1,351,819
2	MISSION SUPPORT OPERATIONS	69,058	69,058	69,058		69,058
3	DEPOT MAINTENANCE	319,109	319,109	319,109		319,109

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
4	BASE OPERATIONS SUPPORT	272,603	52,783	61,783		272,603
	Base infrastructure		[-9,000]			
5	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	61,783	272,603	272,603		61,783
	TOTAL, BA 01: OPERATING FORCES	**2,074,372**	**2,065,372**	**2,074,372**		**2,074,372**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES					
6	ADMINISTRATION	59,138	59,138	59,138		59,138
7	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	24,253	24,253	24,253		24,253
8	RECRUITING AND ADVERTISING	14,162	14,162	13,662		14,162
	Recruiting and advertising costs			[-500]		
9	OTHER PERSONNEL SUPPORT	6,642	6,642	6,642		6,642
10	AUDIOVISUAL	621	621	621		621
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**104,816**	**104,816**	**104,316**		**104,816**
	Total Operation and Maintenance, Air Force Reserve	**2,179,188**	**2,170,188**	**2,178,688**		**2,179,188**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Army National Guard					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	LAND FORCES					
1	DIVISIONS	669,748	671,748	674,748	5,000	674,748
	Extended cold weather clothing system (ECWCS)		[2,000]	[5,000]	[5,000]	
2	CORPS COMBAT FORCES	651,273	651,273	651,273		651,273
3	CORPS SUPPORT FORCES	343,180	343,180	343,180		343,180
4	ECHELON ABOVE CORPS FORCES	563,199	563,199	563,199		563,199
5	LAND FORCES OPERATIONS SUPPORT	21,913	21,913	21,913	1,500	23,413
	Military Vehicle Tires				[1,500]	
	LAND FORCES READINESS					
6	FORCE READINESS OPERATIONS SUPPORT	128,036	128,036	130,036	1,500	129,536
	Cannon bore cleaning			[2,000]	[1,500]	
7	LAND FORCES SYSTEMS READINESS	106,760	106,760	106,760		106,760
8	LAND FORCES DEPOT MAINTENANCE	194,149	194,149	194,149		194,149
	LAND FORCES READINESS SUPPORT					
9	BASE OPERATIONS SUPPORT	448,167	408,167	448,167		448,167
	GuardNet		[-40,000]			
10	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	380,226	380,226	380,226		380,226
11	MANAGEMENT & OPERATIONAL HEADQUARTERS	398,017	398,017	398,017		398,017

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
12	MISCELLANEOUS ACTIVITIES	42,175	42,175	42,175		42,175
	TOTAL, BA 01: OPERATING FORCES	**3,946,843**	**3,908,843**	**3,953,843**	**8,000**	**3,954,843**
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES					
13	STAFF MANAGEMENT	102,752	118,752	102,752	16,000	118,752
	Military technicians		[16,000]		[16,000]	
14	INFORMATION MANAGEMENT	13,529	18,529	13,529	5,000	18,529
	Nationwide dedicated fiber optic network		[5,000]		[5,000]	
15	PERSONNEL ADMINISTRATION	51,667	51,667	51,667		51,667
16	RECRUITING AND ADVERTISING	96,540	96,540	89,540		96,540
	Recruiting and advertising costs			[-7,000]		
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**264,488**	**285,488**	**257,488**	**21,000**	**285,488**
999a	WMD - Civil Support Teams			16,000	16,000	16,000
	National Guard Challenge Program			3,000		
	Total Operation and Maintenance, Army National Guard	**4,211,331**	**4,194,331**	**4,230,331**	**45,000**	**4,256,331**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	Operation and Maintenance, Air National Guard					
	BUDGET ACTIVITY 01: OPERATING FORCES					
	AIR OPERATIONS					
1	AIRCRAFT OPERATIONS	2,842,931	2,842,931	2,844,431	1,500	2,844,431
	Test support program			[1,500]	[1,500]	
2	MISSION SUPPORT OPERATIONS	336,979	336,979	338,979	2,000	338,979
	Extended cold weather clothing system (ECWCS)			[2,000]	[2,000]	
3	BASE OPERATIONS SUPPORT	410,627	410,627	410,627		410,627
4	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	154,798	154,798	154,798		154,798
5	DEPOT MAINTENANCE	621,060	623,060	621,060		621,060
	Extended cold weather clothing system (ECWCS)		[2,000]			
	TOTAL, BA 01: OPERATING FORCES	**4,366,395**	**4,368,395**	**4,369,895**	**3,500**	**4,369,895**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE ACTIVITIES					
6	ADMINISTRATION	26,547	26,547	26,547		26,547
7	RECRUITING AND ADVERTISING	9,704	9,704	9,204		9,704
	Recruiting and advertising costs			[-500]		
	TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES	**36,251**	**36,251**	**35,751**		**36,251**
	Total Operation and Maintenance, Air National Guard	**4,402,646**	**4,404,646**	**4,405,646**	**3,500**	**4,406,146**
	TRANSFER ACCOUNTS					
1	ENVIRONMENTAL RESTORATION, ARMY	396,018	396,018	396,018		396,018
2	ENVIRONMENTAL RESTORATION, NAVY	256,153	256,153	256,153		256,153
3	ENVIRONMENTAL RESTORATION, AIR FORCE	384,307	384,307	384,307		384,307
4	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	24,081	24,081	24,081		24,081
5	ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	212,619	212,619	252,619	40,000	252,619
xx	United States Industrial Base Capabilities Fund		100,000			
7	OVERSEAS CONTINGENCIES	50,000			-45,000	5,000
	Eliminate OCOTF account		[-50,000]	[-50,000]	[-45,000]	
	TOTAL, O&M, TRANSFER ACCOUNTS	**1,323,178**	**1,373,178**	**1,313,178**	**-5,000**	**1,318,178**

Title III - Operation and Maintenance

(Dollars in Thousands)

Line	Program Title	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
	MISCELLANEOUS APPROPRIATIONS					
8	U.S. COURT OF APPEALS FOR THE ARMED FORCES	10,333	10,333	10,333		10,333
9	SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS					
10	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	59,000	59,000	59,000		59,000
11	PAYMENT TO KAHO'OLAWE ISLAND					
12	EMERGENCY RESPONSE FUND, DEFENSE					
13	FORMER SOVIET UNION THREAT REDUCTION	450,800	450,800	450,800		450,800
14	QUALITY OF LIFE ENHANCEMENTS					
15	OPPLAN 34A-35 P.O.W.					
16	COUNTER-TERRORISM/WMD DEFENSE					
	DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES			817,371		
	OFFICE OF THE INSPECTOR GENERAL			160,049		
	DEFENSE HEALTH PROGRAM			14,876,900		
	Financial information systems			-14,000		
	TOTAL, MISCELLANEOUS	**520,133**	**520,133**	**31,223,353**		**520,133**
	TOTAL OPERATION AND MAINTENANCE TITLE:	**116,958,824**	**113,890,998**	**145,474,306**	**-2,605,487**	**114,353,337**

BUDGET ITEMS

Flight School XXI

The budget requested included $499.4 million in Operation and Maintenance, Army, for the Flight School XXI program.

The House bill would authorize an increase of $148.0 million for the Flight School XXI program.

The Senate amendment would authorize an increase of $15.0 million for the Flight School XXI program.

The conferees agree to authorize an increase of $5.0 million in support of the Army's initiative to shift flight training from legacy aircraft to modernized aircraft and simulators, as planned under the Flight School XXI program. The conferees urge the Army to carefully evaluate the program requirements for Flight School XXI and to plan appropriately to accomplish this initiative. The conferees support the strategic goal of eliminating flight time in non-modernized aircraft and increasing flight training in go-to-war aircraft and simulators.

Marine Corps initial issue

The budget request included $588.7 million in Operation and Maintenance, Marine Corps (OMMC), operational forces, including initial issue of personal clothing and equipment.

The House bill would authorize an increase of $51.0 million in OMMC, depot maintenance, for initial issue.

The Senate amendment would authorize an increase of $5.0 million in OMMC, operational forces, for initial issue.

The conferees agree to authorize an increase of $10.0 million in OMMC, operational forces, for initial issue, to include All Purpose Environmental Clothing System (APECS), Mountain/Cold Weather Clothing and Equipment, and the Modular General Purpose Tent System.

ITEMS OF SPECIAL INTEREST

Range requirements for supersonic flight training

The conferees support the language in the Senate Report on the National Defense Authorization Act for Fiscal Year 2004 (S. Rept. 108–46) requiring an evaluation of current and projected requirements for land, air, and sea space in support of testing and training requirements. The conferees direct the Department of Defense, in preparing the report, to consider the requirements associated with future planned aircraft or with planned upgrades to existing combat aircraft, and to include an evaluation of existing supersonic airspace. The conferees expect the Department to build on past analyses of supersonic airspace requirements, such as the recent Melrose Range study, when addressing the feasibility and desirability of enhancing or expanding existing supersonic airspace.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of appropriations (secs. 301–303)

The House bill contained provisions (secs. 301–303) that would authorize fiscal year 2004 funding levels for all operation and maintenance accounts, working capital funds, and other Department of Defense programs, including the Defense Inspector General, the Chemical Demilitarization Program, and the Defense Health Program.

The Senate amendment contained similar provisions (secs. 105–107, secs. 203–204, and secs. 301–302).

The conference agreement would authorize funding levels for all operation and maintenance accounts, working capital funds, and other Department of Defense programs.

Chemical Agents and Munitions Destruction, Defense

The House bill contained a provision (Sec. 303(b)) that would provide a total of $1.6 billion for Chemical Agents and Munitions Destruction, Defense (CAMD, D), including an increase of $50.0 million for the chemical stockpile emergency preparedness project for additional enhancements to the ability of State and local governments to respond to a chemical accident or incident at chemical stockpile storage sites in Arkansas, Oregon, and Alabama.

The Senate amendment contained a provision (sec. 106) that would provide $1.6 billion for CAMD, D.

The House recedes with an amendment that would authorize for appropriation $1.6 billion for CAMD, D, as follows: $1.2 billion for Operations and Maintenance; $251.9 million for Research, Development, Test, and Evaluation; and $79.2 million for Procurement.

The conferees strongly support the decision of the Department of Defense to request funding for the chemical agents and munitions destruction program in a Defense-wide account. Section 1521(f) of title 50, United States Code, requires that funds for this program shall not be included in the budget for any military department. Funding the destruction program in a Defense-wide account ensures that the program is subject to the appropriate level of management and oversight and ensures that the program is not subject to the internal budget priorities of one particular services.

Subtitle B—Environmental Provisions

Reauthorization and modification of title I of the Sikes Act (sec. 311)

The House bill contained a provision (sec. 311) that would amend section 670f of title 16, United States Code, to reauthorize section 108 of the Sikes Act (Public Law 86–767), by striking, "fiscal years 1998 through 2003," and in each place it appears inserting "fiscal years 2004 through 2008." The provision would also express a sense of Congress regarding the Department of Defense (DOD) outsourcing of natural resource manager functions. Finally, the provision would establish a five-year DOD pilot program for

management, control, and eradication of invasive species on military installations in Guam.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense, to the extent practicable and after consultation with the Secretary of Interior, to incorporate in an Integrated Natural Resource Management Plan the management, control, and eradication of invasive species that are not native to the ecosystem of a military installation in Guam and may harm readiness, the environment, the economy, or human health and safety.

Clarification of Department of Defense response to environmental emergencies (sec. 312)

The House bill contained a provision (sec. 314) that would amend sections 402, 404, and 2561 of title 10, United States Code, to clarify the authority of the Secretary of Defense to respond to environmental emergencies by providing humanitarian assistance, including the authority to transport supplies or provide assistance for the purpose of responding to or mitigating the effects of an event that threatens harm to the environment, such as an oil spill.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would give the Secretary discretionary authority to provide environmental emergency assistance if such assistance would not otherwise be available and would be subject to reimbursement.

Repeal of authority to use environmental restoration account funds for relocation of contaminated facility (sec. 313)

The Senate amendment contained a provision (sec. 325) that would extend for three years the authority of the Secretary of Defense or secretaries of the military departments to use funds available in the environmental restoration accounts, pursuant to section 2703 of title 10, United States Code, to permanently relocate facilities.

The House bill contained no similar provision.

The House recedes with an amendment that would repeal the authority, effective September 30, 2003, while retaining the authority to pay costs under cooperative agreements entered into prior to September 30, 2003.

Authorization for Department of Defense participation in wetland mitigation banks (sec. 314)

The House bill contained a provision (sec. 312) that would amend chapter 159 of title 10, United States Code, to permit the secretaries of the military departments to participate in wetland mitigation banking programs and consolidated user sites as an alternative to mitigation on Department of Defense lands for military construction projects.

The Senate amendment contained a similar provision.

The House recedes with an amendment that would require the Secretary of the Army, acting through the Chief of Engineers, to issue regulations establishing performance standards and criteria for the use of on-site, off-site, and in-lieu fee mitigation and mitigation banking as compensation for lost wetland functions in permits

issued by the Secretary, consistent with section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344).

Inclusion of environmental response equipment and services in Navy definitions of salvage facilities and salvage services (sec. 315)

The House bill contained a provision (sec. 313) that would amend section 7361 and 7363 of title 10, United States Code, to specifically authorize the Secretary of the Navy to provide salvage facilities and to assert claims for salvage services related to environmental response activities.

The Senate amendment contained a similar provision (sec. 329).

The Senate recedes with a technical amendment.

Repeal of model program for base closure environmental restoration (sec. 316)

The House bill contained a provision (sec. 1021) that would eliminate a reporting requirement under the section 2926(g) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2687 note).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would repeal the authority under section 2926 of the National Defense Authorization Act for Fiscal Year 1991.

Requirements for Restoration Advisory Boards and exemption from Federal Advisory Committee Act (sec. 317)

The House bill contained a provision (sec. 315) that would waive the Federal Advisory Committee Act (FACA) (5 U.S.C. App.) requirements for Restoration Advisory Boards (RABs) set up to facilitate environmental cleanup at military bases. The provision would require that RABs comply with substantive requirements comparable to those applicable under FACA with the exception of Federal Register notice and financial disclosure requirements.

The Senate amendment (sec. 326) would exempt RABs from the Federal Register notice requirements of FACA and would eliminate restrictions on the number of RABs operating at any one time.

The Senate recedes.

Military readiness and conservation of protected species (sec. 318)

The House bill contained a provision (sec. 317) that would amend section 4(a)(3) of the Endangered Species Act (16 U.S.C. 1533(a)(3)) to preclude designation of critical habitat on Department of Defense (DOD) lands that are subject to an Integrated Natural Resource Management Plan (INRMP) prepared under section 101 of the Sikes Act (16 U.S.C. 670a) if the Secretary of the Interior determines that such a plan addresses special management considerations or protection of endangered or threatened species.

The Senate amendment contained a similar provision (sec. 322) that would amend title 10, United States Code, to preclude designation of critical habitat on DOD lands that are subject to an INRMP, if the Secretary of Interior determines in writing that: (1)

the management activities identified in the plan will effectively conserve threatened and endangered species; and (2) that adequate funding will be provided for such management activities.

The Senate recedes with an amendment that would modify section 4(a)(3) of the Endangered Species Act to preclude designation of critical habitat on DOD lands that are subject to an INRMP, if the Secretary of the Interior determines in writing that such plan provides a benefit to the species for which critical habitat is proposed for designation. This approach would allow for a balance between military training requirements and protection of endangered or threatened species, as pertains to pending or future critical habitat designations.

The conferees would expect the Secretary of the Interior to assess an INRMP's potential contribution to species conservation, giving due regard to those habitat protection, maintenance, and improvement projects and other related activities specified in the plan that address the particular conservation and protection needs of the species for which critical habitat would otherwise be proposed. Consistent with current practice, the Secretary would establish criteria that would be used to determine if an INRMP benefits the listed species for which critical habitat would be proposed.

Military readiness and marine mammal protection (sec. 319)

The House bill contained a provision (sec. 318) that would amend sections 3(18) and 101 of the Marine Mammal Protection Act (MMPA or the Act) (16 U.S.C. 1362(18) and 1371) to focus the "harassment" definition on biologically significant impacts, eliminate the requirement to publish notice with respect to incidental takes, and remove references to "small numbers," "specified geographical region," and "specific geographic region," as pertains to incidental take permits. The provision would also include an exemption for activities necessary for the national defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would apply the new "harassment" definition to military readiness activities and scientific research activities by or on behalf of the Federal Government. The conference agreement would also include the following: changes to the permit process; the national defense exemption; considerations relevant to mitigation and monitoring requirements; and other technical changes.

Specifically, the conference agreement would amend section 3(18) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(18)) by providing a new definition of "harassment" applicable only to military readiness activities, as defined by section 315(f) of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314), and scientific research activities by or on behalf of the Federal Government, conducted pursuant to section 104(c)(3) of the Act (16 U.S.C. 1374(c)(3)). The new definition will provide greater clarity for the Department of Defense (DOD) and the regulatory agencies, and would properly focus authorization of military readiness and scientific research activities on biologically significant impacts to marine mammals, a science-based approach. Under the new definition for "Level B Harassment," behavioral patterns would be considered "abandoned" if long-term cessation of behav-

iors and demographic consequences to reproduction or survivability of the species or stock were involved. In order for natural behavioral patterns to be considered "significantly altered," there must be demographic consequences to reproduction or survivability of the species.

In addition, the conference agreement would authorize the Secretary of Defense, after conferring with the Secretary of Commerce, the Secretary of the Interior, or both, to exempt from the MMPA any action by the DOD or its components for up to two years, with renewable periods of exemption, if determined necessary for national defense. This authority is consistent with similar exemptions included in other environmental statutes.

The conference agreement would also cure deficiencies related to the incidental take permit process under MMPA, as applied to military readiness and scientific research activities. The need to address these deficiencies was recently highlighted by the ruling in *Natural Resources Defense Council, Inc. et al.* v. *Evans,* No. C–02–3805–EDL, 232 F. Supp. 2d 1003 (N.D. Cal 2002), a case that was initiated to stop deployment of the Navy's Surveillance Towed Array Sensor System Low Frequency Active (SURTASS LFA) sonar system. For example, given the migratory nature of marine mammals and the varying biological and bathymetric features of the geographic regions occupied by migratory marine mammals, it is very difficult to describe "specified geographical region" for military readiness activities that take place over large areas of the ocean. The case also reveals the conundrum associated with reconciling the meaning of "small number" in relation to "negligible impact." As a result of this recent ruling and other litigation related to the Act, the conferees agreed to eliminate the requirements for "specific geographic region," and "specified geographical region" and "small numbers," terms that have proven more valuable as a basis for litigation than affording legitimate or demonstrable protection to marine mammals. Such changes would ensure a credible and flexible regulatory process that properly balances the equities associated with military readiness and maritime species protection. It is expected that the rulemaking process would continue to use best available scientific information to analyze impacts on marine mammals.

The conferees intend that the changes in the definition of "harassment," as well as changes in the incidental take permit process, would not eliminate the existing requirements for mitigation and monitoring (16 U.S.C. 1371(a)(5)). Instead, the use of mitigation and monitoring measures would be focused on the biologically significant impacts on marine mammals. In addition, decisions regarding mitigation and monitoring would take into account safety, practicality of implementation, and impact on the effectiveness of a military readiness activity.

Finally, the conferees commend the DOD and Navy for their commitment and leadership on marine mammal research. This research, currently funded at about $7.0 million per year, has provided valuable information on the impact of anthropogenic sounds upon marine mammals, marine mammal densities, and the health and vitality of marine mammal species. At a minimum, it is expected that DOD and Navy would continue these efforts and would

maintain level funding in the Future Years Defense Plan. The conferees direct the Secretary of Defense to provide an annual report to the congressional defense committees on the funding provided and research conducted in relation to marine mammals. The report may be provided pursuant to section 2706(b) of title 10, United States Code.

Report regarding impact of civilian community encroachment and certain legal requirements on military installations and ranges and plan to address encroachment (sec. 320)

The House bill contained a provision (sec. 316) that would require the Secretary of Defense to study and provide a one-time report to Congress regarding the impact of civilian community encroachment on the readiness requirements and normal operations at military installations that are required to maintain safety buffer zones or safety arcs as part of their functional mission activities. The report would include study results pertaining to the impact of the environmental requirements under the Clean Air Act (42 U.S.C. 7410), the Solid Waste Disposal Act (42 U.S.C. 6901), and the Comprehensive Environmental Restoration, Compensation and Liability Act (42 U.S.C. 9601).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require an interim report by January 31, 2004, a more comprehensive report and a plan for addressing encroachment by January 31, 2006, and updates regarding the progress made in implementing the plan each year commencing January 2007 through January 2010. The conferees expect the Secretary to make a diligent effort to respond to the interim reporting requirement.

Cooperative water use management related to Fort Huachuca, Arizona, and Sierra Vista subwatershed (sec. 321)

The House bill contained a provision (sec. 319) that would amend section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) to ensure that the Secretary of the Army would not be held responsible for water consumption that occurs outside of Fort Huachuca, Arizona, and is not subject to the authority and control of the Secretary. The provision would also recognize secretarial discretion to mitigate off-base water consumption.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify the categories of water consumption that may be considered at Fort Huachuca. The provision would recognize the Upper San Pedro Partnership and its efforts to establish a collaborative water use management program in the Sierra Vista Subwatershed, Arizona. The provision would also require the Secretary of Interior, in consultation with the Secretaries of Defense and Agriculture and other members of the Partnership, to submit a report to Congress, no later than December 31, 2004, on the water use management and conservation measures implemented and needed to restore sustainable yield of the regional aquifer. Subsequent annual reports on the progress toward sustainable yield of the regional aquifer would be due no later than October 31st of each year through 2011. Finally, the provision would express the sense of Congress that future fund-

ing appropriations to the Partnership should take into account the progress made in meeting annual goals.

Task force on resolution of conflict between military training and endangered species protection at Barry M. Goldwater Range, Arizona (sec. 322)

The Senate amendment contained a provision (sec. 330) that would establish a task force to determine and assess various means of enabling full use of the live ordnance delivery areas at Goldwater Range while also protecting endangered species that are present at the Range. The task force would be composed of representatives from Luke AFB, Goldwater Range, federal and state regulators, and non-governmental groups. The task force would be required to determine or assess the following: (1) the effects of the presence of endangered species on military training activities in the live ordnance delivery areas at Goldwater Range and in any other areas of the range that are adversely affected by the presence of endangered species; (2) various means of addressing any significant adverse impacts on military training activities on Goldwater Range that are identified by the task force; and (3) the benefits and costs associated with the implementation of each possible solution identified by the task force. The provision would also require the task force to report to Congress.

The House bill contained no similar provision.

The House recedes with technical amendments.

Public health assessment of exposure to perchlorate (sec. 323)

The House bill contained a provision (sec. 345) that would direct the Secretary of Defense to provide an independent epidemiological study and endocrinological review of human exposure to perchlorate.

The Senate amendment contained an identical provision (sec. 331).

The House recedes with a technical amendment.

Comptroller General review of Arctic Military Environmental Cooperation Program (sec. 324)

The Senate amendment contained a provision (sec. 323) that would authorize the Secretary of Defense to expand a cooperative environmental technology program to countries in the Western Pacific regions. The Secretary, with the concurrence of the Secretary of State, would provide cooperative assistance on activities that contribute to the demonstration of environmental technology in the Arctic and Pacific regions, with certain limitations and exceptions. The primary focus of the program would be technology projects and activities related to radiological contamination.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Comptroller General to conduct a review of the Arctic Military Environmental Cooperation (AMEC) Program, the existing and proposed technology demonstration role of the program in U.S. nonproliferation efforts, and the relationship to the Cooperative Threat Reduction (CTR) Program. Based on this review, the Comptroller General would submit a report to Congress that assesses the West-

ern Pacific conditions that may require an expansion of AMEC technology development and demonstration, the foreign funding contributions for AMEC activities, the use of AMEC by CTR and G–8 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction Initiative, the importance of AMEC to the disarmament and nonproliferation functions of CTR, and the program's future year funding and program plans.

The conferees note that no funds were included in the budget request for fiscal year 2004 or the Future Years Defense Program (FYDP) for the AMEC program. In the event the Secretary of Defense intends to continue the AMEC program and seek authorization to expand the program to the Western Pacific regions, the conferees expect the development of a comprehensive funding and program plan, and the identification of funding and projects in the FYDP. Otherwise, the Secretary should terminate the program. The conferees are aware that there is growing international interest in the activities of the AMEC program. The conferees encourage and support broad-based international programs that involve contributions by all participants.

Subtitle C—Workplace and Depot Issues

Exemption of certain firefighting service contracts from prohibition on contracts for performances of firefighting functions (sec. 331)

The Senate amendment contained a provision (sec. 363) that would allow the Department of Defense to enter into contracts for up to one year for the performance of firefighting functions to fill positions vacated by deployed military firefighters.

The House bill contained no similar provision.

The House recedes.

Technical amendment relating to termination of Sacramento Army Depot, Sacramento, California (sec. 332)

The Senate amendment contained a provision (sec. 364) that would repeal an obsolete provision of law related to a closed military facility.

The House bill contained no similar provision.

The House recedes.

Exception to competition requirement for workloads previously performed by depot-level activities (sec. 333)

The Senate amendment contained a provision (sec. 365) that would provide for an exception to the requirement in section 2469 of title 10, United States Code, for current depot-level maintenance and repair workload performed under a public-private partnership pursuant to section 2474(b) of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with an amendment to authorize a waiver of the requirements under section 2469 of title 10, United States Code, for workloads performed under a public-private partnership at a Center for Industrial and Technical Excellence.

Resources-based schedules for completion of public-private competitions for performance of Department of Defense functions (sec. 334)

The Senate amendment contained a provision (sec. 812) that would ensure that schedules for the completion of public-private competitions within the Department of Defense (DOD) are based on DOD analysis of the availability of sufficient personnel, training, and technical resources to conduct such competitions. The provision would also establish a pilot program to allow the DOD to base its competitive sourcing decisions for information technology services on best value criteria.

The House bill contained no similar provision.

The House recedes with an amendment that would ensure a resource-based schedule for the completion of DOD public-private competitions. The issue of establishing a best value public-private competition pilot program is addressed elsewhere in the conference report.

Delayed implementation of revised Office of Management and Budget Circular A–76 by Department of Defense pending report (sec. 335)

The House bill contained a provision (sec. 323) that would require the Secretary of Defense to report to the Committees on Armed Services of the Senate and the House of Representatives on the new Office of Management and Budget Circular A–76 and then wait for a period of 45 days before implementing the Circular.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment to modify the minimum requirements of the content of the report.

Pilot program for best-value source selection for performance of information technology services (sec. 336)

The Senate amendment contained a provision (sec. 812) that would establish a pilot program to allow the Department of Defense (DOD) to base its competitive sourcing decisions for information technology services on best value criteria. The provision would also ensure that schedules for the completion of public-private competitions within DOD are based on DOD analysis of the availability of sufficient personnel, training, and technical resources to conduct such competitions.

The House bill contained no similar provision.

The House recedes with an amendment that would establish a best value public-private competition pilot program. The issue of schedules for public private competitions is addressed elsewhere in the conference report.

High-performing organization business process reengineering pilot program (sec. 337)

The House bill contained a provision (sec. 322) that would authorize the Secretary of Defense to implement a high performing organization pilot program for 15 organizations. Under the pilot program, functions within an organization that undergo an approved business process reengineering (BPR) shall not undergo a public-private competition during the design and implementation

phase of the BPR and for five years after successful completion of the BPR.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the participation in the pilot to eight eligible organizations and would clarify that a participating organization may elect to undergo a public-private competition under its BPR plan.

Naval Aviation Depots multi-trades demonstration project (sec. 338)

The House bill contained a provision (sec. 324) that would require the Secretary of the Navy to conduct a demonstration project to evaluate the benefits of promoting workers who perform multiple trades.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a worker to perform the new trade at least 25 percent of the time during the worker's work year.

Subtitle D—Other Matters

Cataloging and standardization for defense supply management (sec. 341)

The House bill contained a provision (sec. 341) that would amend Chapter 145 of title 10, United States Code, to authorize changing the current method the Secretary of Defense follows in cataloging and coding supply items for identification purposes.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to coordinate with the Administrator of the General Services Administration to enable the use of commercial identifiers for commercial items within the Federal Cataloging System.

Sale of Defense Information Systems Agency services to contractors performing the Navy-Marine Corps Intranet contract (sec. 342)

The Senate amendment contained a provision (sec. 361) that would enable the Defense Information Systems Agency to sell working-capital funded services to contractors that are working on the Navy-Marine Corps Intranet contract.

The House bill contained no similar provision.

The House recedes.

Permanent authority for purchase of certain municipal services at installations in Monterey County, California (sec. 343)

The House bill contained a provision (sec. 346) that would authorize the Department of Defense (DOD) to purchase public works, utility, and other municipal services from government agencies in Monterey County, California for DOD operations in that county.

The Senate amendment contained no similar provision.

The Senate recedes.

Department of Defense telecommunications benefit (sec. 344)

The Senate amendment contained a provision (sec. 311(b)) that would direct the Secretary of Defense to provide prepaid phone cards, or an equivalent telecommunications benefit to service members stationed outside the United States who are directly supporting military operations in Iraq or Afghanistan.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would allow service members to use the telecommunications benefit to make free calls to anyone they choose whether inside or outside the United States. Further, the amendment would provide the Secretary the option of providing a telecommunications benefit valued at $40 per month or 120 minutes per month, if the latter is less costly. Finally, the amendment would clarify that this benefit is available to those service members who are eligible for combat zone tax exclusion benefits due to their service in direct support of Operation Enduring Freedom and Operation Iraqi Freedom.

Independent assessment of material condition of the KC–135 aerial refueling fleet (sec. 345)

The conferees recommend a provision that would require the Secretary of Defense to submit an assessment of the material condition of the KC–135 aerial refueling aircraft by May 1, 2004. The conferees believe that this assessment will provide important information for the committees' review to support the Air Force's aerial refueling capability.

The conferees note that one of the justifications provided by the Secretary of the Air Force for proceeding with a lease of KC–767 aircraft to modernize the Air Force's aerial refueling capability is the deleterious effect of corrosion on the material condition of the current KC–135 fleet of aerial refueling aircraft. The conferees believe that an up-to-date, independent assessment of the material condition of the KC–135 aerial refueling fleet is warranted.

Neither the House bill nor the Senate amendment included a provision that would direct that an assessment of the material condition of the KC–135 fleet of aerial refueling aircraft be conducted.

The conferees expect that the assessment would be made by an entity outside of the Department of Defense (DOD), and should include the following data and analysis for KC–135E and KC–135R aircraft for each year from fiscal year 1996 through fiscal year 2003: (1) trend analysis for operational readiness; (2) trend analysis for organizational and depot-level maintenance manhours, with specific breakout of corrosion control and prevention manhours; (3) numbers of aircraft grounded due to corrosion and length of time each aircraft was grounded; (4) itemization of improved corrosion control processes which resulted in decreased manhours for corrosion control and treatment; (5) analysis of the relationship between manhours for corrosion repair and improved processes; and (6) analysis of major structural repairs required due to corrosion.

In addition, the conferees expect that the DOD official or organization designated to oversee and coordinate efforts to prevent and mitigate corrosion of military equipment and infrastructure, as required by section 1067 of the Bob Stump National Defense Au-

thorization Act for Fiscal Year 2003 (P.L. 107–314), would be informed of and involved in responding to the results of this assessment.

LEGISLATIVE PROVISIONS NOT ENACTED

Availability of funds for local educational agencies affected by the Brooks Air Force Base demonstration project

The Senate amendment contained a provision (sec. 351(d)) that would authorize up to $500,000 of Department of Defense (DOD) funds for assistance to local educational agencies to be used for making basic support payments in fiscal year 2004 to local educational agencies affected by the DOD infrastructure demonstration project at Brooks Air Force Base.

The House bill contained no similar provision.

The Senate recedes.

Construction of wetland crossings, Camp Shelby Combined Arms Maneuver Area, Camp Shelby, Mississippi

The House bill contained a provision (sec. 320) that would authorize the Secretary of the Army to use operation and maintenance funds to construct wetlands crossings within the Camp Shelby Combined Arms Maneuver Area, Camp Shelby, Mississippi.

The Senate amendment contained no similar provision.

The House recedes.

The conferees recognize the importance of conducting heavy armor training at the Camp Shelby Combined Arms Manuever Area and expect the Army and Army National Guard to use operations and maintenance funds, when consistent with section 2805 of title 10, United States Code, to support unspecified minor construction at discrete training areas within the Combined Arms Maneuver Area, as necessary to support such training.

Counterexploitation initiative

The House bill contained a provision (sec. 304) that would require $1.1 million of the amount authorized to be appropriated by section 301(5) for operations and maintenance, Defense-wide, to be allocated to U.S. Special Operations Command for the purpose of tracing portable, sensitive items exported beyond the borders of the United States.

The Senate amendment contained no similar provision.

The House recedes.

Emergency and morale communications programs

The Senate amendment contained a provision (sec. 311(a)) that would authorize $5.0 million for the American Red Cross to support its Armed Forces Emergency Services program.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize $5.0 million for the Red Cross Emergency Services program, as noted elsewhere in this conference report.

Exclusion of certain expenditures from percentage limitation on contracting for performance of depot-level maintenance and repair workloads

The House bill contained a provision (sec. 321) that would remove the date limitation in section 2474(f) of title 10, United States Code, and permanently authorize that all work performed by private sector personnel at Department of Defense maintenance and repair depots be excluded from the percentage limitations on private sector depot-level maintenance work.

The Senate amendment contained no similar provision.

The House recedes.

Expansion of Department of Defense excess personal property disposal program to include health agencies in addition to law enforcement and firefighting agencies

The House bill contained a provision (sec. 344) that would grant additional authority to the Secretary of Defense to transfer excess personal property to health agencies.

The Senate amendment contained no similar provision.

The House recedes.

Impact aid for children with severe disabilities

The Senate amendment contained a provision (sec. 352) that would authorize $5.0 million for continuation of the Department of Defense assistance program to local educational agencies that benefit dependents with severe disabilities.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398) authorizes the Secretary of Defense to provide assistance to local educational agencies serving military dependents with severe disabilities. Consistent with that section, the conferees authorize $5.0 million of the funds available for Operation and Maintenance, Defense-Wide, for continuation of such assistance.

Information operations sustainment for land forces readiness of Army Reserve

The Senate amendment contained a provision (sec. 313) that would authorize an increase of $3.0 million for operation and maintenance, Army Reserve, to be used for Information Operations for land forces readiness—information operations sustainment. This amount would be offset by a general decrease of $3.0 million in operations and maintenance, Air Force.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to authorize $2.0 million for operation and maintenance, Army Reserve, Land Forces Readiness, Forces Readiness Operations Support, to be used for information operations for land forces readiness—information operations sustainment, as noted elsewhere in this conference report.

Performance-based and results-based management requirements for Chief Information Officers of Department of Defense

The House bill contained a provision (sec. 331) that would establish additional responsibilities for the Chief Information Officer of the Department of Defense and the chief information officers of the military departments.

The Senate amendment contained no similar provision.

The House recedes.

Preservation of Air Force Reserve weather reconnaissance mission

The House bill contained a provision (sec. 343) that would prohibit the Secretary of Defense from disestablishing or transferring the Air Force Reserve's weather reconnaissance mission 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.

The Senate amendment contained no similar provision.

The House recedes.

The conferees recognize the coordination between the Department of Defense (DOD) and other federal departments, agencies, and activities, to support weather surveillance taskings developed by the Department of Commerce. DOD resources, including an Air Force Reserve aircraft squadron, are currently involved in weather surveillance as a result of this interagency coordination. The conferees note that this coordination is achieved between the DOD and other federal activities on a not-to-interfere basis with the requirements of the DOD and the armed forces.

The conferees direct that, before current DOD resources that have been coordinated through the interagency process for weather surveillance are discontinued, the Secretary of Defense shall work within the interagency process to identify alternative DOD capabilities that may be coordinated with other federal activities to continue weather surveillance on a not-to-interfere basis.

Reduction in authorization for Air Force operation and maintenance account

The House bill contained a provision (sec. 305) that would reduce authorization by $135.5 million for operation and maintenance, Air Force.

The Senate bill contained no similar provision.

The House recedes.

Reimbursement of reserve component accounts for costs of intelligence activities support provided by reserve component personnel

The Senate amendment contained a provision (sec. 342) that would amend chapter 1003 of title 10, United States Code, by authorizing the use of the operation and maintenance funds of the military departments, combatant commands, and defense agencies to reimburse pay, allowances, and other expenses of National Guard or reserve intelligence personnel who provide intelligence or counterintelligence support to the military departments, combatant commands, or defense agencies.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that the Department of Defense has asked for the authority contained in the Senate amendment for the past several years, but has yet to recommend increases to appropriate reserve component personnel funding accounts. The conferees urge the Department to better forecast reserve component intelligence requirements and include realistic funding recommendations in reserve component personnel funding accounts in future budget submissions.

Reimbursement of reserve component military personnel accounts for personnel costs of special operations reserve component personnel engaged in landmines clearance

The Senate amendment contained a provision (sec. 341) that would amend section 301 of title 10, United States Code, to allow up to $5.0 million of the funding for a fiscal year for humanitarian and civic assistance to be expended for the pay and allowances of reserve component personnel of the Special Operations Command (SOCOM) performing duty in connection with training and activities related to the clearing of landmines for humanitarian purposes.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that similar temporary authority was enacted under section 513 of the National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314). Through section 513, Congress directed the Secretary of Defense, as part of the fiscal year 2004 budget request, to submit a legislative proposal that would ensure that the military personnel expenses of active and reserve component personnel engaged in humanitarian de-mining activities were defined in detail and funded within military personnel accounts. No such proposal was submitted. The conferees urge the Secretary to propose a comprehensive, long-term solution to this issue that recognizes the requirement to support humanitarian demining operations around the world, and that complies with the requirements of public law.

Space-available transportation for dependents of members assigned to overseas duty locations for continuous period in excess of one year

The House bill contained a provision (sec. 342) that would authorize the dependents of service members who are assigned overseas for a continuous period in excess of one year to use space-available transportation to travel between the overseas duty location and the United States and return, or between the overseas duty location and another overseas location and return.

The Senate amendment contained no similar provision.

The House recedes.

The conferees support policies of the Department of Defense that make space available travel and emergency and morale leave benefits consistent for both active duty personnel and members of the reserve component serving on active duty.

The conferees recommend that the Department review existing policies regarding space-available travel and emergency and morale

leave with the objective of ensuring that members of the reserve component serving on active duty and their dependents are able effectively to exercise this privilege. The conferees recommend further that the Department of Defense and the services ensure promulgation of practical guidance aimed at informing reserve component personnel about their eligibility for this benefit and the resources available to further their understanding of what to expect when traveling space-available.

Submittal of survey on perchlorate contamination at Department of Defense sites

The Senate amendment contained a provision (sec. 314) that would require the Secretary of Defense to submit to the appropriate committees of Congress the Department of Defense (DOD) 2001 Perchlorate Occurrence Survey to identify the potential for perchlorate contamination at DOD sites.

The House bill contained no similar provision.

The Senate recedes.

As of July 9, 2003, the Department of Defense notified the Committees on Armed Services of the Senate and the House of Representatives that it had provided interested members of Congress ". . . all information this office currently has on perchlorate sampling by the Services."

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TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Active Forces

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize the following end strengths for active forces, as of September 30, 2004: Army, 482,375; Navy, 375,700; Marine Corps, 175,000; Air Force, 361,268.

The Senate amendment contained a similar provision (sec. 401) that would authorize the following active forces end strengths: Army, 480,000; Navy, 373,800; Marine Corps, 175,000; and Air Force, 359,300.

The Senate recedes with an amendment that would authorize 2,400 additional active duty soldiers in the Army.

The conferees' recommended active forces end strengths for fiscal year 2004 are set forth in the following table:

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Recommendation	FY 2004 request	FY 2003 authorized
Army	480,000	480,000	482,400	2,400	2,400
Navy	375,700	373,800	373,800	0	−1,900
Marine Corps	175,000	175,000	175,000	0	0

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Recommendation	FY 2004 request	FY 2003 authorized
Air Force	359,000	359,300	359,300	0	300
DOD Total	1,389,700	1,388,100	1,390,500	2,400	800

Revision in permanent active duty end strength minimum levels (sec. 402)

The House bill contained a provision (sec. 402) that would establish new permanent active duty end strength minimum levels in section 691(b) of title 10, United States Code, for the Army and Air Force as of September 30, 2004.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would set the following minimum end strengths: Army, 482,400; Navy, 373,800; and Air Force, 359,300.

Personnel strength authorization and accounting process (sec. 403)

The Senate amendment contained a provision (sec. 421) that would authorize a change to the method used by the Department of Defense to measure the strength for active duty and reserve component personnel from strength at the end of the fiscal year to average strength throughout the year.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to prescribe quarterly end strength levels for each service and permissible maximum variances of actual strength at the end of each quarter. The levels and variances established by the Secretary should be such that they support maintenance throughout the year of the personnel strengths necessary to achieve the annual authorized end-strength levels.

Subtitle B—Reserve Forces

End strengths for Selected Reserve (sec. 411)

The House bill contained a provision (sec. 411) that would authorize the following end strengths for the selected reserve personnel, including the end strength for reserves on active duty in support of the reserves, as of September 30, 2004: Army National Guard, 350,000; the Army Reserve, 205,000; the Naval Reserve, 85,900; the Marine Corps Reserve, 39,600; the Air National Guard, 107,000; the Air Force Reserve, 75,800.

The Senate amendment contained a similar provision (sec. 413) that would authorize an end strength for the Air National Guard of 107,030.

The House recedes.

The conferees' recommended Selected Reserve end strengths for fiscal year 2004 are set forth in the following table:

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Conferee recommendation	FY 2004 request	FY 2003 authorized
Army National Guard	350,000	350,000	350,000	0	0

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Conferee recommendation	FY 2004 request	FY 2003 authorized
Army Reserve	205,000	205,000	205,000	0	0
Naval Reserve	87,800	85,900	85,900	0	−1,900
Marine Corps Reserve	39,558	39,600	39,600	0	42
Air National Guard	106,600	107,000	107,030	30	430
Air Force Reserve	75,600	75,800	75,800	0	200
DoD Total	864,558	863,300	863,330	30	−1,228
Coast Guard Reserve	9,000	10,000	10,000	0	1,000

End strengths for Reserves on active duty in support of the Reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize the following end strengths for Reserves on active duty in support of the Reserves as of September 30, 2004: the Army National Guard of the United States, 25,386; the Army Reserve, 14,374; the Naval Reserve, 14,384; the Marine Corps Reserve, 2,261; the Air National Guard of the United States, 12,140; and the Air Force Reserve, 1,660.

The Senate amendment contained a similar provision (sec. 412) that would authorize end strengths of 25,599 for the Army National Guard, 12,191 for the Air National Guard and identical end strengths for the other services.

The House recedes.

The conferees' recommended end strength levels for Reserves on active duty in support of the reserves are set forth in the following table:

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Conferee recommendation	FY 2004 request	FY 2003 authorized
Army National Guard	24,562	25,386	25,599	213	1037
Army Reserve	14,070	14,374	14,374	0	304
Naval Reserve	14,572	14,384	14,384	0	−188
Marine Corps Reserve	2,261	2,261	2,261	0	0
Air National Guard	11,727	12,140	12,191	51	464
Air Force Reserve	1,498	1,660	1,660	0	162
DoD Total	68,690	70,205	70,469	264	1,779

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

The House bill contained a provision (sec. 413) that would authorize the following end strengths for military technicians (dual status) as of September 30, 2004: the Army National Guard of the United States, 24,589; the Army Reserve, 7,844; the Air National Guard of the United States, 22,806; the Air Force Reserve, 9,991.

The Senate amendment contained a similar provision (sec. 413).

The House recedes with a clarifying amendment that would authorize end strength for the Army Reserve of 6,949.

The conferees' recommended end strength levels for military technicians (dual status) are set forth in the following table:

Service	FY 2003 authorized	FY 2004		Change from	
		Request	Conferee recommendation	FY 2004 request	FY 2003 authorized
Army National Guard	24,102	24,589	24,589	0	487
Army Reserve	6,599	6,699	6,949	250	350
Air National Guard	22,495	22,806	22,806	0	311
Air Force Reserve	9,911	9,991	9,991	0	80
DoD Total	63,107	64,085	64,335	250	1,228

Fiscal year 2004 limitations on non-dual status technicians (sec. 414)

The House bill contained a provision (sec. 414) that would establish the maximum end strengths for the reserve components of the Army and Air Force for non-dual status technicians as of September 30, 2004.

The Senate amendment contained a similar provision (sec. 414).

The Senate recedes with a technical amendment.

Permanent limitations on number of non-dual status technicians (sec. 415)

The House bill contained a provision (sec. 415) that would increase to 595 the permanent limit on the number of non-dual status military technicians who are allowed to be employed by the Army Reserve on or after October 1, 2007. It would also establish a separate permanent limit of 90 non-dual status technicians who are allowed to be employed by the Air Force Reserve on or after October 1, 2007.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle C—Authorization of Appropriations

Authorization of appropriations for military personnel (sec. 421)

The House bill contained a provision (sec. 421) that would authorize a total of $98,634.5 million to be appropriated to the Department of Defense for military personnel.

The Senate amendment contained a similar provision (sec. 431) that would authorize a total of $99,194.2 million to be appropriated to the Department for military personnel.

The House recedes with an amendment that would authorize $98,908.4 million to be appropriated to the Department for military personnel.

The conferees note that in addition to the amounts shown below, $203.0 million was made available in the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108–xxx) for imminent danger pay and family separation allowance. The conferees provide the following itemization of the increases and decreases from the budget request related to the military personnel accounts:

[Additions in millions]

Army, increase active end strength (2,400)	$ 68.0
Add AGR strength for WMD–CST teams	22.2

Army National Guard, sustain AGR growth	37.8
Imminent Danger Pay and Family Separation Allowance	128.0
Minimum 3.7 percent pay raise for all	38.0
Increase death gratuity	9.0
Total	303.0

[Reductions in millions]

Contingency Operations in SW Asia	312.1
AGR cost avoidance	38.6
Total	350.7

Armed Forces Retirement Home (sec. 422)

The House bill contained a provision (sec. 422) that would authorize $65,279,000 to be appropriated for the operation of the Armed Forces Retirement Home during fiscal year 2004.

The Senate amendment contained a similar provision (sec. 303).

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Exclusion of recalled retired members from certain strength limitations during period of war or national emergency

The Senate amendment contained a provision (sec. 422) that would exclude retirees recalled to active duty from annual personnel end strength and grade strength limitations during a period of war or national emergency in which members of a reserve component are serving on active duty pursuant to an order to active duty under sections 12301 or 12302 of title 10, United States Code.

The House bill contained no similar provision.

The Senate recedes.

Increased maximum percentage of general and flag officers on active duty authorized to be serving in grades above brigadier general and rear admiral (lower half)

The Senate amendment contained a provision (sec. 402) that would modify section 525 of title 10, United States Code, to increase from 50 percent to 55 percent the number of active duty general and flag officers who may serve in grades above O–7.

The House bill contained no similar provision.

The Senate recedes.

TITLE V—MILITARY PERSONNEL POLICY

ITEMS OF SPECIAL INTEREST

Superintendent of the United States Air Force Academy (sec.)

The conferees considered all the recommendations of the Panel to Review Sexual Misconduct Allegations at the United States Air Force Academy with the goal of determining those that required legislative action. The conferees agree with the Panel's recommendation that the Air Force extend the tour length of the Superintendent to four years in order to provide for greater continuity and stability in Academy leadership and urge the Secretary of the Air Force to implement such a policy.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Officer Personnel Policy

Standardization of qualifications for appointment as service chief (sec. 501)

The House bill contained a provision (sec. 501) that would require that candidates for selection as the Chief of Naval Operations and the Commandant of the Marine Corps be chosen from the flag officers of the Navy or general officers of the Marine Corps. The provision would make qualification criteria with respect to grade consistent across all four of the military services.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Eligibility for appointment as Chief of Army Veterinary Corps (sec. 502)

The Senate amendment contained a provision (sec. 502) that would modify section 3084 of title 10, United States Code, to require that the Chief of the Veterinary Corps of the Army be appointed from among officers of the Veterinary Corps of the Army.

The House bill contained no similar provision.

The House recedes.

Repeal of required grade of defense attache in France (sec. 503)

The House bill contained a provision (sec. 514) that would repeal section 714 of title 10, United States Code, which delineates the required grade for the defense attache to the U.S. embassy in France.

The Senate bill contained no similar provision.

The Senate recedes.

Repeal of termination provisions for certain authorities relating to management of general and flag officers in certain grades (sec. 504)

The Senate amendment contained a provision (sec. 403) that would extend existing procedures in sections 525, 526, and 604 of title 10, United States Code, relating to the filling and management of certain senior joint officer positions.

The House bill contained no similar provision.

The House recedes with an amendment that would make the authority permanent for the procedures currently in use relating to management of general and flag officers for these positions.

Retention of health professions officers to fulfill active-duty service commitments following promotion nonselection (sec. 505)

The House bill contained a provision (sec. 512) that would authorize the secretary concerned to retain officers serving in health professions until the end of their active duty service obligations, notwithstanding the requirement under law to discharge them on an earlier date due to nonselection for promotion. This section would allow the secretary to decline to retain an officer if retention of the officer is not in the best interests of the service.

The Senate amendment contained a similar provision (sec. 501).

The Senate recedes.

Permanent authority to reduce three-year time-in-grade requirement for retirement in grade for officers in grades above major and lieutenant commander (sec. 506)

The Senate amendment contained a provision (sec. 521) that would modify section 1370 of title 10, United States Code, to make permanent the authority to reduce the three-year time-in-grade requirement to two years for retirement in grade for officers in grades above major and lieutenant commander under prescribed conditions.

The House bill contained a provision (sec. 513) that would authorize the Secretary of Defense and the service secretaries greater latitude in allowing officers serving in grades above colonel, or captain in the Navy, to retire in grade, including a minimum one year time-in-grade requirement.

The House recedes with a clarifying amendment that would make the waiver authority applicable to both active and reserve component officers.

Contingent exclusion from officer strength and distribution-in-grade limitations for officer serving as Associate Director of Central Intelligence for Military Support (sec. 507)

The conferees agree to include a provision that would exempt the position of Associate Director for Central Intelligence for Military Support from counting against the numbers and percentages of officers authorized to be serving in the rank and grade for an assigned officer's armed force. This exemption would only apply when none of the individuals serving in the positions of Director for Central Intelligence, Deputy Director for Central Intelligence, or Deputy Director of Central Intelligence for Community Management are military officers.

Reappointment of incumbent Chief of Naval Operations (sec. 508)

The conferees agree to include a provision that, notwithstanding the provisions of section 5033(a)(1) of title 10, United States Code, would authorize the President, by and with the advice of the Senate, to reappoint the officer serving as Chief of Naval Operations on October 1, 2003, for an additional term of not more than two years.

Secretary of Defense approval required for practice of wearing uniform insignia of higher grade known as "frocking" (sec. 509)

The conferees agree to include a provision that would amend section 777 of title 10, United States Code, to add new conditions required for frocking of flag and general officers. This provision would require that the Secretary of Defense, or an authorized designee within the Office of the Secretary of Defense, approve the frocking of all officers for grades above O6. Additionally, the Secretary of Defense would be required to submit written notification to the Congress of the intent to authorize an officer to wear the in-

signia for a grade above O6 and a period of 30 days would have to elapse after the date of notification before frocking could occur.

The conferees are dissatisfied with existing procedures that control frocking within the services and are concerned about the troubling instances of improper frocking by field commanders who have knowingly disregarded the requirements of law. The conferees are hopeful that the requirement for approval by the Secretary of Defense and written notification to the Congress prior to the frocking of a flag or general officer will significantly reduce abuses of frocking authority, result in stronger justification for the recommendations to frock flag and general officers, and preclude the need to further restrict the practice of frocking for the most senior grades or impose similar requirements below the grade of O7.

The conferees expect that the Committees on Armed Services of the Senate and House of Representatives will be informed promptly of violations of laws pertaining to frocking and of actions taken within the Office of the Secretary of Defense and the services to ensure future compliance with the requirements set forth in section 777 of title 10, United States Code.

Subtitle B—Reserve Component Matters

Streamlined process for continuation of officers on the reserve active-status list (sec. 511)

The House bill contained a provision (sec. 521) that would remove the requirement for the secretary concerned to conduct a selection board to identify officers eligible for continuation on the reserve active-status list after being subject to separation or retirement due to nonselection for promotion, selection for early separation, or other reason.

The Senate amendment contained a similar provision (sec. 512).

The Senate recedes.

Consideration of reserve officers for position vacancy promotions in time of war or national emergency (sec. 512)

The House bill contained a provision (sec. 522) that would authorize the secretary concerned to consider reserve officers ordered to active duty in support of a contingency operation for vacancy promotions for a period of up to two years of active duty service.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Authority for delegation of required secretarial special findings for placement of certain retired members in Ready Reserve (sec. 513)

The House bill contained a provision (sec. 524) that would allow the secretaries of the military departments to delegate determinations of whether retired members possess a skill so critical that they will be permitted to serve in a reserve component following retirement.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Authority to provide expenses of Army and Air Staff personnel and National Guard Bureau personnel attending national conventions of certain military associations (sec. 514)

The House bill contained a provision (sec. 525) that would authorize the secretary concerned to fund the necessary expenses of regular members assigned to the National Guard Bureau or the Army General Staff or the Air Staff to attend the national convention of the Enlisted Association of the National Guard of the United States in the same manner as funding is provided to support the attendance at the national convention of the National Guard Association of the United States and the Adjutant General Association.

The Senate amendment contained no similar provision.

The Senate recedes.

Expanded authority for use of Ready Reserve in response to terrorism (sec. 515)

The Senate amendment contained a provision (sec. 511) that would modify the language of section 12304(b) of title 10, United States Code, to authorize the use of reserves for all terrorist attacks or threatened terrorist attacks in the United States that result, or could result, in loss of life or property.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would limit use of reserve component personnel and units in responding to a terrorist attack or threatened terrorist attack in the United States to those attacks that result, or could result, in significant loss of life or property, and only if the President determines that the requirements for responding to such an emergency have exceeded, or will exceed, the response capabilities of local, state, and federal civilian agencies.

National Guard officers on active duty in command of National Guard units (sec. 516)

The Senate amendment contained a provision (sec. 513) that would modify section 325 of title 32, United States Code, to allow officers of the Army or Air National Guard, called to active duty for the purpose of commanding a unit composed of both active duty and reserve component personnel, to retain and exercise their Army or Air National Guard state commissions if authorized by the President and the governor. Such National Guard officers would have the authority to command subordinate active duty personnel by virtue of their own active duty status and also retain the authority to command National Guard personnel in a nonfederal status.

The House bill contained no similar provision.

The House recedes.

Presidential report on mobilization of reserve component personnel and Secretary of Defense assessment (sec. 517)

The Senate amendment contained a provision (sec. 1024) that would require the Secretary of Defense, not later than 90 days after enactment of this Act, to submit to the Committees on Armed Services of the Senate and the House of Representatives a report

on the mobilization of reserve component forces during fiscal years 2002 and 2003.

The House bill contained no similar provision.

The House recedes with an amendment that would require the President, not later than six months after the date of enactment of this Act, to transmit to Congress a report on the mobilization of members of the reserve components during fiscal years 2002 and 2003. The report would include for each of those fiscal years the number of members of the reserve components who were called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code, and additional data regarding the duration and frequency of recalls for members of the reserve components. Additionally, the Secretary would be required to submit, not later than one year after the date of enactment of this Act, a report addressing, among other things, the effects on reserve component recruitment and retention resulting from the mobilization of Reserves, lessons learned from this experience, a description of changes in the armed forces envisioned by the Secretary, and an assessment of the process used for calling and ordering such members to active duty.

Authority for the use of operation and maintenance funds for promotional activities of the National Committee for Employer Support of the Guard and Reserve (sec. 518)

The conferees agree to include a provision that would authorize use of amounts appropriated for operation and maintenance, under regulations prescribed by the Secretary of Defense, for official reception, representation, and advertising activities and materials of the National Committee for Employer Support of the Guard and Reserve to further employer commitments to their employees who are members of a reserve component.

Subtitle C—ROTC and Military Service Academies

Expanded educational assistance authority for cadets and midshipmen receiving ROTC scholarships (sec. 521)

The House bill contained a provision (sec. 532) that would authorize the secretary of the military department concerned to provide Senior Reserve Officer Training Corps scholarship students financial assistance in the form of room and board or other expenses required by the educational institution, so long as the total amount of assistance does not exceed what the student would have otherwise received for tuition, fees, books, and laboratory expenses, or another amount determined by the secretary concerned.

The Senate amendment contained a similar provision (sec. 532).

The Senate recedes with a technical amendment.

Increase in allocation of scholarships under Army Reserve ROTC scholarship program to students at military junior colleges (sec. 522)

The House bill contained a provision (sec. 533) that would expand from 10 to 17 the number of cadets attending each military junior college on a Reserve Officer Training Corps scholarship.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority for nonscholarship senior ROTC sophomores to voluntarily contract for and receive subsistence allowance (sec. 523)

The House bill contained a provision (sec. 535) that would authorize the secretary of the military department concerned to enter into a service contract with a Senior Reserve Officer Training Corps student who is not on a scholarship for the purpose of making the student eligible to receive a monthly subsistence allowance at the same level as scholarship cadets and midshipmen.

The Senate amendment contained a similar provision (sec. 604).

The Senate recedes with an amendment that would provide that no contract may be entered into under this provision after December 31, 2006.

Appointments to military service academies from nominations made by delegates from Guam, Virgin Islands, and American Samoa (sec. 524)

The House bill contained a provision (sec. 536) that would increase from two to three the number of appointments to each of the military service academies that can be made as a result of nominations made by the Delegate in Congress from Guam and the Delegate in Congress from the Virgin Islands. It would also increase from one to two the number of appointments to each of the military service academies that can be made as a result of nominations made by the Delegate from American Samoa.

The Senate amendment contained no similar provision.

The Senate recedes.

Readmission to service academies of certain former cadets and midshipmen (sec. 525)

The House bill contained a provision (sec. 537) that would authorize the secretary of a military department to readmit a former cadet or midshipman to a service academy on the basis of a formal report by an Inspector General in the Department of Defense, if that report found that while attending that service academy, the cadet or midshipman had suffered a reprisal or other injustice that led to their resignation from the service academy.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Defense task force on sexual harassment and violence at the military service academies (sec. 526)

The House bill contained a provision (sec. 539) that would require the Secretary of Defense to establish a task force to examine matters related to sexual harassment and violence at the United States Military Academy and the United States Naval Academy. At the same time, the Secretary would be required to provide the task force's report and his evaluation of the report to the Committees on Armed Services of the Senate and the House of Representatives. The Secretary would also be required to provide to the committees an assessment of the effectiveness of the corrective actions being

taken as a result of various investigations into matters involving sexual assault and harassment at the U.S. Air Force Academy.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Actions to address sexual harassment and violence at the service academies (sec. 527)

The Senate amendment contained a provision (sec. 534) that would direct the service secretaries, under guidance provided by the Department of Defense, to direct the superintendents of their respective service academies to prescribe a policy on sexual misconduct applicable to the personnel of their academy. Additionally, the provision would direct the Secretary of Defense, through the service secretaries and service academy superintendents, to conduct annual assessments, including surveys of academy personnel, to determine the effectiveness of academy policies, training, and procedures on sexual misconduct. The Secretary of Defense would be directed to submit annual reports to the Committees on Armed Services of the Senate and the House of Representatives for five years on sexual misconduct involving academy personnel.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Study and report related to permanent professors at the United States Air Force Academy (sec. 528)

The conferees agree to include a provision that would direct the Secretary of the Air Force to submit a report to the Secretary of Defense no later than six months after the date of enactment containing recommended changes in policy and law pertaining to the selection, tenure, utilization, responsibilities, and qualifications of the permanent professors at the Air Force Academy.

Dean of the Faculty of the United States Air Force Academy (sec. 529)

The conferees agree to include a provision that would amend section 9335 of title 10, United States Code, to authorize selection of either a military officer or civilian for the position of Dean of the Faculty at the U.S. Air Force Academy. It would also authorize the Secretary of the Air Force to prescribe the qualifications, selection procedures, training, retention, and determinations of appropriate pay grade for the Dean of the Faculty.

In taking these actions, the conferees are implementing one of the recommendations of the Panel to Review Sexual Misconduct Allegations at the U.S. Air Force Academy that was led by former Congresswoman Tillie K. Fowler. The Panel, which issued its report on September 22, 2003, strongly urged expedited action to amend section 9335 of title 10, United States Code, to afford a larger pool of candidates for the position of Dean of the Faculty beyond the current limitation of permanent professors at the U.S. Air Force Academy.

In evaluating the civilian candidates for the position of Dean of the Faculty, the conferees strongly urge the Secretary of the Air Force to place particular emphasis on candidates with prior mili-

tary experience and service, and to consider familiarity with and contributions to the armed forces as part of the selection process.

Subtitle D—Other Education and Training Matters

Authority for the Marine Corps University to award the degree of master of operational studies. (sec. 531)

The House bill contained a provision (sec. 531) that would authorize the president of the Marine Corps University to 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.

The Senate amendment contained a similar provision (sec. 922).

The Senate recedes with a clarifying amendment.

Authorization for Naval Postgraduate School to provide instruction to enlisted member participating in certain programs (sec. 532)

The House bill contained a provision (sec. 538) that would permit enlisted members of the armed services to receive instruction at the Naval Postgraduate School in connection with the information security scholarship program. Additionally, the provision would authorize senior enlisted members of the armed forces to attend certain executive level seminars conducted at the Naval Postgraduate School.

The Senate amendment contained a similar provision (sec. 533).

The Senate recedes with a clarifying amendment that would require that enlisted members who receive instruction under the information security scholarship program at the Naval Postgraduate School must have completed undergraduate studies and been awarded a baccalaureate degree.

Cost reimbursement requirements for personnel receiving instruction at the Air Force Institute of Technology (sec. 533)

The Senate amendment contained a provision (sec. 533) that would require the Department of the Army, the Department of the Navy, and the Department of Transportation to bear the cost of instruction of their personnel at the Air Force Institute of Technology. In the case of an enlisted member of the Army, Navy, Marine Corps, or Coast Guard who receives instruction at the Institute, the Secretary of the Air Force will charge only for such costs and fees as the Secretary considers appropriate.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Inclusion of accrued interest in amounts that may be repaid under Selected Reserve critical specialties education loan repayment program (sec. 534)

The House bill contained a provision (sec. 534) that would clarify that the interest accrued on a student loan should be included in the loan amount used as the basis for calculating the annual payment to reserve members under the Selected Reserve education loan repayment program.

The Senate amendment contained no similar provision.

The Senate recedes.

Funding of education assistance enlistment incentives to facilitate national service through Department of Defense Education Benefits Fund (sec. 535)

The Senate amendment contained a provision (sec. 535) that would amend section 510 of title 10, United States Code, to authorize payment of education assistance enlistment incentives to eligible National Call to Service participants from the Department of Defense Education Benefits Fund, pursuant to section 2006 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees (sec. 536)

The House bill contained a provision (sec. 563) that would provide $35.0 million for assistance to local educational agencies that benefit dependents of members of the armed forces and Department of Defense (DOD) civilian employees.

The Senate amendment contained a similar provision (sec. 351) that would authorize $30.0 million for assistance to local educational agencies.

The Senate recedes with an amendment that would provide $30.0 million for assistance to local educational agencies that benefit dependents of members of the armed forces and DOD civilian employees.

Impact aid eligibility for heavily impacted local educational agencies affected by privatization of military housing (sec. 537)

The House bill contained a provision (sec. 567) that would modify the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)(H)) to clarify the eligibility for impact aid of certain local educational agencies whose student populations are affected by the conversion of military housing units to private housing through public-private partnerships.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish the effective date of this provision.

Subtitle E—Administrative Matters

High-tempo personnel management and allowance (sec. 541)

The House bill contained a provision (sec. 541) that would modify the program under section 991 of title 10 and section 436 of title 37, United States Code, with respect to management of deployments of service members and payment of a high-tempo per diem allowance. This provision would require that the deployment of members in excess of 400 days out of the preceding 730 days must be approved, as a minimum, by an officer serving in the grade of colonel or Navy captain, when they have been selected for promotion and are serving in a billet authorized for a general or

flag officer, or by a civilian member of the Senior Executive Service.

This provision would also authorize payment of a monthly high-deployment allowance of up to $1000, instead of the $100 high-tempo per diem allowance currently authorized in law, for service members for each month during which the member is deployed for 191 or more consecutive days or for 401 days out of the preceding 730 days. It would also authorize payment of the monthly allowance to reservists serving on active duty for more than 30 days during a second or subsequent mobilization for the same contingency operation.

The Senate amendment contained a similar provision (sec. 561).

The House recedes with a clarifying amendment that would prescribe when deployment management responsibilities must commence for members who exceed certain high-deployment thresholds.

Enhanced retention of accumulated leave for high-deployment members (sec. 542)

The House bill contained a provision (sec. 542) that would increase the accumulated leave from 90 to 120 days that may be retained by a member serving at least 120 consecutive days in an area authorized for payment of imminent danger pay, or similar assignment.

The Senate amendment contained a similar provision (sec. 651).

The Senate recedes.

Standardization of statutory authorities for exemptions from requirement for access to secondary schools by military recruiters (sec. 543)

The House bill contained a provision (sec. 544) that would remove the authority for local educational agencies to vote to deny military recruiters access to secondary schools and student information and would bring the recruiter access policy established in section 503 of title 10, United States Code, in line with the policy established in the No Child Left Behind Act (Public Law 107–110).

The Senate amendment contained no similar provision.

The Senate recedes.

Procedures for consideration of applications for award of the Purple Heart medal to veterans held as prisoners of war before April 25, 1962 (sec. 544)

The House bill contained a provision (sec. 545) that would instruct the secretary concerned to consider the length of time between captivity and application and the duration of captivity when reviewing cases in which individuals are seeking the award of the Purple Heart for periods when they were held as prisoners of war before April 25, 1962. This provision would also require the secretary concerned to provide information on prisoner of war camps to assist individuals in assembling applications.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Authority for reserve and retired regular officers to hold state and local office notwithstanding call to active duty (sec. 545)

The House bill contained a provision (sec. 546) that would remove the restriction barring reservists or retirees who are serving on active duty for more than 270 days from holding elective office in the government of a state, the District of Columbia or a territory, possession, or commonwealth of the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide that reserve and retired regular officers who serve on active duty for more than 270 days may not hold elective office in the government of a state if the holding of such office is prohibited under the laws of that state or interferes with the performance of the officer's duties as an officer of the armed forces, as determined by the Secretary of Defense. Additionally, the amendment would prohibit an officer who holds such a state elective office from exercising the functions of the office while on active duty with the armed forces.

Policy on public identification of casualties (sec. 546)

The House bill contained a provision (sec. 548) that would prohibit the Secretary of Defense from publicly releasing the name or other personal identifying information about military casualties until 24 hours after official notification of the service members' next-of-kin.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to prescribe the policy of the Department of Defense (DOD) on public release of identifying information about casualties. The conferees believe strongly that the policy prescribed by the Secretary should provide service members' next-of-kin with a period of privacy before the public is made aware of service members' death, injury, or change in status. The conferees expect this period of privacy to be at least 18 to 24 hours following official notification of the next-of-kin. The conferees also encourage the Secretary to require as part of the agreement with embedded reporters and other civilian personnel accompanying the force that they will comply with the DOD policy on releasing names and personally identifying information on military casualties.

Space personnel career fields (sec. 547)

The Senate amendment contained a provision (sec. 912) that would require the Secretary of Defense to develop a human capital resources strategy for personnel of the Department of Defense with space expertise that would ensure that the space career fields for the military services are integrated to the maximum extent possible. The provision would also require the Secretary to submit a report to the Committees on Armed Services of the Senate and House of Representatives on the strategy, an assessment of the progress in integrating the space career fields of the military services, and an assessment of the adequacy of the Air Force space career field. Finally, the provision would require a review and assessment by the Comptroller General.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees note that the space career fields within each of the military departments may include officers, enlisted, and civilian personnel. The conferees believe that an integrated strategic approach to the development of viable space career fields should be assessed based on how those career fields provide a common expertise, eliminate redundancies or overlaps in training and education, minimize any critical gaps that may exist in training and education, improve coordination between the services, and ultimately improve space operations and the ability of all the services to benefit from those operations.

Department of Defense joint advertising, market research, and studies program (sec. 548)

The conferees agree to include a provision that would authorize the Secretary of Defense to carry out a joint advertising, market research, and studies program to complement the recruiting advertising programs of the military departments and improve the ability of the military departments to attract and recruit qualified individuals to serve in the Armed Forces. This provision would authorize $7,500,000 of operation and maintenance funds for Defense-wide activities to be made available to carry out this program.

Limitation on aviation force structure changes in the department of the Navy (sec. 549)

The House bill contained a provision (sec. 566) that would require the Secretary of the Navy to ensure that no reductions are made in the active and reserve force structure of Navy and Marine Corps for fixed and rotary wing aircraft until 90 days have elapsed after two reports have been received by the Armed Services Committees of the House of Representatives and the Senate. The reports required would be a naval aviation force structure plan and an active and reserve component integration plan.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the Secretary from reducing or disestablishing a Naval or Marine Corps Reserve aviation squadron before February 1, 2004. The conferees are aware of a limitation on the use of funds for decommissioning of any Navy or Marine Corps aviation squadron until delivery of a report by the Comptroller General of the United States, contained in section 8141 of the Department of Defense Appropriations Act for Fiscal Year 2004 (P.L. 108–87). The conferees expect the Secretary to take the final findings and recommendations of this report into account if the Secretary decides to reduce or disestablish any Navy or Marine Corps Reserve aviation squadrons.

Subtitle F—Military Justice Matters

Extended limitation period for prosecution of child abuse cases in courts-martial (sec. 551)

The Senate amendment contained a provision (sec. 551) that would amend Article 43 of the Uniform Code of Military Justice (UCMJ) (10 U.S.C. 843) to apply a modified version of the federal criminal statute of limitations found in section 3283 of title 18, United States Code, which applies to offenses involving the sexual

or physical abuse of a child under 18, to trial by court-martial of a person for such offenses under the UCMJ. The modification would limit the application of the extended limitation period to cases involving children under the age of 16 years, the limit for such offenses under the substantive criminal provisions of the UCMJ. The extended limitation period would permit trial by court-martial if sworn charges and specifications were received before the child reached the age of 25 years. This would replace the present five-year statute of limitations for this category of offenses.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Clarification of blood alcohol content limit for the offense under the Uniform Code of Military Justice of drunken operation of a vehicle, aircraft, or vessel (sec. 552)

The Senate amendment contained a provision (sec. 552) that would clarify the blood alcohol content limit for the offense of drunken operation of a vehicle, aircraft, or vessel under Article 111 of the Uniform Code of Military Justice (10 U.S.C. 911). The provision would make explicit that a blood alcohol content equal to the applicable state limit, or the 0.10 limit set out in Article 111, whichever is applicable, would constitute an offense under Article 111.

The House bill contained a similar provision (sec. 547).

The House recedes with an amendment that would clarify the definition of "blood alcohol content limit."

Subtitle G—Benefits

Additional classes of individuals eligible to participate in the federal long-term care insurance program (sec. 561)

The House bill contained a provision (sec. 551) that would authorize reservists and federal civilian employees who have not reached the minimum age required to begin receiving a retired annuity and certain other civilian employees to be eligible for the Federal Long-Term Care Insurance Program.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Authority to transport remains of retirees and retiree dependents who die in military treatment facilities (sec. 562)

The House bill contained a provision (sec. 552) that would expand the authority of the secretary concerned to transport the remains of armed forces retirees and their dependents who die in military health care facilities to places of burial located overseas or in the continental United States under prescribed conditions.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Eligibility for dependents of certain mobilized reservists stationed overseas to attend Defense Dependents Schools overseas (sec. 563)

The House bill contained a provision (sec. 553) that would expand the eligibility for space-available, tuition-free attendance at

Department of Defense Dependents Schools (DODDS) overseas to the dependents of mobilized reservists who are called to active duty from a continental United States location and whose overseas tour is voluntarily or involuntarily extended beyond one year.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would require DODDS tuition-status parity for dependent children of reservists who are ordered to active duty under section 12301 or 12302 of title 10, United States Code, from any location to overseas duty assignments.

Subtitle H—Domestic Violence

Travel and transportation for dependents relocating for reasons of personal safety (sec. 571)

The House bill contained a provision (sec. 571) that would allow travel and transportation allowances to dependents of uniformed service members who are victims of domestic violence and who, under certain conditions, have requested relocation.

The Senate amendment contained a similar provision (sec. 565).

The House recedes with a clarifying amendment.

Commencement and duration of payment of transitional compensation (sec. 572)

The House bill contained a provision (sec. 572) that would allow transitional compensation to commence as of the date of sentencing of a service member who has been convicted of a dependent-abuse offense at a court-martial. Additionally, the provision would modify section 1059(e)(2) of title 10, United States Code, to provide for payment of transitional compensation benefits for 36 months in all cases unless terminated earlier, as required by law.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment providing that transitional compensation shall be paid for a period of not less than 12 months and not more than 36 months, as established in policies prescribed by the secretary concerned.

Exceptional eligibility for transitional compensation (sec. 573)

The House bill contained a provision (sec. 573) that would allow transitional compensation to be paid in exceptional cases to certain dependents of a member or former member of the armed forces if the secretary concerned determines that there are extenuating circumstances such that granting transitional compensation benefits is consistent with the intent of the program.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would provide that a secretarial decision to authorize exceptional payment of transitional compensation may not be delegated.

Types of administrative separations triggering coverage (sec. 574)

The House bill contained a provision (sec. 574) that would expand coverage of transitional compensation for dependents of a service member on active duty who is administratively separated

voluntarily or involuntarily from active duty if the basis for the separation includes a dependent-abuse offense.

The Senate amendment contained no similar provision.

The Senate recedes.

Comptroller General review and report (sec. 575)

The House bill contained provisions (sec. 575 and 576) that would require the Secretary of Defense to convene a working group within two years from the date of enactment to review and assess the progress of the Department of Defense (DOD) in implementation of the recommendations of the Defense Task Force on Domestic Violence. Additionally, the Secretary would be required to provide the necessary resources to the organization within the Office of the Secretary of Defense with direct responsibility for oversight of implementation by the military departments of the recommendations of the Task Force in order for that organization to carry out its duties and responsibilities.

The Senate bill contained no similar provisions.

The Senate recedes with an amendment that would require the Comptroller General not later than 30 months after the date of enactment of this Act to review and assess the progress of the DoD in implementing the recommendations of the Defense Task Force on Domestic Violence and the resources that the DoD has provided toward such implementation.

Fatality reviews (sec. 576)

The House bill contained a provision (sec. 577) that would require the Secretary of Defense to conduct multidisciplinary reviews of each fatality known or suspected to have resulted from domestic violence or child abuse under certain conditions.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the secretary of the military department concerned, under uniform guidance prescribed by the Secretary of Defense, to conduct fatality reviews in the case of each fatality known or suspected to have resulted from domestic violence or child abuse.

Sense of Congress (sec. 577)

The House bill contained a provision (sec. 578) that would express the sense of Congress that the Secretary of Defense should adopt the strategic plan proposed by the Defense Task Force on Domestic Violence and that the service secretaries should establish and support a Victim Advocate Protocol for victims of domestic violence.

The Senate bill contained no similar provision.

The Senate recedes with a clarifying amendment.

Subtitle I—Other Matters

Recognition of military families (sec. 581)

The House bill contained a provision (sec. 562) that would require the Secretary of Defense to implement and sustain programs, including appropriate annual ceremonies and events, to celebrate

the contributions and sacrifices of military families in the active and reserve components.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Permanent authority for support for certain chaplain-led military family support programs (sec. 582)

The House bill contained a provision (sec. 564) that would authorize the secretary of a military department to provide support services to active duty and reserve members and their immediate family members to facilitate their participation in chaplain-led programs designed to build and maintain strong families.

The Senate amendment contained no similar provision.

The Senate recedes.

Department of Defense-Department of Veterans Affairs Joint Executive Committee (sec. 583)

The House bill contained a provision (sec. 565) that would expand the scope of responsibilities of the Department of Defense-Department of Veterans Affairs Health Executive Committee to consider matters beyond health care.

The Senate amendment contained a similar provision (sec. 707 (a)–(c)).

The Senate recedes with a technical amendment.

Review of the 1991 death of Marine Corps Colonel James E. Sabow (sec. 584)

The House bill contained a provision (sec. 568) that would require the Secretary of Defense to open a new investigation into the death of Colonel James E. Sabow.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary within 60 days of enactment of this Act, to commence a review by medical and forensic experts outside the Department of Defense of the evidence concerning Colonel Sabow's death on January 22, 1991, with the principal focus of determining the cause of death.

Policy on concurrent deployment to combat zones of both military spouses of military families with minor children (sec. 585)

The Senate amendment contained a provision (sec. 563) that would require the Secretary of Defense to prescribe the policy of the Department of Defense on concurrent deployment to a combat zone of both spouses of a dual-military family with one or more minor children within 180 days of enactment of the National Defense Authorization Act for Fiscal Year 2004.

The House bill contained no similar provision.

The House recedes.

Congressional notification of amendment or cancellation of Department of Defense directive relating to reasonable access to military installations for certain personal commercial solicitation (sec. 586)

The House bill contained a provision (sec. 1052) that would require the Secretary of Defense to submit notice to the Congress of any amendment or other revision to a Department of Defense (DOD) directive relating to personal commercial solicitation on military installations, along with the supporting reasons for the change. The provision would further require that no changes take effect until the end of the 90-day period beginning on the date the notice is submitted.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that any changes to DOD Directive 1344.7, regarding personal commercial solicitation on DOD installations, not take effect until the end of the 30-day period beginning on the date notice of amendment or cancellation of the directive and the reasons therefor are submitted.

The conferees believe that the Under Secretary of Defense for Personnel and Readiness has acted prudently in responding to documented instances of abuses of grants of access to military installations and personnel for the purpose of commercial solicitation. The Department has taken necessary and appropriate steps to thoroughly consider and evaluate potential changes to personal commercial solicitation policies. The conferees urge the Department to continue to give all stakeholders ample opportunities, both before and after proposed changes are implemented, to contribute factual information and recommendations for improvements to these policies.

Study of National Guard Challenge Program (sec. 587)

The Senate amendment contained a provision (sec. 1043) that would provide for a 65 percent maximum federal share for the costs of operating state programs under the National Guard Challenge Program for fiscal year 2004. Additionally, the Secretary of Defense would be required to carry out a study, among other objectives, to identify potential alternatives to the matching fund structure in order to provide management flexibility to better respond to temporary fiscal conditions.

The House bill contained no similar provision.

The House recedes with an amendment that would retain: (1) the requirement for the Secretary of Defense to conduct a study of the National Guard Challenge program; (2) maintain the current federal-to-state ratio for matching funds; and (3) provide funding for fiscal year 2004, in accordance with the budget request.

Findings and sense of Congress on reward for information leading to resolution of status of members of the armed forces who remain unaccounted for (sec. 588)

The Senate amendment contained a provision (sec. 1039) that would express the sense of the Senate that the Secretary of Defense should use his authority to disburse funds rewarding individuals who provide information leading to the conclusive resolution

of the status of any missing member of the armed forces, and authorize and publicize a reward of $1,000,000 for information resolving the fate of any member of the armed forces, such as Navy Captain Scott Speicher.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the Secretary should use his authority for the foregoing purpose.

LEGISLATIVE PROVISIONS NOT ADOPTED

Alternate initial military service obligation for persons accessed under direct entry program

The Senate amendment contained a provision (sec. 562) that would authorize the establishment of a direct entry program for persons with critical military skills that would not require application of the initial military service obligation, as set forth in section 651(a) of title 10, United States Code.

The House bill contained no similar provision.

The Senate recedes.

Enhancement of voting rights of members of the uniformed services

The Senate amendment contained a provision (sec. 564) that would modify section 1973ff–1 of title 42, United States Code, by prescribing standards to be used by state officials in validating ballots submitted in elections for federal office by absent uniformed service voters. Additionally, the provision would establish procedures to facilitate voting by recently separated military members.

The House bill contained no similar provision.

The Senate recedes.

Increased flexibility for management of senior level education and post-education assignments

The Senate amendment contained a provision (sec. 531) that would modify section 663 of title 10, United States Code, by repealing the requirement that the principal course of instruction offered at the Joint Forces Staff College as Phase II joint professional military education must be at least three months in duration. Additionally, the provision would repeal requirements related to mandatory assignment to joint duty of officers completing joint professional military education.

The House bill contained no similar provision.

The Senate recedes.

Repeal of prohibition on transfer between line of the Navy and Navy staff corps applicable to regular Navy officers in grades above lieutenant commander

The House bill contained a provision (sec. 511) that would repeal section 5582 of title 10, United States Code, setting forth limitations on transfers of officers between the line and staff corps of the Navy.

The Senate amendment contained no similar provision.

The House recedes.

Simplification of determination of annual participation for purposes of Ready Reserve training requirements

The House bill contained a provision (sec. 523) that would amend section 10147 of title 10, United States Code, to restate (in terms of days of duty to be performed) the annual training requirement for all members of the Ready Reserve.

The Senate amendment contained no similar provision.

The House recedes.

The conferees support the Department of Defense objective of modifying existing policies affecting annual training participation by members of the Ready Reserve to simplify these policies and make them more flexible and responsive to current operational requirements and the needs of individual reservists. The conferees encourage the Department as it continues its review, however, to balance achieving that objective with efforts to ameliorate any potential negative effects that simplification could have on the pay and retirement benefits of individual reservists and on reserve unit cohesion.

Standardization of time-in-service requirements for voluntary retirement of members of the Navy and Marine Corps with Army and Air Force requirements

The House bill contained a provision (sec. 543) that would standardize the existing statutory requirements used by each Service in determining eligibility for retirement.

The Senate amendment contained no similar provision.

The House recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Pay and Allowances

Increase in basic pay for fiscal year 2004 (sec. 601)

The House bill contained a provision (sec. 601) that would increase basic pay for members of the armed forces by an average of 4.1 percent. This provision would also provide enhanced increases for mid-grade and senior noncommissioned officers and select warrant officers to enhance retention. It also would provide that the rates of monthly basic pay for members of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service (PHS) would be increased by two percent.

The Senate amendment contained a similar provision (sec. 601) that would authorize a military pay raise of 3.7 percent for all officer and enlisted personnel, consistent with the standard set forth in section 602 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65), which requires that pay increases through fiscal year 2006 for all members equate to the annual increase in the Employment Cost Index plus 0.5 percent, and higher targeted pay raises for mid-grade personnel. The Senate provision did not limit to two percent the pay raise of uniformed members of the NOAA and PHS.

The House recedes.

Revised annual pay adjustment process (sec. 602)

The Senate amendment contained a provision (sec. 602) that would modify section 1009 of title 37, United States Code, to require an annual adjustment of basic pay for members of the uniformed services. The provision would provide all eligible members with an increase in the monthly basic pay that is the equivalent percentage (rounded to the nearest one-tenth of one percent) of the annual increase in the Employment Cost Index (ECI). The provision would also maintain the existing requirement in law that annual pay raises in fiscal years 2004, 2005, and 2006, equal the annual increase in ECI plus 0.5 percent.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Computation of basic pay rate for commissioned officers with prior enlisted or warrant officer service (sec. 603)

The House bill contained a provision (sec. 602) that would modify section 203 of title 37, United States Code, to authorize commissioned officers who have accrued at least 1,460 points for reserve service as a warrant officer, an enlisted member, or as a warrant officer and an enlisted member, to receive basic pay at the same rate as commissioned officers credited with over four years of active duty service as an enlisted member.

The Senate amendment contained an identical provision (sec. 603).

The conference agreement includes this provision.

Special subsistence allowance authorities for members assigned to high-cost duty location or under other unique and unusual circumstances (sec. 604)

The House bill contained a provision (sec. 603) that would authorize payment to service members of a supplemental allowance for subsistence to compensate for additional expenses encountered when they are assigned to high-cost and unique duty locations. The provision would be effective as of September 12, 2001.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make this authority effective on October 1, 2003.

Basic allowance for housing for each member married to another member without dependents when both spouses are on sea duty (sec. 605)

The Senate amendment contained a provision (sec. 605) that would allow two members of the uniformed services in a pay grade below E–6 who are married to each other, have no other dependent, and are simultaneously assigned to sea duty to each receive a basic allowance for housing.

The House bill contained no similar provision.

The House recedes.

Temporary increase in authorized amount of family separation allowance (sec. 606)

The House bill contained a provision (sec. 622) that would increase the rate of family separation allowance under section 427 of

title 37, United States Code, from $100 per month to $250 per month for service members performing duty in the combat zones designated for Operation Iraqi Freedom and Operation Enduring Freedom.

The Senate amendment contained a provision (sec. 606) that would increase the rate of the family separation allowance from $100 per month to $250 per month for all service members who are eligible to receive this allowance.

The House recedes with an amendment that would make the rate of $250 per month effective for the period beginning on October 1, 2003, and ending on December 31, 2004.

Subtitle B—Bonuses and Special Incentive Pays

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

The House bill contained a provision (sec. 611) that would extend the authority for the Selected Reserve enlistment and reenlistment bonus, special pay for enlisted members of the Selective Reserve assigned to certain high priority units, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, and the prior service enlistment bonus until December 31, 2004.

The Senate amendment contained an identical provision (sec. 611).

The conference agreement includes this provision.

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

The House bill contained a provision (sec. 612) that would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, incentive special pay for nurse anesthetists, special pay for Selected Reserve health care professionals in critically short wartime specialties, and the accession bonus for dental officers until December 31, 2004. The provision would also extend the authority for repayment of education loans for certain health professionals who serve in the Selected Reserve until January 1, 2005.

The Senate amendment contained an identical provision (sec. 612).

The conference agreement includes this provision.

One-year extension of special pay and bonus authorities for nuclear officers (sec. 613)

The House bill contained a provision (sec. 613) that would extend the authority for the special pay for nuclear-qualified officers extending the period of active service, nuclear career accession bonus, and the nuclear career annual incentive bonus until December 31, 2004.

The Senate amendment contained an identical provision (sec. 613).

The conference agreement includes this provision.

One-year extension of other bonus and special pay authorities (sec. 614)

The House bill contained a provision (sec. 614) that would extend the authority for the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonus for active members, the retention bonus for members with critical military skills, and the accession bonus for new officers in critical skills until December 31, 2004.

The Senate amendment contained an identical provision (sec. 614).

The conference agreement includes this provision.

Hazardous duty pay for duty involving ski-equipped aircraft on Antarctica or the Arctic icepack (sec. 615)

The House bill contained a provision (sec. 619) that would authorize incentive pay for service members performing duty on the ground in Antarctica or on the icepack in the Arctic at the rate of $5 per day.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize incentive pay under section 301 of title 37, United States Code, for hazardous duty involving use of ski-equipped aircraft on the ground in Antarctica or on the Arctic icepack.

Special pay for reserve officers holding positions of unusual responsibility and of critical nature (sec. 616)

The Senate amendment contained a provision (sec. 615) that would authorize reserve component officers to receive special pay under section 306 of title 37, United States Code.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Payment of Selected Reserve reenlistment bonus to members of Selected Reserve who are mobilized (sec. 617)

The Senate amendment contained a provision (sec. 618) that would clarify that members entitled to a bonus under section 308b of title 37, United States Code, who are called or ordered to active duty, may be paid any amount of such bonus that is payable during the period of active duty without regard to the fact that the member is serving on active duty pursuant to such call or order to active duty.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Availability of hostile fire and imminent danger special pay for reserve component members on inactive duty (sec. 618)

The House bill contained a provision (sec. 616) that would authorize payment of hostile fire and imminent danger pay under section 310 of title 37, United States Code, to reserve component members performing inactive-duty training at duty locations designated for receipt of this special pay. The provision would be effective as of September 11, 2001.

The Senate amendment contained a similar provision (sec. 620).

The House recedes with a clarifying amendment.

Temporary increase in authorized amount of hostile fire and imminent danger special pay (sec. 619)

The House bill contained a provision (sec. 622) that would increase the rate of special pay for duty subject to hostile fire or imminent danger under section 310 of title 37, United States Code, from $150 per month to $225 per month for service members performing duty in the combat zones designated for Operation Iraqi Freedom and Operation Enduring Freedom. The Senate amendment contained a provision (sec. 619) that would increase the rate of special pay for duty subject to hostile fire or imminent danger from $150 per month to $225 per month for all service members who are eligible to receive this special pay.

The House recedes with an amendment that would make the rate of $225 per month effective for the period beginning on October 1, 2003, and ending on December 31, 2004.

Retroactive payment of hostile fire or imminent danger pay for service in eastern Mediterranean Sea in Operation Iraqi Freedom (sec. 620)

The conferees agree to include a provision that would authorize the Secretary of Defense to approve special pay for duty subject to hostile fire or imminent danger under section 310(a) of title 37, United States Code, to members of the armed forces who were assigned to duty, during the period beginning on March 19, 2003, and ending on April 11, 2003, located in the Mediterranean Sea east of 30 degrees East Longitude.

Expansion of overseas tour extension incentive program to officers (sec. 621)

The House bill contained a provision (sec. 617) that would authorize officers to receive the same compensation or rest and recuperative leave benefits as granted to enlisted members who extend their overseas tours of duty at designated locations.

The Senate amendment contained a similar provision (sec. 621).

The Senate recedes.

Repeal of congressional notification requirement for designation of critical military skills for retention bonus (sec. 622)

The House bill contained a provision (sec. 661) that would repeal the requirement for 90 days advance notice to Congress before implementation of a critical skills retention bonus.

The Senate amendment contained no similar provision.

The Senate recedes.

Eligibility of warrant officers for accession bonus for new officers in critical skills (sec. 623)

The House bill contained a provision (sec. 618) that would amend section 324 of title 37, United States Code, to allow members appointed in the grade of warrant officer (W1) to receive the accession bonus for new officers in critical skills.

The Senate amendment contained a similar provision (sec. 622).

The House recedes.

Special pay for service as member of weapons of mass destruction civil support team (sec. 624)

The House bill contained a provision (sec. 620) that would authorize members assigned by orders to duty as members of Weapons of Mass Destruction Civil Support Teams to be paid a special pay of $150 per month.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would authorize secretaries of military departments to pay this special pay only if the secretary determines that the payment of this special pay is needed to address recruitment or retention concerns for members of Weapons of Mass Destruction Civil Support Teams. Additionally, the monthly rate of such special pay may be in any amount up to, but not exceeding, $150.

Incentive bonus for conversion to military occupational specialty to ease personnel shortage (sec. 625)

The House bill contained a provision (sec. 621) that would authorize the service secretaries to offer a lump sum bonus of up to $4000 to eligible enlisted members, in pay grade E–6 with less than 10 years of service, or pay grade E–5 and below, regardless of years of service, who successfully convert from ratings or occupational specialties designated by the secretary concerned as adequately manned or overmanned to one in which there is a designated shortage of trained and qualified personnel.

The Senate amendment contained a similar provision (sec. 623).

The House recedes with an amendment that would limit the minimum obligated service to three years that members would incur who receive this bonus.

Bonus for reenlistment during service on active duty in Afghanistan, Iraq, or Kuwait (sec. 626)

The conferees agree to include a provision that would authorize waiver of certain eligibility requirements under sections 308(a), 308b(c), and 308h(a) of title 37, United States Code, and payment of a bonus to active duty and reserve members of the armed forces who reenlist or voluntarily extend their enlistments while serving on active duty in Afghanistan, Iraq, or Kuwait in support of Operation Enduring Freedom or Operation Iraqi Freedom.

Subtitle C—Travel and Transportation Allowances

Shipment of privately owned motor vehicle within continental United States (sec. 631)

The House bill contained a provision (sec. 631) that would allow service members to contract personally for the transportation of a motor vehicle in permanent change of station moves within the continental United States instead of relying exclusively on the government to arrange such transport. The amount of the allowance

for such transportation would not be more than the amount that would have been paid if the member or a dependent had driven the vehicle between duty stations.

The Senate amendment contained a similar provision (sec. 631).

The House recedes.

Transportation of dependents to presence of members of the armed forces retired for illness or injury incurred in active duty (sec. 632)

The Senate amendment contained a provision (sec. 634) that would modify section 411 of title 37, United States Code, to authorize under certain conditions transportation at government expense of up to two family members to the location of a service member who is retired for an illness or injury incurred on active duty.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Payment or reimbursement of student baggage storage costs for dependent children of members stationed overseas (sec. 633)

The House bill contained a provision (sec. 632) that would expand the eligibility for dependent children of members stationed overseas to store student baggage to include storage at any point during the same fiscal year and not just at the time of the dependent student's annual trip to the member's overseas duty station.

The Senate amendment contained an identical provision (sec. 632).

The conference agreement includes this provision.

Contracts for full replacement value for loss or damage to personal property transported at government expense (sec. 634)

The Senate amendment contained a provision (sec. 633) that would authorize the Secretary of Defense to require by contract that household goods carriers pay the full replacement value for loss or damage to the property of members of the armed forces moved under such a contract. Additionally, in the event that a carrier does not settle a claim for loss or damage within a reasonable period of time, this provision would authorize deduction of an amount equal to the full replacement value from the amount owed by the United States to the carrier under the contract, and remission of the amount so deducted to the claimant.

The House bill contained no similar provision.

The House recedes.

The conferees understand that the Department of Defense intends to implement changes to claims procedures, including use of the full replacement value standard, as part of more comprehensive changes under the "Families First" Program. The conferees fully support implementation of the various aspects of the "Families First" program, including use of customer surveys, increased direct deliveries through customer to carrier contact, and the on-line claims filing processing. Additionally, the conferees expect that the full replacement value standard for loss or damage will be implemented in a manner that is consistent with commercial practices

and that is fully explained to military members who should benefit from this new approach.

The conferees recognize that a reasonable time period should be established in which a servicemember's claim should be resolved before the services exercise their prerogative to make deductions from the amount owed to the carrier by the United States. The conferees support adoption of industry recommendations wherever feasible, and expect the Department to adopt a reasonable time period to resolve claims, ideally no less than sixty days, as part of its implementation of full value replacement. The conferees urge the Department to continue working closely with industry representatives to resolve open issues prior to implementation and intend to monitor both the implementation of "full replacement value" and the "Families First" Program and assess the overall costs of the program and the impact of these initiatives on small businesses and quality of life of military members and their families.

Payment of lodging expenses of members during authorized leave from temporary duty location (sec. 635)

The House bill contained a provision (sec. 633) that would authorize the secretaries of the military departments to reimburse reservists and retirees serving on active duty at duty locations away from their homes the lesser of the lodging portion of the applicable per diem rate or the actual cost of lodging paid by the member for the period during which the member is in an authorized leave status.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize service secretaries prospectively to pay or reimburse a member of the active or reserve components for lodging expenses incurred for a period during which the member is in an authorized leave status. To qualify for such payment, members must be assigned to temporary duty for a period of more than 30 days, in support of a contingency operation or in other specific situations designated by the secretary concerned.

Subtitle D—Retired Pay and Survivor Benefits

Phase-in of full concurrent receipt of military retired pay and veterans' disability compensation for certain military retirees (sec. 641)

The Senate amendment contained a provision (sec. 644) that would repeal the prohibition against receipt of both military retired pay and veterans' disability compensation.

The House bill contained no similar provision.

The House recedes with an amendment that would establish two new provisions. Effective January 1, 2004, one provision (sec. 641) would modify section 1414 of title 10, United States Code, to authorize concurrent receipt of both military retired pay and veterans' disability compensation phased in over ten years for retirees whose disability is rated at 50 percent or greater.

The second provision (sec. 642) would authorize payment of special compensation for combat-related disabilities, as enacted in the National Defense Authorization Act for Fiscal Year 2003 (Pub-

lic Law 107–314), to all retirees who are eligible under the criteria set forth for a combat-related disability, including those whose disability is 50 percent or less, and a process for coordination with concurrent receipt of both military retired pay and veterans' disability compensation.

Special rule for computation of retired pay base for commanders of combatant commands (sec. 643)

The Senate amendment contained a provision (sec. 641) that would increase the rate of retired pay for combatant commanders to correspond with that of the service chiefs.

The House bill contained no similar provision.

The House recedes.

Survivor benefit plan annuities for surviving spouses of reserves not eligible for retirement who die from a cause incurred or aggravated while on inactive-duty training (sec. 644)

The Senate amendment contained a provision (sec. 642) that would extend benefits under the Survivor Benefit Plan to surviving spouses of reservists not eligible for retirement who die from an injury or illness incurred or aggravated in the line of duty during inactive-duty training. This provision would be effective as of September 10, 2001.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees continue to be concerned about continuing inconsistent practices involving expedited approval of physical disability retirement and election of Survivor Benefit Plan beneficiaries when death of a service member is imminent. This problem was noted in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107), but the Secretary of Defense has not yet issued regulations required by July 1, 2002, governing imminent death retirements. The conferees direct the Secretary to issue regulations by March 1, 2004, which will provide needed direction to the services on how they should proceed in these difficult situations.

Survivor Benefit Plan modifications (sec. 645)

The conferees agree to include a provision that would amend section 1448(d) of title 10, United States Code, to expand coverage under the Survivor Benefit Plan for dependent children and surviving spouses of military personnel who die on active duty. The provision would also modify section 1448(b)(1) and section 1458 of title 10, United States Code, to require vitiation of elections by military personnel retired under chapter 61 of title 10, United States Code, with respect to Supplemental Survivor Benefit Plan benefits and annuity payments to individuals with an insurable interest who are not dependents of the retiree when the retiree dies within one year of retirement of a cause related to the disability causing retirement.

Increase in death gratuity payable with respect to deceased members of the armed forces (sec. 646)

The Senate amendment contained a provision (sec. 643) that would increase the death gratuity from $6000 to $12,000, effective

as of September 11, 2001. Additionally, the provision would require the Secretary of Defense to carry out a study on death benefits to determine the adequacy of such benefits. It would also require the Comptroller General to conduct a study to identify the death benefits that are payable under applicable law for employees of the Federal Government and state and local governments.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle E—Commissary and Nonappropriated Fund Instrumentality Benefits

Expanded commissary access for selected reserve members, reserve retirees under age 60, and their dependents (sec. 651)

The House bill contained a provision (sec. 651) that would authorize members of the Selected Reserve, reserve retirees qualified to receive retired pay, except that they are not age 60, and their dependents to use commissaries to the same extent as active duty members and their dependents.

The Senate amendment contained a similar provision (sec. 369).

The Senate recedes.

Defense commissary system and exchange stores system (sec. 652)

The House bill contained a provision (sec. 652) that would require the Secretary of Defense to operate separate defense commissary and exchange store systems.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize continued operation of NEXMART stores established before October 1, 2003.

Limitations on private operation of defense commissary store functions (sec. 653)

The House bill contained a provision (sec. 653) that would clarify that only selected store functions may be considered for privatization and that proposed changes to private operation of commissary store functions would not go into effect until a period of 90 days of continuous session of Congress expires after the Secretary of Defense notifies Congress of the proposed changes.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to inform Congress of changes to commissary store functions performed by more than ten Department of Defense civilian employees, and such changes would not go into effect until expiration of a period of 75 calendar days following Congressional notification.

Use of appropriated funds to operate defense commissary system (sec. 654)

The House bill contained a provision (sec. 654) that would require the use of appropriated funding to support commissary operating expenses.

The Senate amendment contained no similar provision.

The Senate recedes.

Recovery of non-appropriated fund instrumentality and commissary store investments in real property at military installations closed or realigned (sec. 655)

The House bill contained a provision (sec. 655) that would authorize the use, without further appropriation, of funds resulting from the transfer or disposal (during base closures or realignments prior to 2005) of real property or facilities that had been acquired, constructed or improved with non-appropriated or commissary store funds.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize use of these funds without further appropriation, not to exceed the following amounts: $31.0 million in fiscal year 2004; $24.0 million in fiscal year 2005; and $15.0 million in fiscal year 2006.

The conferees authorize the use of these funds, but do not in any way designate a specific use of such funds.

Subtitle F—Other Matters

Comptroller General report on adequacy of special pays and allowances for frequently deployed members (sec. 661)

The Senate amendment contained a provision (sec. 652) that would require the Comptroller General to submit a report not later than April 1, 2004, regarding the adequacy of special pays and allowances for service members who experience frequent deployments away from their permanent duty stations for periods of less than 30 days.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Assignment incentive pay for service in Korea

The Senate amendment contained a provision (sec. 616) that would require payment of assignment incentive pay in the amount of $100 per month to all military members stationed in the Republic of South Korea.

The House bill contained no similar provision.

The Senate recedes.

The conferees appreciate the hardships and sacrifices being shouldered by military personnel and their families as a result of the high-tempo of operations worldwide in fighting the global war on terrorism. However, endemic substandard living and working conditions for soldiers in Korea and the adverse effects of these conditions on soldier morale, retention, and the Army's current overseas duty assignment policies are a source of ongoing concern. The Commander, United States Forces Korea, testified before Congress in 2003 that family separation, poor living and working conditions, and financial hardship have a severe adverse effect on the desirability of duty in Korea. The conferees applaud the Commander's strong and visible commitment to improved working and

living conditions and fully support his priority objective of making Korea "an assignment of choice."

The conferees are encouraged by recent cooperative efforts of the Department of Defense and the Army to identify options to improve housing and compensation such as additional hardship duty pay, a cost of living allowance, implementation of discretionary assignment incentive pay, and awarding partial basic allowance for housing to compensate for substandard housing. The conferees direct the Secretary of Defense to submit a report by March 1, 2004, assessing: (1) progress and projections for eliminating substandard housing for U.S. military personnel stationed in Korea; (2) pay comparability for soldiers stationed in Korea with soldiers stationed in a cross section of bases in the continental United States, Kosovo, Bosnia, Iraq, Afghanistan, and Japan; (3) evaluation of the Commander's goal of providing command-sponsored housing for at least 25 percent of married military members and their families by 2010; (4) the effect on the quality of life for U.S. military personnel of the Republic of South Korea's host nation funded construction programs; (5) progress in achieving the goal of providing unaccompanied enlisted service members with quality housing by 2008, as mandated by DOD policy; (6) evaluation of the funding levels for the Sustainment, Restoration, and Modernization accounts in reversing deteriorating facilities; (7) improvements in quality of life, including morale, welfare, and recreation resources, internet access, and communication capabilities for personal use, for personnel and their families while stationed in Korea; and (8) recommendations for improving the compensation and quality of life for soldiers, sailors, airmen, and Marines and their dependents stationed in Korea.

Availability of hostile fire and imminent danger pay for reserve component members serving in response to certain domestic terrorist attacks

The House bill contained a provision (sec. 623) that would authorize payment of special pay for duty subject to hostile fire or imminent danger to members of a reserve component who were on duty as first responders, or who accompany or protect first responders, to terrorist attacks on the United States where there was an immediate threat of physical harm or imminent danger as a result of direct or residual effects of an attack or potential secondary attack.

The Senate amendment contained no similar provision.

The House recedes.

Commissary shelf-stocking pilot program

The House bill contained a provision (sec. 656) that would authorize the Secretary of Defense to conduct a pilot program using federal civilian employees or contract employees to stock shelves at commissaries.

The Senate amendment contained no similar provision.

The House recedes.

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

The House bill contained a provision (sec. 615) that would authorize qualified reservists to be paid hazardous duty pay at the same monthly rates paid to qualified members serving on active duty for explosives demolition and parachute jumping duties.

The Senate amendment contained no similar provision.

The House recedes.

Extension of requirement for exemplary conduct by commanding officers and others in authority to include civilians in authority in the Department of Defense

The House bill contained a provision (sec. 561) that would consolidate and broaden the scope of the statutory standards for exemplary conduct that are presently codified for commanding officers in the Army, Navy, Marine Corps, and Air Force, and set forth standards applicable to civilian leaders in the Department of Defense and the military departments.

The Senate amendment contained no similar provision.

The House recedes.

Funding for special compensation authorities for Department of Defense retirees

The House bill contained a provision (sec. 641) that would require that payments made to retirees eligible for either special compensation for the severely disabled or special compensation for the combat disabled would be paid from the Military Retirement Trust Fund. This provision would also provide that any increase in the Department of Defense's annual accrual payment to the Military Retirement Trust Fund resulting from the payment of the foregoing special compensations, or from concurrent receipt, would be provided by a contribution from the U.S. Treasury.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that this provision was substantially adopted as part of the provision implementing phased-in full concurrent receipt of military retired pay and veterans' disability compensation for certain military retirees.

Increased maximum amount of reenlistment bonus for active members

The Senate amendment contained a provision (sec. 617) that would authorize an increase in the reenlistment bonus to a maximum amount of $70,000.

The House bill contained no similar provision.

The Senate recedes.

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Enhanced Benefits for Reserves

Medical and dental screening for members of Selected Reserve units alerted for mobilization (sec. 701)

The House bill contained a provision (sec. 707) that would authorize the Secretary of Defense to provide medical and dental screening and care for members of the Selected Reserve who are assigned to a unit that has been alerted or notified that members of the unit will be mobilized for active duty in support of an operational mission or contingency operation during a national emergency or time of war.

The Senate amendment contained a similar provision (sec. 701(f)(1)–(2)).

The House recedes with a technical amendment.

The conferees are aware that under current law there is often inadequate time in the post mobilization period to ensure that members of the Selected Reserve receive needed medical and dental evaluations and care. Therefore, the conferees take this action to enhance both the opportunities for that needed care and the overall medical readiness of members of the Selected Reserve.

Coverage for ready reserve members under TRICARE program (sec. 702–705)

The Senate amendment contained a provision (sec. 701(f)(3)) that authorizes participation by members of the selected reserve and the individual ready reserve in the TRICARE program, whether on active duty or not.

The House bill contained no similar provision.

The conferees agree to include three temporary authorities which would provide access to health care for the reserve components and their dependents, and allow for assessment of the merit of continuing such programs. The conferees agree to provide access to the TRICARE program for inactive Reservists and their family members, if they are eligible for unemployment compensation or are not eligible for health care benefits under an employer-sponsored health benefits plan. Further, the conferees authorize expanding the time period Reservists would be considered to be on active duty for purposes of TRICARE eligibility. Finally, the conferees amend the Transitional Assistance Medical Program benefit coverage period from 60 to 180 days beginning on the date on which the members are separated from active duty for both active and reserve members.

The conferees recognize the high cost of extending such health care benefits and based on information provided by the Congressional Budget Office, have been advised that the cost of this demonstration program is approximately $200,000,000 based on projected utilization rates. The conferees assume that not more than $400,000,000 shall be required to implement the demonstration program in Fiscal Year 2004. The conferees direct the Comptroller General to study the health care needs of the reserve components and implement this demonstration, assess it's effectiveness, and recommend to the Congress whether these enhanced benefits are

necessary for Reserve and National Guard members and their families.

Limitation on fiscal year 2004 outlays for temporary reserve health care programs (sec. 706)

The conferees agree to include a provision that would cap the fiscal year 2004 outlays associated with the temporary reserve health care programs to an amount not to exceed $400,000,000.

TRICARE beneficiary counseling and assistance coordinators for reserve component beneficiaries (sec. 707)

The Senate amendment contained a provision (sec. 702) that would direct the Secretary of Defense to establish TRICARE beneficiary counseling and assistance coordinators for reserve and National Guard service members and their families.

The House bill contained no similar provision.

The House recedes.

Given the extensive use of the National Guard and reserve forces in recent operations, including Afghanistan and now Iraq, it is critical that reserve component service members and their families have access to a comprehensive benefit package, including timely access to quality health care. The transition between private sector health plans and the TRICARE program can be confusing and challenging, often at critical times when support is needed the most. Beneficiary counseling and assistance coordinators have proven very successful in assisting service members and their families in using the TRICARE system. The conferees believe that beneficiary counseling and assistance coordinators, trained in the unique challenges that reserve component service members and their families face, could dramatically increase satisfaction with, and access to the military health care system for reserve component service members and their families. The conferees expect that, should the Department of Defense transition to fewer geographic regions with future contract initiatives, sufficient beneficiary counseling and assistance coordinators to support the needs of both active and reserve component members would continue to be available.

Eligibility of reserve officers for health care pending orders to active duty following commissioning (sec. 708)

The Senate amendment contained a provision (sec. 708) that would authorize the same health care benefits for newly commissioned reserve officers awaiting orders to active duty as they will have when on active duty.

The House bill contained no similar provision.

The House recedes.

The conferees also remain concerned about the availability of military health care for other categories of reserve members prior to entry on active duty, including recruit candidates in the delayed entry program. The conferees direct the Secretary of Defense to examine and consider actions necessary to address access to health care by all categories of reserve service members. The conferees are eager to receive a related report on health and disability benefits for pre-accession training and education programs that was re-

quired by section 546 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) and was due to the Congress on March 1, 2002.

Subtitle B—Other Benefits Improvements

Acceleration of implementation of chiropractic health care for members on active duty (sec. 711)

The House bill contained a provision (sec. 706) that would require the Secretary of Defense to accelerate the implementation of the program, required by section 702 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398), to provide chiropractic health care services and benefits to active duty members by one year.

The Senate amendment contained no similar provision.

The Senate recedes.

Reimbursement of covered beneficiaries for certain travel expenses relating to specialized dental care (sec. 712)

The Senate amendment contained a provision (sec. 709) that would require the Secretary of Defense to reimburse covered beneficiaries for certain travel expenses relating to specialized dental care.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Eligibility for continued health benefits coverage extended to certain members of uniformed services (sec. 713)

The conferees agree to include a provision that would authorize members and dependents of members of uniformed services, including the Commissioned Corps of the Public Health Service and National Oceanic and Atmospheric Administration who are TRICARE beneficiaries, to be eligible for the premium based temporary health care program currently available to members of the armed forces.

Authority for designated providers to enroll covered beneficiaries with other primary health insurance coverage (sec. 714)

The Senate amendment contained a provision (sec. 706) that would eliminate the current legislative restriction on designated providers, as defined in section 724(d) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), enrolling otherwise eligible beneficiaries who have other health insurance in U.S. Family Health Plans ("covered beneficiaries").

The House bill contained no similar provision.

The House recedes with an amendment that would allow designated providers to market services to, and enroll covered beneficiaries. However, for fiscal years beginning after September 30, 2003, the number of covered beneficiaries who are newly enrolled by a designated provider may not exceed 10 percent of the excess (if any) of the number of enrollees in managed care plans offered by designated providers of the first day of such fiscal year over the number of such enrollees as of the first day of the immediately preceding fiscal year.

The conferees direct the Secretary of Defense to prescribe policies and modify contracts, as the Secretary considers appropriate, to ensure that: (1) designated providers submit to the Secretary information on the number of enrollees of the provider who have other primary health insurance coverage; (2) a system is established to ensure effective Department of Defense oversight of and designated compliance with the 10 percent limit established by this provision; and (3) the Department's reimbursement rate to the designated providers for covered beneficiaries takes into account amounts for health care provided to the designated providers by other health insurance providers.

Subtitle C—Planning, Programming, and Management

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 (sec. 721)

The House bill contained a provision (sec. 703) that would authorize the Secretary of Defense to enter into personal services contracts to carry out health care responsibilities.

The Senate amendment contained a similar provision (sec. 703).

The Senate recedes.

Department of Defense Medicare-eligible retiree health care fund valuations and contributions (sec. 722)

The House bill contained a provision (sec. 701) that would give the Secretary of Defense increased flexibility in calculating the normal cost contributions to the Department of Defense Medicare-Eligible Retiree Health Care Fund for any uniformed service participating separately from the other participating uniformed services if the Secretary determines that a more accurate and appropriate contribution rate would be achieved by doing so.

The Senate amendment contained a similar provision (sec. 704).

The House recedes with a technical amendment.

Surveys on continued viability of TRICARE Standard (sec. 723)

The Senate amendment contained a provision (sec. 705) that would require the Secretary of Defense to survey and determine health care provider acceptance of the TRICARE Standard benefit, and to designate a senior official to take the actions necessary to achieve and maintain adequate levels of provider participation in the TRICARE Standard program. The provision would also direct the Comptroller General to review processes and procedures to ensure the Department of Defense is providing ready access to the TRICARE Standard program.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Plan for providing health coverage information to members, former members, and dependents eligible for certain health benefits (sec. 724)

The House bill contained a provision (sec. 704) that would require the Secretary of Defense to develop a plan to provide TRICARE Standard beneficiaries information concerning health care coverage, ensure assistance to beneficiaries in locating TRICARE-authorized providers, and institute an approach to assessing and recruiting TRICARE Standard providers.

The Senate amendment contained no similar provision.

The Senate recedes.

An active outreach program to assist beneficiaries and health care providers in their participation in the TRICARE Standard program is critical to improving satisfaction with the TRICARE Standard program. The conferees expect that the Department should focus significant effort on areas with high concentrations of reserve component personnel.

Transfer of certain members from pharmacy and therapeutics committee to uniform formulary beneficiary advisory panel under the pharmacy benefits program (sec. 725)

The House bill contained a provision (sec. 702) that would realign the membership of the Pharmacy and Therapeutics Committee and the Uniform Beneficiary Advisory Panel to improve the ability of both bodies to meet their defined roles.

The Senate amendment contained no similar provision.

The Senate recedes.

Working group on military health care for persons reliant on health care facilities at military installations to be closed or realigned (sec. 726)

The House bill contained a provision (sec. 705) that would require the Secretary of Defense to establish a working group to provide input to the Secretary on the provision of health care to persons in the United States and overseas who rely on military health care facilities on installations that are selected for closure or realignment.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would provide for a termination date.

The conferees believe that the working group that assessed health care needs for previous base realignment and closure initiatives was of great value and feel that it would be beneficial to move forward early in the process of the next base realignment and closure round to assess the health care needs of all potentially impacted beneficiaries through the establishment of this group. It is not the intent of the conferees to change the status or access priority of any category of beneficiaries, either in the United States or overseas, through this review.

Joint program for development and evaluation of integrated healing care practices for members of the armed forces and veterans (sec. 727)

The Senate amendment contained a provision (sec. 707(d)) that would authorize the Secretary of Defense and the Secretary of Veterans Affairs to conduct a program to develop and evaluate integrated healing care practices for members of the armed forces and veterans.

The House bill contained no similar provision.

The House recedes with a technical amendment.

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

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Acquisition Policy and Management

Consolidation of contract requirements (sec. 801)

The Senate amendment contained a provision (sec. 866) that would require that, prior to the consolidation of Department of Defense contract requirements in excess of $5.0 million, a determination be made that the benefits of that acquisition strategy substantially exceed the benefits of alternative contracting approaches that would involve a lesser degree of consolidation.

The House bill contained no similar provision.

The House recedes with a clarifying amendment to establish an implementation date.

Quality control in procurement of aviation critical safety items and related services (sec. 802)

The Senate amendment contained a provision (sec. 805) that would require the establishment of a policy for quality control in the procurement of critical aircraft spare parts.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to prescribe in regulations a quality control policy for the procurement of aviation critical safety items and the procurement of modifications, repair, and overhaul of these items. An approved source may include a dealer, manufacturer, repair or overhaul facility, broker, or distributor who provides aviation critical safety items to the Department of Defense.

Federal support for enhancement of State and local anti-terrorism response capabilities (sec. 803)

The Senate amendment contained a provision (sec. 852) that would require the establishment of a program where state and local governments could buy anti-terrorism technology solutions from Federal Government contracts and, additionally, would authorize grants to local fire departments to hire personnel.

The House bill contained no similar provision.

The House recedes with an amendment that would split the provision into two sections. The amendment would require the Administrator of the Office of Federal Procurement Policy to establish

a program under which states and local governments could procure anti-terrorism technologies or services through contracts entered into by the Department of Defense (DOD) or the Department of Homeland Security (DHS). Under the direction of the Administrator of the Office of Federal Procurement Policy, DOD, and DHS would be authorized to award contracts using the same procedures as the multiple awards schedule program of the General Services Administration. The issue of the establishment of a grant program to assist local fire departments to hire personnel is addressed elsewhere in the conference report.

Special temporary contract closeout authority (sec. 804)

The Senate amendment contained a provision (sec. 802) that would allow the Secretary of Defense to settle the financial accounts for contracts executed prior to September 30, 1996, that have unreconciled balances of less than $100,000. This provision would give the Secretary of Defense three fiscal years to execute this authority.

The House bill contained no similar provision.

The House recedes.

Competitive award of contracts for reconstruction activities in Iraq (sec. 805)

The Senate amendment contained a provision (sec. 1209) that would require the Department of Defense to conduct a full and open competition for performing work needed for the reconstruction of the Iraqi oil industry and the Secretary of Defense to report to Congress until such time a competitive contract has been awarded.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the number of reports required by the provision. The conferees note that section 2304a(d)(3) of title 10, United States Code, and section 253h(d) title 41, United States Code, establish a statutory preference for the award of separate task order or delivery order contracts for the same or similar services or property to two or more sources to facilitate competition for individual task orders and delivery orders. The conferees encourage the Department of Defense and the Coalition Provisional Authority to utilize multiple task order and delivery order contracts to facilitate competition for task orders and delivery orders for Iraqi reconstruction to the maximum extent practicable.

Subtitle B—United States Defense Industrial Base Provisions

Consistency with United States obligations under international agreements (sec. 811)

The conferees agree to include a provision that would require that no provision of subtitle B of this act shall apply if the Secretary of Defense, in consultation with the Secretary of Commerce, the United States Trade Representative, and the Secretary of State, determines that it is inconsistent with international agreements.

Assessment of United States defense industrial base capabilities (sec. 812)

The House bill contained a provision (sec. 811) that would direct the Secretary of Defense and the secretaries of each military department to establish a program to assess the ability of the United States industrial base to produce military systems necessary to support national security requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the provision's reporting requirements.

Identification of essential items: military system breakout list (sec. 813)

The House bill contained a provision (sec. 812) that would direct the Secretary of Defense to identify and list all items and components of military systems which are essential and critical to the U.S. industrial base. The Secretary of Defense would be required to submit an annual report to the committees on Armed Services of the Senate and the House of Representatives that would compile the lists required under this section, including a list of items and components that are manufactured outside the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that existing data sources be used to meet the requirements of this provision and a Federally Funded Research and Development Center conduct a study to support the Secretary of Defense in developing common definitions and recommending which items and components of military systems that are deemed essential.

Production capabilities improvement for certain critical items using Defense Industrial Base Capabilities Fund (sec. 814)

The House bill contained a provision (sec. 814) that would establish within the Department of the Treasury, the Defense Industrial Base Capabilities Fund that would be used to develop U.S. capabilities for the production of essential or other important defense items and authorize $100.0 million for the fund in fiscal year 2004.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the $100.0 million authorization.

Elimination of unreliable sources of defense items and components (sec. 821)

The House bill contained a provision (sec. 823) that would require the Secretary of Defense to identify foreign countries that restricted the provision or sale of military goods and services to the United States because of the U.S. policy toward, or military operations in, Iraq after September 12, 2002 and prohibit the Secretary of Defense from procuring any items or components contained in military systems that were manufactured in the identified foreign countries. The Secretary could waive this requirement for an unusual and compelling urgency that would otherwise injure the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense in coordination with the Secretary of State to identify and list those countries that have restricted the provision or sale of military goods or services to the U.S. because of U.S. counter-terrorism or military operations after the date of enactment of this act and to provide for a process whereby the list can be periodically reviewed and countries can be removed from the list.

Incentive program for major defense acquisition programs to use machine tools and other capital assets produced within the United States (sec. 822)

The House bill contained a provision (sec. 826) that would require that within four years the defense contractors fulfilling procurement contractors for major defense acquisition programs shall use only machine tools produced entirely within the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of Defense to establish an incentive program for contractors to purchase capital assets manufactured in the United States.

Technical assistance relating to machine tools (sec. 823)

The House bill contained a provision (sec. 827) that would require the Secretary of Defense to collect data identifying all contractors and subcontractors with defense contracts over $5 million that use machine tools to perform the contracts. The section would also require the Secretary to establish a center to assist machine tool companies and firms that use machine tools with understanding government contracting regulations and contracting opportunities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to publish information on resources available to assist machine tool companies and users of machine tools in Government contracting. The Secretary would be required to incorporate into the Department of Defense's science and technology initiatives on manufacturing technology an objective of developing advanced machine tool capabilities.

Study of beryllium industrial base (sec. 824)

The Senate amendment contained a provision (sec. 1025) that would require the Secretary of Defense to conduct a study of the adequacy of the U.S. industrial base to meet the defense requirements of the United States for beryllium.

The House bill contained no similar provision.

The House recedes.

Exceptions to Berry amendment for contingency operations and other urgent situations (sec. 826)

The Senate amendment contained a provision (sec. 831) that would clarify the requirements of section 2533a of title 10, United States Code, to facilitate timely purchases of products needed to support contingency operations and for other circumstances of un-

usual and compelling urgency when the use of procedures other than competitive procedures have been approved.

The House bill contained no similar provision.

The House recedes with an amendment to clarify that the provision would not apply to the procurement of textiles.

Inapplicability of Berry amendment to procurements of waste and byproducts of cotton and wool fiber for use in the production of propellants and explosives (sec. 827)

The Senate amendment contained a provision (sec. 832) that would eliminate domestic source restrictions for gun cotton lintners used in the production of propellants and explosives.

The House bill contained no similar provision.

The House recedes.

Buy American exception for ball bearings and roller bearings used in foreign products (sec. 828)

The Senate amendment contained a provision (sec. 834) that would amend section 2534(a)(5) of title 10, United States Code, which places limitations on the procurement of ball bearings and roller bearings other than those produced in the national technology and industrial base, by creating an exemption for ball bearings and roller bearings used in an end product or component of non-domestic origin.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Defense Acquisition and Support Workforce Flexibility

Subtitle C—defense acquisition and support workforce (secs. 831–836)

The Senate amendment contained a provision (sec. 841) that would amend the Defense Acquisition Workforce Improvement Act (DAWIA) to give the Secretary of Defense greater flexibility in managing the acquisition and support workforce. Specifically, the provision would give the Secretary the flexibility to establish different experience, educational, and tenure requirements for acquisition positions; require the establishment of a single acquisition corps; and streamline obsolete and outdated provisions of DAWIA.

The House bill contained no similar provision.

The House recedes with an amendment to split the provision into several sections.

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

Additional authorities relating to obtaining personal services (sec. 841)

The House bill contained a provision (sec. 805) that would authorize the Secretary of Defense to award certain personal service contracts without application of section 3109 of title 5, United States Code.

The Senate amendment contained a similar provision (sec. 813).

The Senate recedes with an amendment that would authorize the Secretary of Defense to enter into personal services contracts for urgent or unique services that would not be practicable for the Department to obtain by other means: (1) the overseas activities and programs of the Department of Defense (DOD); (2) elements of the DOD within the intelligence community or counter-intelligence community; and (3) the mission of the U.S. Special Operations Command.

Elimination of certain subcontract notification requirements (sec. 842)

The House bill contained a provision (sec. 802) that would amend section 2306 of title 10, United States Code, by eliminating the requirement that contractors with a cost contract notify the agency before awarding a cost-plus-fixed-fee or a fixed price subcontract greater than the simplified acquisition threshold or five percent of the estimated cost of the prime contract. The requirement would no longer apply in those instances where the Secretary of Defense approves the contractor's purchasing system.

The Senate amendment contained no similar provision.

The Senate recedes.

Multiyear task and delivery order contracts (sec. 843)

The House bill contained a provision (sec. 804) that would amend section 811 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) in order to clarify the period of time for which task and delivery order contracts can be awarded.

The Senate amendment contained a similar provision (sec. 863).

The House recedes with an amendment that would amend section 2304a of title 10, United States Code, to limit to five years the base period of time (not including options) for which task and delivery order contracts may be awarded.

Elimination of requirement to furnish written assurances of technical data conformity (sec. 844)

The House bill contained a provision (sec. 803) that would eliminate the requirement for contractors providing technical data to the government to furnish written assurances that the technical data is complete, accurate, and satisfies the requirements of the contract.

The Senate amendment contained an identical provision (sec. 864).

The conference agreement includes this provision.

Access to information relevant to items deployed under rapid acquisition procedures (sec. 845)

The House bill contained a provision (sec. 212) that would amend section 196(b)(1) of title 10, United States Code, to provide that, in addition to a commissioned officer of the armed forces serving on active duty, the Secretary of Defense may also consider for possible selection as Director of the Department of Defense Test Resource Center a senior civilian official or employee of the Depart-

ment of Defense who has substantial experience in the field of test and evaluation.

The Senate amendment contained a similar provision (sec. 862). The Senate provision would also clarify that access to records and data by the Director of Operational Test and Evaluation (DOT&E) would include relevant operational records and data for systems that are deployed prior to the completion of the operational test and evaluation.

The House recedes with an amendment that would clarify DOT&E access to records and data on deployed systems. The balance of the issues addressed the House bill and the Senate bill are addressed elsewhere in this conference report.

Applicability of requirement for reports on maturity of technology at initiation of major defense acquisition programs (sec. 846)

The Senate amendment contained a provision (sec. 823) that would make a technical change to a reporting requirement required under section 804(a) of the National Defense Authorization Act for fiscal year 2002 (Public Law 107–107), to conform to changes made in the Department of Defense's acquisition regulations and instructions.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Certain weapons-related prototype projects (sec. 847)

The House bill contained a provision (sec. 801) that would extend for four years the other transaction prototype authority under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

The Senate amendment contained a provision (sec. 821) that would: (1) extend for three years the other transaction prototype authority under section 845 of the National Defense Authorization Act for Fiscal Year 1994; (2) include a clarification that other transaction prototype authority can be used for prototype projects related to fielded systems; and (3) establish a three-year pilot program to ease the transition of nontraditional defense contractors from prototype transactions to standard procurement contracts.

The House recedes with an amendment that would include the authorizations in the Senate provision and extend for four years the other transaction prototype authority under section 845 of the National Defense Authorization Act for Fiscal Year 1994.

Limited acquisition authority for Commander of United States Joint Forces Command (sec. 848)

The Senate amendment contained a provision (sec. 861) that would give the Commander, U.S. Joint Forces Command (JFCOM), the authority to acquire systems with research, development, test and evaluation expenditure levels up to $10.0 million or procurement expenditure levels up to $50.0 million for the purpose of facilitating joint operations or enhancing interoperability.

The House bill contained no similar provision.

The House recedes with an amendment that would give the Secretary of Defense the discretion for three years to give the Commander, JFCOM limited acquisition authority and require the

Comptroller General to report on the implementation of this section two years after the date of enactment of this Act.

Subtitle E—Acquisition-Related Reports and Other Matters

Report on contract payments to small businesses (sec. 851)

The House bill contained a provision (sec. 806) that would require the Secretary of Defense to evaluate provisions of law and regulations relating to the prompt payment of amounts due small business contractors under contracts with the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Comptroller General of the United States to review the timeliness of contract payments the Department of Defense made to small businesses during fiscal years 2001 and 2002.

Contracting with employers of persons with disabilities (sec. 852)

The Senate amendment contained a provision (sec. 368) that would provide for the continuation and completion of existing contracts (including any options) awarded to the blind and severely disabled for the operation of military troop dining facilities, military mess halls, and other similar military dining facilities. The Senate provision would also provide for a pilot demonstration project for contractors employing persons with disabilities.

The House bill contained no similar provision.

The House recedes with an amendment to split the provision into two sections. The pilot demonstration project is addressed elsewhere in this conference report.

Demonstration project for contractors employing persons with disabilities (sec. 853)

The Senate amendment contained a provision (sec. 368) that would provide for two pilot demonstration projects for contractors employing persons with disabilities. The Senate provision would also provide for the continuation and completion of existing contracts (including any options) awarded to the blind and severely disabled for the operation of military troop dining facilities, military mess halls, and other similar military dining facilities.

The House bill contained no similar provision.

The House recedes with an amendment to: (1) split the provision into two sections; (2) authorize a demonstration project by entering into one or more contracts with an eligible contractor for the purpose of providing defense contracting opportunities for severely disabled individuals; and (3) remove some of the limitations of the pilot program to promote greater participation. The conferees intent is to provide defense contracting opportunities for business entities that employ the severely disabled. The conferees believe such opportunities may exist in the purchase of aerospace end items or components and information technology products and services. The continuation and completion of existing contracts (including any options) awarded to the blind and severely disabled for the operation of military troop dining facilities, military mess halls, and other

similar military dining facilities is addressed elsewhere in this conference report.

LEGISLATIVE PROVISIONS NOT ADOPTED

Procurement of certain critical items from American sources

The House bill contained a provision (sec. 813) that would require the Secretary of Defense to purchase certain critical items only if they are entirely produced in the United States. The Senate amendment contained no similar provision.

The House recedes.

Domestic source limitation for certain additional items

The House bill contained a provision (sec. 821) that would expand the list of items in 10 U.S.C. 2534 that are required to be procured from a source within the National Technology and Industrial Base (NTIB). The provision would exclude Canada from the definition of the NTIB and limit the conditions under which the Secretary of Defense could waive the domestic source requirements in 10 U.S.C. 2534.

The Senate amendment contained no similar provision.

The House recedes.

Requirements relating to buying commercial items containing specialty metals from American sources

The House bill contained a provision (sec. 822) that would define the requirements by which the Secretary of Defense could procure commercial items containing specialty metals produced outside of the United States upon agreement by contractors to purchase an equivalent amount, plus 10 percent, of those specialty metals from sources within the United States. The provision required specific contractor reporting of annual usage for such specialty metals. The provision also required that domestic sourcing of clothing also include the materials and components thereof.

The Senate amendment contained no similar provision.

The House recedes.

Congressional notification required before exercising exception to requirement to buy specialty metals from American sources

The House bill contained a provision (sec. 824) that would not allow the Secretary of Defense or Secretary of the military department to procure specialty metals under the exception in sec. 822 until the Secretary submits to Congress and publish in the Federal Register notice of the determination made under that section.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of authority for foreign procurement of para-aramid fibers and yarns

The House bill contained a provision (sec. 825) that would repeal section 807 of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261), which authorized competition for para-aramid fibers and yarns between foreign and domestic sources in order to avoid a domestic sole source procurement.

The Senate amendment contained no similar provision.

The House recedes.

Buy American enhancement

The House bill contained a provision (sec. 828) that would amend the criteria available to the Secretary of Defense under 10 U.S.C. 2533 in determining whether the application of the Buy American Act (41 U.S.C. 10A) is consistent with the public interest.

The Senate amendment contained no similar provision.

The House recedes.

Requirement relating to purchases by Department of Defense subject to Buy American Act

The House bill contained a provision (sec. 829) that would require that, in any application of the Buy American Act to the Department of Defense, the term "substantially" in section 2 of the Act would mean 65 percent rather than the 50 percent for Federal agencies as provided in current regulations implementing the Act.

The Senate amendment contained no similar provision.

The House recedes.

Definitions

The House bill contained a provision (sec. 831) that would provide a number of definitions related to subtitle B of title VIII of the House bill.

The Senate amendment contained no similar provision.

The House recedes.

Applicability of Clinger-Cohen Act policies and requirements to equipment integral to a weapon or weapon system

The Senate amendment contained a provision (sec. 822) that would clarify responsibility within the Department of Defense (for applying the requirements of the Clinger-Cohen Act, Division D of the National Defense Authorization Act for fiscal year 1996 (Public Law 104–106) to equipment determined by the Secretary of Defense to be an integral part of a weapon or weapon system.

The House bill contained no similar provision.

The Senate recedes.

The conferees believe that section 5141 of the Clinger-Cohen Act provides the Department flexibility to determine which organizations and the degree to which the Department will apply the Act's capital planning and investment control, and performance and results based management provisions to embedded information technology on weapon systems. The conferees direct the Department to review the procedures implementing the Clinger-Cohen Act with respect to embedded systems in order to streamline and eliminate duplicate or unnecessary procedures. If the Department determines that greater statutory flexibility is necessary in the application of the Clinger-Cohen Act to embedded systems, the Secretary of Defense should provide additional justification to Congress prior to submission of the budget for fiscal year 2005.

Waiver authority for domestic source or content requirements

The Senate amendment contained a provision (sec. 833) that would provide the Secretary of Defense the authority to waive the application of statutory domestic source requirements and domestic content requirements for those countries who have signed a Declaration of Principles on defense trade with the United States.

The House bill contained no similar provision.

The Senate recedes.

Application of indemnification authority to state and local government contractors

The Senate amendment contained a provision (sec. 851) that would authorize the executive branch to apply discretionary indemnification authority (50 U.S.C. 1431 et seq.; Public Law 85–804) to authorized Federal Government contracts where state and local governments could buy anti-terrorism technology solutions.

The House bill contained no similar provision.

The Senate recedes.

Definitions

The Senate amendment contained a provision (sec. 853) that would provide a number of definitions related to subtitle F of title VIII of the Senate bill.

The House bill contained no similar provision.

The Senate recedes.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Duties and Functions of Department of Defense Officers

Clarification of responsibility of military departments to support combatant commands (sec. 901)

The House bill contained a provision (sec. 904) that would clarify the responsibility of the military departments of the Department of Defense to fully support the current and future operational requirements of the combatant commands, subject to the authority, direction, and control of the Secretary of Defense.

The Senate amendment contained a similar provision (sec. 901).

The House recedes.

Combatant commander initiative fund (sec. 902)

The Senate amendment contained a provision (sec. 921) that would amend section 166(a) of title 10, United States Code, by establishing an additional category of joint warfighting capabilities to the authorized list of activities for which combatant commander initiative funds can be used. The provision would also amend the limitations currently contained in title 10: allowing up to $15.0 million for procurement of items with a unit cost in excess of $15,000; allowing up to $10.0 million to pay for the expenses of foreign na-

tions participating in joint exercises; and, allowing up to $10.0 million to provide military training and education to military personnel and related civilians of foreign nations.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the amount for procurement of items with unit cost in excess of $15,000 to $10.0 million and limit the amount for military training and education to $5.0 million.

Biennial review of national military strategy by Chairman of the Joint Chiefs of Staff (sec. 903)

The House bill contained a provision (sec. 905) that would require the Chairman of the Joint Chiefs of Staff, in consultation with other members of the Joint Chiefs of Staff and the combatant commanders, to submit a national military strategy, including an assessment of the risk associated with the strategy, no later than February 15, 2004, and every even numbered year thereafter.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees note, with concern, that the Chairman of the Joint Chiefs of Staff had not submitted an annual risk assessment for the last two years, as required by section 153(c) of title 10, United States Code. The conferees consider the annual risk assessment to be an important tool in assessing the adequacy of military capabilities to support the National Security Strategy, expect the Department to comply with this requirement.

Report on changing roles of United States Special Operations Command (sec. 904)

The Senate amendment contained a provision (sec. 923) that would direct the Secretary of Defense to prepare a report on implementation of direction by the Secretary to the U.S. Special Operations Command (SOCOM) to assume an expanded role in the global war on terrorism, and to restructure SOCOM to function as a supported combatant commander for planning and executing operations, as well as a supporting combatant commander.

The House bill contained no similar provision.

The House recedes with an amendment that would require that the discussion of decision making include consideration of the requirement that special operations missions conducted under the command of Commander, SOCOM, as a supported combatant commander be authorized by the President or the Secretary of Defense.

Sense of Congress regarding continuation of mission and functions of Army Peacekeeping Institute (sec. 905)

The House bill contained a provision (sec. 1059) that would express the sense of the Congress that the Secretary of Defense should maintain the functions and missions of the Army Peacekeeping Institute.

The Senate amendment contained no similar provision.

The Senate recedes.

Transfer of personnel investigative functions and related personnel of the Department of Defense (sec. 906)

The Senate amendment contained a provision (sec. 1104) that would authorize the Secretary of Defense, with the consent of the Director of the Office of Personnel Management, to transfer the personnel security investigations functions that are performed by the Defense Security Service of the Department of Defense to the Office of Personnel Management.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to certify to the Committees on Armed Services that such a transfer would meet the following conditions: that the Office of Personnel Management (OPM) has the capability to handle high-priority investigations; that OPM could ensure contract personnel would perform in a timely manner; that appropriate federal employees were available to perform counterintelligence and polygraph activities; that adjudication authority would remain with the Department of Defense (DOD); and that DOD would retain sufficient personnel to improve industry security programs and practices. Following congressional receipt of such certification, a period of 30 days would elapse prior to initiation of any transfer. The provision would also require the Director of OPM, in coordination with the Secretary of Defense, to review functions performed by Defense Security Service personnel and to determine whether any functions are inherently governmental or otherwise inappropriate for performance by contractor personnel.

Defense acquisition workforce freeze for fiscal year 2004 (sec. 907)

The House bill contained a provision (sec. 910) that would require a five percent reduction in the number of defense acquisition and support personnel in the Department of Defense in each of fiscal years 2004 through 2008.

The Senate amendment contained a provision (sec. 842) that would prohibit any reduction in the defense acquisition and support workforce in fiscal years 2004 through 2006.

The Senate recedes with an amendment that would freeze the defense acquisition and support workforce for one year. The number of acquisition and support personnel could vary by no more than one percent up or down, but only for the purpose of exercising normal hiring and firing flexibility during a year. The Secretary of Defense would be permitted to waive this limitation upon a determination that the waiver is necessary to protect a significant national security interest of the United States.

Subtitle B—Space Activities

Coordination of space science and technology activities of the Department of Defense (sec. 911)

The Senate amendment contained a provision (sec. 911) that would provide the Under Secretary of the Air Force oversight authority for space science and technology (S&T) projects. The provision would require the Under Secretary, in consultation with the Director of Defense Research and Engineering (DDR&E), to develop a space S&T strategy, and allow the Department S&T entities to

proceed with space S&T projects only with the concurrence of the Under Secretary of the Air Force. The provision would also require the Under Secretary to submit a report on the strategy to the Committees on Armed Services of the Senate and the House of Representatives not later than March 15, 2004, and a review of the strategy and coordination by the Comptroller General.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to develop and implement, through the DDR&E and the Executive Agent for Department of Defense (DOD) Space, a space science and technology strategy. The strategy would be included as part of the National Security Space Plan, that is now required as part of DOD directive 5101.2 dated June 3, 2003. The amendment provides that the strategy would be developed in consultation with the science and technology entities of the DOD, that the strategy would be available for review by the congressional defense committees, and that the strategy and S&T coordination would be reviewed by the Comptroller General.

DOD Directive 5101.2 assigns the role of Executive Agent for DOD Space to the Secretary of the Air Force, to be redelegated to the Under Secretary of the Air Force. The conferees understand that, as the Executive Agent for DOD Space, the Under Secretary of the Air Force functions in a Department-wide capacity. In the exercise of those duties, the conferees understand that DOD directive 5101.1, dated September 3, 2002, provides DOD executive agents with considerable authority. The conferees note that section 4.4 of this directive states that: "Within the scope of assigned responsibilities and functions, the DOD Executive Agent's authority takes precedence over the authority of other DOD Component officials performing related or collateral joint or multi-component support responsibilities and functions." The conferees also note that DOD Directive 5101.2 assigns the Executive Agent for DOD Space, in coordination with the Under Secretary for Acquisition, Technology, and Logistics and the DDR&E, responsibility for assuring that space programs of DOD components, including research efforts, are properly coordinated. This directive also requires the heads of DOD components to ensure the cooperation of their components in that endeavor.

The conferees direct the Executive Agent for Space and the DDR&E to execute their respective responsibilities and authorities contained in DOD directive 5101.1, 5101.2, and this provision to ensure that space S&T activities identified in the space S&T strategy are executed in a manner that is consistent with the strategy and to redirect or alter any of those activities inconsistent with the strategy to ensure their proper coordination.

The conferees recognize that space science and technology efforts have not been well coordinated in the past. The conferees intend to monitor progress in this area carefully and to pursue additional steps if necessary to ensure coordination in the future.

Policy regarding assured access to space for United States national security payloads (sec. 912)

The Senate amendment contained a provision (sec. 913) that would establish as the policy of the United States that the Presi-

dent undertake actions appropriate to ensure that United States has the capacity to launch national security payloads when such payloads are needed in space. These steps would include resources and policy guidance to sustain two launch vehicles or families of launch vehicles capable of delivering national security payloads to space and a robust space launch infrastructure.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees agree that sustaining two launch vehicles or families of launch vehicles is important to ensuring that the United States can deliver critical national security payloads into orbit. The conferees note that this provision requires that the two launch vehicles or families of launch vehicles have the capability, in combination, to launch all national security payloads.

Pilot program for provision of space surveillance network services to non-United States governmental entities (sec. 913)

The House bill contained a provision (sec. 903) that would authorize the Secretary of Defense to establish a three year pilot program that would allow non-United States government entities to purchase satellite tracking services from assets owned or controlled by the Department of Defense, space surveillance data, and analysis of space surveillance data, if the Secretary of Defense determines that such purchase is in the national security interests of the United States. Sales to foreign entities would also require the approval of the Secretary of State. Funds generated by the provision of these services would be credited to Department of Defense accounts.

The Senate amendment contained a similar provision (sec. 914).

The Senate recedes with an amendment that would authorize the Secretary of Defense to provide satellite tracking services from assets owned or controlled by the Department of Defense, space surveillance data, and analysis of space surveillance data, to non-United States government entities, foreign governments, and foreign and domestic commercial entities, if the Secretary determines that providing such data and services is in the national security interests of the United States. The Secretary could require payment by foreign governments, and domestic and foreign commercial entities to cover the cost of providing the data and services to those entities. Funds so generated would be credited to Department of Defense accounts originally charged to provide the data and services.

Content of biennial global positioning system report (sec. 914)

The Senate amendment contained a provision (sec. 915) that would modify an existing reporting requirement on the operational status and effectiveness of the Global Positioning System (GPS). The House bill contained no similar provision.

The House recedes with a technical amendment.

Report on processes—related space systems (sec. 915)

The House bill contained a provision (sec. 1024) that would require the Secretary of Defense to submit a report to the congressional defense committees on how the United States Strategic Com-

mand generates planning and requirements to support U.S. warfighters with space capabilities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to provide a report to the congressional defense committees no later than March 15, 2004, that assesses the role of the United States Strategic Command in planning and requirements development for space systems, assesses the processes by which space system capabilities are integrated into service training and doctrine, and makes recommendations for improvements in these processes.

Subtitle C—Reports

Redesignation of the National Imagery and Mapping Agency as the National Geospatial-Intelligence Agency (sec. 921)

The House bill contained a provision (sec. 902) that would change the name of the National Imagery and Mapping Agency (NIMA) to the National Geospatial-Intelligence Agency.

The Senate amendment contained a similar provision (sec. 902) that would also introduce, as a matter of law, the term "geospatial intelligence," and would include a requirement for the Director, NIMA, to submit a report on utilization of certain data extraction and exploitation capabilities.

The Senate recedes with an amendment that would define the term "geospatial intelligence," and clarify the original language in the House bill.

The conferees direct the Director, NIMA, to submit a report to the congressional defense committees and the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives on the status of efforts by NIMA to incorporate within the Commercial Joint Mapping Tool Kit applications for the rapid extraction and exploitation of three-dimensional geospatial data from reconnaissance imagery. This report shall be submitted no later than 60 days after the date of enactment of this Act.

Protection of operational files of the National Security Agency (sec. 922)

The House bill contained a provision (sec. 1050) that would exempt certain operational files at the National Security Agency (NSA) from the search, review, and disclosure provisions of the Freedom of Information Act, contained in section 552 of title 5, United States Code. This authority parallels the authority currently available to the Central Intelligence Agency, the National Imagery and Mapping Agency, and the National Reconnaissance Office.

The Senate amendment contained a similar provision (sec. 1035) that would also limit the specific offices at the NSA that can qualify for an exemption.

The House recedes with a clarifying amendment.

Integration of Defense intelligence, surveillance, and reconnaissance capabilities (sec. 923)

The Senate amendment contained a provision (sec. 924) that would require the Under Secretary of Defense for Intelligence (USD (I)) to establish an Intelligence, Surveillance, and Reconnaissance (ISR) Integration Council, composed of the senior intelligence officers of the military services, the directors of the defense intelligence agencies, and the Director of Operations, J3, the Joint Staff, to provide a permanent forum for the discussion and arbitration of issues relating to the development and integration of Defense-wide ISR capabilities. The provision would also require the USD (I), in consultation with the Defense ISR council, to develop a comprehensive plan to guide the development, fielding, and integration of Department of Defense ISR capabilities over the next 15 years, to be submitted to the congressional defense and intelligence committees no later than September 30, 2004.

The House bill contained no similar provision.

The House recedes.

Management of National Security Agency modernization program (sec. 924)

The Senate amendment contained a provision (sec. 804) that would transfer acquisition milestone decision authority for major defense acquisition programs at the National Security Agency (NSA) from the Director, NSA, to the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)), effective upon enactment of this Act. The provision would also prohibit the USD (AT&L) from returning this authority to the Director, NSA, before October 1, 2006, and then only after the Under Secretary of Defense for Intelligence (USD (I)), in coordination with the Deputy Director of Central Intelligence for Community Management (DDCI (CM)), certifies that the NSA has implemented acquisition management policies, procedures, and practices that are sufficient to ensure that acquisitions by the NSA are conducted in a manner consistent with sound, efficient acquisition practices.

The House bill had no similar provision.

The House recedes with an amendment that would allow the USD (AT&L) to delegate milestone decision authority back to the Director, NSA, after September 30, 2005, provided conditions established in the provision are met.

Modification of obligated service requirements under National Security Education Program (sec. 925)

The Senate amendment contained a provision (sec. 1036) that would transfer administration of the National Security Education Program (NSEP) from the Department of Defense (DOD) to the Central Intelligence Agency.

The House bill contained no similar provision.

The House recedes with an amendment that would retain the NSEP within the DOD, but would amend section 1902 of title 50, United States Code, to modify the service commitment associated with participation in the program. Under current law, participants in the NSEP program may perform alternative service in the civilian education community if they are unable to find suitable em-

ployment in a national security position within a year of finishing their participation in the NSEP. The conferees strongly feel that participants in the NSEP should fulfill a service commitment in a position in the DOD or in a position in the Intelligence Community certified by the Secretary of Defense as appropriate to utilize the unique language and regional expertise acquired by NSEP participants.

Authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency (sec. 926)

The House bill contained a provision (sec. 1046) that would amend section 2195 of title 10, United States Code, to allow the National Security Agency to provide and pay for living quarters for qualifying students who are employed at the National Security Agency under a Student Educational Employment Program or a similar cooperative or summer education program.

The Senate amendment contained a similar provision (sec. 1034).

The Senate recedes.

Commercial imagery industrial base (sec. 927)

The Senate amendment contained a provision (sec. 312) that would require that: (1) at least ninety percent of the funds authorized for commercial imagery be available for the acquisition of commercial space imagery or to support the development of next generation commercial imagery satellites; and (2) the Secretary of Defense, in consultation with the Director of Central Intelligence, submit a report to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 2004, on how the Secretary will implement the President's policy on commercial remote sensing.

The House bill contained no similar provision.

The House recedes with an amendment that would require that at least ninety percent of the funds authorized for commercial imagery be available for the acquisition of commercial space imagery, to support the development of next generation commercial imagery satellites, and to support unique infrastructure improvements that meet unique requirements related to commercial space imagery. The amendment would also allow the Secretary of Defense, in consultation with the Director of Central Intelligence, to waive the requirement that ninety percent of these funds be available for the designated purposes if he determines that such a waiver is in the national security interest. If a waiver is issued, the provision would require that the Secretary provide a report that includes the reasons for the waiver and a plan on how commercial imagery funds would be spent. The amendment would also require the Secretary of Defense, in consultation with the Director of Central Intelligence, to submit a report by March 1, 2004, on how the Secretary will implement the President's policy on commercial remote sensing. Reports required in the provision are to be submitted to the congressional defense committees, the Select Intelligence Committee of the Senate, and the Permanent Select Intelligence Committee of the House of Representatives.

Subtitle D—Other Matters

Authority for Asia-Pacific Center for Security Studies to accept gifts and donations (sec. 931)

The House bill contained a provision (sec. 906) that would expand the authority of the Asia-Pacific Center for Security Studies to accept gifts and donations from domestic sources as well as foreign sources.

The Senate amendment contained a similar provision.

The Senate recedes with an amendment that would preclude authority for the Asia-Pacific Center to accept gifts and donations from a department or agency of the United States. The conferees agreed that such authority would represent an undesirable exception to the Economy Act (31 U.S.C. 1535).

Repeal of rotating chairmanship of Economic Adjustment Committee (sec. 932)

The House bill contained a provision (sec. 907) that would amend section 4004(b) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 to authorize the Secretary of Defense to serve as the permanent Chairman of the Economic Adjustment Committee.

The Senate amendment contained no similar provision.

The Senate recedes.

Extension of certain authorities applicable to the Pentagon Reservation to include a designated Pentagon continuity-of-government location (sec. 933)

The House bill contained a provision (sec. 909) that would expand the definition of the Pentagon Reservation to include property at the Raven Rock Mountain Complex, and other parcels of land within a 100 mile radius of the District of Columbia, to the extent such property may be utilized as a facility relating to continuity of operations and continuity of government.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that eliminates the 100 mile radius and adds only the land and facilities at Raven Rock Mountain Complex to the Pentagon Reservation and to the National Capital Region.

Legislative Provisions Not Adopted

Standards of conduct for members of the Defense Policy Board and the Defense Science Board

The Senate amendment contained a provision (sec. 903) that would require the Secretary of Defense to promulgate standards of conduct for members of the Defense Policy Board (DPB) and the Defense Science Board (DSB).

The House bill contained no similar provision.

The Senate recedes.

The conferees direct the Secretary to review existing standards of conduct applicable to members of the DPB and the DSB and report to the congressional defense committees not later than six months after the date of enactment of this Act on the adequacy of

such standards of conduct to ensure public confidence in the DPB and the DSB.

Change in title of Secretary of the Navy to Secretary of the Navy and Marine Corps

The House bill contained a provision (sec. 901) that would redesignate the title of the Secretary of the Navy to the Secretary of the Navy and Marine Corps.

The Senate amended contained no similar provision.

The House recedes.

The conferees continue to view the proposal to change the title of the Secretary of the Navy to Secretary of the Navy and Marine Corps as one deserving of careful study and consideration. Respect for naval traditions that can be traced directly to the Founding Fathers and the origins of the Republic have inherent value in linking the sailors and Marines of today to those of the past and fostering esprit de corps and a sense of unity, purpose, and pride.

The Department of the Navy was established and named on April 30, 1798, by an act of Congress that stated in part: ". . . there shall be an Executive Department under the denomination of the Department of the Navy, the chief officer of which shall be called the Secretary of the Navy, whose duty it shall be to execute such orders as he shall receive from the President of the United States, relative to the procurement of naval stores and materials, and the construction, armament, equipment, and employment of vessels of war, as well as other matters connected with the naval establishment of the United States." This designation by Congress of the Department of the Navy and the Secretary of the Navy is noteworthy. Similarly, the decision by the Congress in 1834 to place the U.S. Marine Corps within the Department of the Navy without change to the denomination of the Department or its chief officer has precedential value. Nonetheless, proponents for the new title of Secretary of the Navy and Marine Corps state that such a change will more accurately signify the dual duties of the Secretary and recognize the equal status and contributions of the U.S. Navy and U.S. Marine Corps.

The conferees welcome debate on this proposal and urge congressional hearings and public debate to create a record that would form the basis for a more informed decision on this issue.

Establishment of the National Guard of the Northern Mariana Islands

The Senate amendment contained a provision (sec. 925) that would authorize the Secretary of Defense to cooperate with the Governor of the Northern Mariana Islands to establish the National Guard of the Northern Mariana Islands and integrate into the Army National Guard and Air National Guard of the United States the members of the National Guard of the Northern Mariana Islands who are granted federal recognition under title 32, United States Code.

The House bill contained no similar provision.

The Senate recedes.

Required force structure

The House bill contained a provision (sec. 911) that would establish force structure floors for the U.S. Army, Navy and Air Force at the levels outlined in the 2001 Quadrennial Defense Review.

The Senate amendment contained no similar provision.

The House recedes.

The conferees support the principle that the current force structure, as reflected in the 2001 Quadrennial Defense Review, is the baseline from which the Department of Defense will develop a transformed force that has the capabilities to meet current and future military requirements. The conferees expect that any planned transformation of that base force will sustain and improve U.S. military advantages, meet critical operational goals, and ensure success in future military operations.

The conferees note that the terrorist attacks of September 11, 2001, the Global War on Terrorism, continuing operations in Iraq and Afghanistan, as well as enduring and emerging military commitments elsewhere have significantly altered the strategic landscape facing the United States, and the resulting operational tempo has placed considerable stress on both the active and reserve components of the U.S. Armed Forces. The Department of Defense has undertaken a series of studies to fully understand the ramifications of this changing security environment. Given the fluid nature of today's global security requirements and current operational commitments, the conferees believe that it would be premature for the Department to reduce or significantly alter the current military force structure until on-going studies are complete, and their findings thoroughly examined, in consultation with Congress.

TITLE X—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

Internet access in Iraq

The conferees understand that living conditions for members of the U.S. Armed Forces in Iraq are austere, but steadily improving. Nonetheless, communications with loved ones back home remain difficult, with troops enduring long lines to call home and with internet access not available in many locations. The conferees are aware of efforts by the Department of Defense to increase internet access, as well as initiatives taken by some local commanders, including the 101st Airborne Division in Mosul, to encourage local Iraqi entrepreneurs to establish internet cafes that can be used by U.S. troops.

The conferees applaud these initiatives that have the potential both to help the local economy and to improve the morale of U.S. troops. The conferees encourage the Secretary of Defense to expand these internet access initiatives to as many U.S. troop locations in Iraq as possible, consistent with force protection considerations.

Security of sensitive software

The conferees believe that comprehensive information assurance programs must consider and employ defenses against a variety of sophisticated threats, well beyond the attacks commonly ex-

perienced by the general public on the internet. The conferees support the use of commercial off-the-shelf (COTS) software, but believe the Department of Defense (DOD) must ensure that the recent emphasis on procurement of COTS software will not open vulnerabilities in sensitive DOD command, control, communications and intelligence software.

The conferees believe that the Department must be more proactive in protecting the Department's robust information systems that are critical enablers of U.S military combat power. In that regard, the conferees are concerned that the Department has not implemented an overall architecture or blueprint for all of its information technology (IT) systems. This architecture must provide information assurance and protection for all DOD IT assets, including, but not limited to: unauthorized modifications to code in mission critical software; the insertion of malicious code into mission critical software, and reverse engineering of proprietary intellectual property residing in mission critical software.

The conferees are aware of the existence of tamper-resistant security software that may be effective to defend against these threats by the insertion of security related functionality directly into the binary level of software code. The conferees are also aware that other potential solutions may also be under development. The conferees direct the Secretary of Defense to assess the utility of tamper-resistant security software and other innovative software security tools in protecting critical DOD command, control, communications and intelligence software and to incorporate such protections, as appropriate, into the Department's information assurance programs.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Financial Matters

Transfer Authority (sec. 1001)

The House bill contained a provision (sec. 1001) that would provide $2.5 billion in transfer authority among accounts in Division A of this Act for fiscal year 2004.

The Senate amendment contained a similar provision (sec. 1001) that would provide $3.0 billion in transfer authority.

The Senate recedes.

United States contribution to NATO common-funded budgets in fiscal year 2004 (sec. 1002)

The Senate amendment contained a provision (sec. 1002) that would authorize the U.S. contribution to NATO common-funded budgets for fiscal year 2004, including the use of unexpended balances. The resolution of ratification for the Protocol to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary and the Czech Republic contained a provision (section 3(2)(c)(ii)) requiring a specific authorization for U.S. payments to the common-funded budgets of NATO for each fiscal year, beginning in fiscal year 1989, that payments exceed the fiscal year 1998 total.

The House bill contained no similar provision.

The House recedes.

Authorization of supplemental appropriations for fiscal year 2003 (sec. 1003)

The House bill contained a provision (sec. 1002) that would authorize supplemental appropriations for the Department of Defense (DOD) and the national security activities of the Department of Energy (DOE) for fiscal year 2003 contained in the Emergency Wartime Supplemental Appropriations Act, 2003 (Public Law 108–11). The House bill would also authorize supplemental appropriations for the DOD and the national security activities of the DOE for fiscal year 2003 in any act enacted after May 23, 2003.

The Senate amendment contained a provision (sec. 1003) that would authorize supplemental appropriations for the DOD and the national security activities of the DOE contained in Public Law 108–11 and would require a report on all DOD transfers from the Iraqi Freedom Fund or any similar account.

The House recedes.

Authorization of supplemental appropriations for fiscal year 2004 (sec. 1004)

The conferees agree to include a provision (sec. 1004) that would authorize supplemental appropriations for the Department of Defense for fiscal year 2004 contained in the Emergency Supplemental Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.

Reestablishment of authority for short-term leases of real or personal property across fiscal years (sec. 1005)

The House bill contained a provision (sec. 1004) that would restore the authority of the Department of Defense to enter into 12–month leases at any time during a fiscal year.

The Senate amendment contained a similar provision (sec. 865).

The House recedes with an amendment that would establish an effective date for this authority.

Reimbursement rate for certain airlift services provided to Department of State (sec. 1006)

The Senate amendment contained a provision (sec. 343 (a), (b)) that would authorize the Secretary of Defense to charge the Department of State the same reimbursement rate for airlift services as charged to other Department of Defense components.

The House bill contained no similar provision.

The House recedes with technical amendments.

Limitation on payment of facilities charges assessed by Department of State (sec. 1007)

The Senate amendment contained a provision (sec. 343(c)) that would permit the Secretary of Defense to offset, on an annual basis, any fees charged to the Department of Defense by the Department of State for the maintenance, upgrade or construction of U.S. diplomatic facilities by the total amount of the unreimbursed costs incurred by the Department of Defense for providing goods and services to the Department of State during that year.

The House bill contained no similar provision.

The House recedes with a technical amendment.

It is the intent of the conferees that the offset authority granted by this provision to the Secretary of Defense would apply only if the administration proceeds with the establishment of a capital cost sharing program or any other funding mechanism that would permit the Secretary of State to collect fees from other government agencies and to use such fees to upgrade and construct U.S. diplomatic facilities. While the conferees recognize the need to upgrade and construct new U.S. diplomatic facilities, the conferees oppose the use of a capital cost sharing program as a means of accomplishing this goal. As currently described by the administration, the capital cost sharing program neither takes into account the goods and services that other departments and agencies provide to the Department of State at no cost, nor does the program give other departments and agencies, or the congressional committees that oversee their budgets, a statutory role in determining how funds authorized and appropriated for those departments and agencies will be spent by the Department of State. The conferees urge the administration to request sufficient funds in future year budget requests to provide for the costs of upgrading or constructing U.S. diplomatic facilities.

Use of the Defense Modernization Account for life cycle cost reduction initiatives (sec. 1008)

The Senate amendment contained a provision (sec. 362) that would extend the authorization for the Defense Modernization Account and amend the existing authority to allow the Department to program funds into this account to provide start-up funds for projects to improve the life cycle cost of new or existing systems.

The House bill contained no similar provision.

The House recedes.

Provisions relating to defense travel cards (sec. 1009)

The Senate amendment contained a series of provisions (sections 1011–1013) that addressed the management of defense travel cards. Section 1011 would make mandatory the authority in section 2784a(a) of title 10, United State Code, to require direct payment to the issuer of a Department of Defense (DOD) travel card for official travel or transportation expenses charged on the travel card by a DOD employee or member. Section 1012 would require the Secretary of Defense to establish a program for evaluating the creditworthiness of individuals prior to the issuance of a DOD travel card. Section 1013 would require the Secretary of Defense to prescribe guidelines and procedures for making determinations regarding disciplinary actions against DOD personnel for improper, fraudulent, or abusive use of defense travel cards by such personnel.

The House bill contained no similar provisions.

The House recedes with an amendment that would combine these two provisions into one provision. The amendment would also authorize the Secretary of Defense to waive the requirement for direct payment where appropriate and require the Secretary to issue regulations on taking disciplinary action and assessing penalties for improper, fraudulent, or abusive use of the travel card to en-

sure consistency with the penalties for improper, fraudulent, or abusive use of the purchase card.

Subtitle B—Naval Vessels and Shipyards

Repeal of requirement regarding preservation of surge capability for naval surface combatants (sec. 1011)

The House bill contained a provision (sec. 1011) that would repeal subsection (b) of section 7296 of title 10, United States Code, and would include associated clerical amendments. This provision would repeal the requirement that the Secretary of the Navy maintain on the Naval Register a sufficient number of combatant surface vessels to enable the Navy to regain a force of at least 116 combatant surface vessels within 120 days after the date of any decision by the President to increase the number of surface combatant vessels.

The Senate amendment contained no similar provision.

The Senate recedes.

Enhancement of authority relating to use for experimental purposes of vessels stricken from the Naval Vessel Register (sec. 1012)

The House bill contained a provision (sec. 1012) that would amend section 7306a of title 10, United States Code, to authorize the Secretary of the Navy to retain proceeds from the sale of material and equipment stripped from vessels stricken from the Naval Vessel Register to pay for the stripping and environmental remediation of other vessels used for fleet training exercises.

The Senate amendment contained a similar provision (sec. 327).

The House recedes with a technical amendment.

Transfer of vessels stricken from the Naval Vessel Register for use as artificial reefs (sec. 1013)

The House bill contained a provision (sec. 1013) that would authorize the Secretary of the Navy to transfer vessels stricken from the Naval Vessel Register to States or other political entities of the United States for use as artificial reefs.

The Senate amendment contained a similar provision (sec. 328).

The House recedes with a technical amendment.

The conferees agree that there is a need to authorize the Secretary of the Navy to utilize the full range of ship disposal options in order to ensure the availability of cost effective and efficient methods. In addition, coastal communities can benefit from these efforts because sunken vessels build reefs that prevent beach erosion and support marine life, commercial and sport fishing, and recreational diving.

Priority for Title XI assistance (sec. 1014)

The House bill contained a provision (sec. 1014) that would establish a pilot program which would enable the Secretary of the Navy to guarantee loans for the construction of two qualified sealift ships built in a United States shipyard and for the facilities or equipment associated with the marine operations of those ships.

The provision would authorize $40.0 million to be appropriated to the Secretary to guarantee a loan for these ships, exercising 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.).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 1103 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1273) by striking the word "priority" in subsection (i) (as added by section 3544 of this act, and inserting "priority for National Defense Tank Vessels" and adding at the end a section that would require the Secretary of Transportation to give priority for loan guarantees to vessels that the Secretary of Defense deems suitable for service as a naval auxiliary in time of war or national emergency and meets a shortfall in sealift capacity or capability.

The provision would also require the Secretary of Transportation and the Secretary of Defense to submit a report, within 180 days of enactment of the Act, to the Senate Committee on Armed Services, the Senate Committee on Commerce, Science, and Transportation, and the House Committee on Armed Services that defines the criteria to be used by the Secretary of Defense in determining the suitability of a vessel as a naval auxiliary and how it meets a sealift shortfall, and the procedure by which the Secretary of Defense will review applications.

The conferees expect that the Department of Defense review would be timely so as not to delay the application process, review, and award of guarantees. The conferees further expect that all applications, regardless of priority established under this section, will meet all program requirements, including financial commitment and economic soundness, prior to the awarding of a commitment to guarantee or a guarantee.

Support for transfers of decommissioned vessels and shipboard equipment (sec. 1015)

The Senate amendment contained a provision (sec. 366) that would enable the Navy to provide assistance to certain foreign, State and municipal governments, organizations, and other entities in support of certain ship and shipboard equipment transfers. The provision would only apply to transfers made in accordance with sections 2572, 7306, 7307, or 7545 of title 10, United States Code, and would also authorize the Navy to be reimbursed for such assistance.

The House bill contained no similar provision.

The House recedes.

Advanced shipbuilding enterprise (sec. 1016)

The Senate amendment contained a provision (sec. 1040) that would express the sense of the Senate that the advanced shipbuilding enterprise of the national shipbuilding research program is supported, and that the Secretary of Defense and the Secretary of the Navy are encouraged to continue funding for the program.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the advanced shipbuilding enterprise of the

national shipbuilding research program is supported, and that the Secretary of Defense and the Secretary of the Navy are encouraged to continue funding for the program.

Report on Navy plans for basing aircraft carriers (sec. 1017)

The Committee on Armed Services of the Senate, in the Senate report to accompany the bill S. 2514 (S.R. 107–151), directed the Chief of Naval Operations to submit a report on Navy plans for basing aircraft carriers through 2015 to the congressional defense committees not later than 180 days after enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (P.L. 107–314).

The conferees note that the required report has not been delivered.

Neither the House bill nor the Senate amendment contained any provisions relating to the report on the Navy's plan for basing aircraft carriers.

The conferees recommend a provision that would direct the Secretary of Defense to submit a report on Navy plans for basing aircraft carriers through 2020 to the congressional defense committees not later than 120 days after enactment of the National Defense Authorization Act for Fiscal Year 2004.

Limitation on disposal of obsolete naval vessel (sec. 1018)

The conferees agree to include a provision that would preclude the Secretary of the Navy from disposing of the ex-Forest Sherman (DD–931) during fiscal year 2004 to afford nonprofit groups the opportunity to make application to the Secretary of the Navy under the terms of section 7306 of title 10, United States Code.

The conferees understand that there is at least one nonprofit entity that may be interested in acquiring this obsolete vessel under section 7306, the authority for the Navy's transfer of vessels stricken from the Naval Vessel Register. The conferees believe that this period should provide ample opportunity for any interested nonprofit organizations to make application to the Navy and for the Navy to render a judgement on such applications.

Subtitle C—Counterdrug Matters

Expansion and extension of authority to provide additional support for counter-drug activities (sec. 1021)

The Senate amendment contained a provision (sec. 1207) that would extend the authority in section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–84), for counter-drug support to Colombia and would renew the authority for counter-drug support to Peru that expired at the end of fiscal year 2002. This authority would extend through fiscal year 2006. Additionally, the provision would authorize the same type of counter-drug support for Afghanistan, Bolivia, Ecuador, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan through the end of fiscal year 2006. The provision would limit the maximum amount of annual support in fiscal years 2004, 2005 and 2006 for this program to $40.0 million.

The House bill contained no similar provision.

The House recedes.

Authority for Joint Task Forces to provide support to law enforcement agencies conducting counter-terrorism activities (sec. 1022)

The House bill contained a provision (sec. 1048) that would authorize Department of Defense (DOD) joint task forces to provide the same support, subject to all applicable laws and regulations, to law enforcement agencies conducting counter-terrorism activities as DOD is currently authorized to give to law enforcement agencies conducting counter-drug activities.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Use of funds for unified counterdrug and counterterrorism campaign in Colombia (sec. 1023)

The Senate amendment contained a provision that would extend, for two additional years, the expanded authority to use Department of Defense counterdrug funds to support a unified campaign against narcotics cultivation and trafficking, and against associated terrorist organizations in Colombia.

The House bill contained a similar provision.

The House recedes with an amendment that would limit the extension of authority to fiscal year 2004.

Sense of Congress on reconsideration of decision to terminate border and seaport inspection duties of National Guard under National Guard drug interdiction and counter-drug program (sec. 1024)

The Senate amendment contained a provision (sec. 1044) that would express the sense of the Senate that the Secretary of Defense should reconsider his decision to terminate the support provided by the National Guard to the U.S. Border Patrol and Customs Service in augmenting their ability to conduct comprehensive counter-terrorism and counter-drug inspections of cargo and personnel entering the United States by land, sea, and air.

The House bill contained no similar provision.

The House recedes with a technical amendment that would change the provision to a sense of Congress.

Subtitle D—Reports

Repeal and modification of various reporting requirements applicable to the Department of Defense (sec. 1031)

The House bill contained a provision (sec. 1021) that would repeal or modify a number of obsolete or superceded reporting requirements presently imposed by statute on the Department of Defense.

The Senate amendment contained a similar provision (sec. 1021).

The conferees agree to repeal or modify 82 reports currently required of the Department.

Plan for prompt global strike capability (sec. 1032)

The Senate amendment contained a provision (sec. 1022) that would require the Secretary of Defense to prepare a global strike plan that would be updated annually, and to provide an annual report on the roadmap through fiscal year 2006 to the congressional defense committees.

The House bill contained no similar provision.

The House recedes.

Annual report concerning dismantlement of strategic nuclear warheads (sec. 1033)

The House bill included a provision (sec. 1056) that would require the President to submit an annual report to Congress on warheads dismantled in the preceding year within the boundaries of the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions (known as the Moscow Treaty), and dismantlements pursuant to the Treaty planned for the current calendar year.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Director of Central Intelligence to provide an annual report, while the Moscow Treaty is in force, on dismantlement of warheads by the Russian Federation. The report would be submitted to the Committees on Armed Services and Foreign Relations, and the Select Committee on Intelligence of the Senate, and to the Committees on Armed Services and International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives.

The conferees note that Congress receives information on U.S. warhead dismantlement in the Weapon System Classified Annex to the annual budget justification material provided by the Department of Energy. The conferees direct that this material be annotated to indicate which of the dismantlements described in the annex are a result of Moscow Treaty compliance activities. The conferees further direct that, to the extent possible, this information be included in the unclassified annual Department of Energy budget justification material.

Report on use of unmanned aerial vehicles for support of homeland security missions (sec. 1034)

The Senate amendment contained a provision (sec. 1037) that would require the President to provide a report, produced in consultation with all relevant federal agencies, no later than April 1, 2004, on the potential use of Unmanned Aerial Vehicles for homeland security.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle E—Extension of Expiring Authorities

Codification and revision of defense counterintelligence polygraph program authority (sec. 1041)

The House bill contained a provision (sec. 1041) that would remove existing limits on the number of polygraph examinations that

the Department of Defense (DOD) may administer in any fiscal year. The provision also expands the categories of individuals who may be required to undergo polygraph examinations, to include persons applying for positions at DOD and persons from other agencies assigned or detailed to DOD who will require access to top secret or special access information. The provision would further require the Secretary of Defense to institute a process to monitor responsible and effective application of polygraphs within DOD, and to make information on the use of polygraphs available to the congressional defense committees on request, in lieu of a recurring reporting requirement.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

General definitions applicable to facilities and operations of Department of Defense (sec. 1042)

The Senate amendment contained a provision (sec. 321) that would amend section 101 of title 10, United States Code, to clarify the definitions of military munitions, operational range, range, and range activities in relation to Department of Defense facilities and operations. The definitions provide a foundation for the Department's entire munitions response program. That program is in its early stages, but is growing rapidly and the Department anticipates additional statutory directives in this area.

The House bill contained no similar provision.

The House recedes with technical amendments.

Additional definitions for purposes of title 10, United States Code (sec. 1043)

The House bill contained a provision (sec. 1043) that would define the terms "congressional defense committees" and "base closure law" for purposes of title 10 of the United States Code, and would make technical and conforming changes to that title.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Inclusion of annual military construction authorization request in annual defense authorization request (sec. 1044)

The House bill contained a provision (sec. 1044) that would amend section 113a(b) of title 10, United States Code, by requiring the annual military construction authorization request to be submitted with the annual defense authorization request within 30 days of the date the President transmits to Congress the budget request for that year. This provision would also repeal section 2859 of title 10, United States Code, and would make conforming changes.

The Senate amendment contained no similar provision.

The Senate recedes.

Technical and clerical amendments (sec. 1045)

The House bill contained a provision (sec. 1045) that would make technical and clerical amendments to various provisions of law.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make an additional technical and clerical amendment.

Subtitle F—Other Matters

Assessment of effects of specified statutory limitations on the granting of security clearances (sec. 1051)

The House bill contained a provision (sec. 1060) that would require the Secretary of Defense to assess the effects of section 986 of title 10, United States Code, on the granting or renewal of security clearances for Department of Defense personnel and defense contractor personnel.

The Senate amendment contained no similar provision.

The Senate recedes.

Acquisition of historical artifacts through exchange of obsolete or surplus property (sec. 1052)

The Senate amendment contained a provision (sec. 1032) that would authorize, for fiscal years 2004 and 2005, the secretaries of the military departments to exchange obsolete or surplus property with an individual, organization, institution, agency, or nation if the exchange would directly benefit the historical collection of the armed forces.

The House bill contained no similar provision.

The House recedes.

Conveyance of surplus T–37 aircraft to Air Force Aviation Heritage Foundation, Incorporated (sec. 1053)

The Senate amendment contained a provision (sec. 1038) that would authorize the Secretary of the Air Force to convey a surplus T–37 aircraft to the Air Force Aviation Heritage Foundation of Georgia. This authority is discretionary and the conveyance of an aircraft would be made at no cost to the United States.

The House bill contained no similar provision.

The House recedes with an amendment that would specify requirements for the demilitarization of the aircraft to ensure that the aircraft is permanently unfit for flight.

Department of Defense biennial strategic plan for management of electromagnetic spectrum (sec. 1054)

The Senate amendment contained a provision (sec. 235) that would require the Secretary of Defense to develop a strategy for management of electromagnetic spectrum to improve spectrum access and high-bandwidth connectivity to military assets. The provision would require that the strategy be developed by a board of senior acquisition officials established to administer the implementation of the policies and requirements of chapter 113, title 40, United States Code, in procurement of information technology equipment that is an integral part of a weapon or weapon system. The strategy would include specific timelines, metrics, plans for implementation of technologies for the efficient use of spectrum, and proposals for program funding, all of which would be updated biennially.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to update the DOD Electromagnetic Spectrum Management Strategic Plan on a biennial basis and to submit the updated plan to the Congress at the same time as the budget submission.

The conferees note that on December 3, 2002, the Deputy Secretary of Defense promulgated the DOD Electromagnetic Spectrum Management Strategic Plan, October 2002, which identifies goals and strategies to ". . . assure the availability of, and access to, sufficient electromagnetic spectrum," and to enhance collaboration within the electromagnetic spectrum management and the electromagnetic environmental effects communities. Prepared by the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence), the plan outlines key strategic goals and objectives for improving electromagnetic spectrum business, practices, electromagnetic spectrum planning, efficient electromagnetic spectrum utilization, and coordination with electromagnetic environmental effects programs. The plan identifies strategies and targets to be achieved for each of the objectives. The plan also states that the Department will develop implementation plans for each of the objectives contained in the plan.

The conferees believe that a published DOD electromagnetic spectrum management strategy and implementation plans will provide a framework for improving spectrum management, access, and high-bandwidth connectivity within the Department. The conferees direct the Secretary of Defense to include a summary of the implementation plans, timelines, and metrics for achieving each of the goals and objectives of the DOD electromagnetic spectrum management strategy as an item of special interest in the Information Technology Budget Justification that accompanies the President's budget submission.

Revision of defense acquisition directive relating to management and use of radio frequency spectrum (sec. 1055)

The Senate amendment contained a provision (sec. 803) that would require the Secretary of Defense to revise the acquisition policies relating to the management and use of the radio frequency spectrum. The provision would also require the Secretary to appoint an official or board within the Department of Defense (DOD) to review and approve the proposed usage of the spectrum in acquisition programs.

The House bill contained no similar provision.

The House recedes with an amendment that would require revision of DOD Directive 4650.1 to ensure that planning for spectrum usage is conducted as early as practicable in a program's development.

The conferees note that DOD program managers often fail to obtain, consider, or act on concerns related to the availability of adequate spectrum to support planned weapons systems during the early phases of an acquisition program. As a result, such programs have often experienced significant development delays, reduced operational capabilities, or the need for extensive redesign, when spectrum availability became an issue in the later stages of a program and after key system development decisions had been made.

The conferees note that the DOD has begun to address spectrum issues in applicable plans and directives. DOD Directive 4650.1 requires that spectrum management requirements be addressed early in the development life cycle. The DOD Electromagnetic Spectrum Management Strategic Plan, October 2002, addresses the objective of identifying electromagnetic spectrum certification requirements early in the requirements generation, planning, and acquisition process and establishes the target that DOD program managers will address electromagnetic spectrum certification and electromagnetic environmental effects at each acquisition milestone. DOD Instruction 5000.2 provides that electromagnetic spectrum certification shall be accomplished by Milestone B (program initiation) for all systems and equipment that require utilization of the electromagnetic spectrum for those programs.

The conferees expect responsible DOD officials ensure the consistent application of the policies established in this provision and in applicable plans and directives to all acquisition programs.

Sense of Congress on deployment of airborne chemical agent monitoring systems at chemical stockpile disposal sites in the United States (sec. 1056)

The Senate amendment contained a provision (sec. 1042) that would express the sense of the Senate that the Secretary of the Army should develop and deploy a program to upgrade the airborne chemical agent monitoring systems at all chemical stockpile disposal sites across the United States in order to achieve the broadest possible protection of the general public, personnel involved in the chemical demilitarization program, and the environment.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of Congress that the Secretary of the Army, in coordination with relevant Department of Defense research and development agencies, should invigorate and coordinate efforts to develop and deploy chemical agent monitors with improved sensitivity, specificity, and response time.

The conferees note that the National Research Council (NRC) has completed six reports since 1994 that include assessments of the capabilities of airborne chemical agent monitoring systems installed at the chemical agent and munitions stockpile and destruction sites. In these reports, the NRC has consistently cited several problems with the airborne chemical agent sensors. While the NRC has determined that monitoring levels used at the demilitarization facilities are very conservative and are highly protective of workers and public health and safety, the conservative monitoring levels used are a contributing factor in a high incidence of false positive alarms. The NRC has urged the Project Manager for Chemical Demilitarization to improve both the reliability and response time of its airborne agent monitoring systems and recommended that the Army develop a real-time system for airborne-agent monitoring. The NRC has also noted the lack of robust techniques for rapidly measuring agent and agent breakdown products present in liquid waste streams and associated solid materials. The NRC acknowledges the progress made by the Army over the last decade in devel-

oping better agent monitoring technology, but concludes that the results to date have been disappointing.

The conferees note that the Army's Chemical Material Agency (CMA) conducts an active program for evaluating new equipment and methods for improving both near-real time monitoring and historical long-term monitoring and continues to improve technologies and equipment to increase specificity, lower detection limits and response times, and minimize false alarms. The conferees believe that these efforts should be coordinated with, and take advantage of, the increased level of interest in and increased resources available for developing chemical agent detectors for homeland defense. The committee strongly supports these actions of the CMA that promote the maximum protection of the general public, personnel involved in the chemical demilitarization program, and the environment.

United States Fire Administration grants to make fighting fires safer (sec. 1057)

The Senate amendment contained a provision (sec. 852) that would authorize grants to local fire departments to hire personnel and require the establishment of a program where state and local governments could buy anti-terrorism technology solutions from Federal Government contracts.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) direct that the grant program be administered by the U.S. Fire Administrator; (2) authorize providing the grants directly to local fire departments; (3) require a local contribution in the first year of the grant program to ensure that all recipients of grants are capable of acquiring state or local funding; (4) ensure that 10 percent of grant aid will be available to volunteer fire departments; and (5) authorize appropriations until fiscal year 2010. The issue of the establishment of a program where state and local governments could buy anti-terrorism technology solutions from Federal Government contracts is addressed elsewhere in this conference report.

Review and Enhancement of Existing Authorities for Using Air Force and Air National Guard Modular Fire-Fighting System and Other Department of Defense Assets to Fight Wildfires (sec. 1058)

The House bill contained a provision (sec 1057) that would establish a pilot program to improve the use of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems to fight wildfires. The section would have authorized the Secretary of the Interior and the Secretary of Agriculture to waive the provisions of section 1535(a)(4), title 31, United States Code, to procure the services of military aircraft of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems units without first comparing the cost and convenience of procuring such services to services from a commercial enterprise, during a two-year pilot program. The section also required a report on the use of the authority and the ability of such units to respond to wildfires in a timely and effective manner.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that within 120 days of enactment, the Director of the Office of Management and Budget conduct a review of existing authorities regarding the use of Air Force and Air National Guard Modular Airborne Fire-Fighting Systems units and other Department of Defense assets to fight wildfires to ensure that such assets are available in the most expeditious manner consistent with applicable law to fight wildfires on Federal and non-Federal lands at the request of a Federal agency or State government. In conducting the review, the Director must consider any adverse impact caused by restrictions contained in section 1535(a)(4), title 31, United States Code, or caused by the interpretation of those restrictions. The Director must also consider whether the authorities of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) are being properly utilized to facilitate an expeditious Department of Defense response to State requests for firefighting services, in accordance with that Act. The amendment requires a determination on the basis of the review whether existing authorities are being used in a manner consistent with using the available capabilities of Department of Defense assets to fight wildfires in the most expeditious and efficacious way to minimize the risk to public safety. Finally, the Director must report the results of the review and determination required above and wait thirty days for Congressional review before any implementation of improved procedures. If appropriate, the report must include a description of any expedited Economy Act review processes determined to be necessary, and plans related to the implementation of such processes. Further, if appropriate, the report must describe any revised policies and implementation plans related to the use of existing authorities in title 31 and title 42, United States Code, to improve the ability of the Department of Defense to respond to a request by a Federal agency or State government to assist in fighting wildfires on Federal or non-Federal lands under such authorities. The report shall also include such recommendations for legislative changes that further improve the use of Department of Defense assets for fighting wildfires as the Director determines to be warranted.

LEGISLATIVE PROVISIONS NOT ADOPTED

Assignment of members to assist Bureau of Border Security and Bureau of Citizenship and Immigration Services of the Department of Homeland Security

The House bill contained a provision (sec. 1055) that would authorize the Secretary of Defense to assign members of the Army, Navy, Air Force, and Marine Corps to assist the Bureau of Border Security and the United States Customs Service of the Department of Homeland Security, in preventing the entry of terrorists, drug traffickers, and illegal aliens into the United States, and to aid in the inspection of cargo, vehicles, and aircraft at points of entry into the United States to prevent the entry of weapons of mass destruction.

The Senate amendment contained no similar provision.

The House recedes.

Assistance for study of feasibility of biennial international air trade show in the United States and for initial implementation

The House bill contained a provision (sec. 1051) that would select and provide assistance to a community in conducting a joint study to determine the feasibility of establishing an international air trade show in that community.

The Senate amendment contained no similar provision.

The House recedes.

Commission on Nuclear Strategy of the United States

The House bill contained a provision (sec. 1053) that would establish a Commission on Nuclear Strategy of the United States to assess and make recommendations about current U.S. strategy, as described by the Nuclear Posture Review and other planning documents, as well as possible alternative strategies that could be pursued over the next 20 years. The Commission would have broad purview to consider matters of policy, force structure, stockpile stewardship, and estimates of threats and force requirements, and would have the authority to hold hearings and take testimony.

The Senate amendment contained no similar provision.

The House recedes.

Extension of Counterproliferation Program Review Committee

The House bill contained a provision (sec. 1054) that would amend section 1605(f) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), as amended.

The Senate amendment contained no similar provision.

The House recedes.

The conferees have reviewed the annual CPRC Report on Activities and Program for Countering Proliferation and NBC Terrorism, dated May 2003, and noted its findings and recommendations. The conferees recognize that development and deployment of advanced technologies are key counterproliferation elements and encourage the interagency community to make development and execution of an integrated strategy a high priority. The conferees endorse the recommendations to integrate the Under Secretary of Defense for Intelligence into the CPRC process, and for the CPRC to establish communications and coordination with the Assistant Secretary of Defense (Homeland Defense) and Northern Command. The conferees express their support for the newly established National Security Council-initiated Counterproliferation Technology Coordination Committee as a means of improving interagency coordination. The conferees also endorse the need for a comprehensive counterproliferation acquisition strategy. Progress made in these areas should be noted in future annual reports submitted to the Congress.

Limitation on number of United States military personnel in Colombia

The House bill contained a provision (sec. 1208) that would limit the number of members of the U.S. Armed Forces in Colombia to 500 personnel. U.S. military personnel working at the U.S. Embassy in Colombia for the purpose of conducting search and rescue of U.S. Government personnel or participating in authorized hu-

manitarian relief operations, or just transiting Colombia would not be counted against this limitation.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of requirement for two-year budget cycle for the Department of Defense

The House bill contained a provision (sec. 1006) that would repeal section 1405 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 31 U.S.C. 1105 note) requiring the Department of Defense to submit a two-year budget every other year.

The Senate amendment contained no similar provision.

The House recedes.

Sense of Congress on commercial air carrier accommodation for members of the armed forces purchasing tickets for personal use

The Senate amendment contained a provision (sec. 1041) that would express the sense of the Senate that each U.S. air carrier should make every effort to allow active duty members of the armed forces to purchase tickets on a space available basis for the lowest fares possible and offer flexible terms that allow members of the armed forces to purchase, modify, or cancel tickets without time restrictions, fees, or penalties.

The House bill contained no similar provision.

The Senate recedes.

Use of National Driver Register for personnel security investigations and determinations

The House bill contained a provision (sec. 1049) that would amend title 49, United States Code, to authorize access to the National Driver Register by federal agencies for use in personnel security investigations and determinations and for use in personnel investigations with regard to federal employment.

The Senate amendment contained no similar provision.

The House recedes.

Authority to transfer procurement funds for a major defense acquisition program for continued development work on that program

The House bill contained a provision (sec. 1003) that would amend section 2114 of title 10, United States Code, to provide the Secretary of Defense additional authority to transfer funds to correct specific acquisition funding problems that occur during the transition phase of an acquisition program from development to production.

The Senate amendment contained no similar provision.

The House recedes.

Authority to provide reimbursement for use of personal cellular telephones when used for official government businesses

The House bill contained a provision (sec. 1007) that would allow the Department of Defense to reimburse individuals with a validated need for an official government cellular telephone using a flat rate or monthly stipend for such individuals' use of their personal cellular telephone.

The Senate amendment contained no similar provision.

The House recedes.

Codification and revision of limitation on modification of major items of equipment scheduled for retirement or disposal

The House bill contained a provision (sec. 1042) that would revise existing reporting requirements on modifications to aircraft, weapons, vessels, and other items of equipment scheduled to be retired or disposed of within five years.

The Senate amendment contained no similar provision.

The House recedes.

Assistance for study of feasibility of biennial international air trade show in the United States and for initial implementation

The House bill contained a provision (sec. 1051) that would select and provide assistance to a community in conducting a joint study to determine the feasibility of establishing an international air trade show in that community.

The Senate amendment contained no similar provision.

The House recedes.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Department of Defense National Security Personnel System

Department of Defense National Security Personnel System (sec. 1101)

The House bill contained a provision (sec. 1121) that would amend title 5 of the United States Code by adding a new chapter 99 entitled "Department of Defense National Security Personnel System" at the end of subpart I of part III. The new chapter contained the following sections: (1) section 9901 would provide definitions of various terms used throughout the new chapter; (2) section 9902 would authorize the establishment of a human resources management system; (3) section 9903 would authorize the Department to hire highly qualified experts for up to five years and to prescribe the appropriate pay rates; (4) section 9904 would authorize the Secretary of Defense to hire American citizens 55 years of age and older to work for DOD for up to two years, without a reduction in any annuity, pension, retirement pay, or similar payment; and (5) section 9905 would authorize DOD to align the allowances and benefits of certain employees outside the United States with those of the Foreign Service and the Central Intelligence Agency.

The Senate bill contained no similar provision.

The Senate recedes with an amendment that would modify the House provision to: (1) require the Secretary of Defense to develop the new personnel system in collaboration with the Office of Personnel Management; (2) authorize the establishment of a labor relations system for the Department of Defense based on a collaborative issue-based approach to labor relations (subject to a six-year sunset); (3) provide for independent third party review of issues

arising in the labor relations system, including defining what decisions are reviewable, what body would conduct the review, and the standard or standards for that review; (4) authorize the establishment of a streamlined appeals process for adverse actions against individual employees, subject to review by the Merit Systems Protection Board; (5) direct the Secretary to maintain current levels of funding for civilian pay accounts; (6) provide for voluntary separation incentive payments for up to 25,000 employees per year; (7) establish new authority for employment of up to 2,500 highly qualified experts; (8) provide the Department with authority to develop new polices for recruitment, assignment, promotion and reduction in force flexibility while maintaining Veterans' preference; (9) provide for a phase-in of the NSPS by authorizing the Secretary to apply the National Security Personnel System to more than 300,000 civilian employees of the Department only after the Department of Defense has in place a performance management system that meets specific criteria; and (10) delay the incorporation of the Department of Defense demonstration laboratories into the National Security Personnel System until October 1, 2008, and place certain conditions on such incorporation.

The conferees fully appreciate the need for a more flexible and responsive personnel management system for the civilian employees of the Department of Defense. The DOD has embarked on a number of demonstration initiatives to determine the most appropriate and productive approach to management of civilian personnel with the Department of Defense and is ready to expand on the lessons learned through those efforts.

The conferees direct the Secretary to implement a pay-for-performance evaluation system established in accordance with this chapter to better link individual pay to performance and provide an equitable method for appraising and compensating employees. Implementing regulations shall: (1) group employees into pay bands in accordance with the type of work that such employees perform and their level of responsibility; (2) establish a performance rating process, which shall include, at a minimum (i) rating periods; (ii) communication and feedback requirements; (iii) performance scoring systems; (iv) a system for linking performance scores to salary increases and performance incentives; (v) a review process; (vi) a process for addressing performance that fails to meet expectations; and (vii) a pay-out process; (3) establish an upper and lower salary level for each pay band; (4) ensure that performance objectives are established for individual position assignments and position responsibilities; and (5) establish performance factors to be used to evaluate the accomplishment of performance objectives and ensure that comparable scores are assigned for comparable performance, while accommodating diverse individual objectives.

The conferees understand that the Secretary's decision to utilize national-level collective bargaining procedures in accordance with subsection (g) would not be subject to outside review. However, the result of any such national-level collective bargaining would be subject to review by an independent third-party only to the extent provided and pursuant to procedures established under paragraph (6) of subsection (m).

Nothing in this provision should be construed to expand the scope of bargaining under chapter 71 or this subsection with respect to any provision of title 5 that may be waived, modified, or otherwise affected under this section.

The conferees agree that in designing the labor relations system the Secretary should take into consideration the unique requirements and contributions of public safety employees in supporting the national security mission of the Department.

Finally, as the Department trains new personnel on the National Security Personnel System, the conferees urge the Department to fully utilize facilities with existing contracts for Department of Defense civilian personnel.

Subtitle B—Department of Defense Civilian Personnel Generally

Pilot program for improved civilian personnel management (sec. 1111)

The House bill contained a provision (sec. 908) that would establish a pilot program for Improved Civilian Personnel Management to assess the utility of an automated civilian personnel management program to provide needed improvements in the current management performance of the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would reduce the reporting requirements of the provision.

In evaluating offers to assist in the pilot program, the conferees direct the Department to consider factors that are likely to contribute to the successful deployment of an automated personnel management system, such as the offer of a system that: (1) is currently in use by the Federal Government; (2) is able to be purchased on an annual subscription basis; (3) requires no capital investment; and (4) is able to be fully hosted by the vendor so that customers only require internet access to use the system.

Clarification and revision of authority for demonstration project relating to certain acquisition personnel management policies and procedures (sec. 1112)

The Senate amendment contained a provision that would strengthen the acquisition workforce pilot program established in section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106). In particular, the provision would: (1) relax the existing requirement that the entire workforce of a participating organization consist of members of the acquisition workforce and supporting personnel assigned to work directly with the acquisition workforce; (2) increase the total number of civilian personnel permitted to participate in the pilot program; and (3) ensure that an organization that is properly designated to participate in the pilot program would continue to do so, notwithstanding any reorganization, restructuring, realignment, consolidation, or other organizational change.

The House bill contained no similar provision.

The House recedes.

Military leave for mobilized federal civilian employees (sec. 1113)

The House bill contained a provision (sec. 1102) that would amend section 6323 of title 5, United States Code to allow federal civilian employees to receive 22 additional workdays of military leave when performing full-time military service as a result of a call or order to active duty in support of a contingency operation.

The Senate amendment contained no similar provision.

The Senate recedes.

Restoration of annual leave for certain Department of Defense employees (sec. 1114)

The conferees agree to include a provision that would authorize the Secretary of Defense to provide for restoration of forfeited annual leave for employees transferring from a closing or realigning Department of Defense installation or activity who were improperly given credit for restored leave if: (1) the employee relied in good faith upon the guidance provided by agency officials; and (2) the action occurred through no wrong doing by the employee.

Authority to employ civilian faculty members at the Western Hemisphere Institute for Security Cooperation (sec. 1115)

The Senate amendment contained a provision (sec. 1101) that would amend section 1595 of title 10, United States Code, to add the Western Hemisphere Institute for Security Cooperation as a covered institution of the Department of Defense at which the Secretary of Defense may employ civilians as professors, instructors, and lecturers, and may prescribe their compensation.

The House bill contained no similar provision.

The House recedes.

Extension, expansion, and revision of authority for experimental personnel program for scientific and technical personnel (sec. 1116)

The Senate bill contained a provision (sec. 1103) that would extend and expand the Defense Advanced Research Projects Agency (DARPA) Experimental Personnel Program. The provision extended the program for three years, from the current expiration date of 2005 to 2008. In addition, the provision increased the number of positions available to the Director of DARPA from 40 to 50.

The House amendment contained no similar provision.

The House recedes with an amendment that would extend the experimental personnel program for three years, from 2005 to 2008.

The conferees do not intend for the extension of the DARPA Experimental Personnel Program to be interpreted as a permanent, free standing program outside of the National Security Personnel System (NSPS). Instead, the conferees expect that the extension will allow the DARPA program to become part of the NSPS as soon as practical, in a manner that provides a seamless transition for DARPA personnel, while maintaining DARPA's ability to successfully fulfill its mission.

Subtitle C—Other Federal Government Civilian Personnel Matters

Modification of the overtime pay cap (sec. 1121)

The House bill contained a provision (sec. 1101) that would modify the overtime pay cap to allow for payment of at least the hourly rate of basic pay for an employee.

The Senate amendment contained no similar provision.

The Senate recedes.

Common occupational and health standards for differential payments as a consequence of exposure to asbestos (sec. 1122)

The House bill contained a provision (sec. 1103) that would amend sections 5343 and 5545 of title 5, United States Code, to establish a common standard for payment of hazardous duty differential pay for reason of exposure to asbestos for prevailing rate and general schedule federal employees.

The Senate amendment contained no similar provision.

The Senate recedes.

Increase in annual student loan repayment authority (sec. 1123)

The House bill contained a provision (sec. 1104) that would increase the annual amount that an agency can repay a highly qualified employee for a student loan from $6,000 to $10,000 per year without increasing the overall limit of $40,000.

The Senate amendment contained no similar provision.

The Senate recedes.

Authorization for Cabinet Secretaries, secretaries of military departments and heads of executive agencies to be paid on a biweekly basis (sec. 1124)

The House bill contained a provision (sec. 1105) that would authorize the Office of Personnel Management to promulgate regulatory guidelines that would permit Cabinet Secretaries, secretaries of the military departments and heads of executive agencies, who are currently paid on a monthly basis, to be paid on the same biweekly basis as most federal employees.

The Senate amendment contained no similar provision.

The Senate recedes.

Senior executive service and performance (sec. 1125)

The House bill contained a provision (sec. 1106) that would amend Chapter 53 of title 5, United States Code, relating to pay of senior executives. Specifically the provision would revise eligibility for locality pay, ranges of rates of basic senior executive service (SES) pay, the maximum rate for SES levels, and post employment restrictions.

The Senate amendment contained no similar provision.

The Senate recedes with technical amendments.

Design elements of pay-for-performance systems in demonstration projects (sec. 1126)

The House bill contained a provision (sec. 1107) that would provide for specific elements to be incorporated into any pay-for-performance system established in a demonstration project under

chapter 47 of title 5, United States Code, and that such a system include a fair, credible, and transparent appraisal system, provide a link between pay-for-performance and an agencies strategic plan, and provide for training and feedback.

The Senate amendment contained no similar provision.

The Senate recedes.

Federal flexible benefits plan administrative costs (sec. 1127)

The House bill contained a provision (sec. 1108) that would prohibit agencies that provide or plan to provide flexible benefits plans for employees from imposing fees related to the program. The section would also require reporting requirements associated with benefits plans.

The Senate amendment contained no similar provision.

The Senate recedes.

Employee surveys (sec. 1128)

The House bill contained a provision (sec. 1110) that would require executive agencies to conduct annual surveys of their employees in order to assess leadership and management practices, employee satisfaction, assessment of work environment opportunities for personal and professional growth, and opportunities to contribute to organizational missions.

The Senate amendment contained no similar provision.

The Senate recedes.

Human capital performance fund (sec. 1129)

The House bill contained a provision (sec. 1111) that would amend title 5, United States Code, and add a new Chapter 54 that would provide for establishment of a human capital performance fund to reward an agencies highest performing and most valuable employees.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Clarification of Hatch Act

The House bill contained a provision (sec. 1109) that would prohibit the enforcement of section 7326 of title 5, United States Code, against an individual who, before the date of enactment of this Act, was employed by the Office of the Department of Defense Inspector General and who then transferred to a Special Court sponsored by the United Nations pursuant to the authority contained in section 3582(a) of title 5, United States Code, unless the individual subsequently became reemployed in the civil service.

The Senate amendment contained no similar provision.

The House recedes.

Pay authority for critical positions (sec.)

The Senate amendment contained a provision (sec. 1102) that would give the Department of Defense critical pay authority for up to 40 administrative, technical, or professional positions.

The House bill contained no similar provision.

The Senate recedes.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Matters Relating to Iraq

Medical assistance to Iraqi children injured during Operation Iraqi Freedom (sec. 1201)

The House bill contained a provision (sec. 1213) that would direct the Secretary of Defense, to the maximum extent practicable, to provide all necessary support, in an expeditious manner to assist Iraqi children who were injured during Operation Iraqi Freedom.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Report on the conduct of Operation Iraqi Freedom (sec. 1202)

The House bill contained a provision (sec. 1022) that would require the Secretary of Defense to submit a comprehensive report to the Committees on Armed Services of the Senate and House of Representatives on lessons learned during major combat operations in Operation Iraqi Freedom (OIF), not later than June 15, 2004, with a preliminary report to be submitted by January 15, 2004.

The Senate amendment contained a similar provision (sec. 1023) that would also require specific information on family support services available to mobilized members of reserve components, and on non-competitive contracting for the reconstruction of infrastructure of Iraq.

The House recedes with an amendment that would require the Secretary to submit a comprehensive report on the conduct of military operations during the major combat phase of OIF to the congressional defense committees not later than March 31, 2004. The requirement for the Secretary to include a report on non-competitive contracting would not be included in this report.

The conferees were reassured by the successful military campaign in Iraq that recent investments in personnel, military equipment, and new technologies were well-founded. Legacy equipment appeared to perform well alongside new technologies. The military services seemed to continue to improve their collective capabilities to fight as a joint force. As in all military operations, however, many things went well, but other areas were identified that can be improved. The conferees urge the Secretary to take full advantage of this opportunity to fully document important lessons learned, and to work closely with the Congress to identify those capabilities where investment needs to be curtailed, sustained, or increased.

Of particular note, the conferees are concerned about the extensive use of reserve component personnel in OIF, as well as other U.S. military commitments around the world, and the overall impact of frequent, extended deployments on the families of mobilized reserve component personnel. To address this concern, the conferees urge the Secretary to ensure a comprehensive study is conducted regarding the availability of family support services provided to dependents of members of reserve components who are called to active duty. Included in this study would be: (1) a discussion of the extent to which cooperative agreements are in place, or

need to be in place, to ensure that dependents of mobilized members receive adequate family support services from military installations and associated family readiness groups without regard to the members' affiliation with a component of the armed forces; (2) a discussion of what additional family support services, and what additional family support agreements between and among the U.S. Armed Forces, including the Coast Guard, are necessary to ensure that adequate family support services are provided to the families of mobilized members; (3) a discussion of what additional resources are necessary to ensure that adequate family support services are available to dependents of mobilized members at military installations nearest the residence of dependents; (4) a discussion of the additional outreach programs that should be established between families of mobilized members and the sources of family support services at the military installations in their respective regions; and, (5) a discussion of the procedures in place for providing information on availability of family support services to families of mobilized members at the time the members are called or ordered to active duty.

The conferees are also interested in contracting procedures for reconstruction in Iraq. A requirement for reporting on such procedures is contained elsewhere in this conference report.

Report on Department of Defense security and reconstruction activities in Iraq (sec. 1203)

The House bill contained a provision (sec. 1023) that would require the Secretary of Defense to report to Congress, within 90 days of enactment of this Act, on the range of Department of Defense activities in post-conflict Iraq.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would acknowledge that significant military operations continue in Iraq and expand the scope of the required report to include training of Iraqi security forces and the effect of continuing U.S. military deployments in Iraq on global U.S. military deployments.

Report on acquisition by Iraq of advanced weapons (sec. 1204)

The House bill contained a provision (sec. 1205) that would direct the Secretary of Defense to submit a report 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 on efforts by Iraq to acquire weapons of mass destruction and associated delivery systems, and the acquisition by Iraq of advanced conventional weapons.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Sense of Congress on the use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq (sec. 1205)

The House bill contained a provision (sec. 1058) that would require the Secretary of Defense to study the feasibility of use of small businesses, minority-owned businesses, and women-owned businesses in efforts to rebuild Iraq.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Secretary Defense should ensure that outreach procedures are in place to provide information on contract opportunities for efforts to rebuild Iraq to small businesses, minority-owned businesses, and women-owned businesses.

Subtitle B—Matters Relating to Export Protections

Review of export protections for military superiority resources (sec. 1211)

The House bill contained a provision (sec. 1204) that would direct the Secretary of Defense to establish a catalog of goods, materials, weapons systems technologies, and developing critical technologies and know-how that either could enhance a potential adversary's military capabilities or are critical to maintaining the superiority and qualitative advantage of the U.S. Military.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to determine to what degree goods and technologies identified under the provision are being controlled for export purposes and to provide a more limited reporting requirement.

Report on Department of Defense costs relating to national security controls on satellite export licensing (sec. 1212)

The Senate amendment contained a provision (sec. 1205) that would amend section 1514 of the National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261) to clarify that only costs directly related to monitoring the launch of a satellite in a foreign country shall be reimbursed by contractors to the Department of Defense and require the U.S. Comptroller General to conduct a study of these costs.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Inspector General of the Department of Defense to conduct a study of the Department's costs for monitoring launches of satellites in a foreign country and the costs incurred in connection with applications for licences for the export of satellites. The conferees expect that the Department will include in its budget request for fiscal year 2005 those portions of direct or indirect costs that are not directly related to monitoring the launch of a satellite in a foreign country.

Subtitle C—Administrative Requirements and Authorities

Authority to use funds for payment of costs of attendance of foreign visitors under Regional Defense Counterterrorism Fellowship Program (sec. 1221)

The Senate amendment contained a provision (sec. 1201) that would amend title 10, United States Code, to authorize the Department of Defense to use appropriated funds to pay the costs of attendance of certain qualified foreign visitors to designated training and educational events under the auspices of the Regional Defense Counterterrorism Fellowship Program.

The House bill contained no similar provision.

The House recedes.

Recognition of superior noncombat achievements or performance by member of friendly foreign forces and other foreign nationals (sec. 1222)

The House bill contained a provision (sec. 1202) that would authorize the Department of Defense to expend operations and maintenance funds to recognize superior noncombat achievements or performance by members of foreign forces and other foreign nationals that significantly enhance or support the National Security Strategy of the United States.

The Senate amendment contained a similar provision (sec. 1202).

The Senate recedes with a technical amendment.

Expansion of authority to waive charges for cost of attendance at George C. Marshall European Center for Security Studies (sec. 1223)

The House bill contained a provision (sec. 1203) that would permit the Secretary of Defense to waive reimbursement of costs for military officers and civilian officials from states in Europe and the former Soviet Union participating in Marshall Center programs. The effect of this provision is to expand the current authority of the Secretary to waive costs so that Balkan-state participants will now be eligible to have their costs waived.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority for check cashing and currency exchange services to be provided to foreign military members participating in certain activities with United States forces (sec. 1224)

The House bill contained a provision (sec. 1206) that would authorize a disbursing official of the U.S. Government to allow military personnel from allied nations to cash checks and certain negotiable instruments and exchange foreign currency, provided these individuals are participating in military training activities with U.S. Armed Forces.

The Senate amendment contained a similar provision (sec. 1203).

The Senate recedes with a technical amendment.

Depot maintenance and repair work on certain types of trainer aircraft to be transferred to foreign countries as excess aircraft (sec. 1225)

The House bill contained a provision (sec. 1207) that would expand the requirements of section 2581 of title 10, United States Code, to include T–2 Buckeye aircraft and the T–37 Tweet aircraft.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that the Secretary of Defense make all reasonable efforts to ensure that necessary depot maintenance and repair work is performed in the United States prior to transferring T–2 or T–37 aircraft to a foreign country for the purpose of flight operations by that country.

Subtitle D—Other Reports and the Sense of the Congress Statements

Annual report on the NATO Prague capabilities commitment and the NATO response force (sec. 1231)

The Senate amendment contained a provision (sec. 1206) that would require the Secretary of Defense to submit an annual report, prepared in consultation with the Secretary of State, on implementation of the North Atlantic Treaty Organization (NATO) Prague capabilities commitment and development of the NATO response force by the member nations of NATO.

The House bill contained no similar provision.

The House recedes with an amendment that would sunset this report requirement after calendar year 2008.

Report on actions that could be taken regarding countries that initiate certain legal actions against United States officials or members of the armed forces (sec. 1232)

The House bill contained a provision (sec. 1211) that would require the Secretary of Defense to submit to Congress a report on appropriate steps that could be taken by the Department of Defense to respond to any action by a foreign government to commence legal proceedings against, or attempt to compel the appearance of, or production of documents from, any current or former official or employee of the United States or member of the Armed Forces of the United States relating to the performance of official duties.

The Senate amendment contained no similar provision.

The Senate recedes with clarifying amendments that would make clear that the report is not meant to address actions taken by a foreign government pursuant to a Status of Forces Agreement or other international agreement to which the United States is a party, and would add additional examples to the list of types of appropriate steps that the Department of Defense could consider in its report.

Sense of Congress on redeployment of United States forces in Europe (sec. 1233)

The House bill contained a provision (sec. 1210) that would express the sense of the Congress that the President should initiate a reevaluation of the current posture of U.S. forces stationed in Europe.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the Secretary of Defense, in consultation with the Secretary of State, should initiate a reevaluation of the current posture of U.S. forces stationed in Europe; and would make a clarifying amendment to the findings section.

Sense of Congress concerning Navy port calls in Israel (sec. 1234)

The House bill contained a provision (sec. 1212) that expresses the sense of Congress that the Navy should resume regular port visits to the port of Haifa, Israel.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees are concerned that despite having invested significant amounts of money in expanding the capacity and capabilities of the port of Haifa, Israel, the U.S. Navy has not conducted regular port visits to Haifa since the attack on the U.S.S. Cole in Aden, Yemen, on October 12, 2000. The conferees feel that the Secretary of Defense and the U.S. Navy should be able to conclude consultations with the Government of Israel that will lead to the establishment of effective arrangements to ensure the safety of U.S. Navy vessels and personnel, thus enabling the Navy to take advantage of the logistics and communications capabilities of the Haifa port area. The conferees also feel that Navy port visits to Haifa are a strong and visible expression of continuing American national interest in this important region, and an important demonstration of support and commitment to the State of Israel. The conferees urge the Secretary of Defense to consider resumption of regular port visits to Haifa, Israel.

LEGISLATIVE PROVISIONS NOT ADOPTED

Assessment and report concerning the location of NATO headquarters

The House bill contained a provision (sec. 1209) that would require the Secretary of Defense to conduct an assessment of, and submit to Congress a report on, the costs associated with the location of NATO headquarters in Brussels, Belgium, and the costs and benefits of relocating NATO headquarters to another NATO country.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the costs and benefits of moving NATO headquarters can be considered in the context of the report required by sec. 1232 on actions that could be taken regarding countries that initiate certain legal actions against U.S. officials.

Expansion of authority to provide administrative support and services and travel and subsistence expenses for certain foreign liaison officers

The House bill contained a provision (sec. 1201) that would remove limitations on certain nations from existing law and expand the authority of the Department of Defense to provide administrative support and services, as well as fund travel and subsistence expenses for liaison officers of certain nations.

The Senate amendment contained no similar provision.

The House recedes.

Clarification and extension of authority to provide assistance for international nonproliferation activities

The Senate amendment contained a provision (sec. 1204) that would authorize the Department of Defense to continue to support activities of the United Nations Monitoring, Verification and Inspection Commission and limit the amount of funding for such activities pursuant to section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) to $15.0 million.

The House bill contained no similar provision.

The Senate recedes.

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

LEGISLATIVE PROVISIONS ADOPTED

Specification of Cooperative Threat Reduction programs and funds (sec. 1301)

The House bill contained a provision (sec. 1301) that would define the programs and funds that are Cooperative Threat Reduction (CTR) programs and funds, define the funds as those authorized to be appropriated in section 301 of this Act, and specify that CTR funds shall remain available for obligation for three fiscal years.

The Senate amendment contained an identical provision (sec. 1301).

The conferees agree to include the provision.

Funding allocations (sec. 1302)

The House bill contained a provision (sec. 1302) that would authorize $450.8 million for the Cooperative Threat Reduction (CTR) Program. The provision would also authorize specific amounts for each CTR program element, require notification to Congress 30 days before the Secretary of Defense obligates and expends fiscal year 2004 funds for purposes other than those specifically authorized, and provide limited authority to obligate amounts for a CTR program element in excess of the amount specifically authorized for that purpose. Regarding specific program elements, the House provision would authorize $86.4 million for strategic offensive arms elimination in Russia, $171.5 million for chemical weapons destruction in Russia, and $11.1 million for defense and military contacts.

The Senate amendment contained a similar provision (sec. 1302) that, consistent with the budget request for the specific program elements, would authorize $57.6 million for strategic offensive arms elimination in Russia, $200.3 million for chemical weapons destruction in Russia, and $11.0 million for defense and military contacts.

The conferees agree to a provision that would authorize $450.8 million for the CTR Program and, with respect to the specific program elements, $57.6 million for strategic offensive arms elimination in Russia, $200.3 million for chemical weapons destruction in Russia, and $11.1 million for defense and military contacts.

Limitation on use of funds until certain permits obtained (sec. 1303)

The House bill contained a provision (sec. 1303) that would require the Secretary of Defense to determine for new or incomplete Cooperative Threat Reduction (CTR) projects what permits will be needed and obtain copies of those permits before obligating more than 35 per cent of a CTR project's total cost.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to determine for new or incomplete CTR construction projects what permits will be needed and, for new construction

projects, to obtain copies of those permits required to begin construction, before obligating more than 40 percent of a CTR construction project's total cost. The amendment provides authority for the Secretary to waive this limitation on funds if it is in the national interest.

Limitation on use of funds for biological research in the former Soviet Union (sec. 1304)

The House bill contained a provision (sec. 1304) that would prohibit obligating funds for cooperative biodefense research or bioattack early warning and preparedness under a Cooperative Threat Reduction (CTR) program at a site in the former Soviet Union until the Secretary of Defense: has determined that no prohibited biological weapons research is being conducted at that site; has assessed the vulnerability of the site to external or internal attempts to exploit or obtain dangerous pathogens illicitly; and has begun to implement appropriate security measures to reduce any vulnerabilities and prevent diversion of dangerous pathogens from legitimate research purposes.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the obligation of funds for collaborative biodefense research or bioattack early warning and preparedness projects under a CTR program at a facility in the former Soviet Union until the Secretary determines that no prohibited biological weapons research is being conducted at that facility, and that appropriate security measures have begun to be, or will be, put in place at the facility to prevent theft of dangerous pathogens. The amendment permits up to 25 percent of funds authorized for such projects to be obligated and expended for the purposes of making those determinations.

Requirement for on-site managers (sec. 1305)

The House bill contained a provision (sec. 1306) that would require the Secretary of Defense to appoint an on-site manager to oversee Cooperative Threat Reduction (CTR) projects involving a dismantlement, destruction or storage facility or construction of a facility in the former Soviet Union whose total U.S. cost will exceed $25.0 million over the life of the project.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to appoint an employee of the Federal Government as an on-site manager to oversee CTR projects involving a dismantlement, destruction or storage facility or construction of a facility in the former Soviet Union whose total U.S. cost will exceed $50.0 million over the life of the project. The amendment would allow one individual to serve as the site manager for more than one project so long as the total cost of the projects does not exceed $150.0 million for that fiscal year.

Temporary authority to waive limitation on funding for chemical weapons destruction facility in Russia (sec. 1306)

The House bill contained a provision (sec. 1307) that would extend for a period of one year the President's authority to waive existing certification requirements before obligating funds for the con-

struction of the Shchuch'ye Chemical Weapons Destruction Facility in Russia. The provision would provide that $71.5 million of fiscal year 2004 funds be available for obligation on and after October 1, 2003, but that authorized amounts above $71.5 million could be obligated only at an amount no 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.

The Senate amendment contained a similar provision (sec. 1305) that would extend for a period of one year the President's authority to waive existing certification requirements before obligating funds for the construction of the Shchuch'ye Chemical Weapons Destruction Facility in Russia.

The Senate recedes with an amendment that would extend for a period of one year the President's authority to waive existing certification requirements before obligating funds for the construction of the Shchuch'ye Chemical Weapons Destruction Facility in Russia.

Annual certifications on use of facilities being constructed for Cooperative Threat Reduction projects or activities (sec. 1307)

The Senate amendment contained a provision (sec. 1303) that would require the Secretary of Defense to provide the congressional defense committees with an annual certification that would indicate whether each facility constructed for a Cooperative Threat Reduction (CTR) project or activity will be used for its intended purpose by the host country, and whether the host country remains committed to using the facility for its intended purpose.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to certify also that actions have been taken to ensure security at each facility, including secure transportation of any materials, substances or weapons to, from, or within the facility.

Authority to use Cooperative Threat Reduction funds outside the former Soviet Union (sec. 1308)

The Senate amendment contained a provision (sec. 1304) that would authorize the President to obligate and expend Cooperative Threat Reduction (CTR) funds for a fiscal year, and any CTR funds that remain available for obligation from any previous fiscal year, for proliferation threat reduction projects or activities in countries outside the states of the former Soviet Union. The amount that may be obligated in a fiscal year for this purpose would not exceed $50.0 million.

The House bill contained no similar provision.

The House recedes with an amendment that would require the President to make certain determinations and to notify Congress in writing within 10 days after obligating funds under this authority of those determinations as follows: (1) that the project or activity will assist the United States in the resolution of a critical emerging proliferation threat; or permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; (2) that the Department of Defense is the entity of government most

capable of carrying out the project or activity; and (3) that the project or activity will be completed in a short period of time. The written notification is to include a justification for the determinations and a description of the scope and duration of the project or activity.

The conferees expect that the President would assign such projects or activities to the agency whose mission is most appropriate to the project or activity. The conferees further expect that this authority will be used only for projects or activities that are expected to be completed within a short period of time.

Authority to use Cooperative Threat Reduction funds outside the former Soviet Union (sec. 1308)

The Senate amendment contained a provision (sec. 1304) that would authorize the President to obligate and expend Cooperative Threat Reduction (CTR) funds for a fiscal year, and any CTR funds that remain available for obligation from any previous fiscal year, for proliferation threat reduction projects or activities in countries outside the states of the former Soviet Union. The amount that may be obligated in a fiscal year for this purpose would not exceed $50.0 million.

The House bill contained no similar provision.

The House recedes with an amendment that would require the President to make certain determinations and to notify Congress in writing within 10 days after obligating funds under this authority of those determinations as follows: (1) that the project or activity will assist the United States in the resolution of a critical emerging proliferation threat; or permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; (2) that the Department of Defense is the entity of government most capable of carrying out the project or activity; and (3) that the project or activity will be completed in a short period of time. The written notification is to include a justification for the determinations and a description of the scope and duration of the project or activity.

The conferees expect that the President would assign such projects or activities to the agency whose mission is most appropriate to the project or activity. The conferees further expect that this authority will be used only for projects or activities that are expected to be completed within a short period of time.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authority and funds for nonproliferation and disarmament

The House bill contained a provision (sec. 1305) that would authorize the Secretary of Defense to transfer $78.0 million in prior year Cooperative Threat Reduction funds from the Department of Defense to the Department of State for disarmament and nonproliferation purposes outside the territory of the former Soviet Union.

The Senate amendment contained no similar provision.

The House recedes.

TITLE XIV—SERVICES ACQUISITION REFORM

LEGISLATIVE PROVISIONS ADOPTED

Short title (sec. 1401)

The House bill contained a provision (sec. 1401) that would provide that this title may be cited as the Services Acquisition Reform Act of 2003.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle A—Acquisition Workforce and Training

Definition of acquisition (sec. 1411)

The House bill contained a provision (sec. 1411) that would amend section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) by defining the term acquisition. The new definition would encompass the entire spectrum of acquisition, starting with the development of an agency's requirements through management and measurement of contract performance.

The Senate amendment contained no similar provision.

The Senate recedes.

Acquisition workforce training fund (sec. 1412)

The House bill contained a provision (sec. 1412) that would amend section 37 of the Office of Federal Procurement Policy Act (41 U.S.C. 403) to establish within the General Services Administration an acquisition workforce-training fund to be managed by the Federal Acquisition Institute (FAI). The fund would be financed by depositing 5 percent of the fees collected by various executive agencies under their government-wide contracts. This approach would provide the funding for FAI to develop training resources needed to support new acquisition initiatives. The fund would only be used for acquisition workforce training across civilian government agencies. This provision would not apply to the Department of Defense (DOD).

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would exempt the DOD from making contributions to the workforce training fund and would include a five year sunset provision.

Acquisition workforce recruitment program (sec. 1413)

The House bill contained a provision (sec. 1413) that would authorize the head of an agency to determine if, for purposes of sections 3304, 5333, and 5753 of title 5, United States Code, certain federal acquisition positions are in a shortage category for purposes of recruiting and directly hiring persons with high qualifications.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment that would require the Office of Personnel Management (OPM), in consultation with the Office of Federal Procurement Policy, to report to the congressional defense committees on the extent to which the authority has been used and whether such use has been consistent with regulations issued by OPM.

Architectural and engineering acquisition workforce (sec. 1414)

The House bill contained a provision (sec. 1414) that would require 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, to develop and implement a plan to ensure that the Federal Government maintains the necessary capability to contract effectively for the performance of architectural and engineering services.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle B—Adaptation of Business Acquisition Practices

Chief Acquisition Officers (sec. 1421)

The House bill contained a provision (sec. 1421) that would amend section 16 of the Office of Federal Procurement Policy Act (41 U.S.C. Sec. 414) to provide for the appointment of a non-career employee as the chief acquisition officer for each executive agency other than the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the number of agencies required to have Chief Acquisition Officers and to retain the requirement for all agencies to have senior procurement executives.

Chief Acquisition Officers Council (sec. 1422)

The House bill contained a provision (sec. 1422) that would establish a Chief Acquisition Officers Council to monitor and improve the federal acquisition system.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the membership of the Council.

Statutory and regulatory review (sec. 1423)

The House bill contained a provision (sec. 1423) that would require the Administrator for Federal Procurement Policy to establish an advisory panel to review acquisition laws and regulations to ensure greater use of commercial practices and performance-based contracting, as well as enhance the performance of acquisition functions across agency lines, and the use of government-wide contracts. The advisory panel would consist of at least nine experts in acquisition law and policy who represent diverse public and private sector experiences.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Extension of authority to carry out franchise fund programs (sec. 1426)

The House bill contained a provision (sec. 1426) that would amend section 403(f) of the Federal Financial Management Act of 1994 (Public Law 103–356) to reauthorize the federal government's franchise funds until October 1, 2006.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would extend the authority to carry out franchise fund programs through December 31, 2004. The conferees direct the Comptroller General to review the Department of Defense use of franchise fund programs and to report to the congressional defense committees on the results of this review no later than six months after the date of enactment of this Act.

Improvements in contracting for architectural and engineering services (sec. 1427)

The House bill contained a provision (sec. 1428) that would amend section 2855(b) of title 10, United States Code, to raise from $85,000 to $300,000 the threshold for a participation incentive for small business concerns in acquisitions for architectural and engineering services. This provision would also require that architectural and engineering services offered under multiple-award schedule contracts awarded by the General Services Administration or under government-wide task and delivery order contracts be performed under the supervision of a licensed professional engineer and be awarded pursuant to the quality-based selection procedures in chapter 11 of title 40, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Authorization of telecommuting for Federal contractors (sec. 1428)

The House bill contained a provision (sec. 1429) that would require the federal acquisition regulations to provide that solicitations for federal contracts should not contain any requirement or evaluation criteria that would render an offeror ineligible or would reduce the scoring of the offeror's proposal based upon the offeror's inclusion of a plan to allow its employees to telecommute, unless the contracting officer determines in writing that the needs of the agency could not be met if telecommuting is permitted. This provision would also require the Comptroller General to report to the Congress on the implementation.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment. The provision would also eliminate the requirement for a report by the Comptroller General.

Subtitle C—Acquisition of Commercial Items

Additional incentive for use of performance-based contracting for services (sec. 1431)

The House bill contained a provision (sec. 1441) that would amend the Office of Federal Procurement Policy Act (41 U.S.C. 403) to create an additional incentive for the use of performance-based services contracts by authorizing a performance-based contract or a performance-based task order for services to be treated as a contract for the procurement of a commercial item if each task is defined in measurable, mission related terms with specific products or outputs, and the contractor provides similar services to the general public. This provision would also require the Administrator for Federal Procurement Policy to establish a center of excellence for

service contracting to assist the acquisition community in identifying best practices in service contracting.

The Senate amendment contained a provision (section 811) that would extend the authority in section 821(b) of the Floyd Spence National Defense Authorization Act for fiscal year 2001 to treat Department of Defense performance based services contracts as contracts for the procurement of commercial items and raise the ceiling on such contracts to $10.0 million.

The Senate recedes with an amendment that would make the new government-wide contract authority consistent with existing authority applicable to the DOD, extend the authority for ten years, and raise the ceiling to $25.0 million.

Authorization of additional commercial contract types (sec. 1432)

The House bill contained a provision (sec. 1442) that would amend section 8002(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355) to provide that the federal acquisition regulations include authority for time and material contracts or labor hour contracts to be used for the acquisition of a commercial service commonly sold to the general public through such contracts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would place additional safeguards and limitations on the use of time-and-materials and labor-hour contracts for the procurement of commercial services.

The conferees note that section 821 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398) establishes a statutory preference for performance-based contracts and performance-based task orders that contain firm fixed prices for the specific tasks to be performed. The provision recommended by the conferees does not change that preference. The provision would make a time-and-materials contract or a labor-hours contract an available option only if the contracting officer executes a determination and finding that no other contract type is suitable. A performance-based contract or task order that contains firm fixed prices for the specific tasks to be performed remains the preferred option for the acquisition of either commercial or non-commercial items.

The conferees direct the Comptroller General to review the use of this authority and to report to the Armed Services Committees of the Senate and the House of Representatives, the Governmental Affairs Committee of the Senate, and the Government Reform and Oversight Committee of the House of Representatives not later than one year after the date of enactment of this Act. The Comptroller General's report should address, at a minimum: the extent to which the authority provided in this provision has been used; the types of contracts for which the authority has been used; and the degree to which such use has been in compliance with the safeguards included in this section (including the requirement that time-and-materials contracts be used only where no other contract type is suitable).

Clarification of commercial services definition (sec. 1433)

The House bill contained a provision (sec. 1443) that would amend section 4 of the Office of Federal Procurement Policy (OFPP) Act [41 U.S.C. 403(12)] by modifying the criteria applied to a commercial service purchased under the procedures for the purchase of a commercial item.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the definition of commercial services to conform the language to terms used in section 41 of the OFPP Act as added by section 1431 of this bill.

Subtitle D—Other Matters

Authority to enter into certain transactions for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack (sec. 1441)

The House bill contained a provision (sec. 1451) that would amend title III of the Federal Property and Administrative Services Act of 1949 (Public Law 81–152) to provide the Director of the Office of Management and Budget authority to grant to the head of selected executive agencies the authority to enter into transactions (other than contracts, cooperative agreements, and grants) and to carry out prototype projects in accordance with the requirements and conditions for such projects, as provided under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would conform the authority provided to civilian agencies with the existing authority under section 845 and would clarify that the Director of the Office of Management and Budget must authorize the use of this authority by civilian agencies on a case-by-case basis.

Public disclosure of noncompetitive contracting for the reconstruction of infrastructure in Iraq (sec. 1442)

The House bill contained a provision (sec. 1455) that would require agencies to report on the justification for awarding a contract for the reconstruction of infrastructure in Iraq without full and open competition.

The Senate amendment contained a similar provision (sec. 1209).

The Senate recedes with an amendment that would limit the reporting requirement to contracts entered into on or before September 30, 2005.

Special emergency procurement authority (sec. 1443)

The House bill contained a provision (sec. 1456) that would amend the federal emergency procurement authorities in section 852 of the Homeland Security Act of 2002 (Public Law 107–296) by repealing the sunset for authorities applicable for defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack and to adjust thresholds amounts.

The Senate amendment contained a provision (sec. 801) that would extend by two years temporary emergency procurement authority under section 852 to assist the Department of Defense (DOD) in facilitating the defense against terrorist biological or chemical attack.

The Senate recedes with an amendment that would modify the Office of Federal Procurement Policy Act (Public Law 93–400) by providing special emergency procurement authority to the DOD and civilian agencies. The provision would authorize the use of the new authority: (1) to support a contingency operation; or (2) to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack on the United States. The simplified acquisition threshold, the micropurchase threshold, and the threshold for use of simplified acquisition procedures would be increased for all procurements covered by this provision. In addition, the head of an executive agency would be authorized to deem items or services purchased to facilitate the defense against or recovery from nuclear, biological, chemical, or radiological attack on the United States as commercial items (subject to certain limitations). Finally, the provision would extend certain authorities provided in the Clinger-Cohen Act (division D of Public Law 104–106).

LEGISLATIVE PROVISIONS NOT ADOPTED

Executive agency defined

The House bill contained a provision (sec. 1402) that would use the term executive agency, as defined in section 4 of the Office of Federal Procurement of Policy Act (41 U.S.C. 403).

The Senate amendment contained no similar provision.

The House recedes.

Agency acquisition protests

The House bill contained a provision (sec. 1427) that would amend Chapter 137 of title 10, United States Code, and the Federal Property and Administrative Services Act of 1949 (Public Law 81–152) to provide statutory authority for an agency-level acquisition protest process.

The Senate amendment contained no similar provision.

The House recedes.

Incentives for contract efficiency

The House bill contained a provision (sec. 1431) that would amend the Office of Federal Procurement Policy Act (Public Law 93–400) by authorizing agencies to include options in service contracts that extend the contract by one or more performance periods based on exceptional performance, as measured by standards set forth in the contract.

The Senate amendment contained no similar provision.

The House recedes.

Designation of commercial business entities

The House bill contained a provision (sec. 1444) that would amend section 4 of the Office of Federal Procurement Policy Act (Public Law 93–400) to authorize federal agencies to treat the pur-

chase of products or services provided by a commercial entity as a procurement of a commercial item.

The Senate amendment contained no similar provision.

The House recedes.

Authority to make inflation adjustments to simplified acquisition threshold

The House bill contained a provision (sec. 1452) that would authorize the Administrator for Federal Procurement Policy to adjust the simplified acquisition threshold, as defined in section 4(11) of the Office of Federal Procurement Policy Act (Public Law 93–400), every five years to an amount equal to $100,000 in constant fiscal year 2003 dollars.

The Senate amendment contained no similar provision.

The House recedes.

Applicability of certain provisions to sole source contracts for goods and services treated as commercial items

The House bill contained a provision (sec. 1454) that would limit certain commercial item authority.

The Senate amendment contained no similar provision.

The House recedes.

Prohibition on use of quotas

The House bill contained a provision (sec. 1453) that would prohibit the Office of Management and Budget from establishing, applying, or enforcing quotes on federal agencies with respect to the number of employees that should be part of a public-private competition.

The Senate amendment contained no similar provision.

The House recedes.

TITLE XV—AUTHORIZATION OF APPROPRIATIONS FOR THE WAR ON TERRORISM

Veterans' Disability Benefits Commission (sec. 1501–1507)

The conferees agree to include a provision that would establish a Veterans' Disability Benefits Commission composed of 13 members that would carry out a study of the benefits provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service. The Commission would be required, not later than 15 months after the date on which it first meets, to submit to the President and the Congress a report on the study, including recommendations for revising the benefits provided by the United States to veterans and their survivors for disability and death attributable to military service.

Higher education relief opportunities for students

The House bill contained provisions (secs. 1501–1506) that would amend the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.). These provisions would authorize the Secretary of Education to waive or modify any statutory or regulatory provision applicable to certain student financial assistance programs with respect to individuals who are serving on active duty during a war or other

military operation or national emergency. Additionally, a provision would express the sense of Congress that all institutions offering post-secondary education should provide a full refund of tuition and related fees to students who are unable to receive academic credit due to their active military service.

The Senate amendment contained no similar provision.

The House recedes.

The Higher Education Relief Opportunities for Students Act of 2003 (Public Law 108–76) was enacted on August 18, 2003.

LEGISLATIVE PROVISIONS ADOPTED

LEGISLATIVE PROVISIONS NOT ADOPTED

TITLE XVI—DEFENSE BIOMEDICAL COUNTERMEASURES

Research and development of defense biomedical countermeasures (sec. 1601)

The House bill contained a provision (sec. 1031) that would require the Secretary of Defense to establish and carry out a program to accelerate the research and development of biomedical countermeasures, including therapeutics and vaccines, for protecting members of the Armed Forces from attack by chemical, biological, radiological, or nuclear (CBRN) agents.

The Senate amendment contained no similar provision.

The conferees agree to an amendment that would require the Secretary of Defense to establish a program to accelerate research and development of biological countermeasures to CBRN threats. The amended provision would encourage interagency cooperation and provide incentives for the program through the use of increased thresholds for expedited acquisition authority and streamlined authority for hiring professional and technical employees, both of which are established elsewhere in the bill.

Procurement of defense biomedical countermeasures (sec. 1602)

The House bill contained a provision (sec. 1032) that would require the Secretary of Defense, in consultation with the Secretaries of Health and Human Services and of Homeland Security, to assess emerging threats of the use of CBRN agents, identify those agents for which biomedical countermeasures are needed to protect the health of members of the Armed Forces, and procure qualified biomedical countermeasures for the DOD stockpile.

The Senate amendment contained no similar provision.

The conferees agree to an amendment that would authorize the Secretary of Defense to enter into an interagency agreement with the Secretaries of Homeland Security and Health and Human Services to provide for acquisition by the Secretary of Defense for use by the Armed Forces of biomedical countermeasures procured for the Strategic National Stockpile by the Secretary of Health and Human Services. The amendment authorizes the Secretary of Defense to transfer those funds to the Secretary of Health and Human Services that are necessary to carry out such agreements and the Secretary of Health and Human Services to expend any such transferred funds to procure such counter-measures for use by the Armed Forces, or to replenish the stockpile.

Authorization for medical products for use in emergencies (sec. 1603)

The House bill contained a provision (sec. 1033) that would define the conditions under which the Secretary of Defense could declare a state of emergency that would authorize use on members of the Armed Forces of a drug or device intended for use in an actual or potential emergency.

The Senate recedes with an amendment that would permit the Secretary of Health and Human Services to authorize emergency use by the general public of certain drugs, devices, or biological products based on a determination by the Secretary of Defense that there is a military emergency involving a heightened risk to United States military forces of attack with specified biological, chemical, radiological, or nuclear agents. The amendment would authorize the President to waive the right of service members to refuse administration of a product if the President determines, in writing, that affording service members the right to refuse the product is not feasible, is contrary to the best interests of the members affected, or is not in the interests of national security. If the President makes this determination, the amendment would authorize the Secretary of Defense, in consultation with the Secretary of Health and Human Services, to make a determination that it is not feasible based on time limitations to advise military personnel in advance of the significant known benefits and risks of use of the product.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Overview

The administration originally requested authorization of appropriations in fiscal year 2004 for military construction and housing programs totaling $8,965.2 million. The administration's amended budget for authorization of appropriations totaled $9,144.1 million, which included the use of rescinded authorization totaling $153.4 million from the termination of fiscal year 2003 military construction projects.

The House bill would authorize appropriations totaling $9,789.5 million for military construction and family housing, which included the use of $261.2 million from fiscal year 2003 project authorization recisions.

The Senate amendment would authorize appropriations totaling $9,458.6 million for military construction and family housing, which included the use of $153.4 million from fiscal year 2003 project authorization recisions.

The conferees recommend authorization of appropriation of $9,685.7 million for the military construction and family housing accounts of the Department of Defense for fiscal year 2004, which includes the use of $496.2 million from multiple prior year project authorization recisions. With the prior year recisions, the conference agreement is consistent with a budget authority level of $9,189.4 million for military construction and family housing.

The conferees agreed to transfer $119.8 million in authorization requested by the administration in the Chemical Agents and

Munitions Destruction program Defense-wide account to the Military Construction, Defense-wide account.

The following tables provide the project-level authorizations for the military construction funding authorized in Division B of this Act and summarize that funding by account. The tables also note as Budget Amend the projects contained in the fiscal year 2004 amended budget request submitted by the administration on May 1, 2003 to realign certain military construction and family housing projects.

NATIONAL DEFENSE AUTHORIZATIONS FOR FISCAL YEAR 2004

(Dollars in Thousands)

	Authorization Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Military Construction					
Military Construction, Army	1,678,210	1,604,480	1,360,710	(229,971)	1,448,239
Military Construction, Navy	1,147,537	1,251,946	1,182,568	90,921	1,238,458
Military Construction, Air Force	830,671	986,076	1,035,538	237,080	1,067,751
Military Construction, Defense-Wide*	655,381	802,549	733,905	46,490	701,871
NATO Security Investment Program	169,300	169,300	169,300	0	169,300
BRAC IV	370,427	370,427	370,427	0	370,427
Military Construction, Army National Guard	168,298	253,788	276,779	143,294	311,592
Military Construction, Air National Guard	60,430	123,408	208,530	162,478	222,908
Military Construction, Army Reserve	68,478	89,840	74,478	19,973	88,451
Military Construction, Naval and Marine Corps Reserve	28,032	45,762	34,132	17,466	45,498
Military Construction, Air Force Reserve	44,312	61,143	53,912	17,720	62,032
Total Military Construction	**5,221,076**	**5,758,719**	**5,500,279**	**505,451**	**5,726,527**
Family Housing					
Family Housing Construction, Army	409,191	409,191	409,191	(25,600)	383,591
Family Housing Support, Army	1,043,026	1,043,026	1,031,853	(10,000)	1,033,026
Family Housing Construction, Navy	184,193	184,193	184,193	0	184,193
Family Housing Support, Navy	852,778	852,778	813,158	(17,700)	835,078
Family Housing Construction, Air Force	657,065	657,065	657,065	0	657,065
Family Housing Support, Air Force	834,468	834,468	812,770	(18,394)	816,074
Family Housing Construction, Defense-Wide	350	350	350	0	350
Family Housing Support, Defense-Wide	49,440	49,440	49,440	0	49,440
Family Housing Improvement Fund	300	300	300	0	300
Total Family Housing	**4,030,811**	**4,030,811**	**3,958,320**	**(71,694)**	**3,959,117**
Total Military Construction and Family Housing	**9,251,887**	**9,789,530**	**9,458,599**	**433,757**	**9,685,644**
Rescissions	(261,206)	(261,206)	(153,373)	(235,038)	(496,244)
Total Authorization of Appropriations	**8,990,681**	**9,528,324**	**9,305,226**	**198,719**	**9,189,400**

*ChemDemil projects are included in MilCon, Defense-Wide.

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Alabama	Army	Redstone Arsenal	Vibration Dynamic Test Facility	5,500	5,500	5,500		5,500
Alabama	Air Force	Maxwell AFB	Integrated Operations Support Facility		12,600	-	12,600	12,600
Alabama	Air Force	Maxwell AFB	SOC Dormitory, Phase 3	13,400	13,400	13,400		13,400
Alabama	Defense Wide	Redstone Arsenal	Defense Agency, Phase 3		-	-	20,000	20,000
Alabama	Army National Guard	ARNGRC Fort Payne	Readiness Center, Add/Alter (ADRS)	3,648	-	3,648	(3,648)	-
Alabama	Army National Guard	ARNGRC Mobile	Armed Forces Reserve Center (ADRS), Phase 2	2,943	2,943	2,943		2,943
Alabama	Army National Guard	ARNGRC Springville	Readiness Center, Add/Alter (ADRS)	3,365	-	3,365	(3,365)	-
Alabama	Army National Guard	ARNGRC Vincent	Readiness Center, Add/Alter (ADRS)	3,353	3,353	3,353		3,353
Alabama	Army National Guard	Ft McClellan	Fire Station (ADRS)	1,873	1,873	1,873		1,873
Alabama	Army National Guard	Haleyville	Joint Armed Forces Reserve Center Phase 1		13,849	-		-
Alabama	Air National Guard	Dannelly Field	Composite Operations and Training Facility		-	11,400		-
Alabama	Army Reserve	Birmingham	Land Acquisition for Reserve Center		-	2,900		-
Alaska	Army	Ft Richardson	Barracks		-	8,200		-
Alaska	Army	Ft Richardson	Barracks Complex - D Street, Phase 3	33,000	33,000	33,000		33,000
Alaska	Army	Ft Richardson	Vehicle Maintenance Shop		-	2,500	2,500	2,500
Alaska	Army	Ft Wainwright	Pallet Processing Facility	16,500	16,500	16,500		16,500
Alaska	Army	Ft Wainwright	Military Operations on Urban Terrain	11,200	11,200	11,200		11,200
Alaska	Army	Ft Wainwright	Multi-Purpose Training Range Complex	47,000	47,000	47,000		47,000
Alaska	Army	Ft Wainwright	Ammunition Supply Point Upgrade	10,600	10,600	10,600		10,600
Alaska	Army	Ft Wainwright	Barracks - Luzon Avenue	21,500	21,500	21,500		21,500
Alaska	Army	Ft Wainwright	Alert Holding Area Facility	32,000	32,000	32,000		32,000
Alaska	Air Force	Eielson AFB	Repair/Expand Enroute Ramp	19,060	19,060	19,060		19,060
Alaska	Air Force	Eielson AFB	Dormitory--96 RM	13,914	13,914	13,914		13,914
Alaska	Air Force	Eielson AFB	Joint Security Forces Complex		-	15,800	15,800	15,800
Alaska	Air Force	Elmendorf AFB	Maintenance Facility	2,000	2,000	2,000		2,000
Alaska	Defense Logistics Agency	Eielson AFB	Replace Hydrant Fuel System	17,000	17,000	17,000		17,000
Alaska	Tri-Care Management Activity	Ft Wainwright	Hospital Replacement, Phase 5 [1]		-	-		-
Alaska	Army National Guard	Juneau	Organizational Maintenance Shop		-	3,100	3,100	3,100
Arizona	Navy	MCAS Yuma	Station Ordnance Area	7,980	7,980	7,980		7,980
Arizona	Navy	MCAS Yuma	Aircraft Maintenance Hangar	14,250	14,250	14,250		14,250
Arizona	Air Force	Davis-Monthan AFB	CSAR Msn Ready Support Parts	1,906	1,906	1,906		1,906
Arizona	Air Force	Davis-Monthan AFB	CSAR C-130 Apron/Shoulder	1,954	1,954	1,954		1,954
Arizona	Air Force	Davis-Monthan AFB	CSAR HH-60 Sq Ops/AMU	6,004	6,004	6,004		6,004
Arizona	Air Force	Luke AFB	Modification to FY 2003 Land Acquisition		-	14,300	14,300	14,300
Arizona	Air National Guard	Tucson IAP	Composite Support Complex		5,900	-	5,900	5,900
Arkansas	Air Force	Little Rock AFB	C-130J Add/Alter Hangar 280	1,144	1,144	1,144		1,144
Arkansas	Air Force	Little Rock AFB	C-130 Operations Training Facility	2,478	2,478	2,478		2,478
Arkansas	Air Force	Little Rock AFB	Child Development Center		3,750	3,750		-
Arkansas	Army National Guard	Warren	Readiness Center		-	3,610	3,610	3,610

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
California	Army	Ft Irwin	MOUT Phase 1		3,350	-		-
California	Navy	Palms	Bachelor Enlisted Quarters	26,100	26,100	26,100		26,100
California	Navy	Palms	Enlisted Dining Facility		13,700	-	13,700	13,700
California	Navy	Palms	Explosive Ordnance Operations	2,290	2,290	2,290		2,290
California	Navy	MCAS Miramar	Aircraft Fire/Rescue Station	4,740	4,740	4,740		4,740
California	Navy	MCAS Miramar	Ground Combat Training Range		2,900	-	2,900	2,900
California	Navy	MCB Camp Pendleton	BEQ	22,930	22,930	22,930		22,930
California	Navy	MCB Camp Pendleton	Tertiary Sewage Treatment, Increment 1	24,960	24,960	24,960		24,960
California	*Navy*	*NAF El Centro*	*Rescission, Transient Quarters-Bid Savings (FY 2002)*				*[-2100]*	*[-2100]*
California	Navy	NAF San Clemente Island	Operational Access - Shoba	18,940	18,940	18,940		18,940
California	Navy	NAS Lemoore	Operational Trainer	9,900	9,900	9,900		9,900
California	Navy	NAS Lemoore	Maintenance Hangar-O/H Space	24,610	24,610	24,610		24,610
California	Navy	NAS North Island	Taxiway/Tower	13,650	13,650	13,650		13,650
California	Navy	NAS North Island	Squadron Operations Facility	35,590	35,590	35,590		35,590
California	Navy	NAVPGSCOL Monterey	Bachelor Officer Quarters Replacement	35,550	35,550	35,550		35,550
California	Navy	NAVPGSCOL Monterey	Education Facility Replacement Phase 2		7,010	-	7,010	7,010
California	Navy	NAWC China Lake	Airfield Pavement Upgrade	12,890	-	12,890	(12,890)	-
California	Navy	NAWC China Lake	Propellants and Explosives Lab Ph 3		12,230	-	12,230	12,230
California	Navy	Nicholas Island)	Transient Quarters (SNI)	6,150	6,150	6,150		6,150
California	Navy	NS San Diego	BEQ Homeport Ashore	42,710	42,710	42,710		42,710
California	Navy	Pt Mugu NB	Aircraft Test Stand		-	3,000		-
California	Air Force	Beale AFB	Global Hawk Dorm--96 RM	13,342	13,342	13,342		13,342
California	Air Force	Beale AFB	Global Hawk Upgrade Docks	8,958	8,958	8,958		8,958
California	Air Force	Edwards AFB	Add/Renovate JSF Complex, Phase 1	19,060	19,060	19,060		19,060
California	Air Force	Edwards AFB	Base Operations Facility		7,300	-	7,300	7,300
California	Air Force	Los Angeles AFB	Area B Main Gate Complex		-	5,000	5,000	5,000
California	Air Force (Budget Amend)	Vandenberg AFB	Consolidated Fitness Center	16,500	16,500	16,500	(16,500)	-
California	Special Operations Command	NAB Coronado	Small Arms Range		2,800	-	2,800	2,800
California	Army National Guard	Bakersfield	Readiness Center (ADRS)	5,495	5,495	5,495		5,495
California	Army National Guard	Los Alamitos	Replace Utilities Infrastructure, Phase I		-	21,000	21,000	21,000
California	Navy Reserve	NARC San Diego	C-40 Hangar	15,973	15,973	15,973		15,973
Colorado	Army	Ft Carson	Vehicle Marshalling Area		2,150	-	2,150	2,150
Colorado	Air Force	Buckley AFB	Upgrade Base Infrastructure, Phase 3	6,957	6,957	6,957		6,957
Colorado	Air Force	Peterson AFB	Add/Alter Mission Support Facility		-	10,200	10,200	10,200
Colorado	Tri-Care Management Activity	Air Force Academy	Hospital Addition/Alteration	21,500	21,500	21,500		21,500
Colorado	ChemDemil	Pueblo Depot Activity	Ammunition Demilitarization Facility Ph 5		88,388	88,388	88,388	88,388
Colorado	Air Force Reserve	Peterson AFB	Consolidated Aerial Port/Airlift Control Flight Facility		7,700	-	7,700	7,700
Colorado	Air National Guard	Buckley ANG Base	Buckley-Civil Engineer Complex	6,900	6,900	6,900		6,900
Colorado	Army National Guard	Ft Carson	Centennial Training Site, Phase II, III (Design)		-	4,500		-

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Connecticut	Navy	NSB New London	Tomahawk Missile Magazine		3,120	3,000	3,120	3,120
Connecticut	Tri-Care Management Activity	NSB New London	Dental Clinic Replacement	6,400	6,400	6,400		6,400
Connecticut	Army National Guard	Newtown Mil. Res.	Working Animal Building (ADRS)	2,167	2,167	2,167		2,167
Connecticut	Army National Guard	Stones Ranch Mil. Res.	Fire Station (ADRS)	2,422	2,422	2,422		2,422
Delaware	Air Force	Dover AFB	Air Traffic Control Tower		-	8,500		-
Columbia	Navy	Marine Corps Bks	Motor Transport Facility Addition	1,550	1,550	1,550		1,550
Columbia	Air Force	Bolling AFB	Air Force Central Adjudication Facility	9,300	9,300	9,300	(9,300)	-
Columbia	Tri-Care Management Activity	NS Anacostia	Medical/Dental Clinic Conversion/Renovation	15,714	15,714	15,714		15,714
Columbia	Tri-Care Management Activity	Walter Reed MC	Hospital Energy Plant Add/Alter	9,000	9,000	9,000		9,000
Florida	Navy	Blount Island	Land Acquisition	115,711	115,711	115,711		115,711
Florida	Navy	NAS Jacksonville	Aircraft Parking Apron Phase 1		6,000	-	6,000	6,000
Florida	Navy	NAS Jacksonville	Airfield Perimeter Security Enhancement	3,190	3,190	3,190		3,190
Florida	Navy	NAS Whiting Fld	Clear Zone Acquisition (OLF Barin)	4,830	4,830	4,830		4,830
Florida	Navy	NSWC Panama City	Littoral Warfare Research Complex	9,550	9,550	9,550		9,550
Florida	Air Force (Budget Amend)	Hurlburt Fld	AFC2TIG System/Warrior School Complex	19,400	19,400	19,400		19,400
Florida	Air Force	Hurlburt Fld	Special Tactics Advanced Skills Training	7,800	7,800	7,800		7,800
Florida	Air Force	Patrick AFB	Security Forces Operations Facility		-	8,800		-
Florida	Air Force	Tyndall AFB	1st Air Force Air Operations Center Phase 1		14,400	-	9,500	9,500
Florida	Air Force	Tyndall AFB	F-22 Parking Apron/Runway Extension	6,195	6,195	6,195		6,195
Florida	Defense Logistics Agency	Eglin AFB	Replace Jet Fuel Storage Complex	4,800	4,800	4,800		4,800
Florida	Defense Logistics Agency	Hurlburt Fld	Replace Fuel Pier	3,500	3,500	3,500		3,500
Florida	Special Operations Command	Hurlburt Fld	SOF Squadron Ops/AMU AC-130	6,000	6,000	6,000		6,000
Florida	Special Ops Cmd (Budget Amend)	MacDill AFB	SOF Add/Alter Building 501A	25,500	25,500	25,500		25,500
Florida	Army National Guard	Camp Blanding	Combined Support Maintenance Shop		16,470	-	16,470	16,470
Georgia	Army	Ft Benning	Fire Station, Two Company		2,850	-	2,850	2,850
Georgia	Army	Ft Benning	Infantry Squad Battle Course		1,650	-	1,650	1,650
Georgia	Army	Ft Benning	Multi-Purpose Training Range Complex	30,000	30,000	30,000		30,000
Georgia	Army	Ft Gordon	Training Support Center		-	4,350	4,350	4,350
Georgia	Army (Budget Amend)	Ft Stewart/Hunter AAF	Barracks, Ph 1	17,000	17,000	17,000		17,000
Georgia	Army (Budget Amend)	Ft Stewart/Hunter AAF	Command and Control Facility	25,050	25,050	25,050	(25,050)	-
Georgia	Army	Ft Stewart/Hunter AAF	Physical Fitness Training Center	15,500	15,500	15,500		15,500
Georgia	Army	Ft Stewart/Hunter AAF	Barracks Complex - Perimeter Road	49,000	49,000	49,000		49,000
Georgia	Navy	SWFLANT Kings Bay	Rifle Range	8,170	8,170	8,170		8,170
Georgia	Navy	SWFLANT Kings Bay	Staff Addition & HMMWV Garage	3,340	3,340	3,340		3,340
Georgia	Air Force	Moody AFB	C-130 Maintenance Hangar		-	7,600		-
Georgia	Air Force	Robins AFB	Consolidated Aircraft Maintenance Shop		7,900	-	7,900	7,900
Georgia	Air Force	Robins AFB	Corrosion Control Paint Facility	25,731	25,731	25,731		25,731
Georgia	Air Force	Robins AFB	J-STARS Flight Simulator Facility	2,954	2,954	2,954		2,954
Georgia	Special Operations Command	Ft Benning	Physical Evaluation Center	2,100	2,100	2,100	(2,100)	-

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Georgia	Army Reserve	Ft Gillem	OMS/DS/Parts Warehouse/Storage	7,620	7,620	7,620		7,620
Georgia	Air Force Reserve	Dobbins ARB	North Side Overpass		4,200	-	4,200	4,200
Hawaii	Army	Helemano Mil. Res.	Land Easement	1,400	1,400	1,400		1,400
Hawaii	Army	Pohakuloa Training Area	Saddle Road Access, Phase 3		-	17,000	17,000	17,000
Hawaii	Army	Schofield Barracks	Barracks Complex - Quad E	49,000	49,000	49,000		49,000
Hawaii	Army	Schofield Barracks	Land Acquisition	19,400	19,400	19,400		19,400
Hawaii	Army	Schofield Barracks	Information Systems Facility	18,000	18,000	18,000		18,000
Hawaii	Army	Schofield Barracks	Barracks Complex - Capron Road, Phase 2	49,000	49,000	49,000		49,000
Hawaii	Army	Schofield Barracks	Mission Support Training Facility	33,000	33,000	33,000		33,000
Hawaii	Army	Schofield Barracks	Qualification Training Range (1)		8,700	-	8,700	8,700
Hawaii	Navy	FISC Pearl Harbor	Waterfront Improvements	32,180	32,180	32,180		32,180
Hawaii	Navy	NAVMAG Lualualei	Ordnance Holding Areas	6,320	6,320	6,320		6,320
Hawaii	Navy	NSY Pearl Harbor	Perimeter/Security Lighting	7,010	7,010	7,010		7,010
Hawaii	Air Force	Hickam AFB	C-17 Consolidated Maintenance Complex	7,529	7,529	7,529		7,529
Hawaii	Air Force	Hickam AFB	C-17 Squadron Operations	10,674	10,674	10,674		10,674
Hawaii	Air Force	Hickam AFB	C-17 Kuntz Gate & Road	3,050	3,050	3,050		3,050
Hawaii	Air Force	Hickam AFB	C-17 Flight Simulator	5,623	5,623	5,623		5,623
Hawaii	Air Force	Hickam AFB	C-17 Corrosion Control/ Maintenance Facility	30,400	30,400	30,400		30,400
Hawaii	Air Force	Hickam AFB	C-17 Support Utilities, Phase 1	4,098	4,098	4,098		4,098
Hawaii	Air Force	Hickam AFB	Electrical Distribution System, Phase I		-	6,800	6,800	6,800
Hawaii	Air Force	Hickam AFB	Expand Strategic Airlift Ramp	10,102	10,102	10,102		10,102
Hawaii	Defense Logistics Agency	Hickam AFB	Replace Hydrant Fuel System	14,100	14,100	14,100		14,100
Idaho	Air Force	Mountain Home AFB	726th Squadron Air Control Complex		-	9,800	9,800	9,800
Idaho	Air Force	Mountain Home AFB	Add/Alter Fitness Center	5,337	5,337	5,337		5,337
Illinois	Navy	NTC Great Lakes	Battle Station Training Facility, Increment 1	13,200	13,200	13,200		13,200
Illinois	Navy	NTC Great Lakes	Recruit Barracks	34,130	34,130	34,130		34,130
Illinois	Navy	NTC Great Lakes	Recruit Barracks	31,600	31,600	31,600		31,600
Illinois	Air Force	Scott AFB	Shiloh Gate (AT/FP)	1,900	1,900	1,900		1,900
Illinois	Army National Guard	Galesburg	Readiness Center		3,750	3,750	3,750	3,750
Indiana	Navy	NSWC Crane	Joint Ordnance Engineering & Logistics Facility		11,400	-	11,400	11,400
Indiana	ChemDemil	Newport AAP	Ammunition Demilitarization Facility Ph 6		15,207	15,207	15,207	15,207
Indiana	Army National Guard	ARNGRC Gary	Limited Aviation Support Facility		-	15,581	15,581	15,581
Indiana	Army National Guard	ARNGRC Gary	Readiness Center, Add/Alter (ADRS)	1,417	1,417	1,417		1,417
Indiana	Army National Guard	Camp Atterbury	Readiness Center, Add/Alter (ADRS)	2,849	2,849	2,849		2,849
Indiana	Army National Guard	Elkhart	Readiness Center, Add/Alter (ADRS)	1,770	1,770	1,770		1,770
Indiana	Army National Guard	South Bend	Readiness Center, Add/Alter (ADRS)	1,496	1,496	1,496		1,496
Iowa	Air National Guard	Sioux Gateway APT	Sioux-KC-135 Fire Crash/Rescue Station/Security	6,091	7,409	6,091		6,091
Iowa	Air National Guard	Sioux Gateway APT	Upgrade Runway/Taxiways, Phase II		-	2,000		-
Kansas	Army (Budget Amend)	Ft Leavenworth	Lewis and Clark Instr Facility, Ph 1	28,000	28,000	28,000		28,000

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Kansas	Army	Ft Riley	Barracks Complex - Graves Street	40,000	40,000	40,000		40,000
Kansas	Army	Ft Riley	Combined Arms Collective Training Facility, Ph II		-	13,600	13,600	13,600
Kansas	Army National Guard	ARNGRC Kansas City	Readiness Center, Add/Alter (ADRS)	2,982	2,982	2,982		2,982
Kansas	Air National Guard	McConnell AFB	Air Intelligence Exploitation Facility		7,400	-	7,400	7,400
Kansas	Army Reserve	Ft Leavenworth	AR Center/OMS/Unh Storage		7,962	-	7,962	7,962
Kentucky	Army	Ft Campbell	Barracks Complex - Range Road, Phase 2	49,000	49,000	49,000		49,000
Kentucky	Army	Ft Knox	Dining Facility		-	10,000	10,000	10,000
Kentucky	Army	Ft Knox	Modified Record Fire Range	3,500	3,500	3,500		3,500
Kentucky	Army	Ft Knox	Urban Assault Course		2,050	-		-
Kentucky	ChemDemil	Blue Grass Army Depot	Ammunition Demilitarization Facility Ph 4		16,220	16,220	16,220	16,220
Kentucky	Special Operations Command	Ft Campbell	Flight Simulator	7,800	7,800	7,800		7,800
Kentucky	Army National Guard	ARNGRC Morehead [2]	Readiness Center, (ADRS)	4,997	4,997	4,997		4,997
Kentucky	Army National Guard	ARNGRC Richmond	Readiness Center, Add/Alter (ADRS)	756	756	756		756
Kentucky	Army National Guard	Greenville	Fire Station (ADRS)	2,238	2,238	2,238		2,238
Louisiana	Army	Ft Polk	Aircraft Maintenance Hangar	34,000	34,000	34,000		34,000
Louisiana	Army	Ft Polk	Arms Storage Facility	1,350	1,350	1,350		1,350
Louisiana	Army	Ft Polk	Shoot House	1,250	1,250	1,250		1,250
Louisiana	Army	Ft Polk	Mission Training Support Facility	27,000	27,000	27,000		27,000
Louisiana	Army	Ft Polk	Alert Holding Area Facility	8,400	8,400	8,400		8,400
Louisiana	Army National Guard	ARNG Pineville	Consolidated Maintenance Facility, Phase 1	18,579	18,579	18,579		18,579
Louisiana	Air National Guard	NAS/JRB New Orleans	Vehicle Maintenance Support Equipment Facility		-	6,300	6,300	6,300
Louisiana	Navy Reserve	NAS/JRB New Orleans	Armed Forces Reserve Center, Phase 4		10,800	-	4,780	4,780
Maine	Army National Guard	Bangor International Airport	Aviation Support Facility, Phase II		-	14,900	14,900	14,900
Maryland	Army	Aberdeen	Chem/Bio Sample Reception Facility		-	13,000		-
Maryland	Army	Ft Meade	Dining Facility	9,600	9,600	9,600		9,600
Maryland	Navy	NAWC Patuxent River	JSF Test Facility	24,370	24,370	24,370		24,370
Maryland	Navy	NAWC Patuxent River	Relocate Range Theodolite Tracking Station		3,900	-	3,900	3,900
Maryland	Navy	NSWC Indian Head	Water System Improvements	14,850	14,850	14,850		14,850
Maryland	National Security Agency	Ft Meade	Critical Utility Control, Phase II-B	1,842	1,842	1,842		1,842
Maryland	Army Reserve	Ft Meade	ARCenter/OMS/Warehouse, Phase 1	19,710	19,710	19,710		19,710
Maryland	Air Force Reserve	Andrews AFB	Alter Aircraft Maintenance Shop	2,900	2,900	2,900		2,900
Maryland	Air Force Reserve	Andrews AFB	Upgrade Airfield Pavements	835	835	835		835
Maryland	Air Force Reserve	Andrews AFB	Hydrant Fuel System	7,375	7,375	7,375		7,375
Massachusetts	Army	Natick	Thermal Test Facility		5,500	-	5,500	5,500
Massachusetts	Army National Guard	Camp Edwards	Readiness Center add/alt		2,185	-		-
Massachusetts	Army National Guard	Camp Edwards	Fire Station		2,418	-	2,418	2,418
Massachusetts	Air National Guard	Otis (Falmouth)	Fire Crash/Rescue Station		-	11,000	11,000	11,000
Michigan	Army National Guard	Calumet	Readiness Center		-	3,370	3,370	3,370
Michigan	Army National Guard	Jackson	Readiness Center, (ADRS)	5,591	5,591	5,591		5,591

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Michigan	Army National Guard	Shiawassee County	Readiness Center		3,508	-	3,508	3,508
Michigan	Air National Guard	Alpena	Dining Facility		-	8,500	8,500	8,500
Michigan	Air National Guard	Selfridge ANGB	Joint ANG/AFRC Medical Training		9,600	9,600	9,600	9,600
Michigan	Air National Guard	Selfridge ANGB	Pass and ID/Visitors Complex		-	4,000		-
Minnesota	Air National Guard	Duluth IAP	Aircraft Maintenance Facility Modernization		-	9,000	9,000	9,000
Minnesota	Air Force Reserve	Minneapolis-St. Paul IAP	Aeromedical Evacuation Building		3,650	-	3,650	3,650
Mississippi	Navy	NS Pascagoula	Littoral Surveillance System Facility		6,100	-		-
Mississippi	Navy	NAS Meridian	Fire & Rescue Station	4,570	4,570	4,570		4,570
Mississippi	Air Force	Columbus AFB	Air Traffic Control Tower		-	5,500	5,500	5,500
Mississippi	Air Force	Columbus AFB	T-6 Parts Warehouse		2,200	-	2,200	2,200
Mississippi	Air Force	Keesler AFB	ADAL Child Development Center		2,900	2,900	2,900	2,900
Mississippi	Army National Guard	Camp Shelby	Military Education Facility, Phase 3	7,733	7,733	7,733		7,733
Mississippi	Army National Guard	Gulfport	Organizational Maintenance Shops		-	4,650		-
Mississippi	Air National Guard	Camp Shelby	Camp Shelby-C-17 Assault Runway	7,409	6,091	7,409		7,409
Mississippi	Navy Reserve	NS Pascagoula	Littoral Surveillance System Facility		-	6,100	6,100	6,100
Mississippi	Air Force Reserve	Keesler AFB	Fuel Cell Maintenance Hangar	6,650	6,650	6,650		6,650
Missouri	Army	Ft Leonard Wood	Vehicle Operations Site, TA 244		5,900	-		-
Missouri	Air Force	Whiteman AFB	Education Center		11,600	-	11,600	11,600
Missouri	Army National Guard	Dexter [3]	Readiness Center, (ADRS)	4,947	4,947	4,947		4,947
Missouri	Air National Guard	Rosecrans Memorial Airport	Air Traffic Control Training Complex		-	8,000	8,000	8,000
Montana	Army National Guard	Billings	Organizational Maintenance Shop, Add/Alter (ADRS)	1,209	1,209	1,209		1,209
Montana	Army National Guard	Kalispell	Armed Forces Reserve Center		-	9,020	9,020	9,020
Montana	Army National Guard	Kalispell	Organizational Maintenance Shop, Add/Alter (ADRS)	706	706	706		706
Nebraska	Defense Logistics Agency	Offutt AFB	Replace Hydrant Fuel System	13,400	13,400	13,400		13,400
Nebraska	Army National Guard	ARNGRC Columbus	Readiness Center, Add/Alter (ADRS)	618	618	618		618
Nebraska	Army National Guard	ARNGRC York	Readiness Center, Add/Alter (ADRS)	758	758	758		758
Nebraska	Army National Guard	Camp Ashland	Construct Frontage Levee Segment		-	3,000	3,000	3,000
Nebraska	Army National Guard	Norfolk, NE	Fire Station, (ADRS)	1,068	1,068	1,068		1,068
Nebraska	Army National Guard	Omaha	Readiness Center, (ADRS)	5,804	5,804	5,804		5,804
Nebraska	Army Reserve	Omaha	Army Reserve Center Land Acquisition		-	3,100		-
Nevada	Navy	NAS Fallon	High Explosives Magazines		4,700	4,700		-
Nevada	Air Force	Nellis AFB	Vehicle Maintenance Complex		-	11,800	11,800	11,800
Nevada	Defense Logistics Agency	Nellis AFB	Hydrant Fuel System	12,800	12,800	12,800		12,800
Nevada	Air National Guard	Reno	Replace Communication & Security Forces Facility		-	9,000	9,000	9,000
New Hampshire	Air National Guard	Pease ANG Base	Fire Station		-	6,100	6,100	6,100
New Jersey	Army	NAES Lakehurst	Special Purpose BN Operations Facility		2,250	-	2,250	2,250
New Jersey	Army	Picatinny Arsenal	Explosives R&D Loading Facility		11,800	-	8,000	8,000
New Jersey	Navy	NAWC Lakehurst	EMALS Facility	20,681	20,681	20,681		20,681
New Jersey	Navy	NWS Earle	General Purpose/Berthing Pier Ph 1	26,740	26,740	26,740		26,740

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New Jersey	Air Force	McGuire AFB	C-17 Roads & Utilities	4,765	4,765	4,765		4,765
New Jersey	Air Force	McGuire AFB	C-17 Maintenance Training Device Facility	6,862	6,862	6,862		6,862
New Jersey	Army Reserve	Ft Dix	Officer Education School		7,000	-		-
New Jersey	Army Reserve	Ft Dix	ADD/ALT Timmerman Conference Center		3,700	-	3,700	3,700
New Jersey	Army Reserve	Ft Dix	Urban Assault Course		2,700	-	2,700	2,700
New Mexico	Air Force	Cannon AFB	Aerospace Ground Equipment Complex		-	7,700	7,700	7,700
New Mexico	Air Force	Cannon AFB	Install Approach Lights, Runway 13		-	1,300	1,300	1,300
New Mexico	Air Force	Kirtland AFB	Arsenic Treatment Plant	6,957	6,957	6,957		6,957
New Mexico	Air Force	Kirtland AFB	Electrical Power Main Switching Station		4,150	-	4,150	4,150
New Mexico	Air Force	Tularosa	Upgrade Radar Test Facility	3,600	3,600	3,600		3,600
New Mexico	Army National Guard	ARNGRC Albuquerque	Readiness Center, Add/Alter (ADRS)	2,533	2,533	2,533		2,533
New York	Army	Ft Drum	Alert Holding Area Facility		3,500	-		-
New York	Army	Ft Drum	Barracks Complex - Wheeler Sack AAF, Phase 1	49,000	49,000	49,000		49,000
New York	Army	Ft Drum	Barracks - 10200 Area	22,500	22,500	22,500		22,500
New York	Army	Ft Drum	Departure Airfield Arrival Control Group Facility		5,100	-		-
New York	Army (Budget Amend)	Ft Drum	Mountain Ramp Expansion	11,000	11,000	11,000		11,000
New York	Army	Ft Drum	Tactical Unmanned Aerial Vehicle Facility		5,200	-	5,200	5,200
New York	Army National Guard	ARNG Utica	Organizational Maintenance Shop, Add/Alter (ADRS)	3,261	3,261	3,261		3,261
New York	Army National Guard	ARNGRC Rochester	Readiness Center, Add/Alter (ADRS)	4,332	4,332	4,332		4,332
New York	Air National Guard	Hancock Field	Munitions Storage Complex		6,500	-	6,500	6,500
New York	Air National Guard	Hancock Field	Replace Mobility Processing Center		2,300	-		-
New York	Air Force Reserve	Niagara ARS	Visiting Airmen's Quarters		-	9,600		-
North Carolina	Army	Ft Bragg	Barracks Complex - Bastogne Drive, Phase 1	47,000	47,000	47,000		47,000
North Carolina	Army	Ft Bragg	Barracks Complex - Butner Road, Phase 4	38,000	38,000	38,000		38,000
North Carolina	Army	Ft Bragg	Barracks - D Area, Phase 4	17,000	17,000	17,000		17,000
North Carolina	Army	Ft Bragg	Soldier Support Center Phase 2		11,400	-	11,400	11,400
North Carolina	Navy	MCAS Cherry Point	Land Acquisition (AICUZ)		-	1,270		-
North Carolina	*Navy*	*MCAS Cherry Point*	*Rescission, T-56 Jet Engine Test Cell (FY 2003)*			-	*[-5942]*	*[-5942]*
North Carolina	Navy	MCAS New River	Water Treatment Facility	6,240	6,240	6,240		6,240
North Carolina	Navy	MCB Camp Lejeune	Consolidated Armory	10,270	10,270	10,270		10,270
North Carolina	Navy	MCB Camp Lejeune	US Joint Maritime Instruction Facility	6,300	6,300	6,300		6,300
North Carolina	Navy	MCB Camp Lejeune	Joint Maritime Ops & Training	12,880	12,880	12,880		12,880
North Carolina	Air Force	Pope AFB	C-130J 2-Bay Hanger	15,629	15,629	15,629		15,629
North Carolina	Air Force	Pope AFB	C-130J/30 Tech Training Facility	4,431	4,431	4,431		4,431
North Carolina	Air Force	Pope AFB	C-130J/30 Ramp Upgrade	1,239	1,239	1,239		1,239
North Carolina	Air Force	Pope AFB	C-130J Upgrade Hanger 6	2,716	2,716	2,716		2,716
North Carolina	Air Force	Seymour Johnson AFB	Boundary Fence	1,500	1,500	1,500		1,500
North Carolina	Air Force	Seymour Johnson AFB	Dormitories--144 RM	9,530	9,530	9,530		9,530
North Carolina	Air Force	Seymour Johnson AFB	Fire/Crash Rescue Station		11,800	11,400	11,400	11,400

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North Carolina	Defense Education Activity	MCB Camp Lejeune	Replace Existing Mainside PS	15,259	15,259	15,259		15,259
North Carolina	Special Operations Command	Ft Bragg	Training Complex (SWCS)	8,500	8,500	8,500		8,500
North Carolina	Special Operations Command	Ft Bragg	Maze & Facade	2,400	2,400	2,400		2,400
North Carolina	Special Operations Command	Ft Bragg	Battalion & Company Headquarters	4,200	4,200	4,200		4,200
North Carolina	Special Operations Command	Ft Bragg	Company Operations Facility Addition	1,500	1,500	1,500		1,500
North Carolina	Special Operations Command	Ft Bragg	Joint Operations Complex	19,700	19,700	19,700		19,700
North Carolina	Army National Guard	ARNG Morrisville	Fire Station, (ADRS)	1,306	1,306	1,306		1,306
North Carolina	Army National Guard	ARNG Salisbury	Fire Station, (ADRS)	926	926	926		926
North Carolina	Army National Guard	ARNGRC Asheville	Readiness Center, (ADRS)	6,251	6,251	6,251		6,251
North Carolina	Army National Guard	ARNGRC Lenoir	Readiness Center	5,184	5,184	5,184		5,184
North Dakota	Air Force	Minot AFB	Add/Alter Missile Maintenance Vehicle Facility	3,050	3,050	3,050		3,050
North Dakota	Air Force	Minot AFB	Fitness Center		-	9,500	9,500	9,500
North Dakota	Army National Guard	Bismarck	Aviation Spt Complex ADD/ALT (Aviation Transformation)		7,228	-	7,228	7,228
North Dakota	Army National Guard	Bismarck	Readiness Center, Add/Alter (ADRS)	1,873	1,873	1,873		1,873
Ohio	Air Force	Wright-Patterson AFB	Consolidated Fire/Crash Rescue Station		10,600	-	10,600	10,600
Ohio	Air Force	Wright-Patterson AFB	Dormitory (144 room)	10,500	10,500	10,500		10,500
Ohio	Army National Guard	Camp Sherman, Chillicothe	Readiness Center		5,558	5,560	5,560	5,560
Ohio	Air National Guard	Springfield-Beckley Airport	Replace Control Tower		8,000	-	8,000	8,000
Ohio	Army Reserve	Cleveland	AR Center/OMS/AMSA/Unh Strg/Land	21,595	21,595	21,595		21,595
Oklahoma	Army (Budget Amend)	Ft Sill	Consolidated Maint. Complex, Ph 2	13,000	13,000	13,000		13,000
Oklahoma	Army	Ft Sill	Modified Record Fire Range	3,500	3,500	3,500		3,500
Oklahoma	Army	Ft Sill	Urban Assault Course Complex		2,000	-	2,000	2,000
Oklahoma	Air Force	Altus AFB	C-17 Modify Simulator Base	1,144	1,144	1,144		1,144
Oklahoma	Air Force	Tinker AFB	Building 3001 Revitalization, Phase 1	19,060	19,060	19,060		19,060
Oklahoma	Air Force	Tinker AFB	Consolidated Integration Support Facility		-	7,500		-
Oklahoma	Air Force	Vance AFB	Consolidated Logistics Complex		-	15,000	15,000	15,000
Oregon	Air Force Reserve	Portland IAP	Alter Flightline Facilities	2,900	2,900	2,900		2,900
Oregon	Air Force Reserve	Portland IAP	Hydrant Refueling System, Phase 2	3,050	3,050	3,050		3,050
Oregon	Air Force Reserve	Portland IAP	Fire/Crash Rescue Station	4,300	4,300	4,300		4,300
Pennsylvania	Navy	Philadelphia Foundry	Upgrade Large Propeller Shop (Bldg 546)		-	10,200		-
Pennsylvania	Defense Logistics Agency	Cumberland - DDSP	Replace General Purpose Warehouse at #3 & 4	27,000	27,000	27,000		27,000
Pennsylvania	Special Operations Command	Harrisburg IAP	C-130J Spec Mission Equip Maint Fac	3,000	3,000	3,000		3,000
Pennsylvania	Army National Guard	Ft Indiantown Gap	Multipurpose Training Range		15,338	-	15,338	15,338
Rhode Island	Navy	NS Newport	Bachelor Enlisted Quarters Replacement (NAPS)	16,140	16,140	16,140		16,140
Rhode Island	Navy	NS Newport	Improve Gate 1 Security		-	2,550	2,550	2,550
Rhode Island	Navy	NUWC Newport	Underwater Weapon Systems Lab	10,890	10,890	10,890		10,890
Rhode Island	Air National Guard	Quonset State APT	Quonset-Replace Composite Aircraft Maintenance Complex	18,500	18,500	18,500		18,500
South Carolina	Navy	NWS Charleston	AT/FP South Annex Gate 4		2,350	-	2,350	2,350
South Carolina	Air Force	Charleston AFB	Dormitory--144 RM	8,863	8,863	8,863		8,863

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South Carolina	Air Force	Shaw AFB	Deployment Processing Center		8,500	8,500	8,500	8,500
South Dakota	Air Force	Ellsworth AFB	B-1 Weapons System Trainer Facility		-	9,300	9,300	9,300
Tennessee	Army National Guard	Nashville	Armed Forces Reserve Center, Ph I		-	8,100		-
Tennessee	Air National Guard	Memphis IAP	C-5 Upgrade Shops		5,000	5,000	5,000	5,000
Tennessee	Air National Guard	Nashville	Composite Aircraft Maintenance Complex, Ph II		-	11,000	11,000	11,000
Tennessee	Air National Guard	Tyson-McGhee	Fire Station/Security Forces Facility		-	6,000	6,000	6,000
Tennessee	Army Reserve	Nashville	AR Center/OMS/Unh Storage	8,955	8,955	8,955		8,955
Texas	Army	Ft Bliss	Tac Equip Shop-31st CSH		5,400	-	5,400	5,400
Texas	Army	Ft Hood	Barracks Complex - 67th St & Battalion Ave	47,000	47,000	47,000		47,000
Texas	Army	Ft Hood	Battalion Command and Control Facilities		6,900	-		-
Texas	Army (Budget Amend)	Ft Hood	Urban Assault Course	2,800	2,800	2,800		2,800
Texas	Navy	NAS Corpus Christi	Control Tower		5,400	-	5,400	5,400
Texas	Navy	NS Ingleside	Headquarters, Mine Warfare Command		-	7,070	7,070	7,070
Texas	Air Force	Goodfellow AFB	Student Dormitory--200 RM	18,107	18,107	18,107		18,107
Texas	Air Force	Goodfellow AFB	Fire Training Classroom Facility	1,863	1,863	1,863		1,863
Texas	Air Force	Lackland AFB	Child Development Center, Ph II		-	8,700		-
Texas	Air Force	Lackland AFB	Student Dormitory--200 RM	20,966	20,966	20,966		20,966
Texas	Air Force	Lackland AFB	Student Dormitory--300 RM	35,260	35,260	35,260		35,260
Texas	Air Force	Laughlin AFB	Aircraft Maintenance Shelter		5,200	-	5,200	5,200
Texas	Air Force	Laughlin AFB	Student Officers Quarters Phase 1		7,200	-	7,200	7,200
Texas	Air Force	Randolph AFB	Fitness Center		-	13,600	13,600	13,600
Texas	Air Force	Sheppard AFB	Airfield Operations Complex		9,000	-	9,000	9,000
Texas	Air Force	Sheppard AFB	Student Dormitory--300 RM	28,590	28,590	28,590		28,590
Texas	Defense Logistics Agency	Laughlin AFB	Replace Truck Fuel Loading Facility	4,688	4,688	4,688		4,688
Texas	Defense Logistics Agency	NAS Kingsville	Aboveground Storage Tank Fuel Farm		9,200	-	9,200	9,200
Texas	Tri-Care Management Activity	Ft Hood	Troop Medical Clinic #10		9,400	-	9,400	9,400
Texas	Air National Guard	Kelly Field Annex	Upgrade General Purpose Shops		4,000	-	4,000	4,000
Texas	Navy Reserve	NAS/JRB Ft Worth	Joint Reserve Police Station		2,660	-	2,660	2,660
Texas	Navy Reserve	NAS/JRB Ft Worth	Combined Passenger Terminal		3,520	-	3,520	3,520
Utah	Air Force	Hill AFB	AEF Deployment Center		-	5,900	5,900	5,900
Utah	Air Force	Hill AFB	Replace Munitions Storage Igloos	13,000	13,000	13,000		13,000
Utah	Air Force	Hill AFB	Small Diameter Bomb Storage Igloos	1,811	1,811	1,811		1,811
Utah	Air Force	Hill AFB	Munitions Maintenance Facility	1,000	1,000	1,000		1,000
Vermont	Army National Guard	ARNGRC South Burlington	Army Aviation Support Facility	23,827	23,827	23,827		23,827
Vermont	Air National Guard	Burlington	Air Mobilization Facility		-	5,400		-
Virgina	Army	Ft Belvoir	NGIC Land Acquisition		7,000	-	7,000	7,000
Virgina	Army	Ft Lee	Fire and Emergency Services Center Phase 2		3,850	-	3,850	3,850
Virgina	Army	Ft Myer	Vehicle Maintenance Facility	9,000	9,000	9,000		9,000
Virgina	Navy	Henderson Hall, Arlington	Physical Fitness Center	1,970	1,970	1,970		1,970

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Virgina	Navy	MCCDC Quantico	Network Operations Center		-	14,420	14,420	14,420
Virgina	Navy	MCCDC Quantico	WTBN Load & Test Facility	3,700	3,700	3,700		3,700
Virgina	Navy	NAS Oceana	Child Development Center		10,000	-	10,000	10,000
Virgina	Navy	NAB Little Creek	Gate 1 Improvements	3,810	3,810	3,810		3,810
Virgina	Navy	NS Norfolk	Aircraft Maintenance Hangars	36,460	36,460	36,460		36,460
Virgina	Navy	NS Norfolk	Pier 11 Replacement, Increment 1	27,610	27,610	27,610		27,610
Virgina	Navy	NSCC Dahlgren	Naval Networks Operations Center Addition	20,520	20,520	20,520		20,520
Virgina	Navy	NSCC Dahlgren	Weapons Dynamic RDT&E Center		3,500	3,500	3,500	3,500
Virgina	Navy	NSY Norfolk	BEQ Shipboard Ashore, Increment 2	46,730	46,730	46,730		46,730
Virgina	Navy	NSY Norfolk	Crane/Weight Handling Equipment Shop	17,770	17,770	17,770		17,770
Virgina	Air Force	Langley AFB	F-22 Vertical Wing Tank Storage	2,573	2,573	2,573		2,573
Virgina	Air Force	Langley AFB	F-22 Squadron Ops/AMU/Hangar	20,013	20,013	20,013		20,013
Virgina	Air Force	Langley AFB	F-22 Clear Water Rinse Pad	2,383	2,383	2,383		2,383
Virgina	Defense Logistics Agency	Langley AFB	Replace Hydrant Fuel System	13,000	13,000	13,000		13,000
Virgina	Special Operations Command	Dam Neck	SOF Small Arms Range	9,681	9,681	9,681		9,681
Virgina	Special Operations Command	Dam Neck	Mission Support Facility (CDA-N)	5,600	5,600	5,600		5,600
Virgina	Special Operations Command	Little Creek	Operations Center		-	9,000		-
Virgina	Washington Headquarters Services	WHS - VA	Pentagon Athletic Center Restoration Project	38,086	38,086	38,086		38,086
Virgina	Defense Threat Reduction Agency	Ft Belvoir	Headquarters Relocation	25,700	25,700	25,700		25,700
Virgina	Air National Guard	Camp Pendleton	Troop Training Quarters (RED HORSE)		-	2,500	2,500	2,500
Virgina	Navy Reserve	Insp Instr Stf Quantico	Reserve Training Center & Vehicle Maintenance Facility	9,497	9,497	9,497		9,497
Washington	Army	Ft Lewis	Deployment Staging Facility	2,650	2,650	2,650		2,650
Washington	Army	Ft Lewis	Barracks Complex -17th & B Street, Phase 3	48,000	48,000	48,000		48,000
Washington	Army	Ft Lewis	Shoot House	1,250	1,250	1,250		1,250
Washington	Navy	NAS Whidbey Island	Struc Aircraft/Fire Station Addition		4,350	-	4,650	4,650
Washington	Navy	NAVMAG Indian Island	Ordnance Transfer Facility	2,240	2,240	2,240		2,240
Washington	Navy	NSB Bangor	Service Pier Upgrade/Mod Building 7111	33,820	33,820	33,820		33,820
Washington	Navy	NSY Puget Sound	Ship Repair Pier #3		12,120	-	6,020	6,020
Washington	Navy	SWFPAC Bangor	Waterfront Security Force Facility	6,530	6,530	6,530		6,530
Washington	Air Force (Budget Amend)	McChord AFB	Upgrade Mission Spt Center, Ph 2	19,000	19,000	19,000		19,000
Washington	Defense Logistics Agency	McChord AFB	Bulk Fuel Storage Tanks	8,100	8,100	8,100		8,100
Washington	Air National Guard	Camp Murray	RED HORSE Medical Training Complex		-	7,500	7,500	7,500
West Virginia	Army National Guard	Eleanor	Supplemental: Equipment/Road/Force Protection		-	4,000	4,000	4,000
West Virginia	Air National Guard	Martinsburg	Air Traffic Control Tower		-	5,800	5,800	5,800
West Virginia	Air National Guard	Martinsburg	C-5 Apron, Jet Fuel Storage, Hydrant System		-	20,000	15,000	15,000
Wisconsin	Army National Guard	Ft McCoy	Battle Simulation Center		-	4,340		-
Wisconsin	Army Reserve	Ft McCoy	Battle Simulation Center		-	-	4,340	4,340
Wyoming	Air Force	FE Warren AFB	Stormwater Drainage System, Ph 1		-	10,000		-
CONUS Various	Navy	Various Locations CONUS	Outlying Landing Field Facilities, Increment 1	27,610	27,610	27,610		27,610

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Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Bahrain	Navy	NSA Bahrain	Operations Control Center	18,030	18,030	18,030		18,030
Germany	Army	ASG Bamberg	Barracks - Warner 7004	9,900	9,900	9,900		9,900
Germany	Army (Budget Amend)	ASG Bamberg	Barracks - Warner 7004	(9,900)	(9,900)	(9,900)		(9,900)
Germany	Army	ASG Bamberg	Barracks - Warner 7083	8,000	8,000	8,000		8,000
Germany	Army (Budget Amend)	ASG Bamberg	Barracks - Warner 7083	(8,000)	(8,000)	(8,000)		(8,000)
Germany	*Army (Budget Amend)*	*ASG Bamberg*	*Rescission, Child Development Center (FY 2003)*	*[-7,000]*	*[-7000]*	*[-7000]*		*[-7000]*
Germany	*Army (Budget Amend)*	*ASG Bamberg*	*Rescission, Barracks Complex - Warner (FY 2003)*	*[-10200]*	*[-10200]*	*[-10200]*		*[-10200]*
Germany	*Army (Budget Amend)*	*Coleman Barracks*	*Rescission, Upgrade Access Control Points (FY 2003)*	*[-1350]*	*[-1350]*	*[-1350]*		*[-1350]*
Germany	Army	Darmstadt	Barracks - Cambrai Fritsch 4029	7,700	7,700	7,700		7,700
Germany	Army (Budget Amend)	Darmstadt	Barracks - Cambrai Fritsch 4029	(7,700)	(7,700)	(7,700)		(7,700)
Germany	*Army (Budget Amend)*	*Darmstadt*	*Rescission, Modified Record Fire Range (FY 2003)*	*[-3500]*	*[-3500]*	*[-3500]*		*[-3500]*
Germany	Army	Grafenwoehr	Brigade Complex - Barracks & Maint/Support	30,000	30,000	-		30,000
Germany	Army	Grafenwoehr	Brigade Complex - Troop Support Facilities	46,000	46,000	-		46,000
Germany	Army	Heidelberg	Barracks - Heidelberg Hospital	17,000	17,000	-	(17,000)	-
Germany	Army	Hohenfels	Physical Fitness Training Center	13,200	13,200	-	(13,200)	-
Germany	Army	Mannheim	Barracks - Sullivan 205	4,300	4,300	4,300		4,300
Germany	Army (Budget Amend)	Mannheim	Barracks - Sullivan 205	(4,300)	(4,300)	(4,300)		(4,300)
Germany	*Army (Budget Amend)*	*Mannheim*	*Rescission, Barracks Complex - Coleman (FY 2003)*	*[-42000]*	*[-42000]*	*[-42000]*		*[-42000]*
Germany	Army	Schweinfurt	Modified Record Fire Range	7,500	7,500	7,500		7,500
Germany	Army (Budget Amend)	Schweinfurt	Modified Record Fire Range	(7,500)	(7,500)	(7,500)		(7,500)
Germany	*Army (Budget Amend)*	*Schweinfurt*	*Rescission, Central Wash Vehicle Facility (FY 2003)*	*[-2000]*	*[-2000]*	*[-2000]*		*[-2000]*
Germany	Army (Budget Amend)	Vilseck	Barracks Complex, Ph 1	12,100	12,100	-		12,100
Germany	Army	Wuerzburg	Barracks - Leighton	18,500	18,500	18,500		18,500
Germany	Army (Budget Amend)	Wuerzburg	Barracks - Leighton	(18,500)	(18,500)	(18,500)		(18,500)
Germany	Air Force (Budget Amend)	Ramstein AB	CES Midfield Complex	6,250	6,250	-	(6,250)	-
Germany	Air Force	Ramstein AB	Consolidate 1st Combat Comm Sq, Phase 2	19,713	19,713	19,713		19,713
Germany	Air Force	Ramstein AB	Fitness Center Annex	15,903	15,903	15,903		15,903
Germany	Air Force	Spangdahlem AB	Fitness Center	17,117	17,117	17,117		17,117
Germany	Air Force (Budget Amend)	Spangdahlem AB	Fitness Center	(17,117)	(17,117)	(17,117)		(17,117)
Germany	Air Force	Spangdahlem AB	Fire Station Annex & Training Facility	3,865	3,865	3,865		3,865
Germany	Air Force	Spangdahlem AB	Passenger Terminal	1,546	1,546	1,546		1,546
Germany	Air Force	Spangdahlem AB	South Gate	2,800	2,800	2,800		2,800
Germany	Air Force (Budget Amend)	Spangdahlem AB	South Gate	(2,800)	(2,800)	(2,800)		(2,800)
Germany	Special Operations Command	Stuttgart	Forward Station Complex (FSOAR)	11,400	11,400	11,400	(11,400)	-
Germany	*Defense Education (Budget Amend)*	*Spangdahlem AB*	*Rescission, Elem School Classroom Addition (FY 2003)*	*[-997]*	*[-997]*	*[-997]*		*[-997]*
Germany	Defense Education Activity	Grafenwoehr	Elementary School/Middle School	36,247	36,247	18,616	(36,247)	-
Germany	Defense Education Activity	Heidelberg	Mark Twain Elementary School New Multi-Purpose Room	3,086	3,086	3,086	(3,086)	-
Germany	Defense Education Activity	Vilseck	Elementary School Renovation/Addition	1,773	1,773	1,773	(1,773)	-

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Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Tri-Care Management Activity	Grafenwoehr	Dispensary/Dental Clinic Add/Alter	12,585	12,585	12,585	(12,585)	-
Tri-Care Management Activity	*Spangdahlem AB*	*Rescission, Hospital Replacement (FY 2003)*				*[-39629]*	*[-39629]*
Navy	*Larissa*	*Rescission, Bachelor Enlisted Quarters (FY 2002)*			-	*[-12109]*	*[-12109]*
Navy	*Larissa*	*Rescission, Bachelor Enlisted Quarters (FY 2003)*			-	*[-6592]*	*[-6592]*
Navy	COMNAVMARIANAS	Victor Warf Fender System		1,700	-	1,700	1,700
Navy	*NSA Guam*	*Rescission, BEQ-Bid Savings (FY 2002)*				*[-4200]*	*[-4200]*
Tri-Care Management Activity	Andersen AFB	Medical/Dental Clinic Replacement	24,900	24,900	24,900		24,900
Navy (Budget Amend)	*Keflavik*	*Rescission, Combined Dining Facility (FY 2003)*	*[-14679]*	*[-14679]*	*[-14679]*		*[-14679]*
Army	Aviano AB	Joint Deployment Facility	15,500	15,500	15,500		15,500
Army (Budget Amend)	Aviano AB	Joint Deployment Facility, Ph 2	13,000	13,000	-		13,000
Army	Livorno	Vehicle Maintenance Facility	22,000	22,000	22,000		22,000
Navy	NAS Sigonella	Base Operations Support 1	34,070	34,070	34,070		34,070
Navy (Budget Amend)	NAS Sigonella	Base Operations Support Facility II	14,679	14,679	-	(14,679)	-
Navy	NSA La Maddalena	Consolidated Santo Stefano Facilities	39,020	39,020	39,020		39,020
Air Force	Aviano AB	Airfield Obst-South Ramp	7,730	7,730	7,730		7,730
Air Force	Aviano AB	Munitions Admin Facility	5,301	5,301	5,301		5,301
Air Force	Aviano AB	Zulu Arm/Dearm Pad	994	994	994		994
Defense Education Activity	Sigonella	Elem School Renovation/New Construction High School	13,969	13,969	13,969		13,969
Defense Education Activity	Vicenza	Vicenza Elem School/High School Renovation/Construction	16,374	16,374	16,374		16,374
Army (Budget Amend)	*Camp Bonifas*	*Rescission, Physical Fitness Training Center (FY 2000)*				*[-4350]*	*[-4350]*
Army (Budget Amend)	*Camp Bonifas*	*Rescission, Physical Fitness Training Center (FY 2003)*	*[-4350]*	*[-4350]*	-		-
Army (Budget Amend)	*Camp Castle*	*Rescission, Physical Fitness Training Center (FY 2003)*	*[-6800]*	*[-6800]*	-		*[-6800]*
Army (Budget Amend)	Camp Casey	Barracks Complex - Engineer Drive	41,000	41,000	41,000		41,000
Army (Budget Amend)	Camp Casey	Barracks Complex - Engineer Drive	(41,000)	(41,000)	(41,000)		(41,000)
Army (Budget Amend)	Camp Casey	Barracks Complex - Ace Boulevard	35,000	35,000	35,000		35,000
Army (Budget Amend)	Camp Casey	Barracks Complex - Ace Boulevard	(35,000)	(35,000)	(35,000)		(35,000)
Army	Camp Hovey	Barracks Complex - Hovey	29,000	29,000	29,000		29,000
Army (Budget Amend)	Camp Hovey	Barracks Complex - Hovey	(29,000)	(29,000)	(29,000)		(29,000)
Army (Budget Amend)	*Camp Hovey*	*Rescission, Barracks Complex (FY 2003)*	*[-25000]*	*[-25000]*	-		*[-25000]*
Army	*Camp Hovey*	*Rescission, Barracks Complex (FY 2002)*			-	*[-10770]*	*[-10770]*
Army (Budget Amend)	Camp Humphreys	Barracks Complex	41,000	41,000	41,000	(41,000)	-
Army (Budget Amend)	Camp Humphreys	Barracks Complex	35,000	35,000	35,000	(35,000)	-
Army (Budget Amend)	Camp Humphreys	Barracks Complex	29,000	29,000	29,000	(29,000)	-
Army (Budget Amend)	Camp Humphreys	Barracks Complex	25,000	25,000	-		25,000
Army (Budget Amend)	Camp Humphreys	Barracks Complex	40,000	40,000	-		40,000
Army (Budget Amend)	Camp Humphreys	Physical Fitness Training Center	4,350	4,350	-	(4,350)	-
Army (Budget Amend)	Camp Humphreys	Physical Fitness Training Center	6,800	6,800	-	(6,800)	-
Army	*Camp Page*	*Rescission, Barracks Complex (FY 2001)*			-	*[-17415]*	*[-17415]*
Army	*Camp Stanley*	*Rescission, Barracks Complex (FY 2002)*			-	*[-13230]*	*[-13230]*

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Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Korea	*Army (Budget Amend)*	*K-16 Airfield*	*Rescission, Barracks Complex (FY 2003)*	*[-40000]*	*[-40000]*	-		*[-40000]*
Korea	Defense Education (Budget Amend)	Camp Humphreys	Middle School Replacement	31,683	31,683	-	(31,683)	-
Korea	*Defense Education (Budget Amend)*	*Seoul*	*Rescission, Middle School Replacement (FY 2003)*	*[-31683]*	*[-31683]*	-		*[-31683]*
Korea	Air Force	Kunsan AB	Upgrade Hardened Aircraft Shelter	7,059	7,059	7,059		7,059
Korea	Air Force	Osan AB	Dormitory--156 RM	16,638	16,638	16,638		16,638
Kwajalein	Army	Kwajalein Atoll	Vehicle Paint & Prep Facility	9,400	9,400	9,400		9,400
Portugal	Air Force	Lajes Field	Add/Alter Fitness Center	4,086	4,086	4,086		4,086
Turkey	Air Force	Incirlik AB	Consolidated Communications Facility	3,262	3,262	-	(3,262)	-
United Kingdom	Navy	JMF St. Mawgan Scotland	Bachelor Enlisted Quarters	7,070	7,070	7,070	(7,070)	-
United Kingdom	Air Force	RAF Lakenheath	Dormitory--120 RM	13,606	13,606	13,606		13,606
United Kingdom	Air Force	RAF Lakenheath	Add/Alter Crash Fire Station	2,667	2,667	2,667		2,667
United Kingdom	Air Force	RAF Lakenheath	Family Support Center	5,878	5,878	5,878		5,878
United Kingdom	Air Force	RAF Lakenheath	Communications Facility	8,436	8,436	8,436		8,436
United Kingdom	Air Force (Budget Amend)	RAF Lakenheath	Mobility Cargo Processing Center	11,900	11,900	11,900		11,900
United Kingdom	Air Force	RAF Mildenhall	Child Develop Center Annex	3,646	3,646	3,646		3,646
United Kingdom	Air Force	RAF Mildenhall	Vehicle Maintenance Complex	3,320	3,320	3,320		3,320
United Kingdom	Air Force	RAF Mildenhall	Post Office	3,592	3,592	3,592		3,592
Wake Island	Air Force	Wake Island	Wide Infrastructure, Phase 1	10,000	10,000	10,000		10,000
Wake Island	Air Force	Wake Island	Repair Airfield, Phase 3	14,000	14,000	14,000		14,000
Classified	Army	Classified Location	Classified Project	178,700	-	-	(178,700)	-
Classified	Air Force	Classified Location	Predator B-Squadron OPS/AMU & Hangar	25,731	25,731	25,731		25,731
Classified	Air Force	Classified Location	Classified MilCon	3,250	3,250	3,250		3,250
Worldwide	*Air Force*	*Classified Location*	*Rescission, Classified MilCon (FY 2003)*				*[-23000]*	*[-23000]*
Unspecified	Army	Unspecified Worldwide	Unspecified Minor Construction	20,000	22,550	20,000	12,606	32,606
Unspecified	Army	Unspecified Worldwide	Planning and Design	100,710	106,580	100,710	4,123	104,833
Unspecified	Army	Unspecified Worldwide	Planning and Design - Host Nation	22,000	22,000	22,000		22,000
Unspecified	Army	Unspecified Worldwide	Reduction (Prior Year Savings)				(10,000)	(10,000)
Unspecified	Navy	Unspecified Worldwide	Unspecified Minor Construction	12,334	13,624	12,334	2,251	14,585
Unspecified	Navy	Unspecified Worldwide	Planning & Design	10,054	15,583	10,054		10,054
Unspecified	Navy	Unspecified Worldwide	Planning & Design	55,558	55,558	55,558	5,389	60,947
Unspecified	Air Force	Unspecified Worldwide	Planning and Design	74,345	110,650	74,345	16,662	91,007
Worldwide	Air Force (Budget Amend)	Unspecified Worldwide	Planning and Design	4,771	4,771	-		4,771
Unspecified	Air Force	Unspecified Worldwide	Unspecified Minor Construction	12,000	12,000	12,000	4,180	16,180
Unspecified	Special Operations Command	Unspecified Worldwide	Planning and Design	14,768	15,491	14,768		14,768
Unspecified	Special Operations Command	Unspecified Worldwide	Planning and Design			(977)		-
Unspecified	Special Operations Command	Unspecified Worldwide	Unspecified Minor Construction	2,723	2,723	2,723		2,723
Unspecified	Missile Defense Agency	Unspecified Worldwide	Unspecified Minor Construction	2,600	2,600	2,600	(600)	2,000

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Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Unspecified	OSD Contingencies	Unspecified Worldwide	Contingency Construction	8,960	8,960	8,960		8,960
Unspecified	OSD Minor Construction	Unspecified Worldwide	Unspecified Minor Construction	3,000	3,000	3,000		3,000
Unspecified	OSD Planning & Design	Unspecified Worldwide	Planning and Design	20,000	25,230	20,000	4,249	24,249
Unspecified	OSD P&D (Budget Amend)	Unspecified Worldwide	Planning and Design	997	997	997		997
Unspecified	NATO Security Investment Program	Unspecified Worldwide	NATO Security Investment Program (NSIP)	169,300	169,300	169,300		169,300
Unspecified	*NATO Security Investment Program*	*Unspecified Worldwide*	*NSIP Rescission (2003)*				*[-8000]*	*[-8000]*
Unspecified	Army National Guard	Unspecified Worldwide	Planning and Design	26,570	46,157	26,570	11,806	38,376
Unspecified	Army National Guard	Unspecified Worldwide	Unspecified Minor Construction	1,451	4,063	1,451	6,648	8,099
Unspecified	Air National Guard	Unspecified Worldwide	Planning and Design	16,030	30,308	16,030	7,263	23,293
Unspecified	Air National Guard	Unspecified Worldwide	Unspecified Minor Construction	5,500	5,500	5,500	3,115	8,615
Unspecified	Army Reserve	Unspecified Worldwide	Planning and Design	7,712	7,712	7,712	1,271	8,983
Unspecified	Army Reserve	Unspecified Worldwide	Unspecified Minor Construction	2,886	2,886	2,886		2,886
Unspecified	Navy Reserve	Unspecified Worldwide	Planning and Design	862	1,612	862		862
Unspecified	Navy Reserve	Unspecified Worldwide	Planning and Design	1,700	1,700	1,700	406	2,106
Unspecified	Air Force Reserve	Unspecified Worldwide	Planning and Design	11,142	12,423	11,142	970	12,112
Unspecified	Air Force Reserve	Unspecified Worldwide	Unspecified Minor Construction	5,160	5,160	5,160	1,200	6,360
Unspecified	Def Finance & Accounting Service	Unspecified Worldwide	Unspecified Minor Construction	1,500	1,500	1,500		1,500
Unspecified	Base Closure IV	BRAC IV	Base Realignment and Closure IV	370,427	370,427	370,427		370,427
Unspecified	Joint Chiefs of Staff	Unspecified Worldwide	Unspecified Minor Construction	6,330	6,330	6,330		6,330
Unspecified	Defense Education Activity	Unspecified Worldwide	Planning and Design	6,500	6,500	6,500		6,500
Unspecified	Energy Conservation Improvement	Unspecified Worldwide	Energy Conservation Improvement Program	69,500	69,500	69,500	(19,500)	50,000
Unspecified	Tri-Care Management Activity	Unspecified Worldwide	Planning and Design	18,616	18,616	18,616		18,616
Unspecified	General Provision	Unspecified Worldwide	Foreign Currency Fluctuations (Sec. 118) [4]			-		-
Alaska	Army	Ft Wainwright	Family Housing New Construction	44,000	44,000	44,000		44,000
Alaska	Army (Budget Amend)	Ft Wainwright	Family Housing Replacement	20,000	20,000	20,000		20,000
Arizona	Army	Ft Huachuca	Family Housing Replacement	27,000	27,000	27,000		27,000
Arizona	Army (Budget Amend)	Ft Huachuca	Family Housing Replacement	14,000	14,000	14,000		14,000
Arizona	Air Force	Davis-Monthan AFB	Replace Family Housing, Phase 5	19,357	19,357	19,357		19,357
California	*Navy*	*NAVPGSCOL Monterey*	*Recission, Housing Privatization (FY 2003)*				*[-18399]*	*[-18399]*
California	Navy	NAS Lemoore	Lemoore Lexington Park Replacement Construction	41,585	41,585	41,585		41,585
California	Air Force	Travis AFB	Replace Family Housing, Phase 4	12,723	12,723	12,723		12,723
Delaware	Air Force	Dover AFB	Replace Family Housing, Phase 3	19,601	19,601	19,601		19,601
Florida	Navy	NAS Pensacola	Replacement Construction Pensacola	3,197	3,197	3,197		3,197
Florida	Air Force	Eglin AFB	Replace Family Housing, Phase 3	32,166	32,166	32,166		32,166
Hawaii	*Navy*	*Oahu*	*Rescission, Housing Privatization (FY 2003)*			-	*[-3585]*	*[-3585]*
Hawaii	*Navy*	*Schofield Barracks*	*Rescission, Housing Privatization (FY 2003)*				*[-21000]*	*[-21000]*
Idaho	Air Force	Mountain Home AFB	Replace Family Housing, Phase 5	37,126	37,126	37,126		37,126
Kentucky	Army	Ft Knox	Family Housing Replacement	41,000	41,000	41,000		41,000

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Kansas	Army (Budget Amend)	Ft Riley	Family Housing Replacement	8,300	8,300	8,300		8,300
Kansas	Army (Budget Amend)	Ft Riley	Family Housing Replacement	8,400	8,400	8,400		8,400
Maryland	Air Force	Andrews AFB	Replace Family Housing, Phase 2	20,233	20,233	20,233		20,233
Missouri	Air Force	Whiteman AFB	Replace Family Housing	18,221	18,221	18,221		18,221
Montana	Air Force	Malmstrom AFB	Replace Family Housing	19,368	19,368	19,368		19,368
New Mexico	Army	White Sands Missile Range	Family Housing Replacement	14,600	14,600	14,600		14,600
North Carolina	Navy	MCAS Cherry Point	Slocum Vlg, Phase 2 Replacement	42,803	42,803	42,803		42,803
North Carolina	Navy	MCB Camp Lejeune	Midway Park, Phase 1	21,537	21,537	21,537		21,537
North Carolina	Navy	MCB Camp Lejeune	Replace Tarawa Terrace Housing, Phase 3	46,244	46,244	46,244		46,244
North Carolina	Air Force	Seymour Johnson AFB	Replace Family Housing, Phase 7	18,336	18,336	18,336		18,336
North Dakota	Air Force	Grand Forks AFB	Replace Family Housing, Phase G	29,550	29,550	29,550		29,550
North Dakota	Air Force	Minot AFB	Replace Family Housing, Phase 10	41,117	41,117	41,117		41,117
Oklahoma	Army (Budget Amend)	Ft Sill	Family Housing Replacement	10,000	10,000	10,000		10,000
Oklahoma	Army (Budget Amend)	Ft Sill	Family Housing Replacement	15,373	15,373	15,373		15,373
South Dakota	Air Force	Ellsworth AFB	Replace Family Housing, Phase 3	16,240	16,240	16,240		16,240
Texas	Air Force	Dyess AFB	Replace Family Housing, Phase 4	19,973	19,973	19,973		19,973
Texas	Air Force	Randolph AFB	Replace Family Housing	13,754	13,754	13,754		13,754
Virgina	*Army*	*Ft Belvoir*	*Rescission, Housing Privatization (FY 2003)*				*[-8700]*	*[-8700]*
Virgina	Army (Budget Amend)	Ft Lee	Family Housing Replacement	18,000	18,000	18,000		18,000
Germany	*Army (Budget Amend)*	*Darmstadt*	*Rescission, Whole House Revitalization (48 units) (FY 2003)*	*[-4200]*	*[-4200]*	*[-4200]*		*[-4200]*
Germany	*Army*	*Heidelberg*	*Rescission, Whole Ngbhd Revitalization (75 units) (FY 2003)*				*[-12151]*	*[-12151]*
Germany	*Army (Budget Amend)*	*Mannheim*	*Rescission, Whole Ngbhd Revitalization (72 units) (FY 2003)*	*[-10400]*	*[-10400]*	*[-10400]*		*[-10400]*
Germany	*Army (Budget Amend)*	*Mannheim*	*Rescission, Whole Ngbhd Revitalization (60 units) (FY 2003)*	*[-10000]*	*[-10000]*	*[-10000]*		*[-10000]*
Germany	*Army (Budget Amend)*	*Schweinfurt*	*Rescission, Whole Ngbhd Revitalization (234 units) (FY 2003)*	*[-7600]*	*[-7600]*	*[-7600]*		*[-7600]*
Germany	*Army (Budget Amend)*	*Vilseck*	*Rescission, Whole Ngbhd Revitalization (36 units) (FY 2003)*	*[-3900]*	*[-3900]*	*[-3900]*		*[-3900]*
Germany	*Army (Budget Amend)*	*Wuerzberg*	*Rescission, Whole Ngbhd Revitalization (136 units) (FY 2003)*	*[-11200]*	*[-11200]*	*[-11200]*		*[-11200]*
Germany	*Air Force (Budget Amend)*	*Spangdahlem AB*	*Rescission, Improve Family Housing (FY 2003)*	*[-19347]*	*[-19347]*	*[-19347]*		*[-19347]*
Korea	*Army (Budget Amend)*	*Yongsan*	*Rescission, Whole House Revitalization (8 units) (FY 2003)*	*[-1900]*	*[-1900]*	*[-1900]*		*[-1900]*
Korea	*Army (Budget Amend)*	*Yongsan*	*Rescission, Family Housing Construction (10 units) (FY 2003)*	*[-3100]*	*[-3100]*	*[-3100]*		*[-3100]*
Korea	Air Force	Osan AB	Construct Family Housing, Phase 2	44,765	44,765	44,765		44,765
Portugal	Air Force	Lajes Field	Replace Family Housing, Phase 3	13,428	13,428	13,428		13,428
Turkey	Air Force	Incirlik AB	Replace Family Housing	17,538	17,538	17,538		17,538
Turkey	Air Force (Budget Amend)	Incirlik AB	Replace Family Housing	(17,538)	(17,538)	(17,538)		(17,538)
United Kingdom	*Navy*	*Saint Mawgan*	*Rescission, Replace 62 units (FY 2003)*				*[-18524]*	*[-18524]*
United Kingdom	Air Force	RAF Lakenheath	Replace Family Housing	23,640	23,640	23,640		23,640
Unspecified	Army	Unspecified Worldwide	Management Account	86,326	86,326	78,444		86,326
Unspecified	Army	Unspecified Worldwide	Miscellaneous Account	1,311	1,311	1,311		1,311

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Unspecified	Army	Unspecified Worldwide	Planning & Design	32,488	32,488	32,488		32,488
Unspecified	Army	Unspecified Worldwide	Utilities Account	167,332	167,332	167,332		167,332
Unspecified	Army	Unspecified Worldwide	Services Account	46,735	46,735	43,444		46,735
Unspecified	Army	Unspecified Worldwide	Insurance Premium	1	1	1		1
Unspecified	Army	Unspecified Worldwide	Furnishings Account	44,658	44,658	44,658		44,658
Unspecified	Army	Unspecified Worldwide	Privatization Support	29,587	29,587	29,587		29,587
Unspecified	Army	Unspecified Worldwide	Leasing Account	234,471	234,471	234,471		234,471
Unspecified	Army	Unspecified Worldwide	Maintenance of Real Property	432,605	432,605	432,605		432,605
Unspecified	Army	Unspecified Worldwide	Corrections to Army Estimates for Family Housing Support				(10,000)	(10,000)
Unspecified	Army (Budget Amend)	Unspecified Worldwide	Family Housing Improvements	156,030	156,030	156,030	(25,600)	130,430
Unspecified	Navy	Unspecified Worldwide	Privatization Support	10,609	10,609	10,609		10,609
Unspecified	Navy	Unspecified Worldwide	Utilities Account	164,556	164,556	154,583		164,556
Unspecified	Navy	Unspecified Worldwide	Miscellaneous Account	807	807	807		807
Unspecified	Navy	Unspecified Worldwide	Maintenance of Real Property	377,792	377,792	360,344		377,792
Unspecified	Navy	Unspecified Worldwide	Corrections to Navy Estimates for Family Housing Support				(10,000)	(10,000)
Unspecified	Navy	Unspecified Worldwide	Furnishings Account	25,462	25,462	25,462		25,462
Unspecified	Navy	Unspecified Worldwide	Management Account	78,325	78,325	70,584	(7,700)	70,625
Unspecified	Navy	Unspecified Worldwide	Planning & Design	8,381	8,381	8,381		8,381
Unspecified	Navy	Unspecified Worldwide	Construction Improvements	20,446	20,446	20,446		20,446
Unspecified	Navy	Unspecified Worldwide	Leasing Account	132,433	132,433	132,433		132,433
Unspecified	Navy	Unspecified Worldwide	SVCM's Mortgage Insurance Premium	64	64	64		64
Worldwide	Navy	Unspecified Worldwide	Services Account	62,730	62,730	58,272		62,730
Unspecified	Air Force	Unspecified Worldwide	Leasing Account	119,908	119,908	119,908	(8,394)	111,514
Unspecified	Air Force	Unspecified Worldwide	Housing Privatization	44,536	44,536	44,536		44,536
Unspecified	Air Force	Unspecified Worldwide	Planning & Design	33,488	33,488	33,488		33,488
Unspecified	Air Force	Unspecified Worldwide	Utilities Account	132,651	132,651	118,675		132,651
Unspecified	Air Force	Unspecified Worldwide	Furnishings Account	43,006	43,006	43,006		43,006
Unspecified	Air Force	Unspecified Worldwide	Maintenance (RMPA & RMPC)	395,650	395,650	395,650		395,650
Unspecified	Air Force	Unspecified Worldwide	Corrections to Air Force Estimates for Family Housing Support				(10,000)	(10,000)
Unspecified	Air Force	Unspecified Worldwide	Services Account	26,070	26,070	26,070		26,070
Unspecified	Air Force	Unspecified Worldwide	Miscellaneous Account	2,527	2,527	2,527		2,527
Unspecified	Air Force (Budget Amend)	Unspecified Worldwide	Construction Improvements	223,979	223,979	223,979		223,979
Unspecified	Air Force	Unspecified Worldwide	Management Account	70,083	70,083	62,361		70,083
Unspecified	Air Force	Unspecified Worldwide	Debt Account	37	37	37		37
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Management Account	289	289	289		289
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Furnishings Account	32	32	32		32
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Planning & Design	300	300	300		300
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Utilities Account	412	412	412		412
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Services Account	72	72	72		72

Military Construction Authorizations for FY2004
(Dollars in Thousands)

Location	Service/Agency/Program	Installation	Project Title	FY2004 Request	House Authorized	Senate Authorized	Conf Change	Conference Authorized
Unspecified	Defense Logistics Agency	Unspecified Worldwide	Maintenance of Real Property	2,057	2,057	2,057		2,057
Unspecified	National Security Agency	Unspecified Worldwide	Miscellaneous Account	51	51	51		51
Unspecified	National Security Agency	Unspecified Worldwide	Services Account	405	405	405		405
Unspecified	National Security Agency	Unspecified Worldwide	Utilities Account	413	413	413		413
Unspecified	National Security Agency	Unspecified Worldwide	Management Account	13	13	13		13
Unspecified	National Security Agency	Unspecified Worldwide	Leasing Account	11,987	11,987	11,987		11,987
Unspecified	National Security Agency	Unspecified Worldwide	Maintenance of Real Property	2,528	2,528	2,528		2,528
Unspecified	National Security Agency	Unspecified Worldwide	Furnishings Account	112	112	112		112
Unspecified	National Security Agency	Unspecified Worldwide	Construction Improvements	50	50	50		50
Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Furnishings Account	3,844	3,844	3,844		3,844
Unspecified	Defense Intelligence Agency	Unspecified Worldwide	Leasing Account	27,225	27,225	27,225		27,225
Unspecified	Family Housing Improvement Fund	Unspecified Worldwide	Family Housing Improvement Fund	300	300	300		300
Unspecified	*Family Housing Improvement Fund*	*Unspecified Worldwide*	*Rescission, Housing Privatization - Patrick AFB, FL*				*[-9692]*	*[-9692]*
			Rescissions	**(261,206)**	**(261,206)**	**(153,373)**		**(496,244)**
			Total Authorization of Appropriations:	**8,990,681**	**9,528,324**	**9,305,226**		**9,189,400**

[1] Full project authorized for appropriation in prior year, $71,600,000 appropriated in the fiscal year 2004 military construction appropriation bill.
[2] Department of the Army requested location change from Maysville, Kentucky to Morehead, Kentucky.
[3] Department of the Army requested location change from Kansas City, Missouri to Dexter, Missouri.
[4] Foreign currency appropriations do not require an authorization, $55,000,000 appropriated in the fiscal year 2004 military construction appropriation bill.

LEGISLATIVE PROVISIONS ADOPTED

Short title (sec. 2001)

The House bill contained a provision (sec. 2001) that would cite Division B of this Act as the Military Construction Authorization Act for Fiscal Year 2004.

The Senate amendment contained an identical provision (sec. 2001).

The conference agreement includes this provision.

TITLE XXI—ARMY

Overview

The House bill would authorize appropriations of $3,056.7 million for Army military construction and housing programs for fiscal year 2004.

The Senate amendment would authorize appropriations of $2,801.8 million for Army military construction and family housing programs for fiscal year 2004.

The conferees recommend authorization of appropriation of $2,874.9 million for army military construction and family housing programs for fiscal year 2004. The conferees recommend a general reduction to the authorization of appropriation of $10.0 million, which represents corrections to estimates for military family housing support.

ITEMS OF SPECIAL INTEREST

Powertrain/flexible maintenance center, Anniston Army Depot, Alabama

The conferees understand that a project to construct a powertrain/flexible maintenance center at the Anniston Army Depot, Alabama, is included in the Future Years Defense Plan for the Army. Although the conferees were unable to authorize this project due to severe funding constraints, the conferees strongly encourage the Secretary of Defense to include this project in the President's fiscal year 2005 budget submission for the Army.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Army construction and land acquisition projects (sec. 2101)

The House bill contained a provision (sec. 2101) that would authorize Army military construction projects for fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2101).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2102)

The House bill contained a provision (sec. 2102) that would authorize new construction and planning and design of family housing units for the Army in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2102).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2103)

The House bill contained a provision (sec. 2103) that would authorize improvements to existing units of Army family housing in fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2103).

The conference agreement includes this provision.

Authorization of appropriations, Army (sec. 2104)

The House bill contained a provision (sec. 2104) that would authorize specific appropriations for each line item contained in the Army's military construction budget in fiscal year 2004. This provision would also provide an overall limit on the amount the Army is authorized to spend on military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2104).

The conference agreement includes this provision.

Termination or modification of authority to carry out certain fiscal year 2003 projects (sec. 2105)

The Senate amendment contained a provision (sec. 2105) that would amend the table in section 2101 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314) to rescind project authority from five installations in Germany and one in Korea, resulting in a total decrease of $118.4 million.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the table for projects inside the United States in section 2101 of the Military Construction Authorization Act for Fiscal Year 2003 (division B of Public Law 107–314) to increase amounts authorized for Fort Riley, Kansas. The provision would also rescind project authority from five additional installations in Korea.

Modification of authority to carry out certain fiscal year 2002 projects (sec. 2106)

The House bill contained a provision (sec. 2105) that would amend the table in section 2101 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–

107) as further amended by section 2105 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to increase the amount authorized for construction at Fort Richardson, Alaska.

The Senate amendment contained a similar provision (sec. 2107).

The House recedes with an amendment that would additionally modify the table for projects outside the United States in section 2101 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107) as further amended by section 2105 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to decrease amounts authorized at Camp Hovey, Korea, and Camp Stanley, Korea, by a total of $24.0 million.

Termination or modification of authority to carry out certain fiscal year 2001 projects (sec. 2107)

The Senate amendment contained a provision (sec. 2108) that would amend the table in section 2101 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of Public Law 106–398) as further amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107) to increase the funding authorization for Pohakoula Training Facility, Hawaii.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the table for projects inside the United States in section 2101 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of Public Law 106–398) as further amended by section 2105 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107) to increase amounts authorized for Fort Bragg, North Carolina. The provision would also rescind project authorization for Camp Stanley, Korea.

TITLE XXII—NAVY

Overview

The House bill would authorize appropriations of $2,288.9 million for Navy military construction and housing programs for fiscal year 2004.

The Senate amendment would authorize appropriations of $2,179.9 million for Navy military construction and family housing programs for fiscal year 2004.

The conferees recommend authorization of appropriation of $2,267.7 million for Navy military construction and family housing programs for fiscal year 2004. The conferees recommend a general reduction to the authorization of appropriation of $10.0 million, which represents corrections to estimates for military family housing support.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Navy construction and land acquisition projects (sec. 2201)

The House bill contained a provision (sec. 2201) that would authorize Navy military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2201).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2202)

The House bill contained a provision (sec. 2202) that would authorize new construction and planning and design of family housing units for the Navy in fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2202).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorizations for FY2004," provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2203)

The House bill contained a provision (sec. 2203) that would authorize improvements to existing units of Navy family housing in fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2203).

The conference agreement includes this provision.

Authorization of appropriations, Navy (sec. 2204)

The House bill contained a provision (sec. 2204) that would authorize specific appropriations for each line item contained in the Navy's military construction budget in fiscal year 2004. This provision would also provide an overall limit on the amount the Navy is authorized to spend on military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2204).

The conference agreement includes this provision.

Termination of authority to carry out certain fiscal year 2003 projects (sec. 2205)

The Senate amendment contained a provision (sec. 2205) that would amend sections 2201 and 2204 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to re-

scind a project authorization of $14.9 million for a dining facility at Keflavik, Iceland.

The House bill contained no similar provision.

The House recedes with an amendment that would further modify sections 2201 and 2204 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to rescind project authorizations of $10.1 million at Naval Air Warfare Center, China Lake, California, $6.04 million at Marine Corps Air Station Cherry Point, North Carolina, and $6.8 million at Naval Support Activity, Joint Headquarters Command, Larissa, Greece. This provision would also amend section 2202(a) of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to rescind project authorization of $18.5 million for new housing units at Joint Maritime Facility, Saint Mawgan, United Kingdom.

Termination or modification of authority to carry out certain fiscal year 2002 projects (sec. 2206)

The conferees agree to include a provision that would amend sections 2201 and 2204 of the Military Construction Act for Fiscal Year 2002 (division B of Public Law 107–107) to amend project authorization for Naval Air Warfare Center, China Lake, California, and to strike the project authorization for Naval Support Activity, Joint Headquarters Command, Larissa, Greece, and to decrease the total project authorization outside the United States by $12.2 million.

TITLE XXIII—AIR FORCE

Overview

The House bill would authorize appropriations of $2,477.6 million for Air Force military construction and housing programs for fiscal year 2004.

The Senate amendment would authorize appropriations of $2,505.4 million for Air Force military construction and family housing programs for fiscal year 2004.

The conferees recommend authorization of appropriation of $2,550.9 million for Air Force military construction and family housing programs for fiscal year 2004. The conferees recommend a general reduction to the authorization of appropriation of $10.0 million, which represents corrections to estimates for military family housing support.

ITEMS OF SPECIAL INTEREST

Child Development Center, Little Rock Air Force Base, Arkansas

The conferees recognize the importance of supporting projects that improve the quality of life for the families of military members during long deployments. The conferees understand that a project to construct a child development center at Little Rock Air Force Base, Arkansas, is included in the Future Years Defense Plan for the Air Force. Although the conferees were unable to authorize this project due to severe funding constraints, the conferees strongly en-

courage the Secretary of Defense to include this project in the President's fiscal year 2005 budget submission for the Air Force.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Air Force construction and land acquisition projects (sec. 2301)

The House bill contained a provision (sec. 2301) that would authorize Air Force military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2301).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2302)

The House bill contained a provision (sec. 2302) that would authorize new construction and planning and design of family housing units for the Air Force in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2302).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Improvements to military family housing units (sec. 2303)

The House bill contained a provision (sec. 2303) that would authorize improvements to existing units of Air Force family housing for fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2303).

The conference agreement includes this provision.

Authorization of appropriations, Air Force (sec. 2304)

The House bill contained a provision (sec. 2304) that would authorize specific appropriations for each line item contained in the Air Force's military construction budget in fiscal year 2004. This provision would also provide an overall limit on the amount the Air Force is authorized to spend on military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2304).

The conference agreement includes this provision.

Termination or modification of authority to carry out certain fiscal year 2003 projects (sec. 2305)

The Senate amendment contained a provision (sec. 2305) that would amend sections 2301 and 2304 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to decrease authorization for family housing construction world-wide unspecified account by $19.3 million for a housing improvement project at Spangdahlem, Germany.

The House bill contained no similar provision.

The House recedes with an amendment that would amend section 2301(c) of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to terminate a project at a classified location.

TITLE XXIV—DEFENSE AGENCIES

LEGISLATIVE PROVISIONS ADOPTED

Authorized Defense Agencies construction and land acquisition projects (sec. 2401)

The House bill contained a provision (sec. 2401) that would authorize Defense Agencies military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2401).

The conference agreement includes this provision.

The amounts authorized are listed in this provision on an installation-by-installation basis. A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

Family housing (sec. 2402)

The House bill contained a provision (sec. 2402) that would authorize new construction and planning and design of family housing units for the Defense Agencies in fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2402).

The conference agreement includes this provision.

Improvements to military family housing units (sec. 2403)

The House bill contained a provision (sec. 2403) that would authorize improvements to existing units of the Defense Agencies' family housing in fiscal year 2004.

The Senate amendment contained an identical provision (sec. 2403).

The conference agreement includes this provision.

Energy conservation projects (sec. 2404)

The House bill contained a provision (sec. 2404) that would authorize the Secretary of Defense to carry out energy conservation projects.

The Senate amendment contained an identical provision (sec. 2404).

The conference agreement includes this provision.

Authorization of appropriations, Defense Agencies (sec. 2405)

The House bill contained a provision (sec. 2405) that would authorize specific appropriations for each line item contained in the Defense Agencies' military construction budget in fiscal year 2004. This provision would also provide an overall limit on the amount the Defense Agencies are authorized to spend on military construction projects in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2405).

The conference agreement includes this provision.

Termination of authority to carry out certain fiscal year 2003 projects (sec. 2406)

The Senate amendment contained a provision (sec. 2407) that would amend sections 2401 and 2404 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to change the location for project authority in Korea and to rescind project authority from one installation in Germany, resulting in a decrease of $997,000.

The House bill contained no similar provision.

The House recedes with an amendment that would additionally rescind project authority from one installation in Korea, resulting in an overall decrease of $32.7 million.

LEGISLATIVE PROVISIONS NOT ADOPTED

Modification of authority to carry out certain fiscal year 2003 projects

The Senate amendment contained a provision (sec. 2406) that would amend sections 2401 of the Military Construction Act for Fiscal Year 2003 (division B of Public Law 107–314) to transfer project authority for a Department of Defense Dependents Schools from Seoul, Korea, to Camp Humphreys, Korea.

The House bill contained no similar provision.

The Senate recedes.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Authorized NATO construction and land acquisition projects (sec. 2501)

The House bill contained a provision (sec. 2501) that would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization security investment program in an amount equal to the sum of the amount specifically authorized elsewhere in this conference report and the amount of recoupment due to the United States for construction previously financed by the United States.

The Senate amendment contained an identical provision. (sec. 2501)

The conference agreement includes this provision.

Authorization of appropriations, NATO (sec. 2502)

The House bill contained a provision (sec. 2502) that would authorize appropriations of $169.3 million for the U.S. contribution to the North Atlantic Treaty Organization (NATO) security investment program.

The Senate amendment contained an identical provision (sec. 2502).

The conference agreement includes this provision.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Overview

The House bill would authorize appropriations of $573.9 million for military construction and land acquisition for fiscal year 2004 for the Guard and Reserve components.

The Senate amendment would authorize appropriations of $647.8 million for military construction and land acquisition for fiscal year 2004 for the Guard and Reserve components.

The conferees recommend authorization of appropriations of $730.5 million for military construction and land acquisition for fiscal year 2004 for the Guard and Reserve components. This authorization would be distributed as follows:

Army National Guard	$311,592,000
Air National Guard	222,908,000
Army Reserve	88,451,000
Naval and Marine Corps Reserve	45,498,000
Air Force Reserve	62,032,000
Total	730,481,000

ITEMS OF SPECIAL INTEREST

Readiness Center, Charleston, South Carolina

The conferees recognize the contribution of National Guard readiness centers, formally known as armories, to the training and morale of Guard and Reserve units around the country. The conferees understand that a project to construct a readiness center in Charleston, South Carolina, is included in the Future Years Defense Plan for the Army National Guard. The conferees strongly encourage the Secretary of Defense to include this project in the President's fiscal year 2005 budget submission for the Army National Guard.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Guard and Reserve construction and land acquisition projects (sec. 2601)

The House bill contained a provision (sec. 2601) that would authorize appropriations for military construction for the Guard and Reserve by service component in fiscal year 2004.

The Senate amendment contained a similar provision (sec. 2601).

The conference agreement includes this provision.

A state list of projects contained in the table at the beginning of Division B of this conference report entitled, "Military Construction Authorization for FY2004," provides the binding list of specific construction projects authorized at each location.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Expiration of authorizations and amounts required to be specified by law (sec. 2701)

The House bill contained a provision (sec. 2701) that would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization infrastructure program, and guard and reserve projects will expire on October 1, 2006, or the date of enactment of an act authorizing funds for military construction for fiscal year 2007, whichever is later. This requirement would not apply to funds obligated prior to the expiration date.

The Senate amendment contained an identical provision (sec. 2701).

The conference agreement includes this provision.

Extension of authorizations of certain fiscal year 2001 projects (sec. 2702)

The House bill contained a provision (sec. 2702) that would provide for the extension of certain fiscal year 2001 military construction project authorizations until October 1, 2004, or the date of enactment of an act authorizing funds for military construction for fiscal year 2005, whichever is later.

The Senate amendment contained a similar provision (sec. 2702).

The House recedes with an amendment that would amend the list of fiscal year 2001 military construction project authorizations to be extended.

Extension of authorizations of certain fiscal year 2000 projects (sec. 2703)

The House bill contained a provision (sec. 2703) that would provide for the extension of certain fiscal year 2000 military construction project authorizations until October 1, 2004, or the date of enactment of an act authorizing funds for military construction for fiscal year 2005, whichever is later.

The Senate amendment contained an identical provision (sec. 2703).

The conference agreement includes this provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Effective date

The House bill contained a provision (sec. 2704) that would provide that titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on October 1, 2003, or the date of enactment of this Act, whichever is later.

The Senate amendment contained an identical provision (sec. 2704).

Because the conference report was not adopted prior to October 1, 2003, this provision is no longer required and was not included in the conference agreement.

TITLE XXVIII—GENERAL PROVISIONS

ITEMS OF SPECIAL INTEREST

Use of authorities to correct a deficiency that is life-threatening, health-threatening, or safety-threatening

United States Code title 10, section 2805 authorizes higher statutory limits for the use of operation and maintenance funds and unspecified minor military construction funds for projects intended to correct deficiencies that threaten life, health, or safety of personnel.

The conferees have recently received numerous notifications from the services stating their intent to award construction projects using this authority. While the conferees encourage the use of section 2805 to provide for immediate actions to protect the livelihood of military personnel, the conferees are concerned that both the increased frequency and justifications included within the services' notifications represent an expansive interpretation of Congressional intent regarding the higher limits for compelling emergencies.

The conferees expect the services, when utilizing section 2805 authority to fund construction to correct life-, health-, or safety-threatening conditions, to include within the notification sent to Congress a description of when the requirement was determined and why deferral of the project until the next Military Construction Authorization Act poses an unacceptable and imminent risk to military personnel. The conferees also expect the justification to include a description of on-going actions and temporary work-arounds to mitigate risk and safeguard lives.

The conferees also expect the services to include in the notification sent to Congress an explanation why the facility deficiency cannot be repaired or corrected by other means, and an assurance that the military construction project is intended primarily to correct the facility deficiency that threatens the life, safety, or health of personnel.

The conferees understand that chronic under-funding of facility repairs, revitalization, and modernization has resulted in a substantial number of military facilities that pose a risk to life, safety, or health due to code violations, antiquated ventilation and utility systems, failing roofs, and other deficiencies. However, the use of section 2805 should be reserved to correct those deficiencies that pose an imminent and substantial risk to military personnel.

Preservation of historical military facilities

The conferees are concerned about the military departments' apparent inability to accurately track the costs of maintaining, repairing, and renovating over 17,000 historic facilities in the Department of Defense (DOD) inventory. In an April 2001 General

Accounting Office report, the Comptroller General noted that data is not readily available to identify the costs of maintaining historic properties or to separately account for repairs related to historic aspects of these properties. (Defense Infrastructure: Military Services Lack Reliable Data on Historic Properties, April 2001, GAO–01–437) While the conferees recognize the need for the Department of Defense to comply with the National Historic Preservation Act (P.L. 89–665) (codified as USC 16, sec 470 et. seq.), it is equally important that reliable data be available on the life-cycle costs of the requirement in order to provide an adequate basis for comparison to the overall costs related to non-historic facilities. In the same report, the Comptroller General noted that the costs of maintenance can be proportionally greater in cases where historic facilities are larger in size than facilities constructed in accordance with current military requirements. For example, the DOD budget request for fiscal year 2004 includes more than $14.0 million just to repair, maintain, or renovate historic general and flag officers' quarters. Without reliable and complete data, there is no basis to assess the overall return on investment and the impact these costs may have on other military requirements.

The conferees concur with the Comptroller General's recommendation to the military departments to maintain reliable cost data on historic structures. The conferees expect the military services and DOD agencies to include an assessment of the costs associated with historical requirements in each in construction project justification contained in the annual President's budget submission and with each facility repair project notification required by section 2811 of Title 10, United States Code. In addition, the conferees encourage the Department to develop a long-term plan to sustain its historic facilities. This plan should include a roadmap to identify and efficiently manage the costs of maintaining historic facilities and a review of innovative efforts to reduce the budget impact of historic facilities. The conferees also encourage the Department to increase service-to-service sharing of historic facility management concepts and experience. The conferees believe that sharing lessons-learned will result in more accurate cost estimates and innovative solutions to cost management.

The conferees expect the Department's effort to include a review of the Marine Corps' renovation of the Commandant's Home in Washington, D.C. This project experienced significant growth in cost and scope, largely due to the historic aspects of the facility. In addition, the Marine Corps renovated the interior of the home before completing roof and exterior work, resulting in additional costs and schedule delays due to leaking roof areas. Also of concern was the Marine Corps' decision to utilize statutory gift authorities, intended to offset the costs of the renovation, for upgrades to furnishings. While the conferees recognize the historic and symbolic value of the Commandant's home to the Marine Corps, the conferees believe that decisions made during the renovation process resulted in a project that could have instead set a benchmark for successful renovation of a historic facility.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Military Construction Program and Military Family Housing Changes

Modification of general definitions relating to military construction (sec. 2801)

The Senate amendment contained a provision (sec. 2801) that would amend section 2801 of title 10, United States Code, to clarify definitions for military construction and military installations. Under this provision, military construction would include any temporary or permanent construction, development, conversion, or extension of any kind carried out with respect to a military installation. The scope and duration of the operational requirement necessitating military construction does not affect the definition. This provision would also clarify the definition of military installations. The House bill contained no similar provision.

The House recedes.

Increase in maximum amount of authorized annual emergency construction (sec. 2802)

The House bill contained a provision (sec. 2801) that would amend section 2803 of title 10, United States Code, to increase from $30,000,000 to $45,000,000 the annual limit on the amount a service secretary may obligate for emergency military construction projects not otherwise authorized by law.

The Senate amendment contained no similar provision.

The Senate recedes.

Increase in number of family housing units in Italy authorized for lease by Navy (sec. 2803)

The House bill contained a provision (sec. 2802) that would amend section 2828(e) of title 10, United States Code, to increase from 2,000 to 2,400 the number of family housing units the Secretary of the Navy may lease in Italy for not more than $25,000 per unit per year.

The Senate amendment contained a similar provision (sec. 2802).

The House recedes.

Increase in authorized maximum lease term for family housing and other facilities in certain foreign countries (sec. 2804)

The House bill contained a provision (sec. 2807) that would amend section 2828(d) of title 10, United States Code, to increase from 10 to 15 years the maximum length of lease that the Department of Defense may enter for housing facilities in Korea. This provision would also increase from 5 to 15 years the maximum length of a lease that the Department may enter for other military-related facilities in Korea.

The Senate amendment contained no similar provision.

The Senate recedes.

Conveyance of property at military installations closed or realigned to support military construction (sec. 2805)

The House bill contained a provision (sec. 2805) that would amend chapter 169 of title 10, United States Code, to expand existing Department of Defense authority to transfer property at military installations that have been closed or are subject to closure to persons who, in exchange, construct or provide family housing. The expanded authority would permit the Department to transfer property at such installations in exchange for family housing, unaccompanied housing, and authorized military construction activities. The provision would require the Department to utilize this authority for land-for-construction trades in at least 20 percent of base closure disposals of property that has not been identified as essential to a redevelopment plan, and would require each of the services to endeavor to use the authority provided for at least $200.0 million worth of exchanges annually. In addition, the provision would require that the fair market value of the housing or facilities received by the Department equal or exceed the fair market value of the real property conveyed, or the Department must receive payments equal to the difference. Finally, the provision would require the Department to provide an annual report to Congress on the use of this authority.

The Senate amendment contained a provision (sec. 2813) that would amend section 2905 of the Defense Base Closure and Realignment Act of 1990 (part A of Public Law 101–501) to expand the authority to allow for the transfer of property in exchange for unaccompanied housing.

The Senate recedes with an amendment that would establish a pilot program for use of these expanded authorities instead of requiring the services to use them to specific, mandated levels. The pilot program would require each Service to carry out, to the maximum extent practicable, at least one exchange in fiscal year 2004 of a value no less than $1.0 million. The provision would also require the Department to notify the Congress of the conveyance and to wait 14 days before entering into an agreement. In addition, the provision would authorize the services to notify prospective purchasers of property at military installations closed or realigned under a base closure law that exchanges for military construction projects, in lieu of or in addition to cash payments, would be considered. While the provision does not require the services to notify prospective purchasers, the conferees encourage the Department to do so in order to explore the opportunities available under this authority.

Inapplicability of space limitations to military unaccompanied housing units acquired or constructed under alternate authority (sec. 2806)

The House bill contained a provision (sec. 2803) that would amend section 2880 of title 10, United States Code, to provide increased flexibility for the Department of Defense (DOD) to determine the amount of space provided to each person in on-base unaccompanied housing built under the privatization program. The provision would also amend section 2883 of title 10, United States Code, to merge the DOD Family Housing Improvement Fund and

the DOD Unaccompanied Housing Improvement Fund into a single DOD Housing Improvement Fund. This single fund would give the Department increased flexibility in managing its housing resources. Finally, the provision would amend section 2883 to increase the cap on budget authority for contracts and investments to military housing privatization projects from $850.0 million to $900.0 million.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 2880 of title 10, United States Code, to provide increased flexibility for DOD to determine the amount of space provided to each person in on-base unaccompanied housing built under the privatization program.

Additional material for reports on housing privatization program (sec. 2807)

The House bill contained a provision (sec. 2804) that would amend section 2884 of Title 10, United States Code, to require the Department of Defense to include additional information in its annual report on housing privatization programs. The additional information would include a review of privatization activities entered into in previous years, planned privatization activities, authorities necessary to improve the program, and additional facilities planned as part of each privatization project. Finally, the report would include an explanation for each instance in which a privatization effort does not include additional facilities, such as schools, in the contract.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Department to provide detailed information for each housing privatization contract that includes guarantees in the event of closure or realignment of an installation or major changes in the number of personnel stationed or deployed away from the installation. The information provided must describe the nature and specific conditions of the guarantee and assess the extent and potential cost of the Federal Government's liability as a result of the guarantee.

Temporary, limited authority to use operation and maintenance funds for construction projects outside the United States (sec. 2808)

The House bill contained a provision (sec. 2806) that would limit the ability of the Department of Defense (DOD) to utilize operation and maintenance funds for certain construction purposes by prohibiting the obligation of such funds for any single construction project exceeding $5.0 million and limiting the total annual obligation to $200.0 million. This provision would require the Department to notify Congress 14 days before obligating more than $1.5 million of operation and maintenance funds for construction purposes, but allow a service secretary to waive the notice and wait requirement in cases where a delay would jeopardize national security, health, or safety. The provision would also require the Department to provide a quarterly report to Congress on the worldwide use of operation and maintenance funds for construction purposes.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary of Defense, in fiscal year 2004, to use operation and maintenance funds for military construction requirements outside the United States, with specific conditions. The Secretary of Defense, or a designee within DOD in a position that requires confirmation by the Senate, would have to determine:

(1) that military construction would be necessary to satisfy urgent requirements in support of temporary operations related to a declaration of war, national emergency, or a contingency operation;

(2) that military construction would not be carried out at a military installation where the United States is reasonably expected to have a long-term presence, such as locations with permanently stationed U.S. Armed Forces or locations identified as forward operating bases for rotational U.S. Armed Forces;

(3) the United States would have no intention of using the constructed facility or infrastructure after the operation formally ceased; and

(4) the level of construction would be the minimum necessary to meet the operational requirement and temporary methods of construction would be used to the extent practicable to safely support the operation.

The Secretary would also be required to submit a notification to the congressional defense committees within seven days after the obligation of funds with the following information:

(1) certification that the project meets the conditions required by this provision;

(2) a description of the operational requirement for which funds have been obligated;

(3) all relevant documentation detailing the construction project, to include a Department of Defense Form 1391 and other supporting information that fully explains the construction project; and

(4) a cost estimate of the total construction requirement and the amount of funds that have been obligated to date.

The Secretary would also be authorized to waive the $200.0 million limitation on the annual total obligation of operation and maintenance funds for military construction requirements if the Secretary determines that exceeding the limitation is vital to the national security. The Secretary must notify the congressional defense committees within five days of granting such a waiver.

The amendment would also clarify the relationship of this provision to other authorities granted in title 10, United States Code, for the use of operation and maintenance funds for military construction requirements.

The conferees support operational flexibility and the ability of commanders to satisfy urgent requirements in support of contingency operations. The temporary authority in this provision is specifically written to facilitate these activities under certain conditions without prior notification to Congress. If this authorization does not provide the necessary flexibility, the Department should seek to amend existing law. If continuation of the authority is desired, the conferees expect the Department of Defense to include a

legislative proposal related to this matter in the fiscal year 2005 defense authorization request.

Report on military construction requirements to support new homeland defense missions of the armed forces (sec. 2809)

The House bill contained a provision (sec. 2808) that would require the Secretary of Defense to provide an annual assessment of the anticipated military construction requirements necessary to support current and future homeland defense missions of the armed forces.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to report by February 15, 2004, on military construction requirements identified to meet new homeland defense missions of the armed forces. The report shall include a list of military construction projects initiated to support new homeland defense missions since September 11, 2001, and an assessment of military construction requirements identified to meet the armed forces' homeland defense missions during the next three years.

The conferees recognize that defining "new homeland defense missions" may be difficult. As such, the conferees expect the report to include the Department of Defense definition of specific homeland defense missions, which should include requirements identified by the U.S. Northern Command. The report should also address specific military construction requirements, such as operations centers, that would support other federal or state agencies contributing to homeland defense missions. In addition, the report should specifically address new military construction requirements necessary to support combat air patrols over U.S. cities.

The conferees intend the report to provide a baseline for Congress to assess the adequacy of the Department's current infrastructure and facilities, and its future infrastructure and facility plans supporting the emerging homeland defense requirements of the armed forces.

Subtitle B—Real Property and Facilities Administration

Enhancement of authority to acquire low-cost interests in land (sec. 2811)

The House bill contained a provision (sec. 2811) that would amend section 2672 of title 10, United States Code, to increase from $500,000 to $1,500,000 the limit on the amount a service secretary may obligate to acquire land in the interest of national defense. This provision would also amend section 2672a of title 10, United States Code, to require a service secretary who utilizes this authority to acquire land to notify Congress within 10 days of determining that such an acquisition is necessary. This provision would also amend section 2662 of title 10, United States Code, which requires service secretaries to report to Congress before entering into certain real estate transactions. The Senate amendment contained a similar provision (sec. 2811) that would amend section 2662 of title 10, United States Code, by raising the threshold of real property transactions that require notification to the congressional defense committees.

The Senate recedes with an amendment that would increase from $500,000 to $750,000 the limit on the amount a service secretary may obligate to acquire land under section 2672 of title 10, United States Code. The Senate amendment would also authorize the service secretary to acquire land under section 2672 up to $1,500,000 if the land is required to correct a deficiency that is life-threatening, health-threatening or safety-threatening. A separate Senate amendment to the House bill (sec. 1021) would amend section 2662 of title 10, United States Code, by raising the threshold of real property transactions from $500,000 to $750,000 that require notification to the congressional defense committees.

Retention and availability of amounts realized from energy cost savings (sec. 2812)

The House bill contained a provision (sec. 1005) that would allow the Department of Defense to obligate all funds representing energy cost savings, not just two-thirds of such funds, through the end of the fiscal year without additional authorization or appropriation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to identify in each fiscal year budget submission the amounts available for obligation under this authority.

Acceptance of in-kind consideration for easements (sec. 2813)

The Senate amendment contained a provision (sec. 2812) that would amend sections 2668 and 2669 of title 10, United States Code, to authorize the secretaries of the military departments to accept in-kind payments in connection with modification of existing and new easements for rights-of-way and utilities. This provision would implement the same process for the acceptance of in-kind considerations, as directed in section 2667(c) of title 10, United States Code, pertaining to the lease of property.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle C—Base Closure and Realignment

Consideration of public-access road issues related to base closure, realignment, or placement in inactive status (sec. 2821)

The House bill contained a provision (sec. 2845) that would amend section 2905(b) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–50) to require the Secretary of Defense to consult with state and local authorities on the continued availability of public roads through, into, or around installations that have been closed, realigned, or placed on inactive status by the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Consideration of surge requirements in 2005 round of base realignments and closures (sec. 2822)

The House bill contained a provision (sec. 2843) that would amend section 2913(a) of the Defense Base Closure and Realign-

ment Act of 1990 (Public Law 101–510) to require the Secretary of Defense, when making closure and realignment recommendations, to use the force structure plan included in section 2842 of the House bill.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to assess the probable threats to national security and, as part of such assessment, to determine the potential, prudent, surge requirements necessary to meet those threats. This provision would also require the Secretary of Defense to use this determination in the Base Realignment and Closure process.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Termination of lease and conveyance of Army Reserve Center, Conway, Arkansas (sec. 2831)

The House bill contained a provision (sec. 2821) that would authorize the Secretary of the Army to terminate a property lease with the University of Central Arkansas and convey, without consideration, an existing Army Reserve Center on the property that is no longer required by the Army to the University of Central Arkansas.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees expect that the terms of legal liability for facility conditions and compliance with environmental requirements would be explicitly and formally agreed upon by the Army and the University of Central Arkansas at the time of the facility's conveyance.

Land conveyance, Fort Campbell, Kentucky and Tennessee (sec. 2832)

The House bill contained a provision (sec. 2824) that would authorize the Secretary of the Army to convey a parcel of property to the Department of Transportation of the State of Tennessee for the purpose of realigning and expanding from two to four lanes U.S. Highway 79 running through Fort Campbell, Kentucky. In exchange, the Secretary would receive, along with other considerations, approximately 200 acres of replacement land, resulting in no net loss of training capability at Fort Campbell. The provision would also authorize the State to provide reimbursement for all administration, survey, and other costs incurred by the Secretary into the account from which funds originated.

The Senate amendment contained a similar provision (sec. 2821).

The House recedes with a technical amendment that would clarify the source of funds available to the Department of Transportation of the State of Tennessee.

Land conveyance, Fort Knox, Kentucky (sec. 2833)

The Senate amendment contained a provision (sec. 2822) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property consisting of approximately 93 acres at Fort Knox to the Department of Veterans Affairs of the

Commonwealth of Kentucky for the purpose of establishing a state-run cemetery for veterans of the armed forces.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Army National Guard armory, Pierce City, Missouri (sec. 2834)

The conferees agree to include a provision that would authorize the Secretary of the Army to make a contribution under section 18233(a) of title 10, United States Code, without regard to the limits imposed by section 18236(b)(2) of such title if the Secretary determines that:

(1) a compelling and immediate need exists for the facility;

(2) the requirement for the facility was unforeseen and the result of a natural disaster;

(3) failure to construct the facility immediately would have an adverse impact on the mission; and

(4) the real property for the facility will be provided by the State of Missouri.

This provision would also authorize the Secretary of the Army to accept real property from the State of Missouri of a value not to exceed the financial contribution waived in this provision.

Land conveyance, Fort Belvoir, Virginia (sec. 2835)

The House bill contained a provision (sec. 2827) that would direct the Secretary of the Army to convey a parcel of property consisting of approximately 10 acres and improvements thereon at Fort Belvoir, Virginia, to the County of Fairfax, Virginia. The provision would also authorize the Secretary to receive reimbursement from the County for any costs incurred by the conveyance of the parcel and to deposit those funds into the accounts from which the costs were expended.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the Secretary of the Army to convey a parcel of property consisting of approximately 12 acres at Fort Belvoir, Virginia, to the County of Fairfax, Virginia, in exchange for a parcel of property acceptable to the Secretary.

PART II—NAVY CONVEYANCES

Land conveyance, Navy property, Dixon, California (sec. 2841)

The conferees agree to include a provision that would authorize the Secretary of the Navy to convey, without consideration, approximately 40 acres in Dixon, California, to the Housing Authority of the city of Dixon, California, for the purpose of permitting the Housing Authority to continue to provide suitable housing and support services to migrant workers. The Housing Authority would be required to pay for or reimburse the Navy for costs incurred to carry out the conveyance. This provision would also exempt the conveyance from screening for further federal use.

Land conveyance, Marine Corps Logistics Base, Albany, Georgia (sec. 2842)

The Senate amendment contained a provision (sec. 2823) that would authorize the Secretary of the Navy to convey through negotiated sale a parcel of property consisting of approximately 11 acres at Marine Corps Logistics Base, Albany, Georgia, to the Preferred Development Group Corporation for the purpose of economic development.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Land conveyance, Naval and Marine Corps Reserve Center, Portland, Oregon (sec. 2843)

The Senate amendment contained a provision (sec. 2825) that would authorize the Secretary of the Navy to convey a parcel of property consisting of approximately 14 acres, and improvements thereon, at the Naval and Marine Corps Reserve Center, Portland, Oregon, to the United Parcel Service, Incorporated, for the purpose of expanding a main distribution complex. As consideration, the Secretary of the Navy would receive property and new facilities equal to no less than the fair market value of conveyed property, as determined by the Secretary.

The provision would also authorize the Secretary to receive reimbursement for any costs incurred as a result of the conveyance and to deposit those funds into the accounts from which the costs were expended.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Land conveyance, Naval Reserve Center, Orange, Texas (sec. 2844)

The House bill contained a provision (sec. 2826) that would authorize the Secretary of the Navy to convey approximately 2.5 acres at Naval Reserve Center, Orange, Texas to the City of Orange, Texas for the purpose of road construction, economic development, and other public purposes. As consideration, the City shall provide either cash payment or other consideration equal to the fair market value of the parcel, as determined by the Secretary.

The provision also authorizes the Secretary of the Navy to receive reimbursement from the City for costs incurred to carry out the conveyance and to deposit this reimbursement into the accounts from which funds were expended for services related to the conveyance.

The Senate amendment contained no similar provision.

The Senate recedes.

Land conveyance, Puget Sound Naval Shipyard, Bremerton, Washington (sec. 2845)

The House bill contained a provision (sec. 2828) that would authorize the Secretary of the Navy to convey approximately 2.8 acres at the eastern end of the Puget Sound Naval Shipyard, Bremerton, Washington, to the City of Bremerton, Washington. As consideration, the City shall replace administrative space on the parcel to be conveyed by renovating approximately 7,500 square feet of existing space in building 433 at Naval Station Bremerton to conditions

acceptable to the Secretary and at no cost to the United States. In lieu of aforementioned renovation, the Secretary may accept other facility alteration or repair of not than less than equal value.

The Secretary may also carry out environmental remediation actions deemed necessary by the Secretary to conform to section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 using funds available in the Environmental Restoration Account.

The provision would also authorize the Secretary to receive reimbursement from the city for costs incurred to carry out the conveyance and to deposit this reimbursement into the accounts from which funds were expended for services related to the conveyance.

The Senate amendment contained no similar provision.

The Senate recedes.

PART III—AIR FORCE CONVEYANCES

Land exchange, March Air Reserve Base, California (sec. 2851)

The conferees agree to include a provision that would authorize the Secretary of the Army to convey five parcels, including any improvements thereon, totaling approximately 37 acres at March Air Reserve Base, California, to the March Joint Powers Authority of Moreno Valley, California. This provision would also authorize the Secretary of the Navy to convey two parcels, including any improvements thereon, totaling approximately 10 acres at March Air Reserve Base, California, to the March Joint Powers Authority of Moreno Valley, California. As consideration for the conveyances, the March Joint Powers Authority would release interest in two contiguous parcels of property at March Air Reserve Base, consisting of 20 acres and 28 acres respectively. This provision would also direct the Secretary of the Air Force to transfer, without consideration, the same two parcels of land to the Secretary of the Army.

Actions to quiet title, Fallin Water Subdivision, Eglin Air Force Base, Florida (sec. 2852)

The House bill contained a provision (sec. 2822) that would authorize the Secretary of the Air Force to quiet title to tracts of land not to exceed a total of two acres at Eglin Air Force Base, Florida, by conveying, acquiring, or exchanging small parcels of land as consideration. This authorization is intended to allow the Secretary to resolve longstanding encroachment issues with local communities as a result of inaccurate surveys.

The Senate amendment contained no similar provision.

The Senate recedes.

Modification of land conveyance, Eglin Air Force Base, Florida (sec. 2853)

Public Law 91–347, an Act to Provide for the Conveyance of Certain Real Property of the Federal Government to the Board of Public Instruction, Okaloosa County, Florida, directed the Secretary of the Air Force to transfer property to the School Board of the County of Okaloosa, Florida, to support public schools with a

condition that any portion of the property not used for public schools would be returned to the United States.

The House bill contained a provision (sec. 2823) that would amend the Act to authorize the Okaloosa County School Board to lease the undeveloped portion of the property to Okaloosa County for other public uses.

The Senate amendment contained no similar provision.

The Senate recedes.

PART IV—OTHER CONVEYANCES

Land conveyance, Army and Air Force Exchange Service Property, Dallas, Texas (sec. 2861)

The House bill contained a provision (sec. 2825) that would authorize the Secretary of Defense to allow the Army and Air Force Exchange Service (AAFES) to sell a parcel of real property, including improvements, at 15 Roundtable Drive in Dallas, Texas, at fair market value and to retain funds received within AAFES-controlled accounts.

The Senate amendment contained a similar provision (sec. 2824).

The House recedes with a technical amendment.

Land conveyance, Umnak Island, Alaska (sec. 2862)

The conferees agree to include a provision that would authorize the Secretary of the Air Force to relinquish the claim of the former Nikolski Radio Relay Site (NRRS) on Umnak Island, Alaska in order for the Secretary of the Interior to carry out the following actions:

(1) To receive as consideration all rights to lot 1, section 14, township 81 south, range 133 west, Seward meridian, Alaska. (2) Upon confirmation of the receipt of consideration, to convey phase I of the surface estate of the former radio relay site to the Chaluka Corporation as soon as practicable, to convey phase II of the surface estate of the former NRRS to the Chaluka Corporation upon the Department of the Air Force's completion of environmental restoration in accordance with applicable laws, and to convey the subsurface estate of the former NRRS to the Aleut Corporation.

This provision would also reaffirm the applicability of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 USC 9620(h)) and other applicable laws for all conveyances.

This provision would require the property conveyed to the Chaluka Corporation and to the Aleut Corporation to be a part of, and subject to, the Alaska Native Claims Settlement Act (43 United States Code, section 1601 et seq.)

This provision would also require the Secretary of the Interior to convey without consideration an estate in fee simple in each of lots 1, 2, 5, 6, and 9 of Tract B of amended United States Survey 4904, that is the subject of an Aleutian Housing Authority mutual help occupancy agreement, to the Aleutian Housing Authority. This provision would also require the Secretary of the Interior to convey without consideration the remainder of such lots to the occupants of such lots as of the date of the enactment of this Act.

This provision would also require the Secretary of the Interior to convey without consideration an estate in fee simple in the Nikolski powerhouse land to the Indian Reorganization Act Tribal Government for the Native Village of Nikolski upon completion of environmental restoration if, after the restoration is completed, the powerhouse continues to be located on the Nikolski powerhouse land. If the powerhouse is no longer located on the Nikolski powerhouse land, this provision would require the Secretary of the Interior to convey without consideration the surface estate of the Nikolski powerhouse land to the Chaluka Corporation and the subsurface estate of the powerhouse land to the Aleut Corporation upon completion of environmental restoration.

This provision would also require the Chaluka Corporation to permit United States personnel to have unrestricted access in perpetuity to the airfield at Nikolski for any activity associated with site investigation, environmental monitoring, restoration and remediation of the former Nikolski Radio Relay Site. This provision would also require the Chaluka Corporation to permit United States personnel to have reasonable access to the airfield at Nikolski for any activity associated with management of lands owned by the United States and for other government purposes without cost to the United States.

This provision would also direct the surface estate of Phase I and Phase II lands to be subject to the public's right of access over Hill and Beach Streets, located on Tract B of United States Survey 4904.

This provision would also authorize the Secretary of the Air Force to transfer $1.7 million of appropriated funds to the Alaska Energy Authority for the purpose of assisting the Authority to perform environmental restoration of the Nikolski powerhouse land.

This provision would cease to be effective if either the Chaluka Corporation or the Aleut Corporation affirmatively rejects the offer of conveyance or if required legally binding resolutions are not submitted to the Secretary of the Interior before the end of a 180-day period specified in this provision.

Subtitle E—Other Matters

Authority to accept guarantees with gifts in development of the Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia (sec. 2871)

The Senate amendment contained a provision (sec. 1033) that would authorize the Secretary of the Navy to use authority in section 6975 of Title 10, United States Code, to accept guarantees with gifts in development of the Marine Corps Heritage Center, Marine Corps Base, Quantico, Virginia. The authorization would expire on December 31, 2006.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would move the provision from Title X of this Act to the Military Construction Authorization Act for Fiscal Year 2004, and would amend section 2884 of the Military Construction Authorization Act for Fiscal Year 2001 (Public law 106–398).

Redesignation of Yuma Training Range Complex as Bob Stump Training Range Complex (sec. 2872)

The House bill contained a provision (sec. 2841) that would rename the Yuma Training Range Complex the Bob Stump Training Range Complex in honor of the former chairman of the House Committee on Armed Services, Bob Stump. The conferees note that renaming the Yuma Training Range Complex in Congressman Stump's honor is particularly fitting, as the congressman was a cosponsor of legislation in 1985 that created the Barry M. Goldwater Range, used in part by the Yuma Training Range Complex and supported by Luke Air Force Base, Arizona.

The Senate amendment contained no similar provision.

The Senate recedes.

Feasibility study of conveyance of Louisiana Army Ammunition Plant, Doyline, Louisiana (sec. 2873)

The Senate amendment contained a provision (sec. 2827) that would authorize the Secretary of the Army to conduct a study of the feasibility, costs, and benefits of entering into a public-private partnership for utilization and development of the Louisiana Army Ammunition Plant, Doyline, Louisiana. The study would consider the means by which a conveyance of the plant could facilitate more efficient support for military missions and the potential consideration provided for such conveyance. The study would include evidence provided by the State regarding the potential benefit to current and future private sector and government tenants of the plant, as well as the potential economic benefit to the surrounding community. The report would be due to the congressional defense committees not later than 180 days from enactment of this Act.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Exemption from screening and use requirements under McKinney-Vento Homeless Assistance Act for Department of Defense property in emergency support of homeland security

The Senate amendment contained a provision (sec. 2814) that would amend section 11411 of title 42, United States Code, to provide an exemption for Department of Defense (DOD) property from the requirement to screen excess or surplus property for other uses when the Secretary of Defense determines that such DOD property should be made available for use by a state or local government or private entity on a temporary basis to support homeland security.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree that current law does not require screening under the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411) for the temporary transfer of DOD facilities to support contingency responses for homeland security activities, provided the property is returned to its previous legal status when the Secretary determines the property is no longer needed for the contingency response.

Land conveyance, Fort Ritchie, Maryland

The Senate amendment contained a provision (sec. 2826) that would authorize the Secretary of the Army to convey, without consideration, a parcel of property consisting of approximately 33 acres at the former Fort Ritchie, Maryland, to the PenMar Development Corporation, a public instrumentality of the State of Maryland, for the purpose of economic development.

The House bill contained no similar provision.

The Senate recedes.

Sense of Congress on demolition of Army Tacony Warehouse Depot Site, Philadelphia, Pennsylvania

The House bill contained a provision (sec. 2812) that would express the sense of Congress that the Secretary of the Army should take swift action to demolish the Tacony warehouse at Philadelphia, Pennsylvania.

The Senate amendment contained no similar provision.

The House recedes.

Modification of authority to conduct a round of realignments and closures of military installations in 2005

The House bill contained a provision (sec. 2842) that would amend section 2912(a) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510) as amended by section 3001 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) to define the parameters by which the Secretary of Defense determines military force structure and infrastructure requirements. This provision would require the Secretary of Defense to submit a force structure plan that assumes, at a minimum, the 1991 Base Force Structure plan. In addition, the Secretary's description of supporting infrastructure must be capable of sustaining the entire planned force structure if no U.S. forces were permanently based outside of the United States. This provision would also amend current law to require the Secretary of Defense to submit, not later than April 1, 2005, a list of core military installations considered absolutely essential to national defense, to the base closure commission. This list must contain at least 50 percent of the total number of installations within the United States that would be eliminated from consideration for closure or realignment.

The Senate amendment contained no similar provision.

The House recedes.

Requirement for unanimous vote of defense base realignment and closure commission to recommend closure of military installations not recommended for closure by the Secretary of Defense

The House bill contained a provision (sec. 2844) that would amend section 2914(d) of the Defense Base Closure and Realignment Act of 1990 (Public Law 101–510) as amended by section 3003 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) to require a unanimous vote of the base closure commission to add an installation to the list of bases recommended for closure by the Secretary of Defense.

The Senate amendment contained no similar provision.

The House recedes.

Review of overseas military facility structure

The Senate amendment contained a provision (secs. 2841–2848) that would establish a commission to conduct a thorough study of matters related to U.S. military facility structure overseas. The Commission would assess the adequacy of current U.S. overseas basing structure to execute current missions and the feasibility of closures, realignments, or establishment of new installations overseas to meet emerging defense requirements. The Commission would not take the place of or preclude in any way the ongoing efforts by the Department of Defense to conduct its own review and to develop a comprehensive and integrated global presence and basing strategy.

This provision would also authorize $3.0 million from the Department of Defense operations and maintenance account to be available to the Commission to carry out its specified responsibilities.

The House bill contained no similar provision.

The Senate recedes with the acknowledgment that a similar provision has been included in the fiscal year 2004 Military Construction Appropriations Act.

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

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Atomic Energy Defense Activities (053)					
Energy Programs					
Energy supply	110,473	110,473	110,473		110,473
National nuclear security administration:					
Weapons activities	6,378,000	6,393,000	6,457,272	56,772	6,434,772
Defense nuclear nonproliferation	1,340,195	1,312,695	1,340,195	-8,000	1,332,195
Naval reactors	768,400	768,400	788,400		768,400
Office of the administrator	347,980	347,980	347,980	-6,000	341,980
Total, National nuclear security administration	**8,834,575**	**8,822,075**	**8,933,847**	**42,772**	**8,877,347**
Environmental and other defense activities:					
Defense environmental restoration & waste management					
Defense site acceleration completion	5,814,635	5,824,135	5,814,635		5,814,635
Defense environmental services	995,179	995,179	995,179		995,179
Other defense activities	494,331	497,331	465,059	-5,272	489,059
Defense nuclear waste disposal	430,000	430,000	360,000	-37,500	392,500
Total, Environmental & other defense activities	**7,734,145**	**7,746,645**	**7,634,873**	**-42,772**	**7,691,373**
Cerro Grande fire activities (Use of prior years balances)					
Subtotal Department of Energy	**16,679,193**	**16,679,193**	**16,679,193**		**16,679,193**
Defense nuclear facilities safety board	19,559	19,559	19,559		19,559
Total Atomic Energy Defense Activities	**16,698,752**	**16,698,752**	**16,698,752**		**16,698,752**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Energy Supply					
Nuclear Energy					
Infrastructure					
Idaho facilities management					
INEEL infrastructure					
INEEL infrastructure O&M (050)	21,415	21,415	21,415		21,415
Idaho sitewide safeguards and security (050)	56,654	56,654	56,654		56,654
Total, Infrastructure	**78,069**	**78,069**	**78,069**		**78,069**
Program direction (050)	35,407	35,407	35,407		35,407
Subtotal Nuclear Energy	**113,476**	**113,476**	**113,476**		**113,476**
Less security charge for reimbursable work (NE) (050)	-3,003	-3,003	-3,003		-3,003
Total, Energy Supply	**110,473**	**110,473**	**110,473**		**110,473**
National Nuclear Security Administration					
Weapons Activities					
Directed stockpile work					
Stockpile research and development	433,150	433,150	433,150		433,150
Stockpile maintenance	405,746	405,746	405,746	10,000	415,746
Stockpile evaluation	202,885	202,885	202,885		202,885
Dismantlement/disposal	37,722	37,722	37,722		37,722
Production support	278,113	295,113	278,113		278,113
Field engineering, training and manuals	7,170	7,170	7,170		7,170
Total, Directed stockpile work	**1,364,786**	**1,381,786**	**1,364,786**	**10,000**	**1,374,786**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Campaigns					
Science campaigns					
Primary certification	65,849	65,849	65,849	-1,000	64,849
Dynamic materials properties	82,251	82,251	82,251		82,251
Advanced radiography					
Operations and maintenance	65,985	60,985	65,985	-5,000	60,985
Secondary certification and nuclear systems margins	55,463	55,463	55,463		55,463
Total, Science campaigns	**269,548**	**264,548**	**269,548**	**-6,000**	**263,548**
Engineering campaigns					
Enhanced surety	37,974	37,974	37,974	-1,000	36,974
Weapons system engineering certification	28,238	28,238	28,238		28,238
Nuclear survivability	23,977	23,977	23,977		23,977
Enhanced surveillance	94,781	94,781	94,781	-2,000	92,781
Advanced design and production technologies	79,917	79,917	79,917		79,917
Engineering campaigns construction activities					
Operations and maintenance	4,500	4,500	4,500		4,500
Construction:					
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM	61,800	61,800	61,800		61,800
Total, Engineering campaigns construction activities	**66,300**	**66,300**	**66,300**		**66,300**
Total, Engineering campaigns	**331,187**	**331,187**	**331,187**	**-3,000**	**328,187**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Inertial confinement fusion and high yield campaign campaign					
Operations and maintenance	316,769	311,769	316,769	-5,000	311,769
Construction:					
96-D-111 National ignition facility (NIF), LLNL, Livermore, CA	150,000	150,000	150,000		150,000
Total, Inertial confinement fusion and high yield campaign	**466,769**	**461,769**	**466,769**	**-5,000**	**461,769**
Advanced simulation and computing campaign					
Operations and maintenance	713,326	713,326	713,326	-25,000	688,326
Construction:					
01-D-101 Distributed information systems laboratory, SNL, Livermore, CA	12,300	12,300	12,300		12,300
00-D-103, Terascale simulation facility, LLNL, Livermore, CA	25,000	25,000	25,000		25,000
00-D-107 Joint computational engineering laboratory, SNL, Albuquerque, NM					
Total, Construction	**37,300**	**37,300**	**37,300**		**37,300**
Total, Adv simulation and computing campaign	**750,626**	**750,626**	**750,626**	**-25,000**	**725,626**
Pit manufacturing and certification campaign	320,228	320,228	320,228		320,228
Readiness campaigns					
Stockpile readiness	55,158	57,158	55,158		55,158
High explosives manufacturing and weapons assembly/disassembly readiness	29,649	29,649	29,649	-2,000	27,649

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Non-nuclear readiness	37,397	37,397	37,397	-3,000	34,397
Materials readiness					
Tritium readiness					
Operations and maintenance	59,893	59,893	59,893		59,893
Construction:					
98-D-125 Tritium extraction facility, Savannah River site, Aiken, SC	75,000	75,000	75,000		75,000
98-D-126 Accelerator production of tritium (APT), various locations					
Total, Construction	**75,000**	**75,000**	**75,000**		**75,000**
Total, Tritium readiness	**134,893**	**134,893**	**134,893**		**134,893**
Total, Readiness campaigns	**257,097**	**259,097**	**257,097**	**-5,000**	**252,097**
Total, Campaigns	**2,395,455**	**2,387,455**	**2,395,455**	**-44,000**	**2,351,455**
Readiness in technical base and facilities					
Operations of facilities	972,773	989,073	1,052,045	106,272	1,079,045
Other sites		[-20,000]			
Y-12 Plant facilities and legacy material stewardship		[7,000]			
Pantex Plant maintenance		[14,300]			
Pantex General Plant projects and capital equipment		[15,000]			
Program readiness	131,093	131,093	131,093		131,093
Special projects	42,975	42,975	42,975		42,975
Material recycle and recovery	76,189	76,189	76,189		76,189
Containers	16,006	16,006	16,006		16,006
Storage	11,365	11,365	11,365		11,365
Nuclear weapons incident response	89,694	89,694	89,694		89,694

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Subtotal, Readiness in technical base and facilities	**1,340,095**	**1,356,395**	**1,419,367**	**106,272**	**1,446,367**
Construction:					
04-D-101 Test capabilities revitalization, Sandia National Laboratories, Albuquerque, NM	36,450	36,450	36,450		36,450
04-D-102 Exterior communications infrastructure modernization, Sandia National Laboratories Albuquerque, NM	20,000	20,000	20,000		20,000
04-D-103 Project engineering and design, (PED) various locations	2,000	2,000	2,000		2,000
04-D-104 National security sciences building Los Alamos National Laboratory, Los Alamos, NM	50,000	38,000		-50,000	
04-D-125 Chemistry and metallurgy facility replacement project, Los Alamos National Laboratory, Los Alamos, NM	20,500	20,500	20,500		20,500
04-D-126 Building 12-44 production cells upgrade, Pantex plant, Amarillo, TX	8,780	8,780	8,780		8,780
04-D-127 Cleaning and loading modifications Savannah River site, Aiken, SC	2,750	2,750	2,750		2,750

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
04-D-128 TA-18 Mission relocation project Los Alamos National Laboratory, Los Alamos, NM	8,820	8,820	8,820		8,820
03-D-101 Sandia underground reactor facility Sandia National Laboratories, Albuquerque, NM					
03-D-102 LANL Administration Building, SM-43 replacement, Los Alamos, NM			50,000	38,000	38,000
03-D-103 Project engineering and design (PED) various locations	10,570	10,570	10,570		10,570
03-D-121 Gas transfer capacity expansion, Kansas City Plant, Kansas City, MO	15,300	15,300	15,300		15,300
03-D-122 Purification facility, Y-12 plant Oak Ridge, TN					
03-D-123 Special nuclear materials component requalification facility, Pantex plant, Amarillo, TX	7,628	7,628	7,628		7,628
02-D-103 Project engineering and design, various locations	10,950	10,950	10,950		10,950
02-D-105 Engineering technology complex upgrade (ETCU), LLNL, Livermore, CA	9,776	9,776	9,776		9,776

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
02-D-107 Electrical power systems safety communications and bus upgrades, Nevada Test Site	2,887	2,887	2,887		2,887
01-D-103 Project engineering and design (PED) various locations	1,600	1,600	1,600		1,600
01-D-107 Atlas relocation and operations Nevada Test Site, NV					
01-D-108 Microsystem and engineering science applications (MESA), SNL, Albuquerque, NM					
01-D-124 HEU materials facility, Y-12 plant, Oak Ridge, TN	45,000	45,000	45,000		45,000
01-D-126 Weapons Evaluation Test Laboratory Pantex Plant, Amarillo, TX	2,838	2,838	2,838		2,838
01-D-800 Sensitive compartmented information facility, LLNL, CA					
99-D-103 Isotope sciences facilities, LLNL, Livermore, CA					
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA	3,500	3,500	3,500		3,500

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
99-D-106 Model validation & system certification center, SNL, Albuquerque, NM					
99-D-125 Replace boilers & controls, Kansas City plant, Kansas City, MO					
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO	12,475	12,475	12,475		12,475
99-D-128 Stockpile management restructuring initiative, Pantex plant, Amarillo, TX					
98-D-123 Stockpile management restructuring initiative, Tritium factory modernization and consolidation, Savannah River site, SC					
98-D-124 Stockpile management restructuring initiative, Y-12 plant Oak Ridge, TN					
97-D-123 Structural upgrades, Kansas City plant, Kansas City, MO					
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	1,552	1,552	1,552		1,552

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
90-D-124 High explosive synthesis facility, Pantex plant, Amarillo, TX					
88-D-125 HE machining facility, PX					
Total, Construction	**273,376**	**261,376**	**273,376**	**-12,000**	**261,376**
Total, Readiness in technical base and facilities	**1,613,471**	**1,617,771**	**1,692,743**	**94,272**	**1,707,743**
Facilities and infrastructure recapitalization program					
Operation and maintenance	261,404	261,404	261,404		261,404
Construction					
04-D-203 Facilities and infrastructure recapitalization program (FIRP), project engineering design (PED), various locations	3,719	3,719	3,719		3,719
Total, Facilities and infrastructure recapitalization program	**265,123**	**265,123**	**265,123**		**265,123**
Secure transportation asset					
Operations and equipment	123,605	123,605	123,605		123,605
Program direction	58,795	58,795	58,795		58,795
Total, Secure transportation asset	**182,400**	**182,400**	**182,400**		**182,400**
Safeguards and security					
Operations and maintenance	582,067	583,767	582,067	-3,500	578,567
Physical and cyber security research and development		[-10,000]		[-3,500]	
LLNL security upgrades		[11,700]			

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Construction:					
99-D-132 Nuclear material safeguards and security upgrade project, LANL, Los Alamos, NM	3,683	3,683	3,683		3,683
Total, Safeguards and security	**585,750**	**587,450**	**585,750**	**-3,500**	**582,250**
Subtotal, Weapons Activities	**6,406,985**	**6,421,985**	**6,486,257**	**56,772**	**6,463,757**
Adjustments					
Use of prior year balances					
Less security charge for reimbursable work	-28,985	-28,985	-28,985		-28,985
Total, Adjustments	**-28,985**	**-28,985**	**-28,985**		**-28,985**
Total, Weapons Activities	**6,378,000**	**6,393,000**	**6,457,272**	**56,772**	**6,434,772**
Defense Nuclear Nonproliferation					
Nonproliferation and verification R&D					
Operation and maintenance	203,873	203,873	203,873		203,873
Construction:					
00-D-192 Nonproliferation and international security center (NISC), LANL					
Total, Nonproliferation & verification R&D	**203,873**	**203,873**	**203,873**		**203,873**
Nonproliferation and international security	101,734	101,734	101,734		101,734
IAEA safeguards and nonproliferation policy		[-5,000]			
Nuclear noncompliance verification		[5,000]			

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Nonproliferation programs with Russia					
International nuclear materials protection and cooperation	226,000	226,000	226,000	5,000	231,000
Russian transition initiatives	40,000	40,000	40,000		40,000
HEU transparency implementation	18,000	18,000	18,000		18,000
International nuclear safety and cooperation	14,083	11,583	14,083	-8,000	6,083
Elimination of weapons-grade plutonium production program	50,000	50,000	50,000		50,000
Accelerated materials disposition	30,000	5,000	30,000	-5,000	25,000
Fissile materials disposition					
U S surplus materials disposition	193,805	193,805	193,805		193,805
Russian surplus materials disposition	47,100	47,100	47,100		47,100
Construction:					
01-D-407 Highly enriched uranium (HEU) blend down, Savannah River, SC					
99-D-141 Pit disassembly and conversion facility, Savannah River, SC	13,600	13,600	13,600		13,600
99-D-143 Mixed oxide fuel fabrication facility, Savannah River, SC	402,000	402,000	402,000		402,000
Total, Construction	**415,600**	**415,600**	**415,600**		**415,600**
Program direction					
Total, Fissile materials disposition	**656,505**	**656,505**	**656,505**		**656,505**
Total, Nonproliferation programs with Russia	**1,034,588**	**1,007,088**	**1,034,588**	**-8,000**	**1,026,588**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Return of domestic sealed sources					
Program direction					
Subtotal, Defense Nuclear Nonproliferation	**1,340,195**	**1,312,695**	**1,340,195**	**-8,000**	**1,332,195**
Adjustments:					
Use of prior year balances					
International renewable energy program					
Total, Adjustments					
Total, Defense Nuclear Nonproliferation	**1,340,195**	**1,312,695**	**1,340,195**	**-8,000**	**1,332,195**
Naval Reactors					
Naval reactors development					
Operation and maintenance	724,600	724,600	744,600		724,600
Construction:					
03-D-201 Cleanroom technology facility	300	300	300		300
01-D-200 Major office replacement building, Schenectady, NY					
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	18,300	18,300	18,300		18,300
Total, Construction	**18,600**	**18,600**	**18,600**		**18,600**
Total, Naval reactors development	**743,200**	**743,200**	**763,200**		**743,200**
Program direction	25,200	25,200	25,200		25,200
Total, Naval Reactors	**768,400**	**768,400**	**788,400**		**768,400**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Office Of The Administrator					
Office of the administrator	347,980	347,980	347,980	-6,000	341,980
Defense nuclear nonproliferation					
Total, National Nuclear Security Administration	**8,834,575**	**8,822,075**	**8,933,847**	**42,772**	**8,877,347**
Defense Environmental Restoration & Waste Mgt					
Site/project completion					
Operation and maintenance					
Construction:					
03-D-414 Preliminary project engineering and design various locations					
02-D-402 Intec cathodic protection system expansion project, INEEL, Idaho Falls, ID					
02-D-420 Plutonium packaging and stabilization, Savannah River, SC					
01-D-414 Preliminary project, engineering and design (PE&D), various locations					
99-D-402 Tank farm support services, F&H area, Savannah River site, Aiken, SC					
99-D-404 Health physics instrumentation laboratory, INEEL, ID					

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA					
96-D-471 CFC HVAC/chiller retrofit, Savannah River site, Aiken, SC					
92-D-140 F&H canyon exhaust upgrades, Savannah River, SC					
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA					
Total, Construction					
Total, Site/project completion					
Post 2006 completion					
Operation and maintenance					
Uranium enrichment D&D fund contribution					
Construction:					
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC					
Office of river protection					
Operation and maintenance					
Construction:					
03-D-403 Immobilized high-level waste					

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
interim storage facility, Richland, WA					
01-D-416 Tank waste remediation system, RL					
97-D-402 Tank farm restoration and safe operations, Richland, WA					
94-D-407 Initial tank retrieval systems, Richland, WA					
Total, Construction					
Total, Office of river protection					
Total, Post 2006 completion					
Uranium enrichment D&D fund contribution					
Science and technology					
Excess facilities					
Multi-Site activities					
Safeguards and security					
Program direction					
Subtotal, Defense environmental restoration and waste management					
Adjustments:					
Use of prior year balances					
Less security charge for reimbursable work					
Total, Adjustments					
Total, Defense Environmental Restoration And Waste Management					

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Environmental Management Cleanup Reform					
Environmental management cleanup reform					
Defense Site Acceleration Completion *(was Defense Facilities Closure Projects)*					
2006 Accelerated completions	1,245,171	1,254,671	1,245,171		1,245,171
2012 Accelerated Completions					
Operation and maintenance	1,512,554	1,512,554	1,512,554		1,512,554
Construction:					
04-D-414 Project engineering and design, various locations	23,500	23,500	23,500		23,500
04-D-423 3013 container surveillance capability in 235-F, SR	1,134	1,134	1,134		1,134
02-D-402 Cathodic protection system expansion, ID	1,126	1,126	1,126		1,126
01-D-416 Waste treatment and immobilization plant, RL	690,000	690,000	690,000		690,000
Total, Construction	**715,760**	**715,760**	**715,760**		**715,760**
Total, 2012 Accelerated Completions	**2,228,314**	**2,228,314**	**2,228,314**		**2,228,314**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
2035 Accelerated Completions					
Operation and maintenance	1,892,884	1,892,884	1,892,884		1,892,884
Construction:					
04-D-408 Glass waste storage building #2, SR	20,259	20,259	20,259		20,259
03-D-403 Immobilized HLW interim storage facility, RL	13,954	13,954	13,954		13,954
03-D-414 Project engineering and design, various locations	51,500	51,500	51,500		51,500
Total, Construction	**85,713**	**85,713**	**85,713**		**85,713**
Total, 2035 Accelerated Completions	**1,978,597**	**1,978,597**	**1,978,597**		**1,978,597**
Safeguards and security	299,977	299,977	299,977		299,977
Technology development and deployment	63,920	63,920	63,920		63,920
Site closure					
Safeguards and security					
Subtotal, Defense Site Acceleration Completion	**5,815,979**	**5,825,479**	**5,815,979**		**5,815,979**
Less general reduction					
Less security charge for reimbursable work	-1,344	-1,344	-1,344		-1,344
Use of prior year balances					
Total, Defense Site Acceleration Completion	**5,814,635**	**5,824,135**	**5,814,635**		**5,814,635**

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Defense Environmental Services					
(was Defense Environmental Management Privatization)					
Community and regulatory support	61,337	61,337	61,337		61,337
Federal contribution to the uranium enrichment	452,000	452,000	452,000		452,000
Non-closure environmental activities					
Operation and maintenance	189,698	189,698	189,698		189,698
Program direction	292,144	292,144	292,144		292,144
Privatization initiatives, various locations					
Subtotal, Defense Environmental Services	**995,179**	**995,179**	**995,179**		**995,179**
Less general reduction					
Total, Defense Environmental Services	**995,179**	**995,179**	**995,179**		**995,179**
Total, Defense Environmental Rest & Waste Mgt	**6,809,814**	**6,819,314**	**6,809,814**		**6,809,814**
Other Defense Activities					
Energy security and assurance					
Energy security					
Program direction	4,272	3,272		-4,272	
Total, Energy security and assurance	**4,272**	**3,272**		**-4,272**	
Office of Security					
Nuclear safeguards and security	104,713	104,713	104,713		104,713
Security investigations	54,554	54,554	54,554		54,554
Program direction	52,490	52,490	52,490		52,490

Department of Energy National Security Programs

(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Chief information officer					
Corporate management information program					
Total, Office of Security	**211,757**	**211,757**	**211,757**		**211,757**
Intelligence	39,823	44,823	39,823		39,823
Counterintelligence	45,955	45,955	45,955		45,955
Advanced accelerator applications					
Independent oversight and performance assurance	22,575	22,575	22,575		22,575
Environment, safety & health					
Environment, safety and health (defense)	87,276	87,276	87,276		87,276
Program direction	20,410	20,410	20,410		20,410
Total, Environment, safety and health	**107,686**	**107,686**	**107,686**		**107,686**
Worker and community transition					
Worker and community transition	12,321	12,321	12,321		12,321
Program direction	2,679	1,679	2,679	-1,000	1,679
Total, Worker and community transition	**15,000**	**14,000**	**15,000**	**-1,000**	**14,000**
Office of Legacy Management					
Office of Legacy Management (050)	19,178	19,178	19,178		19,178
Program direction					
National security programs administrative support	25,000	25,000			25,000
Office of hearings and appeals	3,797	3,797	3,797		3,797
Subtotal, Other defense activities	**495,043**	**498,043**	**465,771**	**-5,272**	**489,771**

Department of Energy National Security Programs
(Dollars in Thousands)

	FY2004 Request	House Authorized	Senate Authorized	Conference Change	Conference Authorized
Adjustments:					
Use of prior year balances					
Less security charge for reimbursable work (SO)	-712	-712	-712		-712
Total, Adjustments	**-712**	**-712**	**-712**		**-712**
Total, Other Defense Activities	**494,331**	**497,331**	**465,059**	**-5,272**	**489,059**
Defense Nuclear Waste Disposal					
Defense nuclear waste disposal	430,000	430,000	360,000	-37,500	392,500
Total, Environmental and Other Defense Activities	**7,734,145**	**7,746,645**	**7,634,873**	**-42,772**	**7,691,373**
Cerro Grande Fire Activities					
Use of prior year balances					
SUBTOTAL DEPARTMENT OF ENERGY	**16,679,193**	**16,679,193**	**16,679,193**		**16,679,193**
Defense nuclear facilities safety board	19,559	19,559	19,559		19,559
TOTAL ATOMIC ENERGY DEFENSE ACTIVITIES	**16,698,752**	**16,698,752**	**16,698,752**		**16,698,752**

Subtitle A—National Security Programs Authorizations

National Nuclear Security Administration (sec. 3101)

The House bill contained a provision (sec. 3101) that would authorize $8.8 billion for the National Nuclear Security Administration (NNSA), including funds for weapons activities, defense nuclear nonproliferation programs, naval reactor programs, and the Office of the Administrator.

The Senate amendment contained a similar provision (sec. 3101).

The conferees agree to include a provision that would authorize $8.9 billion for NNSA.

The budget request included $405.7 million in stockpile maintenance for directed stockpile work. The conferees agree to authorize $415.7 million for directed stockpile work, an increase of $10.0 million, to support activities at the Y–12 Plant in Oak Ridge, Tennessee, to replace aging manufacturing process equipment and support systems at Y–12.

The budget request included $65.8 million for the primary certification campaign. The conferees agree to $64.8 million, a decrease of $1.0 million.

The budget request included $66.0 million in operations and maintenance for the advanced radiography campaign. The conferees agree to authorize $61.0 million for the advanced radiography campaign, a decrease of $5.0 million. The conferees urge NNSA to focus on delivering the radiographic tools essential to its nearer term production requirements.

The budget request included $38.0 million for the enhanced surety campaign. The conferees agree to authorize $37.0 million for the enhanced surety campaign, a decrease of $1.0 million.

The budget request included $94.8 million for the enhanced surveillance campaign. The conferees agree to authorize $92.8 million for the enhanced surveillance campaign, a decrease of $2.0 million.

The budget request included $316.8 million in operations and maintenance for the inertial confinement fusion (ICF) and high yield campaign. The conferees agree to authorize $311.8 million for the ICF and high yield campaign, a decrease of $5.0 million. While the conferees believe diagnostics and target fabrication capabilities have been under emphasized in the past, the conferees question whether such a large budget increase could be executed effectively.

The budget request included $713.3 million in operations and maintenance for the advanced simulation and computing campaign. The conferees agree to authorize $688.3 million for the advanced simulation and computing campaign, a decrease of $25.0 million.

The budget request included $29.6 million for the high explosives manufacturing and weapons assembly and disassembly readiness campaign. The conferees agree to authorize $27.6 million for the high explosives manufacturing and weapons assembly and disassembly readiness campaign, a decrease of $2.0 million.

The budget request included $37.4 million for the non-nuclear readiness campaign. The conferees agree to authorize $34.4 million for the non-nuclear readiness campaign, a decrease of $3.0 million.

The budget request included $1.3 billion for Readiness in Technical Base and Facilities (RTBF). The conferees agree to authorize $1.4 billion, an increase of $106.3 million for the operations of facilities program to include a $7 million increase for facilities maintenance and legacy material stewardship at Y–12, and a $20.0 million increase for plant maintenance, plant projects and capital equipment at Pantex.

The budget request included $50.0 million for RTBF to begin construction of a national security sciences building (project 04–D–104) at Los Alamos National Laboratory (LANL). The conferees agree to authorize $38.0 million for project 03–D–102, a decrease of $12.0 million. The national security sciences building at LANL, listed as 03–D–102, received an advanced appropriation in fiscal year 2003 of $12.0 million. The conferees note that construction projects should be authorized prior to obligation of funds.

The budget request included $585.8 million for safeguards and security. The conferees agree to authorize $582.3 million for safeguards and security, a decrease of $3.5 million in physical and cyber security research and development. The conferees note that the proposed activities would be largely duplicative of research the Department of Energy requested in other defense activities. Of the amounts authorized for safeguards and security, the conferees agree to authorize the Department to expend appropriated funds available, not to exceed $8.0 million, for the planning, engineering, and design of a proposed Security Improvements project at the Y–12 National Security Complex.

The budget request included $226.0 million for international nuclear materials protection and cooperation. The conferees agree to authorize $231.0 million, an increase of $5.0 million for the second line of defense program which helps to prevent nuclear materials from being smuggled across Russian and other international borders. The budget request included $30.0 million for accelerated materials disposition. The conferees agree to authorize $25.0 million for accelerated materials disposition, a decrease of $5.0 million. The conferees note their concern with the cost-effectiveness of this program.

Defense environmental management (sec. 3102)

The House bill contained a provision (sec. 3102) that would authorize $6.8 billion for the Department of Energy for defense environmental management (EM) activities for fiscal year 2004, including funds for defense site acceleration completion and defense environmental services.

The Senate amendment contained a similar provision (sec. 3102) that would authorize $6.8 billion for defense environmental activities.

The conferees agree to authorize $6.8 billion for defense environmental management, the amounts of the budget request, including $5.8 billion for defense site acceleration completion and $995.2 million for defense environmental services.

The conferees support the continuing efforts of the Department of Energy to accelerate cleanup at all of the environmental management (EM) sites, which will result in reducing risk to the environment, workers, and the community, shortening cleanup sched-

ules, and saving tens of billions of dollars across the EM complex. The conferees also support a policy that would take funds made available due to the cleanup completion of Fernald, Mound, Rocky Flats and other sites, and roll them into the remaining EM sites to help accelerate their completion even sooner, if possible.

Other defense activities (sec. 3103)

The House bill contained a provision (sec. 3103) that would authorize $497.3 million for the Department of Energy (DOE) for other defense activities for fiscal year 2004.

The Senate amendment contained a similar provision (sec. 3103) that would authorize $465.1 million for DOE other defense activities.

The conferees agreed to authorize $489.1 million, a reduction of $5.3 million below the budget request.

The budget request included $4.3 million for program direction for energy security and assurance. The conferees agree to authorize no funds for these activities. These funds are requested for program direction costs for an operational component of this office that was transferred to the Department of Homeland Security (DHS) in fiscal year 2003. The conferees note that funding for this component should be included in the DHS budget.

The budget request included $15.0 million for worker and community transition (WCT), including $2.7 million for program direction. The conferees agree to include $14.0 million for WCT, a reduction of $1.0 million to be taken out of the program direction activities. The conferees note that the request for programmatic funds drops 46 percent from fiscal year 2003, while program direction remains level. The conferees have included a proportional decrease to program direction.

Defense nuclear waste disposal (sec. 3104)

The House bill contained a provision (sec. 3104) that would authorize $430.0 million for defense nuclear waste disposal for fiscal year 2004.

The Senate amendment contained a similar provision (sec. 3104) that would authorize $360.0 million for defense nuclear waste disposal.

The conferees agree to authorize $392.5 million for defense nuclear waste disposal, a decrease of $37.5 million to the budget request. The conferrees note that the authorized amount for defense nuclear waste disposal reflects a $79.5 million increase to the fiscal year 2003 appropriated level.

Energy supply (sec. 3105)

The House bill contained a provision (sec. 3105) that would authorize $110.5 million for defense energy supply programs for fiscal year 2004

The Senate amendment contained a similar provision (sec. 3105) that would authorize $110.5 million.

The conferees agree to authorize $110.5 million for defense energy supply programs for fiscal year 2004, the amount of the budget request.

Subtitle B—Program Authorizations, Restrictions, and Limitations

Termination of requirement for annual updates of long-term plan for nuclear weapons stockpile life extension program (sec. 3111)

The House bill contained a provision (sec. 3112) that would terminate certain annual reporting requirements related to stockpile life extension programs, effective December 31, 2004.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

The conferees note that this material should be included in the annual report submitted by the National Nuclear Security Administration on the overall stockpile stewardship program, as well as other required reports. The annual report just received by Congress was extremely late. The conferees expect subsequent reports to be submitted on time.

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 (sec. 3112)

The House bill contained a provision (sec. 3114) that would allow an officer or employee of a management and operating (M&O) contractor of the Department of Energy, when serving on an advisory committee or review group for the Department on matters related to the Department's M&O contracts, to be treated as an officer or employee of the Department for the purposes of determining whether the group is an advisory committee within the meaning of section 3 of the Federal Advisory Committee Act (5 United States Code App.).

The Senate amendment contained no similar provision.

The Senate recedes.

Readiness posture for resumption by the United States of underground nuclear weapons tests (sec. 3113)

The Senate amendment contained a provision (sec. 3132) that would require the Secretary of Energy to achieve, and thereafter maintain, a posture of 18 months for resumption by the United States of underground nuclear tests. The Secretary of Energy would achieve this readiness posture by October 1, 2006. However, if, through the review conducted to comply with section 3142(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003, the Secretary determined that a different readiness posture was feasible and advisable, then the provision would require the Secretary to achieve, and thereafter maintain, that optimal test readiness posture.

The House bill contained no similar provision.

The House recedes with an amendment that would eliminate the requirement for the Secretary to identify an optimal test readiness posture in lieu of 18 months. Consistent with subsection 3142(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314), the Secretary determined that 18 months is the optimal test readiness posture. Furthermore, the amendment clarified that the readiness posture should be "not

more" than 18 months for resumption by the United States of underground nuclear tests.

Technical base and facilities maintenance and recapitalization activities (sec. 3114)

The Senate amendment contained a provision (sec. 3133) that would require the Administrator for Nuclear Security to add discipline, criteria, and new requirements and limitations to the Operations of Facilities Program within the Readiness in Technical Base and Facilities (RTBF) Program.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Administrator to submit a report to the congressional defense committees setting forth guidelines on how NNSA's current and future maintenance needs shall be met, including the types of criteria to be used. The goal of the guidelines included in the report should be to avoid NNSA maintenance backlogs. The Administrator of NNSA would be required to complete the selection of the Facilities and Infrastructure Recapitalization Program (FIRP) projects by December 31, 2004. The Operations of Facilities Program would remain a subprogram within the RTBF Program. Within the RTBF Program, the Deputy Administrator for Defense Programs would be required to appoint an individual manager to ensure the Operations of Facilities Program receives the focus and priority it requires. Finally, the amendment would require the Secretary of Energy to submit a detailed budget justification for the Operations of Facilities Program broken down into individual budget elements.

The conferees note that FIRP was originally envisioned and introduced to Congress as a ten-year program with a narrow and specific goal of eliminating the enormous maintenance backlog, which had accumulated over many years. Accordingly, FIRP would terminate on September 30, 2011, at the end of the program's tenth year.

The conferees are concerned that the NNSA has not placed enough priority on future maintenance and repair needs across the nuclear weapons complex. While FIRP seems to be making significant progress in addressing maintenance backlogs, the NNSA needs to make much more progress in addressing current and future maintenance and repair needs within the RTBF program.

Continuation of processing, treatment, and disposition of legacy nuclear materials (sec. 3115)

The Senate amendment contained a provision (sec. 3134) that would amend section 3137 of the National Defense Authorization Act for Fiscal Year 2001 (Public Law 106–398) that prohibited the Department of Energy (DOE) from decommissioning the F Canyon facility at the Savannah River Site until the Secretary of Energy and the Defense Nuclear Facilities Safety Board (DNFSB) jointly submits a report to the Committees on Armed Services of the Senate and the House of Representatives. The report would set forth an assessment of whether or not all materials present in the F Canyon are safely stabilized and future needs for fissile materials disposition can be met through H Canyon. The Senate provision would amend section 3137 of the National Defense Authorization

Act for Fiscal Year 2001 by deleting the requirement that F Canyon be maintained in a high state of readiness and eliminating the DNFSB certification requirement. In addition, the provision would require the DOE to submit a report to the congressional defense committees and the DNFSB before commencing the decommissioning of F Canyon. The provision would retain the requirement that H Canyon be maintained in a high state of readiness to ensure the availability of H Canyon for any future canyon processing needs.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Repeal of prohibition on research and development of low-yield nuclear weapons (sec. 3116)

The House bill contained a provision (sec. 3111) that would amend section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160). The provision would maintain the prohibition on development of new nuclear weapons with yields less than five kilotons, but would allow research on such weapons, including concept definition studies, feasibility studies, and detailed engineering design.

The Senate amendment contained a similar provision (sec. 3131) that: (1) would repeal section 3136 of the National Defense Authorization Act for Fiscal Year 1994 and thereby end the prohibition on research and development of low-yield nuclear weapons; (2) would state that nothing in the provision should be construed as authorizing the testing, acquisition, or deployment of a low-yield nuclear weapon; (3) would require the Secretary of Energy to obtain specific congressional authorization before commencing the engineering development phase, or any subsequent phase, of a low-yield nuclear weapon; and (4) would require the Secretary of State, the Secretary of Defense and the Secretary of Energy to jointly submit to Congress, no later than March 1, 2004, a report assessing whether or not the repeal of section 3136 of the National Authorization Act for Fiscal Year 1994 would effect the ability of the United States to achieve its nonproliferation objectives and whether or not any changes in programs and activities would be required to achieve those objectives.

The House recedes.

Requirement for specific authorization of Congress for commencement of engineering development phase or subsequent phase of robust nuclear earth penetrator (sec. 3117)

The Senate amendment contained a provision (sec. 3135) that would require the Secretary of Energy to obtain specific authorization from Congress to commence development engineering (phase 6.3) of the nuclear weapons development process, or any subsequent phase, of a robust nuclear earth penetrator weapon.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Proliferation Matters

Semi-annual financial reports on Defense Nuclear Nonproliferation Programs (sec. 3121)

The Senate bill contained a provision (sec. 3142) that would require the Administrator for Nuclear Security to submit to the Committees on Armed Services of the Senate and House of Representatives a report every six months on the financial status of Defense Nuclear Nonproliferation Programs. Each semi-annual report would describe the amount of funds authorized to be appropriated for the fiscal year in which the report would be submitted, and include the aggregate amount appropriated for that fiscal year, the amounts obligated, committed, and disbursed as of the end of the reporting period, and the amounts that remain available for obligation. The first report would be required in fiscal year 2004.

The House bill contained no similar provision.

The House recedes with a clarifying amendment that would require the Administrator for Nuclear Security to submit to the Committees on Armed Services of the Senate and House of Representatives a report every six months on the financial status of the Defense Nuclear Nonproliferation Programs by program. Each semi-annual report would set forth the amount of funds available for the fiscal year in which the report would be submitted, the carry over or uncommitted balances, the unobligated and unexpended balances as of the beginning of the reporting period, the aggregate of any new funds available during the reporting period, and the uncommitted or unobligated and unexpended balances as of the end of the reporting period. The reports are due to the committees 30 calendar days after the end of each fiscal half of the fiscal year. The first report would be due April 30, 2004, and would cover the first six months of fiscal year 2004.

Because the conferees are concerned with the high level of unexpended and unobligated balances in the Defense Nuclear Nonproliferation Programs, the conferees believe it is necessary that the program improve its budget management to expend funds in a timely and efficient manner without sacrificing oversight. The conferees believe that semi-annual financial reporting will assist the committees with tracking program expenditures to ensure that the national security benefit proposed by the Defense Nuclear Nonproliferation Programs can be realized.

Report on reduction of excessive unobligated or unexpended balances for defense nuclear nonproliferation activities (sec. 3122)

The Senate bill contained a provision (sec. 3143) that would require the Administrator for Nuclear Security to provide the Committees on Armed Services of the Senate and the House of Representatives with an aggressive plan to reduce the amount of funds obligated but not expended for the Defense Nuclear Nonproliferation Program if, at the end of fiscal year 2004, the program's obligated but not expended balances exceed 20 percent of the amount appropriated for the program in fiscal year 2004. This plan would be due not later than November 30, 2004. The purpose of the plan would be to provide the committees with the Department of Energy's strategic approach to addressing the low expenditures of de-

fense nuclear nonproliferation appropriated funds from current and previous fiscal years.

The House bill contained no similar provision.

The House recedes with technical amendments.

The conferees believe the Defense Nuclear Nonproliferation Program should strive to attain the department-wide average of 15 percent obligated but not expended level per fiscal year. Currently, the funds available for the program include almost 50 percent uncosted and unexpended balances. The conferees believe the program must address these expenditure rates immediately by taking a more focused and aggressive approach to expending these funds without sacrificing accountability, management, and oversight. The conferees urge the program to consider innovative methods in developing and implementing such an approach, such as utilizing more robust information technology systems to better track project expenditure rates and contracting activities.

Study and report relating to weapons-grade uranium and plutonium of the independent states of the former Soviet Union (sec. 3123)

The House bill contained a provision (sec. 1308) that would require the Secretary of Defense to conduct a study and submit a report to Congress not later than one year after the date of enactment of this Act. The study would examine the costs and benefits of purchasing all former Soviet Union weapons-grade uranium and plutonium in fiscal year 2005 and safeguarding it from smuggling or theft until it could be rendered unusable for nuclear weapons.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Energy to conduct a study and submit a report to Congress not later than one year after the date of enactment that would examine the feasibility, costs, and benefits of purchasing former Soviet Union weapons-grade uranium and plutonium excess to defense needs, and the feasibility and costs of safeguarding this material from theft until it can be rendered unusable for nuclear weapons. The conferees encourage the Secretary to include in the study an analysis of the feasibility of purchasing this material in one year, as well as other options in quantity and timing as the Secretary considers appropriate, and to consider several possible locations for safeguarding this material using risk of theft, cost, and practicality as metrics.

Authority to Use International Nuclear Materials Protection and Cooperation program funds outside the former Soviet Union (sec. 3124)

The Senate amendment contained a provision (sec. 3141) that would authorize the Secretary of Energy to conduct nuclear nonproliferation threat reduction activities and projects outside the states of the former Soviet Union for the International Nuclear Materials Protection and Cooperation program.

The House bill contained no similar provision.

The House recedes with an amendment that would require the President to make certain determinations and to notify the Congress in writing within 10 days after obligating funds under this

authority of those determinations as follows: (1) that the project or activity will assist the United States in the resolution of a critical emerging proliferation threat; or permit the United States to take advantage of opportunities to achieve long-standing nonproliferation goals; (2) that the Department of Energy is the entity of government most capable of carrying out the project or activity; and (3) that the project or activity will be completed in a short period of time. The written notification is to include a justification for the determinations and a description of the scope and duration of the project or activity.

The conferees expect that the President would assign such projects or activities to the agency whose mission is most appropriate to the project or activity. The conferees further expect that this authority will be used only for projects or activities that are expected to be completed within a short period of time.

Requirement for on-site managers (sec. 3125)

The House bill contained a provision (sec. 3117) that would require the Secretary of Energy to appoint a federal employee as an on-site manager before obligation of funds for any defense nuclear nonproliferation program that involves dismantlement, destruction, or storage facilities, or construction of a facility, and that is executed in a state of the former Soviet Union, if the total contribution by the Department of Energy is expected to exceed $25.0 million.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to appoint an employee of the Federal Government as an on-site manager to oversee any defense nuclear nonproliferation program that involves dismantlement, destruction, or storage facilities, or construction of a facility, and that is executed in a state of the former Soviet Union, if the total contribution by the Department is expected to exceed $50.0 million. The amendment would allow one individual to serve as the site manager for more than one project so long as the total cost of the projects does not exceed $150.0 million for that fiscal year.

Subtitle D—Other Matters

Performance of personnel security investigations of certain Department of Energy and Nuclear Regulatory Commission Employees in Sensitive Programs (sec. 3131)

The Senate amendment contained a provision (sec. 3151) that would amend section 145 of the Atomic Energy Act of 1954 (Public Law 83–703) to provide the Secretary of Energy the authority to refer security investigations to either the Federal Bureau of Investigations (FBI) or the Office of Personnel Management (OPM). Current law requires the FBI to investigate all initial personnel security investigations and all reinvestigations for DOE federal and contractor employees assigned to a Department of Energy Special Access Program (SAP) or a Personnel Security and Assurance Program.

The House bill contained no similar provision.

The House recedes with an amendment that would amend section 145(e)(2) of the Atomic Energy Act of 1954 to repeal the re-

quirement that the Secretary or the Commissioner of the Nuclear Regulatory Commission (NRC), as successors to the Atomic Energy Commission, must refer security investigations concerning DOE federal and contractor employees assigned to a Personnel Security and Assurance Program to the FBI. Under this provision, the Secretary or Commissioner would have the authority to refer such personnel security investigations to either the FBI or OPM, as successor to the Civil Service Commission. Nothing in this provision would change the requirement that the Secretary or Commissioner must refer security investigations to the FBI for DOE federal and contractor employees assigned to a DOE Special Access Program, or the authority to refer security investigations to the FBI for personnel that the Secretary or the Commissioner certifies, due to their specific position, to be of a high degree of importance or sensitivity.

Policy of Department of Energy regarding future defense environmental management matters (sec. 3132)

The Senate amendment contained a provision (sec. 3152) that would require the Secretary of Energy to establish a policy to clarify the shared or overlapping responsibilities between the Environmental Management (EM) program and the National Nuclear Security Administration (NNSA). This provision would require the Secretary to include a report declaring DOE's policy on these matters to be submitted with the administration's budget request for fiscal year 2005.

The provision would also require the Secretary of Energy to prepare a plan to implement the new policy to be presented with the administration's budget request for fiscal year 2006.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Energy to put in place, not later than October 1, 2005, a policy for carrying out future defense environmental management matters that have not already been included or considered in the Defense Site Acceleration Completion plan. The Secretary of Energy shall include in the budget submission for fiscal year 2005 a report on the policy the Secretary plans to have in effect as of October 1, 2005. The Secretary of Energy must have the policy in effect no later than October 1, 2005, and reflect the policy in the budget submission for fiscal year 2006 and each fiscal year thereafter.

The conferees support EM's initiative to accelerate cleanup across the entire NNSA and former nuclear weapons facilities complex. However, as the Secretary seeks to define and designate the complete scope of cleanup and waste management within the accelerated cleanup initiative, the conferees want to ensure that it is clear which program will be responsible for future defense EM matters. The Secretary of Energy can clarify this matter by establishing a clear policy that would help both EM and NNSA plan for future cleanup activities and the associated costs.

Inclusion in 2005 stockpile stewardship plan of certain information relating to stockpile stewardship criteria (sec. 3133)

The Senate amendment contained a provision (sec. 3153) that would require the Secretary of Energy to submit a report to the

congressional defense committees, by March 1, 2005, on clear and specific criteria for judging whether the science-based tools being used by the Department of Energy for determining the safety and reliability of the nuclear weapons stockpile are performing in a manner that will provide an adequate degree of certainty regarding the safety and reliability of the stockpile. This would be an update of the report required in section 3158 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.

The House bill contained no similar provision.

The House recedes with an amendment that would include this report as part of the Fiscal Year 2005 Stockpile Stewardship Plan. The conferees note that this annual report has been consistently late and urge the Department to submit this important report on time.

Progress reports on energy employees occupational illness compensation program (sec. 3134)

The Senate amendment contained a provision (sec. 3154) that would require the National Institute for Occupational Safety and Health (NIOSH) to submit a report to Congress on the ability of NIOSH to obtain, in a timely, accurate, and complete manner, information necessary to carry out radiation dose reconstructions under the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA). The report should be submitted within 90 days of enactment of this Act.

The House bill contained no similar provision.

The House recedes.

The conferees direct NIOSH to send the report to the congressional defense committees, the Committees on Government Affairs and Health Education, Labor and Pensions of the Senate, and the Committees on Government Reform and Education and the Workforce of the House of Representatives.

Report on integration activities of Department of Defense and Department of Energy with respect to robust nuclear earth penetrator (sec. 3135)

The Senate amendment contained a provision (sec. 3155) that would require the Secretary of Energy and Secretary of Defense to develop, submit to Congress three months after the date of the enactment of this Act, and implement, a plan to coordinate the robust nuclear earth penetrator (RNEP) feasibility study at the Department of Energy (DOE) with the ongoing conventional hard and deeply buried weapons development programs at the Department of Defense.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the reporting requirement of section 1032 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) to include analysis of the integration and interoperability of the robust nuclear earth penetrator with regard to research and development, procurement, and other activities by the Departments of Defense and Energy during fiscal year 2003. This information would be included in the report due April 1, 2004.

Subtitle E—Consolidation of National Security Provisions

Transfer and consolidation of recurring and general provisions on Department of Energy national security programs (sec. 3141)

The House bill contained a provision (sec. 3121) that would assemble under the Atomic Energy Defense Act (title XXXVI) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314), with technical and conforming amendments, recurring and general provisions of law on Department of Energy national security programs that remain in force. Although there are technical and conforming changes resulting in the recodification there are no substantive changes in law effecting the DOE national security programs. The provisions of the Atomic Energy Defense Act, as amended by this provision, would be redesignated to a new chapter of title 50, United States Code.

The Senate amendment contained a similar provision (sec. 3161).

The Senate recedes with technical amendments.

Items of Special Interest

Thorium-based fuel cycle research

The conferees believe the Secretary of Energy should review whether there is a role for thorium fuel cycle research in Department of Energy programs, to include nonproliferation programs under the National Nuclear Security Administration and advanced fuel cycle research and related work under the Office of Nuclear Energy. If the Secretary determines this technology should be pursued, this should be reflected in the Fiscal year 2005 budget request.

Legislative Provisions Not Adopted

Extension to all DOE facilities of authority to prohibit dissemination of certain unclassified information

The House bill contained a provision (sec. 3113) that would amend section 148 of the Atomic Energy Act of 1954 (Public Law 83–703) to expand the range of situations under which the Department of Energy could treat information as sensitive unclassified nuclear information, and consequently limit its dissemination.

The Senate amendment contained no similar provision.

The House recedes.

Availability of funds

The House bill contained a provision (sec. 3115) that would amend section 3628 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) by establishing a three-year limitation on the availability of funds for obligation within the National Nuclear Security Administration (NNSA), for operation and maintenance and for plant projects.

The Senate amendment contained no similar provision.

The House recedes.

The conferees are concerned that the NNSA has not complied with section 3252 of the National Nuclear Security Administration

Act (Public Law 106–65), which provides that at a minimum, the NNSA Administrator should establish procedures that ". . . provide for the planning, programming, and budgeting of activities of the Administration using funds that are available for obligation for a limited number of years." Contrary to the requirements of section 3252, the last four NNSA budget submissions have not included a limit on the number of years the funds were available for obligation. While the conferees have agreed not to include a provision that would place a specific limitation on the authority of funds in this Act, the conferees expect the Administrator to meet the requirements of section 3252 of the NNSA Act in the fiscal year 2005 budget and subsequent submissions.

Limitation on obligation of funds for nuclear test readiness program

The House bill contained a provision (sec. 3116) that would prohibit the obligation of more than 40 percent of funds available to the Secretary of Energy in fiscal year 2004 for the nuclear test readiness program until the Secretary submits the report on test readiness posture options required by subsection 3142(c) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314).

The Senate amendment contained no similar provision.

The House recedes.

The report on test readiness posture options was sent to the congressional defense committees on May 20, 2003, and received shortly thereafter. While this made the funding limitation in the House bill no longer necessary, the conferees note that the report was sent several months late even though the information in that report was very relevant to the fiscal year 2004 budget request for enhanced test readiness. The conferees encourage the Department of Energy to use due diligence in meeting report schedules and deadlines in the future.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

LEGISLATIVE PROVISIONS ADOPTED

Authorization (sec. 3201)

The House bill contained a provision (sec. 3201) that would authorize $19.6 million for the Defense Nuclear Facilities Safety Board for fiscal year 2004.

The Senate amendment contained an identical provision (sec. 3201).

The conference agreement includes this provision.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS ADOPTED

Authorized Uses for National Defense Stockpile Funds (sec. 3301)

The House bill contained a provision (sec. 3301) that would authorize $69.7 million from the National Defense Stockpile Transaction Fund for the operation and maintenance of the National Defense Stockpile for fiscal year 2004. The provision would also per-

mit the use of additional funds for extraordinary or emergency conditions 45 days after a notification to the Congress.

The Senate amendment contained no similar provision.

The Senate recedes.

Revisions to required receipt objectives for previously authorized disposals from National Defense Stockpile (sec. 3302)

The House bill contained a provision (sec. 3302) that would amend section 3402 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) to increase the required receipt objectives for previously authorized disposals from the National Defense Stockpile.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would increase the required receipt objectives for previously authorized disposals from the National Defense Stockpile.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

LEGISLATIVE PROVISIONS ADOPTED

Authorization of appropriations (sec. 3401)

The House bill contained a provision (sec. 3401) that would authorize $16.5 million for the operation and maintenance of the Naval Petroleum and Oil Shale Reserves.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees understand that the administration intends to request the transfer of Naval Petroleum Reserve Two from the Department of Energy to the Department of Interior, and that additional authority is necessary to proceed with such a transfer. The conferees expect that a legislative package authorizing the transfer would include the requisite changes to title 10, United States Code, as well as the appropriate budgetary adjustments.

TITLE XXXV—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS ADOPTED

Title XXXV—Maritime Administration (sec. 3501–3546)

The House bill contained several provisions (sec. 3501–3542) that would establish a new maritime security fleet program, beginning in fiscal year 2006, establish a new national defense tank vessel construction assistance program, provide for the authorization of appropriations for the Maritime Administration (MARAD) for fiscal year 2004, and authorize the transfer of the USS *Hoist* to the Last Patrol Museum, Toledo, Ohio.

The Senate amendment contained no similar provisions.

The Senate recedes with an amendment that would: (1) authorize appropriations for MARAD for fiscal years 2004–2008; (2) provide general authority to MARAD to convey obsolete vessels without additional statutory authorization; (3) amend current law to bring the service obligation of maritime academy students more in line with the requirements of students at the other federal service academies; (4) amend current law as it pertains to the preparation

of MARAD obsolete vessels for use as artificial reefs; (5) allow MARAD to establish a pilot program to reimburse vessels participating in the maritime security program for extra cost for conducting U.S.-based maintenance and repair; (6) authorize changes to the current title XI loan guarantee program to reduce the likelihood of defaults; and (7) establish a new maritime security fleet program and a new national defense tank vessel construction assistance program.

Section 3512 would grant MARAD general authority to transfer obsolete vessels without the need for specific legislative authorization. Many of these ships are in disrepair and are no longer useful for government purposes, but could be used by not-for-profit corporations as museums, or by states or commonwealths for other public interest projects.

Under section 3515 of this title, students at the U.S. Merchant Marine Academy and students at the state maritime academies who receive federal scholarship assistance and who have attended their respective schools for two or more years would be required to serve on active duty or to reimburse the government for educational expenses if the Secretary of Transportation determined that the individuals breached their service agreement. If for any reason the individual were not ordered to active duty, the Secretary would be authorized to recover costs of the provided education, including the use of federal debt collection procedures, or other remedies to obtain payment. This section would also grant the Secretary similar authority with respect to graduate students. This change would align the service obligation of maritime academy students more closely with the requirements of students at the other federal service academies. The section would further require that U.S. Merchant Marine Academy graduates and graduates of state maritime academies who receive federal financial assistance maintain a valid merchant mariner license and certification under the International Convention for the Standards of Training, Certification, and Watch-keeping. Such a mandate would ensure that maritime academy graduates possess the license and certifications necessary to meet Coast Guard requirements. The section would also authorize an increase in the amount of annual student incentive payments for state maritime academy graduates from $3,000 to $4,000. The conferees expect that this increase would offset the increasing costs of higher education and encourage students to serve the maritime and national security needs of the United States.

The conferees agree to include a provision (sec. 3516) that would make technical amendments to section 3504(b) of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (Public Law 107–314) regarding environmental best management practices for preparing vessels for use as artificial reefs. It is anticipated that these technical modifications would facilitate the development of useful guidance for the preparation of obsolete vessels for use as artificial reefs.

Section 3517 would authorize the Secretary to establish a pilot program that would provide financial assistance to maritime security fleet contractors for the cost of repairs performed in the United States. The conferees expect that this program could be adminis-

tered in a way that would benefit and enhance our domestic ship repair base, on which we rely for such important activities as maintaining and activating the Ready Reserve Force ships during emergencies. The conferees also believe that MARAD could administer such a pilot program in a manner that would hold operators of the U.S.-flag maritime security fleet harmless.

Subtitle B would amend the Merchant Marine Act, 1936 (46 U.S.C. App. 1274 et seq.) to require the Secretary of Transportation to adopt several changes to the vessel loan guarantee program to help reduce the likelihood of loan defaults. Section 3521 would require the Secretary to establish a system of controls to ensure that no loan or portion of a loan is disbursed to a ship owner before the obligor of a loan guarantee has met its cost-sharing obligation (25 percent or 12.5 percent depending on the type of vessel).

Section 3522 would require the Secretary to promulgate regulations regarding the circumstances under which MARAD could waive requirements concerning the financial condition of the applicant, and establish a transparent, independent, risk-based process for verifying and documenting the progress of projects under construction before disbursing loan funds.

Section 3523 would require the Secretary to monitor the financial condition and operation of the obligor on a regular basis during the term of the guarantee and to take additional action if financial issues jeopardize the obligor's continued ability to meet its responsibilities.

Section 3524 would require the Secretary to maximize the return on a default-related sale of assets by obtaining independent appraisals and ensuring adequate competition during foreclosure proceedings.

The conference agreement also includes provisions that would set deadlines for secretarial approval or denial of applications for loan guarantees (sec. 3525), and would allow the Secretary to obtain an independent risk analysis related to markets, technology, financial structures, or other factors (sec. 3526). The conferees intend that the Secretary should not use this authority in routine cases nor where the MARAD already has sufficient expertise to assess fully the risk of approving a loan guarantee application.

Section 3528 would require the Secretary to develop an organizational framework for the management of the loan guarantee program to ensure a clear distinction among the functions of loan application and approval, project monitoring, and default management. The Secretary would need to update loan guarantee program risk categories and associated subsidy rates on an annual basis. The Secretary would also be required to consider the risk presented by an unduly large percentage of loans outstanding by any one borrower or group of affiliated borrowers before making an obligation or commitment.

Section 3531 would establish a new maritime security fleet program upon the expiration of the current program at the end of fiscal year 2005. The new program would expand upon the current program by increasing the number of participating vessels and the size of the monetary payment allowable for each participating vessel. Under the new program, the Department of Defense (DOD), in conjunction with the Department of Transportation (DOT), could

select the participants and vessels that could provide the type of sealift support that best complements the Department's organic fleet. The new program would reflect an expansion beyond the use of liner operators. In fact, the conferees intend that this program would include significant roll on/roll off assets and double hulled product tanker assets. The Secretary of Transportation, in conjunction with the Secretary of Defense, could enter into 60 operating agreements with eligible applicants, as opposed to the current authorization for 47 such agreements. The section would also authorize, subject to appropriations, contractor reimbursement for each vessel operated in the program: $2.6 million per year for each of fiscal years 2006, 2007, and 2008; $2.9 million per vessel for each of fiscal years 2009, 2010, and 2011; and $3.1 million per vessel for each of fiscal years 2012, 2013, 2014, and 2015.

Section 3531 would establish age restrictions for vessels entering the new maritime security fleet program, but would allow operators with certain vessels that have participated in the current program an additional 30 months to meet these requirements. The conferees expect that the DOD, in conjunction with the DOT, would work closely with existing program participants and new applicants to ensure that the newest and most capable vessels enter the program or are offered as replacement vessels. The conferees recognize that certain older vessels may remain in the program for some time. However, the conferees encourage new and existing participants to work closely with the DOD and DOT to address the Departments' operational requirements that are not adequately addressed by the current fleet.

Section 3531 would establish four categories of eligibility for program participation: (1) vessels owned and operated by persons who are citizens of the United States, as described under section 2 of the Shipping Act, 1916 (46 U.S.C. 802); (2) vessels owned by section 2 citizens or U.S. citizens' trusts, and chartered to a documentation citizen; (3) vessels owned and operated by a defense contractor; and (4) vessels owned by a documentation citizen, but chartered to a section 2 citizen. The provision would impose additional requirements for corporate management and control of the demise charterer for categories (2) and (3). In the case of category (3), the provision would also impose a requirement for a special security agreement.

Finally, section 3531 would establish priorities for the award of new agreements.

(1) The first priority for up to five agreements or slots would be accorded to section 2 citizens who own and operate new tank vessels constructed in the United States. The conferees note that the lack of U.S.-flag tankers for transporting jet fuel posed a serious risk to U.S. resupply operations in Iraq. The establishment of a new priority for U.S.-built, -owned, and -operated tankers is a first step in alleviating this serious shortfall. During Operation Iraqi Freedom, the United States chartered 26 double hulled product tankers for the supply effort, however, only one was a documented U.S.-flag vessel. While this group of vessels was able to support our forces during Operation Iraqi Freedom, the fact that only one was operated by a U.S.-flag carrier raises concerns about the level of support for future operations.

(2) The second priority for the award of new operating agreements would be accorded to the 47 vessels that are participating in the current program. Additional latitude would be granted on the age restrictions to allow for replacement of older vessels with newer, more militarily useful vessels.

(3) The third priority would be reserved for vessels that are owned and operated by section 2 citizens, or owned by documentation citizens and operated by section 2 citizens.

Section 3535 would require the Comptroller General of the United States to conduct a study to determine the potential effects of increasing or decreasing the current 7,500 ton limitation on the carriage of bulk food aid cargo by maritime security program participants, and to examine whether the limitation should apply to bagged cargo, as well as bulk cargo.

Section 3541 would establish a new national defense tank vessel construction assistance program. This program would provide financial assistance to U.S. citizen owners in the form of a direct payment for up to 75 percent of the actual vessel construction, but in no case more than $50.0 million per vessel. The provision would:

(1) Establish size restrictions to ensure that these double hulled vessels would be competitive in the commercial market and would meet the petroleum transportation needs of the DOD in time of war or other national emergency;

(2) Grant vessel owners a priority for loan guarantees and would make them eligible to use funds in their capital construction fund accounts for building these vessels; and

(3) Give vessel owners priority for the award of an operating agreement under the new maritime security program.

The conferees believe that this construction assistance program would reduce the need for reliance on foreign-flag product tankers.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authority to convey National Defense Reserve Fleet vessels and vessel contents

The House bill contained a provision (sec. 3543) that would authorize the Secretary of Transportation to convey the right, title, and interest of the U.S. Government to certain obsolete National Defense Reserve Fleet (NDRF) vessels for use as moored support ships and as memorials.

The Senate amendment contained no similar provision.

The House recedes.

The conferees agree to provide the Secretary with the general and permanent authority to transfer obsolete NDRF vessels without specific statutory authority for each transfer, as provided elsewhere in this conference report. The conferees expect that the Secretary would quickly develop procedures to allow for the efficient and safe transfer of these obsolete vessels to deserving not-for-profit corporations, appropriate states, or commonwealths.

TITLE XXXVI—NUCLEAR SECURITY INITIATIVE

Short title (sec. 3601)

The House bill contained a provision (sec. 3601) that would name this title the "Nuclear Security Initiative Act of 2003."

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle A—Administration and Oversite of Threat Reduction and Nonproliferation Programs

Management assessment of Department of Defense and Department of Energy threat reduction and nonproliferation programs (sec. 3611)

The House bill contained a provision (sec. 3621) that would require the National Academy of Sciences to carry out an analysis of the effect on threat reduction and nonproliferation programs of applicable congressional oversight measures.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the General Accounting Office to carry out an assessment of the management of the Department of Defense and Department of Energy threat reduction and nonproliferation programs.

Subtitle B—Relations Between the United States and Russia

Comprehensive inventory of Russian tactical nuclear weapons (sec. 3621)

The House bill contained a provision (sec. 3631) that would urge the United States to work with the Russian Federation to develop comprehensive inventories of Russian highly enriched uranium, weapons-grade plutonium, and assembled warheads, with special attention to be focused on tactical warheads and warheads that are no longer operationally deployed. The provision would require the President to submit to the Congress an annual report describing progress that has been made toward creating an inventory and exchanging the information.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would urge the United States to work with the Russian Federation to develop a comprehensive inventory of Russian tactical nuclear weapons. The provision would require the President to submit to the Congress a report describing the progress that has been made toward creating such an inventory.

Establishment of interparliamentary threat reduction working group (sec. 3622)

The House bill contained a provision (sec. 3632) that would establish a Duma-Congress nuclear threat reduction working group. The purpose of the working group would be to explore means to enhance cooperation between the United States and the Russian Federation with respect to nuclear proliferation and security, and other issues related to reducing nuclear weapons dangers.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would broaden the working group to include participants from the Russian Federation Council as well as the Russian Duma, and would broaden the focus of the working group to include all types of weapons of mass destruction.

The conferees recommend that this working group coordinate its activities with the Library of Congress Open World Program. The conferees further recommend that the number of Russian participants in the working group be roughly equal to the number of U.S. participants.

Sense of Congress on cooperation by United States and NATO with Russia on ballistic missile defenses (sec. 3623)

The House bill contained a provision (sec. 3633) that would establish as national policy that: (1) the United States should take the lead, in conjunction with the North Atlantic Treaty Organization (NATO), in arranging appropriate cooperative relationships with the Russian Federation with respect to development and deployment of theater-level ballistic missile defenses; (2) such cooperation should promote a new bilateral strategic framework consisting of transparency and confidence between and improve security of the two countries. The provision would also require the President to submit a report to Congress, no later than a year after the enactment of this Act, on the feasibility of increasing cooperation with the Russian Federation on theater-level missile defenses.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the President, in conjunction with NATO, should encourage appropriate cooperative relationships with the Russian Federation in the development and deployment of ballistic missile defenses. The amendment would also require the Secretary of Defense to submit a report to the Armed Services Committees of the Senate and House of Representatives not later than one year after the date of enactment of this Act, on the feasibility of increasing ballistic missile defense cooperation with the Russian Federation.

The conferees believe that missile defense cooperation with the Russian Federation could improve the U.S. relationship with Russia by enhancing transparency and confidence between the two nations. The conferees also believe that such cooperation would accurately reflect a new bilateral relationship between the United States and Russia based on openness, common interests, and mutual trust, rather than the Cold War construct of mutual assured destruction.

Sense of Congress on enhanced collaboration to achieve more reliable Russian early warning systems (sec. 3624)

The House bill contained a provision (sec. 3634) that would make certain findings and establish as national policy that the President should: (1) encourage joint United States-Russian programs to improve Russian ballistic missile early-warning systems, including the Russian-American Observation Satellite (RAMOS) program and (2) encourage other joint programs to assure that the Russian Federation has reliable information regarding ballistic

missile launches. It would also require the Secretary of Defense to ensure that, pending a new agreement between the United States and the Russian Federation, sufficient funds are appropriated for the RAMOS program for its satisfactory continuation during fiscal years 2004 and 2005.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of Congress that the United States should, consistent with U.S. national security interests: (1) encourage joint efforts by the United States and the Russian Federation to improve Russian ballistic missile early warning systems; (2) encourage other U.S.-Russian programs to ensure that the Russian Federation has reliable information concerning ballistic missile launches; and (3) ensure that funds appropriated for RAMOS Program are used to provide for the satisfactory continuation of RAMOS.

Subtitle C—Other Matters

Promotion of discussions on nuclear and radiological security and safety between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development (sec. 3631)

The House bill contained a provision (sec. 3641) that would express the sense of the Congress that the United States should seek to initiate discussions between the International Atomic Energy Agency and the Organization for Economic Cooperation and Development for the purpose of exploring issues of nuclear and radiological security and safety, including the creation of new sources of revenue (including debt reduction) for states to provide nuclear security. The provision would require the President to submit to the Congress a report on the efforts made by the United States to initiate such discussions and on the results of such discussions.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the President to submit a report to the Congress on the results of the discussions only if efforts to have such discussions have been made.

LEGISLATIVE PROVISIONS NOT ADOPTED

Annual report on the use of funds appropriated for threat reduction and nonproliferation in states of the former Soviet Union

The House bill contained a provision (sec. 3622) that would require the Secretary of Energy, in consultation with the Secretary of Defense, to submit an annual report on the use of funds appropriated for threat reduction and nonproliferation programs in the Russian Federation and the other independent states of the former Soviet Union.

The Senate amendment contained no similar provision.

The House recedes.

Establishment of International Nuclear Materials Protection and Cooperation Program in Department of State

The House bill contained a provision (sec. 3611) that would authorize the Secretary of State to establish an international nuclear

materials protection and cooperation program with respect to countries other than the Russian Federation and the other independent states of the former Soviet Union.

The Senate amendment contained no similar provision.

The House recedes.

Nonproliferation fellowships

The House bill contained a provision (sec. 3636) that would authorize the Administrator for Nuclear Security to carry out a program under which the Administrator awards, to scientists employed at the Kurchatov Institute of the Russian Federation and the Lawrence Livermore National Laboratory, international exchange fellowships, to be known as Teller-Kurchatov Fellowships, in the nuclear nonproliferation sciences. The purpose of the program would be to provide opportunities for advancement in the field of nuclear nonproliferation to scientists who, as demonstrated by their academic or professional achievements, show particular promise of making significant contributions in that field.

The Senate amendment contained no similar provision.

The House recedes.

The conferees recommend that the Secretary of Energy assess the feasibility and advisability of initiating a reciprocal nonproliferation fellowship program that would provide the opportunity for an employee of a U.S. national laboratory, and an employee of a Russian nuclear institute or nuclear laboratory, to study and work at a comparable institute or laboratory in the other country focusing on nuclear nonproliferation sciences.

Plan for and coordination of chemical and biological weapons nonproliferation programs with states of the former Soviet Union

The House bill contained a provision (sec. 3623) that would require the President to develop with the President of the Russian Federation a comprehensive plan to: account for, secure and destroy all chemical and biological weapons and the materials designed for use in such weapons that are located in Russia and the independent states of the former Soviet Union; and prevent the outflow from those states of the technology and scientific expertise that could be used for developing such weapons or their means of delivery.

The Senate amendment contained no similar provision.

The House recedes.

Teller-Kurchatov Alliance for Peace

The House bill contained a provision (sec. 3635) that would urge the Secretary of Energy to enter into an agreement with the Minister of Atomic Energy of the Russian Federation to carry out a cooperative venture, to be known as the Teller-Kurchatov Alliance for Peace, to develop and promote peaceful, safe, and environmentally sensitive uses of nuclear energy.

The Senate amendment contained no similar provision.

The House recedes.

From the Committee on Armed Services, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

DUNCAN HUNTER,
CURT WELDON,
JIM SAXTON,
JOHN M. MCHUGH,
TERRY EVERETT,
ROSCOE BARTLETT,
HOWARD "BUCK" MCKEON,
MAC THORNBERRY,
JOHN HOSTETTLER,
WALTER B. JONES,
JIM RYUN,
JIM GIBBONS,
ROBIN HAYES,
HEATHER WILSON,
KEN CALVERT,
IKE SKELTON,
SOLOMON P. ORTIZ,
LANE EVANS,
NEIL ABERCROMBIE,
SILVESTRE REYES,

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X:

PORTER J. GOSS,
PETE HOEKSTRA,
JANE HARMAN,

From the Committee on Agriculture, for consideration of secs. 1057 and 2822 of the House bill, and modifications committed to conference:

BOB GOODLATTE,
FRANK D. LUCAS,
CHARLES W. STENHOLM,

From the Committee on Education and the Workforce, for consideration of secs. 544, 553, 563, 567, 907, 1046, 1501, 1502, and 1504–1506 of the House bill, and secs. 233, 351, 352, 368, 701, 1034, and 1036 of the Senate amendment, and modifications committed to conference:

MICHAEL N. CASTLE,
JOHN KLINE,

From the Committee on Energy and Commerce, for consideration of secs. 601, 3113, 3201, and 3517 of the House bill, and secs. 601, 701, 852, 3151, and 3201 of the Senate amendment, and modifications committed to conference:

BILLY TAUZIN,
JOE BARTON,

From the Committee on Financial Services, for consideration of secs. 814 and 907 of the House bill, and modifications committed to conference:

MICHAEL G. OXLEY,
PETER T. KING,

From the Committee on Government Reform, for consideration of secs. 315, 323, 551, 805, 822, 824, 828, 829, 1031, 1046, 1050, 1057, Title XI, Title XIV, secs. 2825 and 2826 of the House bill, and secs. 326, 801, 811, 813, 822, 831–

833, 841, 852, 853, 1013, 1035, 1102–1104, and 2824–2826 of the Senate amendment, and modifications committed to conference:

TOM DAVIS,
CHRISTOPHER SHAYS,
JO ANN DAVIS,
ADAM H. PUTNAM,
MICHAEL R. TURNER,

From the Select Committee on Homeland Security, for consideration of sec. 1456 of the House bill, and modifications committed to conference:

CHRISTOPHER COX,
JOHN SHADEGG,
BENNIE G. THOMPSON,

From the Committee on House Administration, for consideration of sec. 564 of the Senate amendment, and modifications committed to conference:

ROBERT W. NEY,
JOHN L. MICA,
JOHN B. LARSON,

From the Committee on International Relations, for consideration of secs. 1047, 1201, 1202, 1209, Title XIII, secs. 3601, 3611, 3631, 3632, and 3634–3636 of the House bill, and secs. 323, 343, 921, 1201, 1202, 1204, 1205, 1207, 1208, Title XIII, and sec. 3141 of the Senate amendment, and modifications committed to conference:

HENRY HYDE,
DOUG BEREUTER,

From the Committee on the Judiciary, for consideration of secs. 661–665 and 851–853 of the Senate amendment, and modifications committed to conference:

JAMES F. SENSENBRENNER, Jr.,
LAMAR SMITH,

From the Committee on Resources, for consideration of secs. 311, 317–319, 601, and 1057 of the House bill, and secs. 322, 330, and 601 of the Senate amendment, and modifications committed to conference:

RICHARD POMBO,
DENNY REHBERG,

From the Committee on Science, for consideration of secs. 852 and 911 of the Senate amendment, and modifications committed to conference:

SHERWOOD BOEHLERT,
NICK SMITH,
RALPH M. HALL,

From the Committee on Transportation and Infrastructure, for consideration of secs. 312, 601, 907, 1049, 1051, and 2824 of the House bill, and secs. 324, 601, and 2821 of the Senate amendment, and modifications committed to conference:

DON YOUNG,
THOMAS PETRI,
BRAD CARSON,

From the Committee on Veterans Affairs, for consideration of sec. 565 of the House bill, and secs. 644 and 707 of the Senate amendment, and modifications committed to conference:

CHRISTOPHER H. SMITH,
MIKE BILIRAKIS,

From the Committee on Ways and Means, for consideration of sec. 701 of the Senate amendment, and modifications committed to conference:

WILLIAM THOMAS,
JIM MCCRERY,
Managers on the Part of the House.

JOHN W. WARNER,
JOHN MCCAIN,
JAMES INHOFE,
PAT ROBERTS,
WAYNE ALLARD,
JEFF SESSIONS,
SUSAN COLLINS,
JOHN ENSIGN,
JAMES TALENT,
SAXBY CHAMBLISS,
LINDSEY GRAHAM,
ELIZABETH DOLE,
JOHN CORNYN,
E. BENJAMIN NELSON,
MARK PRYOR,
Managers on the Part of the Senate.

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